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COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

PROGRESS AND OUTLOOK FOR U.S.
SECURITY ASSISTANCE TO THE
REPUBLIC OF KOREA
Departments of Defense
and State



D I G E S T

This report should be helpful to the Congress in determining the nature and level of future security assistance programs, not only to the Republic of Korea but also to other countries.

In a dramatic reversal of the situation existing 2 years ago, U.S. advisors succeeded in helping the Republic of Korea to make impressive gains toward attaining security assistance objectives. For example:

- Ground and air combat readiness have improved markedly and ground forces are well prepared to defend Korea.
- Korea is picking up most of its security program costs.
- U.S. officials have succeeded in getting Korea to develop plans for financing its security program. (See pp. 5 to 8.)

Notwithstanding generally favorable program results, problems relating primarily to logistical support for U.S.-furnished defense articles which have been phased out of the U.S. system and to overall logistical planning still exist.

The Foreign Assistance Act of 1974 directed that military assistance grant programs be rapidly terminated, consistent with U.S. security and foreign policy requirements. Future plans in Korea include a general phasedown of U.S. grant security assistance and an increase in Foreign Military Sales. Although grant aid to Korea has been largely reduced, the complete phaseout of grant security assistance is not scheduled until sometime after fiscal year 1981.

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U.S. military advisory groups in countries currently receiving U.S. grant security assistance may well benefit from the experiences gained in Korea which involved coordinated actions between officials of the United States and Korea. Accordingly, GAO recommends that the Secretaries of Defense and State:

--Consider using the Republic of Korea's example as a model for other advisory groups' use in pursuing worldwide U.S. security assistance objectives.

--Consult with Korean officials in an effort to try to further improve the management of such key areas as logistical planning and support.

--Attempt to persuade Korea to pay complete costs for the joint U.S. Military Advisory Group, including U.S. salaries and military training, in lieu of current plans to ask for only about half these costs. (See p. 13.)

The Departments of Defense and State generally agreed with our first two recommendations. However, they observed that some factors were unique to the Korean situation, such as the extensive and close relationship of the two countries' military organizations, Korean interest in improving national security, and the rapidly developing Korean economy. Therefore, they believe that the lessons of the Korean experience would need to be adapted to the particular situations of other Military Assistance Program recipient countries. (See p. 13.)

The Departments believe that asking Korea to fund all costs of the Joint Military Advisory Group seems to be premature. Korea is presently undergoing the transition from grant aid to Foreign Military Sales credit funding and this change should be completed before considering asking for full funding of the Group's costs. Also, Defense maintains that it may prove appropriate for the United States to continue funding the Group's costs in order to further U.S. interests in Korea. However, GAO is of the opinion that the current U.S. presence in Korea can

be used to further interests there and that the residual amount of grant security assistance used for the Group's costs is not needed for this purpose. (See p. 14.)