I. Soviet ground forces are in process of cutback and extensive re-equipping.

   A. In January 1980 Khrushchev said USSR was reducing 3,623,000-man services to 2,423,000. Army now believed to have 2,150,000, plus 250,000 security troops -- a reduction of about 400,000 from pre-1960 levels.

   B. Reducing from base of about 175 divisions -- a constant since the Korean War -- Soviet army now has 152 divisions.

      1. 33 are rifle, 85 motorized and mechanized, 26 tank, and 8 airborne. (About 50 at 40% strength)

      2. 20 are in East Germany, 4 in Hungary and 2 in Poland, remainder in USSR.

      3. Those in Satellites are among best and best-equipped in Soviet army. Has been no reduction among these forces during cutback, emphasizing importance USSR attaches to this area.

   C. Re-equipping program has resulted in great increase in firepower and striking range of army.

      1. Most important additions in field of increased mobility by provision of better transport aircraft, more trucks, better armor.
2. Firepower increased by provision of mobile surface-to-air missiles, 15 to 35 mile "Honest John"-type rockets, guided missiles with ranges up to 750 miles.

D. Believe trend will be to further reduction of number of divisions with
   1. All rifle units converted to motorized, tank and airborne divisions
   2. Simultaneous total increase in firepower and consequent increase in overall offensive and defensive capabilities.

E. Also believe there will be greater cooperation between forces of the Warsaw Pact--the USSR and European Satellites—in effort to make organization more effective. Big question is whether Soviets will find it possible to turn over nuclear weapons to the satellites, thus giving them status of trusted partners of the Pact.