

DIRECTOR OF DEFENSE RESEARCH AND ENGINEERING WASHINGTON, D. C. 20301

1 5 SEP 1976

MEMORANDUM FOR SECRETARY OF DEFENSE

SUBJECT: Trip to Sweden, Denmark, and United Kingdom, 28 August -7 September 1976 - INFORMATION MEMORANDUM

(6) The trip had a three-fold purpose: one, visit Sweden as a result of an official invitation, to discuss Swedish technological, procurement and industrial plans; two, to brief Danish MOD Moller and key members of Parliament and the MOD on the U.S. -Soviet Technology Balance, and to discuss AWACS; three, to act as the senior DoD official at the opening ceremonies at the Farnborough Air Show.

SWEDEN: (C) The major defense policy issue facing Sweden is whether or not to develop a next-generation fighter. Under Secretary Ulf Larsson is recommending that Sweden buy or co-produce a fighter from abroad (e.g., F-16 or Mirage) since Swedish R&D will decline in real terms over the next five years, thus resulting in greater Swedish dependence on technology from the U.S. and other Western countries. Anders Thunborg, Chairman of the Swedish Parliamentary Defense Review Comrnission and Ambassador-designate to the UN (effective December) supports the new aircraft development. My personal opinion is that, despite the official government position, the industrial and political imperatives will result in approval of a new Swedish fighter aircraft development. Further, it must involve access to key U.S. technology, and we should be preparing a policy decision on the extent and limits of our cooperation.

(C) Dr., Mileikowsky, <u>President of SAAB, intends to have the Swedish</u> Government resubmit its request to the U.S. State Department to export VIGGEN (which contains much U.S. technology) to India. He feels that since the-turn-down by State was based upon technology grounds, and since France and the UK are willing to furnish aircraft of comparable or more advanced technology, then the U.S. should be willing to consider favorably Sweden's request. I will discuss this with Gene McAuliffe.

DENMARK: (d) MOD Moller felt the Technology Balance briefing had the desired effect on the attending Danish officials. Of particular impact was the degree of Soviet industrial military production capacity accompanying their technological advances.

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of State for Defense, agreed that at the upcoming Ministerials and CNAD Denmark would officially support NATO AWACS, and be willing to fund ground environment modifications as their share (perhaps 30 million kroner initially and 10 million K per year). Further financial participation may not be likely, since the MOD feels it must deploy a national system of ground-based radars on the premise that AWACS will not always be available for Danish needs,

UNITED KINGDOM: (U) I acted as senior DoD official in the opening ceremonies at the Farnborough Air Show. Senator Goldwater represented President Ford.

(U) I had discussions with Sir Kenneth Keith, Chairman of Rolls Royce, on the newly-approved joint US-UK JT-10 engine program (Rolls-Pratt and Whitney), and also with Mr. Rene Raveau, President of SNECMA, on the joint US-French CFM-56 jet engine program (SNECMA-General Electric). These two joint development/production efforts are the largest US-European cooperative engine 'programs in history, and are considered milestones by European supporters of Atlantic versus intra-European relationships.

C) UK Procurement Executive Cliff Cornford, Chief Scientific Advisor Sir Hermann Bondi and Comptroller Air Sir Douglas Lowe all underlined UK concern about the US-FRG tank gun decision schedule. MOD Mason was being prepared to discuss -their concern, with the negative impact on UK tank gun efforts, with you on his planned trip. This plan is, of course, changed, with the appointment of a new MOD, but the concern is still at the top of their list.

(C) The momentum of the NIMROD 'program continues, supported by increased funding and the industrial/labor/political lobbies. AWACS continues to be the choice of the RAF and key segments of the MOD, together with the NATO-oriented Parliamentarians.

UK officials state that the choice cannot delay much beyond December 1976, aware of FRG difficulty in reaching an AWACS decision by that time. It is clear that firm top-level USG support will be required to sustain a positive UK-FRG decision on NATO AWACS. I am working with Gene McAuliffe to initiate a high-level DoD/State approach to appropriate governments by our Ambaesaders.

Malcolm R. Currie

cc: DepSecDef Clements
DepSecDef Ellsworth
ASD(ISA) McAuliffe

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