



ASSISTANT SECRETARY OF DEFENSE
WASHINGTON, D.C. 20301

INTERNATIONAL
SECURITY AFFAIRS

In reply refer to:
I-8098/76

MEMORANDUM OF CONVERSATION

SUBJECT: Meeting with Denmark Minister of Defense Orla Møller

Denmark Participants

Minister of Defense, Orla Møller
Permanent Deputy Secretary of Defense, C.C.F. Langseth
Deputy Under Secretary of Defense, M. Fredricksen
Ambassador, Otto Borch
Defense Attache, Col P. Sørensen
Aide to Minister Møller, Maj J. Rasmussen

Denmark K

US Participants

Secretary of Defense, Donald H. Rumsfeld
Military Assistant to Secretary of Defense, Rear Admiral M. Staser Holcomb
Deputy Secretary of Defense, William P. Clements, Jr.
Assistant Secretary of Defense (ISA), Eugene V. McAuliffe
Deputy Assistant Secretary (European and NATO Affairs), Maynard W. Glitman
Director, European and NATO Affairs, Maj Gen Richard C. Bowman
Assistant for Northern Europe, Joseph Annunziata

Time: 1130-1230, 16 July 1976

Place: Office of the Secretary of Defense, Pentagon

Defense Budgets

Minister Møller began the conversation by stating that he had been greatly impressed earlier that morning by a briefing Dr. Currie had given him on Soviet R&D advances. Secretary Rumsfeld said he was pleased, the Minister had heard the briefings. It is because of those advances that we are now amending our FY 77 defense budget. We are requesting budget increases for shipbuilding, strategic and other systems, totaling an additional \$2 billion. In FY 76, Congress cut \$7 billion from our budget

3 Aug 76



Classified by Director, European Region
SUBJECT TO GENERAL DECLASSIFICATION SCHEDULE OF
EXECUTIVE ORDER 11652. AUTOMATICALLY DOWNGRADED
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request, but this year the country has turned around in its attitude toward, defense. Moreover, we do not intend this to be a one-year burst of effort, but we will be asking for sustained increases over a long-term period. The Soviet and US/NATO trends are disturbing. We have briefed Congress about these trends. We are getting a change of attitude in the people and Congress by telling them the truth about these trends.

Ambassador Borch asked why has there been a change in the attitude of the people? Secretary Rumsfeld said it could be a reaction to the Angola situation. Perhaps certain Reagan/Jackson comments have contributed to the changed mood. But there has been an obvious impact on the President's request to increase the Defense budget by \$12-14 billion over last year. He and the President have met with Congressmen frequently and have offered them the Currie briefing. Small group meetings with Congressmen have been particularly effective. Minister Møller said that such small group meetings could convince Congressmen. But how did you turn about the mood of the country? Secretary-Rumsfeld said that key officials in Defense and the Administration have gone all over the country appearing on television and getting the support of broad categories of American leaders. Ambassador Borch noted that even the Democratic Party's platform now seems stronger on defense than four years ago.

Secretary Rumsfeld agreed, and added that the Democrats no doubt are aware of the public change of attitude. We have also distributed 10,000 copies of a very effective pamphlet graphically describing these same disturbing trends. (SecDef gave Møller a copy of pamphlet).

Minister Møller said that the Currie briefing and the pamphlet are certainly effective. Secretary Rumsfeld said that a DIA briefing the Minister would receive later in the day would be even more disturbing.. That is why we are trying to turn the NATO allies around from reducing to increasing their defense budgets. We are concerned not only about the US, but about our NATO allies also. We want to make them aware also of these facts. They will realize the need to follow our suit once they have these facts. He told the allies at the recent DPC meeting in Brussels that they all should do more, even tiny Luxembourg. The Defense Ministers need to talk to their Prime Ministers and Parliamentarians. Minister Møller agreed, but said that if Denmark was to do the same as the US, its leaders would need more information. However, so much of this critical information remains highly classified.

DepSecDef Clements said that he thought we should be able to provide more of it to our allies, since it would have benefits in strengthening the Alliance. Secretary Rumsfeld recounted how in January we had decided to give it to Congress and then subsequently to the NATO MODs. He said that we now should have SYG Luns, Gen Hill-Norton, and other



NATO officials give the similar briefings to our Allies under NATO auspices. Minister Møller noted that he could provide the Danish Parliament with the information himself. But there is a greater impact when it comes from Hi 11-Norton or other NATO allies. The Minister said, however, that he would now give his Parliament the pamphlet the Secretary gave him. Secretary Rumsfeld suggested that the Minister should give the information to Parliament's Economic and Finance committees also.

Ambassador Borch asked the Secretary, what was his reading of the defense mood in Europe? Secretary Rumsfeld replied that he believed if we provide Europeans the facts, they will understand the need to reverse the current trends. Minister Møller asked, how do you convince the people and not just the DPC attendees? DepSecDef Clements noted that this was not just a US job. We must do it together, through NATO. We must make the briefings more generally available'. ASD McAuliffe noted that we should also brief Foreign Ministers. We can thus explain to them why we negotiate as we do in SALT and MBFR, or insist on controls on export technology to East Europe. DASD Glitman noted that Finance and Economic Ministers of NATO countries meet at OECD Ministerials in Paris and that it would be appropriate to brief them either in Paris or Brussels. Secretary Rumsfeld said it was important to ensure that all key cabinet Ministers in NATO countries were aware of the problem and asked Mr. McAuliffe to keep on top of the issue. Ambassador Borch asked if we thought the export of technology to East Europe was a serious problem? Secretary Rumsfeld reminded the Ambassador to closely consider the quantities, money, and types of trade that were going to East Europe.

Returning to the subject of the allies' need to increase their defense budgets, Secretary Rumsfeld noted that France increased its budget recently. He then asked whether Gen Haig was going to brief the Danish Parliamentarians? Minister Møller said he didn't know. There is a problem of a Communist in one of the Parties. He couldn't bring the Parliamentarians to Brussels. Ambassador Borch asked whether we brief all Congressmen or just a select few, Secretary Rumsfeld replied that initially we briefed only the defense committees. Now we have invited all members of Congress to the briefing, and about 50 percent have received it. ASD McAuliffe noted that not all agree with the briefing received; But at least they appear to be voting somewhat differently now. DepSecDef Clements said that some critics never had the facts before. Now they have some factual basis on which to make their decisions. Ambassador Borch said there is a similar government effort in Denmark to publicly debate the Soviet buildup in the Baltic. It is widely discussed in the papers and has been very effective.

ASD McAuliffe pointed out the very important role which Denmark has in the Alliance. Since the Norwegians have the bulk of their forces earmarked for the North, they depend heavily on the Danes in the South.

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Minister Møller said he has tried to give facts, but critics say his Soviet revelations are scare tactics, intended just to get increased budgets. Secretary Rumsfeld noted another convincing argument: that the US budget is not just a little, but a large increase. Møller's tactic should be not to try to reduce the amount of his budget's reduction- but to ask for an increase. He needs eye-catching figures, such as those in the unclassified pamphlet he gave Møller or in his annual Report.

DepSecDef Clements suggested that there is also a need to clarify the distinction between the intentions and capabilities of the Soviet Union. Soviet and Warsaw Pact capabilities information is what the Parliamentarians need. Secretary Rumsfeld said he avoids discussions of enemy intentions. There is no way of knowing those intentions. The only important consideration is what are the Soviet and US capabilities.

Minister Møller said his problem was one of convincing the skeptics. There is a Warsaw Pact ship that goes around Seeland once or twice a week. If he told the public this every time it happened, they would say he is over-dramatizing. Yet frequency of Warsaw Pact operations around Denmark is increasing.

ASD McAuliffe noted the inconsistency between the words and actions of Danish leaders. DASD Glitman said that our Congress, looks closely at the actions of other allies, large, or 'small, and that reduction in defense efforts by any of them has an adverse impact on our efforts to strengthen the US commitment as well as setting a bad precedent for other allies. ASD McAuliffe said that is why even Luxembourg's contribution to the Alliance is very important.

Minister Møller said that he expects the Danish six-party Defense Agreement to result in a stable six-year budget. Ambassador Borch suggested it might be worthwhile briefing the Committee of Twelve representing the six parties negotiating the Defense Agreement. Secretary Rumsfeld said that this is perhaps a group for Haig to brief. Minister Møller said this is his intention. DepSecDef Clements suggested it should be possible to show the briefing even to the Communist member. Secretary Rumsfeld said Gen Haig could probably brief a smaller group first and then a larger group. DepSecDef Clements added that the Communist member might thus be better informed also about what the Soviet capabilities are. Minister Møller said he would give this his consideration.

Secretary Rumsfeld asked to be informed if there was anything we can do to help in the way of briefers, etc. He asked Møller what was the timetable for the Defense Agreement? Minister Møller said that the parties should complete their general economic discussions in August, and then discuss the defense budget. The parties may ask for compensation in the defense budget if there are cuts elsewhere. Also, there may be elections which could complicate the negotiations further. Secretary



Rumsfeld asked if this would be a six-year agreement? Minister Møller said this was quite likely. Mr. Annunziata pointed out that the Parties were currently considering reducing the defense budget over the first three years and compensating for these reductions over the last three years of the agreement. Such reductions, however small, could have an unfavorable psychological impact on other allies. Minister Møller said this was the truth, but that the reductions could be absorbed in such a way as to lessen their net effect and public visibility. Secretary Rumsfeld asked Minister Møller to think very hard about the contemplated reduction while he was receiving the DIA briefing on Soviet capabilities that afternoon.

F-16.

As the principals were about to conclude the meeting, Minister Møller said he would like to leave a technical paper on some Danish problems with regard to the F-16. He didn't believe he and the Secretary needed to discuss them, and had confidence their staffs would resolve the difficulties; however, he did not want to leave the paper for the Secretary's staff. ASD McAuliffe assured Minister Møller that we were aware of the Danish problems, that he had recently spoken with ASD Shrontz about them, and that we were confident they would be satisfactorily resolved. Minister Møller thanked ASD McAuliffe and the Secretary for this assurance.

The meeting concluded at 1230 hours, at which time the Secretary hosted a luncheon in honor of Minister Møller.

Prepared by :
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OASD/ISA/ED

Approved by :

Assistant Secretary of Defense (ISA)

Date:

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