

Arming Our Allies: Cooperation and Competition in Defense Technology

May 1990

OTA-ISC-449

NTIS order #PB90-254160



Recommended Citation:

U.S. Congress, Office of Technology Assessment, *Arming Our Allies: Cooperation and Competition in Defense Technology OTA-ISC-449* (Washington, DC: U.S. Government Printing Office, May 1990).

For sale by the Superintendent of Documents
U.S. Government Printing Office, Washington, DC 20402-9325
(order form can be found in the back of this report)

Foreword

Cooperating with our allies in the supply and joint production of defense technology has been an important element of U.S. national security policy and a cornerstone in alliance relations for the past 40 years. As the undisputed technological leader of the Free World in the post-WWII period, the United States transferred military technology to its allies in Europe, Asia, and the Middle East to help them rebuild their industries and defend against the military threat from the Soviet Union and its allies.

The success of this decades old policy has led to many economic and political changes. Consequently, Congress and the Administration are re-evaluating the nature of the military threat in light of the failure of communism in Eastern Europe, deepening detente in U.S.-Soviet relations, decreasing defense budgets, and escalating competition with our allies in both military and commercial technologies.

This review comes at a time when the United States has lost its monopoly advantage in the development and production of sophisticated defense systems. Three centers of rough technological and economic parity now dominate the globe—the United States, the European Community, and Japan. As a result, overcapacity and real competition for shrinking defense markets among the different national and regional defense industries has become evident.

At the request of the Senate Committee on Armed Services and the House Committee on Government Operations, OTA undertook an assessment of international collaboration in defense technology. This Special Report is the first product of that assessment. It provides an overview of the subject and analyzes the impact that changes in the environment of defense technology and reduced East-West tensions will exert on defense industrial cooperation and associated alliance relations.


JOHN H. GIBBONS
Director

International Collaboration in Defense Technology Advisory Panel

John S. Toll, *Chairman*
President
Universities Research Association, Inc.

David M. Abshire
President
Center for Strategic and International Studies

Andrew Pierre
Senior Associate
Carnegie Endowment for International Peace

Morton Bahr
President
Communications Workers of America

Raymond C. Preston
Vice President Washington Operations
Williams International

Michael Bonsignore
President
Honeywell International

Clyde V. Prestowitz
President
Economic Strategy Institute

Robert B. Costello
Senior Fellow
Hudson Institute

John D. Rittenhouse
Senior Vice President
General Electric Aerospace

Jacques S. Gansler
Senior Vice President
The Analytic Sciences Corp.

Richard Samuels
Professor
Department of Political Science
Massachusetts Institute of Technology

Everett D. Greinke
Consultant

James A. Tegnalia
Vice President
Martin Marietta Electronics

Ryusuke Hasegawa
Director of Far East Affairs
Allied Signal Corp.

Richard E. Tierney
President
SLI Avionic Systems

Robert J. Herman
Vice President
United Technologies Corp.

Raymond Vernon
Professor
J.F. Kennedy School of Government
Harvard University

Robert D. Hormats
Vice Chairman
Goldman Sachs International

Dale S. Warren
Vice President & Deputy General Manager
Douglas Aircraft co.

Francine Lamoriello
Manager of International Trade
KPMG Peat Marwick Co.

Robert G. Lunn
Vice President
Science Applications International Corp.

NOTE: OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the advisory panel members. The panel does not, however, necessarily approve, disapprove, or endorse this report. OTA assumes full responsibility for the report and the accuracy of its contents.

International Collaboration in Defense Technology OTA Project Staff

Lionel S. Johns, *Assistant Director, OTA
Energy, Materials, and International Security Division*

Alan Shaw, *International Security and Commerce Program Manager*

William **W. Keller**, *Project Director*

Gordon Law

Todd M. La Porte

Peter H. Rose*

Congressional Research Service Contributors

Larry A. Niksch

John Moteff

Administrative Staff

Jackie Robinson

Louise Staley

Donna Reynolds

Contractors

P. Robert Calaway

Michael W. Chinworth**

Allen Greenberg

*AAAS Fellow, 1989-90.

**MIT/Japan Science and Technology Program.

Workshop on Transatlantic Cooperation in Defense Technology— European Perspectives

Alan Shaw, *Chair*
Program Manager, International Security and Commerce Program
Office of Technology Assessment

Peter A. S. Boxer
Senior Vice President
British Aerospace

Richard Brackeen
CEO and President
Matra Aerospace, Inc.

David C. Elliott
Vice President
Plessey Electronic Systems, Inc.

William Heinz
Vice President
Dowty Electronic Systems Division

B. P. (Paul) van Ysselstein
Vice President Defense Affairs
Fokker Aircraft USA, Inc.

Mario Locatelli
President
FIAT, Washington, Inc.

Barry New
Vice President-Government Programs
Rolls Royce

Peter H. Orvis
Special Assistant to the President
Hollandse Signaalapparaten B.V.

Enrico Striano
President and CEO
Agusta Aerospace Co.

Manfred von Nordheim
President
MBB of America, Inc.

NOTE: OTA appreciates and is grateful for the valuable assistance and thoughtful critiques provided by the participants in the workshop. The workshop participants do not, however, necessarily approve, disapprove, or endorse this report. OTA assumes full responsibility for the report and the accuracy of its contents.