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Authority NO 989 733
By TJ NARA Date 8/15/00

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TO : The Secretary

THROUGH: S/S

FROM : EUR - Foy D. Kohler

SUBJECT: Secretary McNamara's Views on Nuclear Sharing

I thought you might be interested in a brief recap of the personal views that Secretary McNamara and Mr. Gilpatric expressed in a meeting on the sharing issue just before we left for Geneva, since these may be the views on which they place maximum emphasis in any discussion with you.

1. Technical Effect. Mr. Gilpatric said that we could give missile help without hastening French achievement of a national nuclear capability, since that achievement must be geared to production of a suitable warhead.

Comment: The technical data we have about the French program are scarce and contradictory. On some assumptions missile help would hasten the program; under other assumptions, it would not. Common sense suggests that help for either of the two key components of the French program - missiles or warheads - would contribute directly to that program's success, especially since both these elements of the French program are costing a lot more, and running into a lot more trouble, than the French expected. This judgment would, in any event, be the commonly accepted view in France and other NATO countries as to the effect of our help, and the political consequences of that help would be governed by this view. I do not think, therefore, that we need engage BOD in a debate on the technical facts to offer a judgment as to these political consequences.

2. Balance of Payments. Secretary McNamara said that missile aid to France would be justified on balance of payments grounds alone.

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Comment: The French told a State-Treasury team in Paris last week that they would not extend any significant balance of payments aid, even if we gave them missile help. They spoke of a maximum of \$25 million additional purchases for each of three years. DOD argues that this is a French bargaining tactic, but the view of our men who was there is that this is, in fact, as much as the French could or would do, in view of the extent to which their programs are already fixed and to which the French Government is already committed to French suppliers. Past French statements in this general field have generally proven rather accurate. Whatever the sum the French have in mind, Mr. Ball is prepared to propose other means of securing it which, although painful, would do less damage to our security than missile aid.

3. Conventional Forces. Secretary McNamara spoke feelingly about the fact that missile aid would save French resources, which could then go to conventional forces.

Comment: Missile aid would reduce the cost of the research phase of the French missile program, and hasten the advent of its production phase. Since the production phase would be the most costly phase, this acceleration would probably mean that more - rather than less - French money would be going into missiles over the next few years. Moreover, if there were any saving in the French missile program, it would probably go to warhead production, which has top priority. If we are willing to make sacrifices to help French conventional programs, the US would be damaged less by our providing them conventional equipment out of our stocks on concessional terms than our providing missile aid. We could replenish the stocks; there would be no way to restore the integrity of our European policy once it had been compromised. That policy is worth a lot more to the US than any payment we might get from the French for the conventional equipment.

4. Variety of Missile Aid to France. Secretary McNamara spoke of the wide variety of aid that we already give the French and other countries for aircraft and other kinds of missiles, and asked why we draw the line at help for NREMs's.

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Comment: MRBM's and warheads are the two essential components of an effective strategic nuclear capability, such as the French are trying to develop. We cannot provide either one without helping that French effort. The other types of aid we give France do not fully meet their needs for an effective delivery capability. These other types of aid do, however, underline the fact that we are being as responsive to the French as we possibly can be without jettisoning our basic policy of not helping them build an effective national capability.

5. Electronics. Secretary McNamara spoke of aid regarding "electronics."

Comment: Our position here is simple. If the electronic equipment is not primarily intended as help for the French MRBM program, we have no objection to its provision.

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