

DEPARTMENT OF STATE

*House Inty*

20778

Memorandum of Conversation

DATE: December 19, 1962

SUBJECT: Skybolt

PARTICIPANTS:

U. S.

U. K.

The President  
Secretary McNamara  
Mr. Ball  
Ambassador Bruce  
Mr. Bundy  
Ambassador Thompson

The Prime Minister  
Lord Home  
Mr. Thorneycroft  
Ambassador Ormsky Gore  
Mr. de Zuleta  
Mr. Bligh

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The Prime Minister began the conversation with an expression of appreciation for the handling of the Cuban affair by the United States. In reply, the President expressed his appreciation for the attitude of the Prime Minister and the British Government which was in striking contrast with that of the British press.

The Prime Minister said that he regretted that the wide range of the talks in which he had expected to engage at this meeting had been overshadowed by the Skybolt problem. He thought he was probably the oldest of those present and knew the story from its beginning which he would like to recount. He fully appreciated the U. S. feeling of the danger of doing something which might be considered obnoxious or unfriendly by the other European powers. He did not want to cause trouble with the Germans, the French, the Italians and others or to impede developments which were wanted both by the United States and the United Kingdom.

In the first place, he wanted to mention that the atomic bomb had been developed almost entirely in the beginning by British scientists. The British Isles had been found too small to carry out tests. Churchill and Roosevelt had agreed that the development of the bomb should be carried out in the

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United States. The whole world knew about the partnership in this matter which was governed by agreement. He was not referring to a legal document but rather to the nature of the agreement. Then there had come the incidents of spies in Great Britain and the McMahon Act. There were many, including some in the United States, who felt that Britain had been treated harshly. Amendments to the McMahon Act had been made which made greater cooperation possible. At this time, the emphasis was on the bomb. Later the emphasis shifted to the means of delivery. Britain had spent about sixty million pounds on the Blue Streak missile. Then there arose the decision as to whether the development of this missile should be continued. Britain was a small and heavily populated island, and the missile would have to be situated near towns where it would be subject to observation and would be exposed to agitators. The Prime Minister had talked to President Eisenhower about the problem and had indicated the British were going to chuck it if they could get anything else.

When Skybolt came along as well as Polaris. The British made an agreement to buy Skybolt. He was not basing himself on the terms of the agreement but rather on the gentlemen's understanding. Eisenhower had said he wanted something in return, namely the submarine base at Holy Loch. The British had favored another location but had agreed on Holy Loch which was more remote and harder for Lord Russell and his friends to reach. The Prime Minister said that from time-to-time Britain had been just on the Skybolt development, and he had assumed that in the United States as in England there were always these rumors circulated by rival firms or services. He went on to say it did now seem that Skybolt was possible.

The Prime Minister said he understood the U. S. anxiety for the effect any US-UK agreement might have on other allies. He thought the main allies understood the US-UK relationship as a kind of founder company as well as the special arrangement brought about by the amendment of the McMahon Act. He said the other problem was the possibility of bringing into being a larger grouping of powers as well as the possible effect of any such agreement on the Common Market negotiations. The Prime Minister said flatly that he thought the effect of a new agreement on the Common Market agreement would be "frankly, absolutely none." These negotiations now depended on whether the French could maintain the good deal they have in agricultural products vis-a-vis the Germans. If it failed, it would be on that basis. The French and the British have a different concept about the Common Market, the French favoring an hierarchical system. There was the question as to what effect an agreement would have on European multilateral arrangements. It was

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## **Transcript of page 2 drawn from *Foreign Relations of the United States***

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difficult to know what was meant by a multilateral deterrent. The Prime Minister saw no conflict between independent and interdependent forces. Until a supernational authority developed, it did not matter whether it was army troops or air force. Any contribution would be under the control of the Government contributing it. He remarked that the problem of control of allied forces had been with us "since Marlborough" and really was not difficult. He was aware that the French would go on and spend a lot of money. They were grateful for the aid the United States had given, and he had tried to explain this to de Gaulle. He gave the example (which he had not cited to General de Gaulle for reasons of tact) of British forces in the last war which were put under the command of the French General Gamelin, but at a certain time, Churchill had to issue orders to Lord Gort to save the British forces and any French who wanted to come along by going to the channel ports. This enabled the air force to save Britain. Until there was a single state developed, there must be a combination of independent and joint forces. The question was whether the switch of horses from Skybolt to Polaris would upset the principal allies. He thought not. If it did, we could make some gesture. All these things we were discussing were gestures, in a sense, since the only reality was U. S. power. At present, Britain had a powerful bomber force which was important strategically, particularly because of its location in England. If there were to be a role for the bomber in the future, it would probably pass from a strategic one to a tactical one. Why should they not hand over one squadron to Saceur? They could ask the French to do the same. This would show the purpose of developing the philosophy of building a joint force. They could inform the others what the targets of such a force were to be. He thought that at present others were feeling left out and could well be brought in and given more information about these matters. He did not see the difference in principle whether one fired a ballistic missile from the sea or the air. He pointed out that the Skybolt was a ballistic missile. Many in Britain thought that Great Britain should not be in this game, but Britain could not have such a decision forced on them.

The President said he agreed that there was a danger that some would think that cutting off the Skybolt was an effort to cut off the British national deterrent. He pointed out that the United States had alternative means. In considering this matter, we were conscious of the importance of the British to our relationship to Europe. He had told the Prime Minister last night that the United States would divide the cost of Skybolt, which would amount to some \$200 million. It was possible that we could use it in the future if we could develop an airplane capable of staying in

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the sky for several days, but we have no great need for Skybolt. We were prepared to join equally in finishing it. He pointed out that this was a new position beyond that which had been given to Mr. Thorneycroft. All of the U. S. judgments in regard to Skybolt were made in consideration of the existence of our other systems. He pointed out that for \$100 million the British could get \$450 million worth of work which we had put in it. Skybolt should be capable of deterring Mr. Khrushchev. He pointed out that twenty missiles in Cuba had had a deterrent effect on us. For an amount of money that was not large, the British could maintain a deterrent that would take them through to a later period. For \$100 million, they would get a \$500 million system.

The second point the President wished to make was that he was aware of the history of the atomic weapon and wished to point out that we were still cooperating. We had not supported the French in this field and this had soured our relationship with General de Gaulle. The reason for this was Germany. We had paid more attention to the German problem than the British and particularly the problem of Berlin. We had supported Britain's entry into the Common Market although this was bound to have adverse effects upon us. The reason was that we felt that British influence was important in the balance and that Britain would contribute to the stability of Europe. We had refused help to the French because of our concern of what might happen in Germany. If we should assist the French, this would not change de Gaulle at all, but pressure in Germany would rise. If we helped the French it meant that any other country which became an atomic power would expect help from us. We hoped that we could use the time available to develop a multinational force.

The President went on to point out that there was a great difference between Polaris and Skybolt. Moreover, the problem was what these things looked like and not what they were. This point had been illustrated by the introduction of Soviet missiles in Cuba. These missiles had been less a military threat than a major political act. If we join with the British in Polaris and refuse de Gaulle atomic or missile cooperation, we would feed the concept he already has of America and raise new problems. The President said he did not believe that if we went ahead together on Polaris that it would not shake our European allies. All of our people who had recently been in Europe, and this included Secretary Rusk, Mr. Ball and Ambassador Bohlen, were convinced that such action would cause great difficulties. He did not want the British people to think that because of our view in opposition to the proliferation of atomic weapons

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that we had opposed a British deterrent. If we could work out a solution in regard to Polaris which would move Europe away from national deterrents, we would be prepared to consider such a move but it should be in that context. The President pointed out that all the implications would have to be considered and that this was a new problem on which study was needed. The United States had made a fair offer on Skybolt so that the British people should not think that we want to cut them down.

The Prime Minister pointed out that it might not be a shotgun wedding but we had destroyed the virginity of the bride. The President suggested this might be because we had access to other girls. The Prime Minister said we ought to think about what a multilateral deterrent is. It need not be one in which the weapons are manufactured by the others.

The President said the question was one of how these weapons should be put in and how they could be taken out. As the Prime Minister had described the matter last night, it seemed rather synthetic. Of course, in extremes they could be taken out. He pointed out that there was a question as to whether we could get the French in and what the effect on the Germans would be of United States, British, and French participation.

The Prime Minister said we would create a force to which the United States, the French, and British would contribute. The President pointed out that if others developed atomic weapons they would expect us to give the delivery system. The Polaris was not just an extension of Skybolt which was not much good after 1970 when bombers would fade out.

The Prime Minister pointed out that Skybolt would be good into the early seventies. The Prime Minister asked if there were a multinational force was it the case that the United States would contribute part of their force while the others would contribute all of theirs?

The President replied in the affirmative, stating this was the greatest hope for a Polaris arrangement which would not upset other members of the alliance. He thought we should discuss two possibilities. The first was Skybolt. If the United States did not have Polaris, we would take Skybolt, but we had two other systems. The British did not. We were continuing our bomber force with the Hound Dog missile. He pointed out that we would have to discuss this whole problem with Congress, and he suggested that we and the British should set up a group to discuss these two problems and reach a judgment during the winter.

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Mr. Ball said that this should be done in a multilateral context. We had a different concept of a multinational force from the British. We had in mind mixed manning and that the right of withdrawal would not be envisaged, but a commission should consider this problem.

The President said that if after study the British judgment of the effect on Europe was correct we could consider the British concept or that described by Mr. Ball.

Lord Home said he did not share the anxiety the President had expressed. France was going ahead anyway. Even if there were a row with France, it would be far less damaging to NATO than a rift between the United States and Great Britain.

The President asked if we should make a similar offer to the French. Our cooperation with them now was minimal. De Gaulle was beginning to realize that the problem was not the atomic warhead, but the missile. If he asked for the missile, what do we do?

Lord Home pointed out that if the proposal was a multinational force as described by Mr. Ball, it would be voted down because it was impossible to have fifteen fingers on the trigger, and the Europeans did not want any German finger on the trigger. He thought that the U. S. and the U. K. and later the French should have a joint force with NATO targets.

Mr. Ball pointed out that we had different assessments of the German problem. We thought that after Adenauer, pressure would mount for some kind of participation. The Germans would not be second-class citizens forever.

Lord Home thought that the pressure would be for participation in political decisions.

Mr. Ball replied he thought we should face the situation and enable Germany to have participation in a manner that is controllable.

The Prime Minister asked what we meant by participating. He doubted if Germany would be satisfied with having one of fifteen sailors.

The President asked what was the alternative to national deterrents.



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The Prime Minister said that he had taken his country a long way in participating in Europe in the economic field. This was not all very agreeable for Britain, but he had done it. But if the whole of Europe was to be dependent upon the United States, why should they do anything? It was not satisfactory to have one out of fifteen sailors.

The President pointed out that Europe could use the same argument against Great Britain, though he agreed there was more logic in the present arrangements than in a multilateral force.

Lord Home thought that the Europeans would be satisfied to see the United States, Britain and France cooperate in a nuclear force if the Europeans knew about the deployment, targeting, etc. None of them wanted Germany to be in, and Germany did not want to bring this fact out into the open. De Gaulle had made clear his view that if Germany were to get atomic arms this would unite Eastern Europe. The Europeans did not want Germany to have atomic weapons and were opposed to a multilateral force.

The Prime Minister said that de Gaulle wanted to keep alive his distant hope that the Eastern European satellites, whom Germany had treated badly, could achieve freedom.

The President said Adenauer had expressed the hope that we would not give atomic weapons to France because of the pressure this would arouse in Germany.

The Prime Minister remarked that de Gaulle had quoted Adenauer as saying exactly the opposite.

Mr. Ball said we shared the apprehensions in regard to Germany's acquiring atomic power but it would be worse if Germany became an independent nuclear power. History had demonstrated that we could not keep Germany in an inferior position forever, and any attempt to do so would stir up latent forces in Germany. For this reason we supported a NATO approach.

Mr. Thorneycroft said we should not force the creation of a multinational force which was not wanted, but rather have the Europeans come in at the shallow end of the pool, informing them regarding targeting, etc.

Mr. Ball remarked that this would not work.

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Lord Home said we did not have a single ally in Europe that would allow Germany to have its finger on the trigger. Germany would be in an inferior position, but we must contrive something to cover this up.

The President referred to the diminishing cost of atomic weapons and said they might become attractive to the Italians and others. If we gave the French Polaris submarines, we would save them a good deal of money and some time. He said that Secretary McNamara did not think the time saved would be very great, but the saving in money would be considerable. Secretary McNamara confirmed this statement. He thought the great protection with respect to delivery systems was their cost. He thought that it was important to keep the attention of the Germans in particular on conventional weapons because of Berlin, although if it were not for Berlin Europe could be defended with four divisions and a nuclear strategy.

The President asked what the argument was against giving such assistance to the French.

The Prime Minister said the British had made a contract which had not worked out.

The President observed that France had objected to our 1958 decision and to the Norstad proposals. For two years we had been opposing Norstad and de Gaulle. Now it was suggested that we come up with a new position which would represent a change of policy, and it would be wise not to hasten this decision.

The Prime Minister said it was simply a question of one horse being lame while the other was able to run. The President rejoined that these were two different races. The Prime Minister said he did not accept this.

Lord Home suggested that if we got a multinational force we could give the French Polaris at a later date.

The President suggested we should consider the whole situation and perhaps have a statement that should state:

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1. We had offered to make the Hound Dog missile available and he referred, in this connection, to the treatment of our position by the British and American press, which had made it look as though we were being unfair.
2. We had offered to continue the Skybolt program and to put \$100 million more into its development, which would enable Britain to continue its national deterrent.
3. We discussed the problem of Polaris, which was a new field and which should be looked at with care.

The President went on to say that we should look at what we meant by multinational force. How should control be exercised? Whether a similar offer should be made to France? And, finally, we should make judgment on what the effect of our action would be in Europe. The statement he had outlined would answer the charges of United States bad faith, and the charge that Britain was without any alternative. He did not think, however, that we could decide these matters here.

Lord Home expressed some concern at putting all this on paper, as this would highlight the inferior position of Germany and stir up the Germans.

Mr. Ball said this should be on the basis of a private discussion.

The Prime Minister asked that if the present position had not arisen when the Skybolt would have been operational.

Secretary McNamara replied that it would have been operational in 1966.

The Prime Minister asked if the Skybolt was likely to be reasonably effective and if it would be safe to carry.

Secretary McNamara replied that it would be safe to carry and would be an effective deterrent, but would have low reliability -- something on the order of twenty to thirty percent operational reliability.

The President pointed out that if we did not have other systems available we would go ahead on Skybolt. Secretary McNamara said that in such circumstances we would certainly consider going ahead, but he did not feel that we could do so in view of the availability of alternate systems and the low reliability of Skybolt.

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The Prime Minister inquired if the record of failure was worse than normal.

Mr. McNamara replied in the affirmative, stating that this was the most complex system we had yet attempted. He pointed out that an error of one foot per second meant an error of one thousand feet at target.

The Prime Minister said he was terribly to blame for the situation Britain was in, as he had made an error of judgment and should have gone on to develop the British missile.

The President observed that the British had lost time, whereas we had lost \$400 million.

Mr. McNamara pointed out that he was in a difficult situation in explaining to Congress why we had spent \$200 million since 1961. He had asked Congress for \$100 million for 1962 and for \$130 million for 1963.

The President suggested that these figures might be useful to Mr. Thorneycroft in explaining the situation to Parliament.

Mr. Thorneycroft said that his difficulty in Parliament was that the Skybolt would be late, expensive and unreliable, and these facts had been made public.

The President said the British press had been carrying stories to the effect that our action had not been taken on technical grounds but on political ones.

Mr. Thorneycroft said the British press was looking at the alternative.

The Prime Minister said he agreed that the press must be dealt with and not utilized. He pointed out that the Hound Dog was difficult to use on British planes.

Mr. McNamara pointed out that the Hound Dog could be adapted to British planes, although some changes in the missile would have to be made.

Mr. Thorneycroft pointed out that this would take a long time, and even when accomplished would leave only eighteen inches of clearance at take-off. In any event, this could not be accomplished until about the time when bombers would no longer be used.

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The Prime Minister said the problem was for him as it had been for Britain in 1940 -- whether to chuck it or go on. Churchill had told him in 1940 that in logic it was impossible to win the war, but they had gone on. There were lots of people in Britain who would like to chuck it, which would enable them to have better pensions and a more satisfactory life. The other alternative was to say that this is a complicated system -- the Americans won't give it to us -- we will go on and make it eventually and be free. This would be better than putting a British sailor on board ship to have tea with the Portuguese. To give up would mean that Britain was not the nation that had gone through its glorious history. We should consider that if the people who wanted to give up in Britain came to power, who would make the better ally? Those were the ones we were supporting in Britain by our policies. It was true that Germany was dangerous, but not as much as before the war, because the whole balance had changed and there were now two super powers. They must find some method to deal with this problem. Either Britain must stay in the nuclear club or he would resign and we would have a permanent series of Gateskills. He would not engage in anything petty. We could stay at Holy Loch. He pointed out that he had taken big risks in his policies. People had said that Britain was in the front line where they were all targets, but had none of the power. He would be prepared to put in all of his part of a Polaris force provided the Queen had the ultimate power and right to draw back in the case of a dire emergency similar to that in 1940. He thought the United States would do the same if we did not have a superfluity of weapons. Britain could make submarines -- not nuclear ones -- to carry missiles. This could be accomplished in six years, but the cost would have to be compensated elsewhere. He hoped not in the Far East, where the British contribution was in some ways more important than in Europe. They would have to tax their people more as well. There was no use prolonging the life of the bomber, which was bound to die in any event. Submarines were much more suitable for an island like Britain, which also had a great naval tradition. Such a course, however, would lead to a deep rift with the United States. He said he would not accuse America, and reminded the President that he was one-half American himself.

The President said that in the first place we were prepared to do what we said we would do. He pointed out that we had spent a great deal of money in carrying out the commitment which Eisenhower had made, and that there could be no suggestion of bad faith. We placed great

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value on our relationship with Great Britain. He pointed out that the British had their own scientists at the Douglas Plant, and asked what they had been saying during the last six months. He recalled talking to Julian Amory about this problem, who had been so affected he had taken to his bed. The President had not before realized what the British reaction to this problem would be. Amory had flown out to the Douglas Plant and on his return had thought things were not in bad shape, but British scientists at the Douglas Plant were apparently saying that the trouble was not technical but political.

Mr. Thorneycroft suggested that such reports might have come from U.S. personnel, particularly those interested in continuing the project. In reply to a question from the President as to his own opinion on Skybolt, Mr. Thorneycroft said he had to rely on Mr. McNamara's judgment, as he had gone thoroughly into the matter and had publicly said that Skybolt would be late, expensive, and unreliable.

The President pointed out that McNamara's judgment was based on the fact that he had alternative systems. He pointed out that for \$250 million investment the British could get a good buy which would deter Khrushchev.

Mr. Thorneycroft pointed out that his own experience was that systems of this kind could be successfully developed only if you went flat out in your effort and there was the prospect of a good order at the end of the line.

The Prime Minister asked the President what he would do if he were in Macmillan's place.

The President thought our only difficulty was the different judgment we had on the effect a bilateral arrangement would have in Europe, and he repeated that all of our experts thought this would be very serious.

The Prime Minister said this appeared to be based on the assumption that this was a different weapon.

The President said we could not settle this matter today, and then read excerpts from a U.S. draft paper which listed: (1) our offer of Hound Dog; (2) our offer to share equally in cost of completion of Skybolt; (3) a plan for the two governments to cooperate in a NATO missile force.

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The President said that after consultation with NATO the two governments might agree (a) that the forces developed under our agreement would be assigned to the NATO deterrent forces and assigned targets under agreements approved by NATO; (b) the U. S. would undertake to make similar assignment of parallel and equivalent forces; (c) the U. S. and U. K. would support the creation of a NATO multilateral force; (d) the U. S. and U. K. forces would be included in such a NATO multilateral force.

The Prime Minister inquired what would happen about SEATO. The British would be contributing all of their force to NATO and he inquired what would happen if the Chinese attacked Hong Kong. He threw out the suggestion that the British contribution might be made proportionate to that of the United States. He said that the British force might be of the most value in the Far East.

The President said the same assistance might be made available to France, which probably would not want it.

The Prime Minister thought the French might be tempted by the time that would be gained.

At this point the meeting broke up for lunch.

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