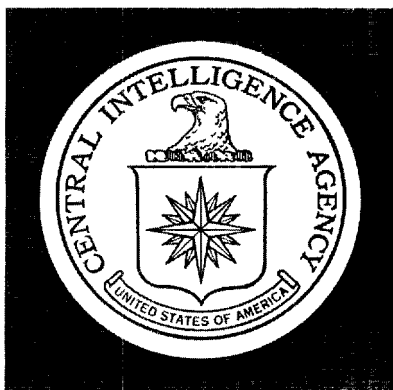


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DIRECTORATE OF
INTELLIGENCE

WEEKLY SUMMARY

Special Report

The Growing Influence of French Arms Exports

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No. 44

8 December 1967

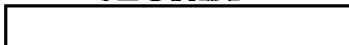
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THE GROWING INFLUENCE OF FRENCH ARMS EXPORTS

In recent years France has joined the US and USSR as a leading exporter of military equipment to the non-Communist world. In 1966 France exported aircraft and other military hardware items valued at about \$550 million, and the level of activity in 1967 probably will be about as high. US arms exports in 1965 were about \$1.2 billion and in 1966 about \$1.1 billion; sales in 1967 probably will be a little under \$1 billion. Soviet arms exports have been running at about \$1 billion annually in recent years, nearly half to non-Communist countries.

The French decision to push exports of military equipment reflects economic considerations as well as Paris' desire to expand its political influence. France reasons that as long as the US and the USSR engage in arms trade there is no reason to deny French suppliers the opportunity to make lucrative military sales. The modernization of French military forces in recent years has caused many aircraft and tanks to be declared surplus. If Paris cannot sell this equipment it will be relegated to the scrap pile. The Mirage 5 aircraft and certain other weapon systems France is producing, on the other hand, are intended specifically for the export market.

There is pressure within France to sell as much equipment as possible during the next few years, since French arms dealers fear that settlement of the Vietnamese conflict would result in a flood of US equipment on the export market.



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Aircraft--the New Moneymaker

For many years French military exports consisted largely of standard ground force weapons and equipment. Exports of aircraft have been increasing rapidly, however, and in 1966 had grown to about 85 percent of the total figure, in terms of value. Exports in 1967 probably have followed the same general pattern.

The three principal aircraft delivered to date are the supersonic Mirage III fighter, the Alouette helicopter, and the Fouga Magister trainer, which can be armed and pressed into service as a ground support fighter. Other aircraft exported by France include Vautour, Mystere, and Ouragan fighters; Morane Saulnier trainers; Super Frelon helicopters; and the Noratlas military transport.

The Mirage 5 has been sold to several countries, but as yet no deliveries have been made. This aircraft is basically a Mirage III stripped of much of its electronics gear to reduce both weight and cost. The weight reduction gives the aircraft a greater fuel capacity and, consequently, range. It has been redesigned to permit it to carry heavier loads on bombing missions. The cost of the Mirage 5, without provisions for furnishing spare parts and training pilots, is about \$1 million, compared with the \$1.5 million price tag on the Mirage III.

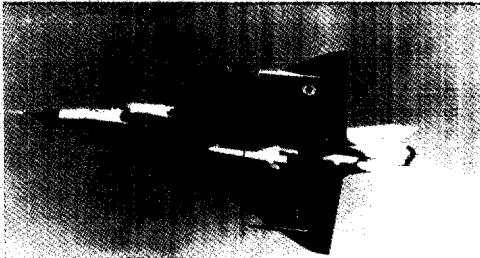
France, one of the world's largest producers of tactical missiles, had exported about 100,000 by the end of 1965. A large number of those now being sold are antitank weapons--the SS-11, SS-12, and Entac. Smaller numbers of air-to-air and air-to-surface missiles also are being exported.

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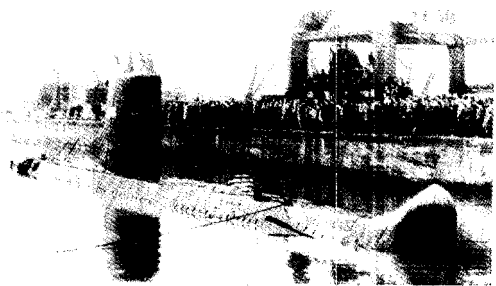
Through 1966, France has sold nearly 1,000 AMX-13 tanks to about a dozen countries. Several nations are negotiating for the purchase of the newer and heavier AMX-30. The French have also sold conventional military vehicles, artillery pieces, and small arms to many countries.

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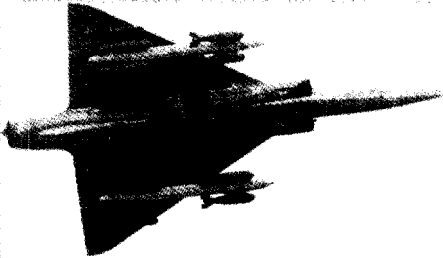
French Arms Sold to the Free World



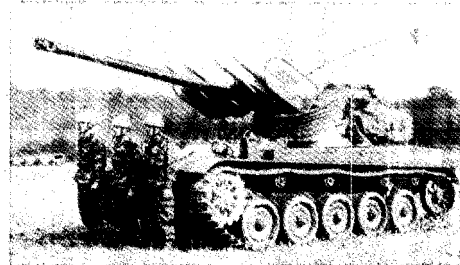
Mirage III Interceptor



Daphne Class Submarine



Mirage 5



AMX-13 Tank



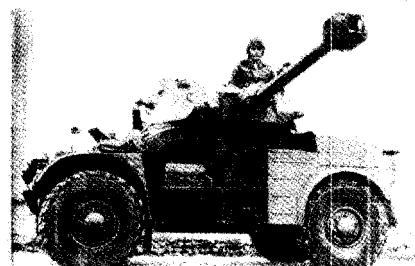
Alouette Helicopter



AMX-30 Tank



Super Frelon Helicopter



Panhard Armored Car

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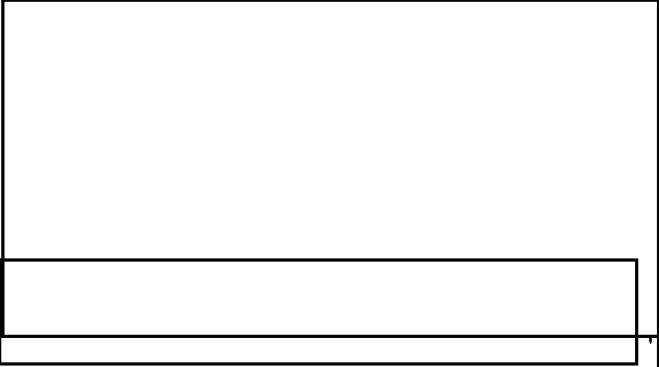
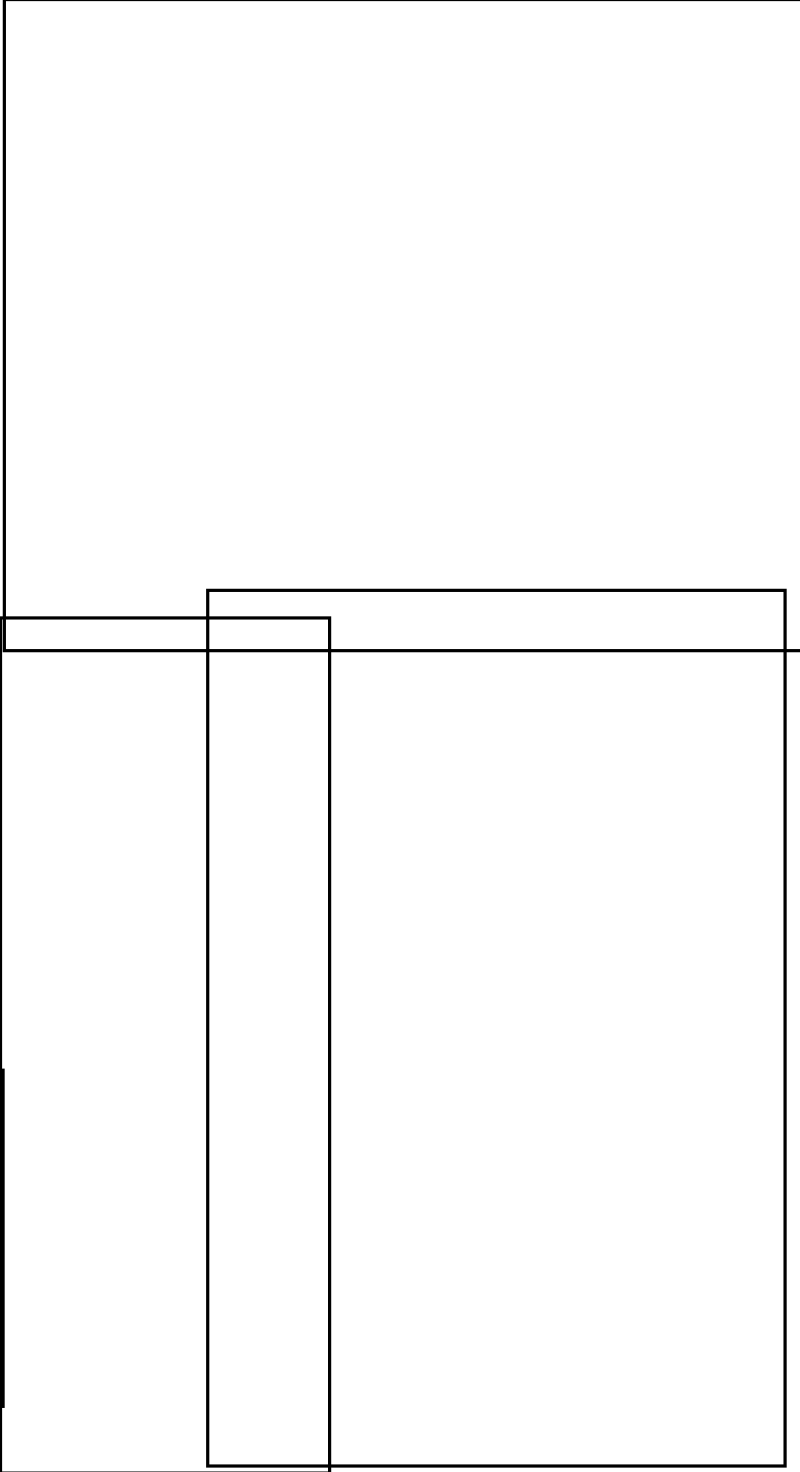


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France also has begun to sell naval craft. Contracts for about ten Daphne-class torpedo attack submarines have been signed, with deliveries to stretch out through 1972. High-speed destroyer escorts also have been sold, and Israel may have a contract for patrol boats.

Joint Projects

France is participating with other countries in joint projects for the development of weapon systems that will strengthen its military capability and may provide profitable exports. The French and British are working together on the Jaguar fighter and the Martel air-to-surface missile, a guided weapon designed to be launched by tactical aircraft. Another air-to-surface missile, the AS-34, is being developed jointly with West Germany. The French and Germans are working together on two antitank missiles, a surface-to-air missile, and a transport aircraft. France and South Africa are cooperating in the development of another type of surface-to-air missile.



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