




THE ASSISTANT SECRETARY OF COMMERCE
WASHINGTON, 25

Per DOC Exempt Letter On File


MAY 12 1958

Memorandum

To: Chairman, EDAC

From: Department of Commerce Member 

Subject: Netherlands Request for CoCom Exception to Ship Copper
Wire to Poland

- References:
1. EDAC D-147, May 5, 1958
 2. CoCom Doc. 3033
 3. POLTO 3271, April 17, 1958
 4. WG-I D-1650.2, November 22, 1957
 5. Fact Sheet, Item 1640 (current IL Item 1650), March 10, 1958
 6. ED/EC D-123, September 25, 1957
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At the Working Group I meeting on April 24, 1958, reference 1, the Department of Commerce member objected to and appealed the recommendation of the Chairman that the USDel to CoCom be instructed to concur in an exception request, reference 2, of the Netherlands Government for the shipment to Poland - pursuant to the special CoCom policy for Poland - of 500 tons of electrolytic rolled copper wire (IL 1650) with a diameter of 6.35 mm.

The Department of Commerce bases its objection and appeal on the following points:

1. Contrary to U.S. security views, copper wire of less than 6 mm diameter was downgraded from an embargo status to watch list status in 1954. Shipments immediately following this action and continuing intelligence information satisfied the U.S. that its basic security views with respect to this material were proper, leading the U.S. to again request embargo status in early 1955, and to continue to press to date for CoCom agreement relative thereto on the basis of U.S. top-level decision. The U.S. will again actively seek the continued embargo of copper, including copper wire of less than 6 mm diameter (EDAC D-142) in the CoCom list review currently under way.

The basis for the U.S. position is fully set forth in references 5, 6 and 7 and adequately confirms the existence of a copper deficiency both in the Soviet bloc as a whole and within the individual nations comprising the bloc. Reference 5, dated as late as March 10, 1958, concludes "that Western imports (of copper) have had the effect of assisting the bloc to meet its military requirements." To the extent, therefore, that exports of embargoed types of copper wire or copper - the products of which are essential not only to conventional but also to most modern warfare - over

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and above that currently being exported under the watch list level of control are made, a direct contribution to overall bloc war potential results.

The Department of Commerce recognizes that the export of 500 tons of 6.35 mm of copper wire appears justified and consistent under a literal interpretation of the U.S. unilateral and the multilateral Polish policy, i.e. reasonable and necessary to the Polish civilian economy. The Department of Commerce does not, however, concede that the statement of general policy must be followed without due consideration being accorded to the adverse effects that actions taken under that general policy would most probably have on U.S. security and other objectives. The Department feels that the provision set forth in paragraph B(2)b of ACEP PD 1315, requiring all IL-I commodity cases to be presented to the ACEP structure for determination even though judged to meet the criteria for approval and a similar requirement for submission to CoCom, supports its view. Furthermore, this would appear to have been the unanimous view of the ACEP departments and agencies by reason of the unanimous non-objection of members to the OC Chairman's recommendation for denial of electrolytic copper wire bars to Poland, even though there was agreement the item in the quantity concerned (1500 tons) appeared reasonable and necessary to the Polish civilian economy (OC Report of Recommendations No. 518).

2. As stated above, the U.S. has been and continues to be convinced of the very high strategic importance of copper, including copper wire, to the war potential of the Soviet bloc, as well as to any other nation. The Department of Commerce feels strongly, and apparently other agencies and departments agreed as late as December 2, 1957, in the case of U.S. exports of copper wire bars to Poland, that the approval of exceptions to the embargo control over copper and copper wire, 6 mm and over in diameter, would have a serious adverse effect on the achievement of the U.S. objective for continued embargo of copper, including copper wire under 6 mm diameter. The Department of Commerce is not aware of any technical/strategic considerations that warrant a change in that position.

3. Because of its primary responsibilities, the Department of Commerce takes strong exception on the basis of U.S. commercial interests where security interests are not effectively advanced. The concurrence of the U.S. Government to shipments by CoCom countries of highly strategic embargo type commodities to the USSR or the Soviet dominated nations of Eastern Europe, including Poland, (all members of the Warsaw Pact) would make ineffective the denial of similar shipments by U.S. firms and businesses and frustrate the attainment of U.S. objectives. The only practical result in such cases is to deny U.S. business interests an opportunity to participate in profitable trade and lessen the excellent cooperation existing between U.S. business and the Government authorities charged with the attainment of U.S. overall security objectives.

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Accordingly, in view of the foregoing, the Department of Commerce concludes that U.S. interests would be best served by objecting strongly in CoCom to the proposal of the Netherlands Government to ship 500 tons of copper wire of 6.35 mm diameter to Poland. However, should a final determination be made that the U.S. should concur in this exception, the Department of Commerce will feel it necessary to notify the U.S. applicants for the shipment of electrolytic copper wire bars which were rejected, pursuant to the December 2, 1957 OC meeting, that favorable consideration would be granted upon resubmission. Further, the Department of Commerce will expect the EDAC structure to instruct the USDel to request an appropriate CoCom exception pursuant to such favorable action.

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