

~~CONFIDENTIAL~~March 10th, 1959COCOM Document No. 3445COORDINATING COMMITTEE

5. General

RECORD OF DISCUSSIONONUNITED STATES PROPOSAL TO ADD ITEM 1510 TO THE ITEMS LISTED IN ITEM 1416(e).March 5th, 1959

Present: Belgium(Luxembourg), Canada, Denmark, France, Germany, Italy, Japan, Netherlands, United Kingdom, United States.

References: COCOM 1104, 3376, 3379, 3397, 3422, Sub-C (58) 3.

1. The CHAIRMAN opened the meeting with a brief recapitulation of the position reached at the previous meeting (COCOM 3422). He recalled that there had been general approval of the United States proposal to add Item 1510 to the items listed in Item 1416(e) only on condition that all types of fish finding and whale finding equipment were excluded. He suggested that Delegations should re-examine the possibility of reaching agreement on the embargo of Item 1510 as at present defined in the context of ship repairs alone and leaving the question of its inclusion in Item 1416(e) to a later date.

2. The GERMAN Delegate pointed out that during discussions on this subject two years ago his Delegation had made it clear that they had never considered fish finding equipment covered by Item 1510. In the 1958 List Review, in an effort to reach agreement, they had accepted the embargo of certain fish finding equipment on the express understanding that such an embargo referred only to normal export orders and not in the context of ship repairs or ships sold to the Soviet Bloc. The German authorities understood that there might well be a case for not shipping a large number of sets of fish finding equipment as an ordinary export order but they did not understand why such equipment should not be installed in a ship which was sold to or built for the Bloc, in which case it would be known exactly what sort of ship was concerned.

3. The UNITED KINGDOM Delegate said that he agreed with the remarks made by his German colleague. He reiterated that all really strategic detection equipment was caught by Munitions List Item 9. None of the equipment falling under Item 1510 contained vital technological know-how. The number of sets of equipment which might be exported to the Soviet Bloc as a result of repair work or the sale of a ship would be small. The installation of this equipment would be a difficult task when a ship was in for repair and in any case it would be installed for peaceful purposes. The United Kingdom authorities did not think it likely that the Bloc would go to the length of buying vessels or having them repaired in order to obtain a number of sets of fish finding equipment. They therefore continued to think that Item 1510 should not be added in its entirety to Item 1416(e) although they could agree to its inclusion with the modification recorded at paragraph 2 of COCOM 3397.

4. The UNITED STATES Delegate said that his authorities had difficulty in understanding the Committee's reluctance to agree to the addition of Item 1510 as currently defined, since this definition was very narrow. In July 1958 the Sub-Committee of exports had reached agreement on the kinds of fish finding equipment which could be excluded from Item 1510 (COCOM Sub-C (58)

CONFIDENTIAL

- 2 -

COCOM Document No. 3445

and also on record was the experts' agreement on the types of fish finding equipment which involved essential characteristics equalling the performance of Asdics and which should therefore remain under embargo. Unfortunately this equipment was not included in the list contained in Item 1416(e). The Delegate pointed out that in February 1953 the Committee had agreed to add Item 1510 to paragraph 2 of Annex C to COCOM 549 (COCOM 1104, paragraph 15) which related to vessels being constructed or fitted out for sale to the Soviet Bloc. The United States authorities felt that the position had not substantially changed since. The Delegate felt that some confusion may have arisen because of previous reference to the Kelvin-Hughes whale finding set (COCOM 3422, paragraph 2(a)) because in Note 2 to Item 1510 the Kelvin-Hughes fisherman's Asdic was specifically excluded from this item. These were in fact two different pieces of equipment. The whale finding set was a replica of equipment used in the Royal Navy for purposes which went beyond whale finding. In conclusion the Delegate stated that he felt that Member Countries had not yet had sufficient time to make a thorough study of this question and he suggested that the discussion might usefully be postponed until March 9th.

5. The GERMAN Delegate stated that there would be serious administrative difficulties in his country to differentiate between the controls applied to ship repairs on the one hand and sales of new or secondhand vessels on the other. If Item 1510 were to be embargoed as far as repairs were concerned it would also have to be embargoed in the fitting out of new vessels and the sale of second-hand ones.

6. The UNITED KINGDOM Delegate stated that in 1958 the Sub-Committee referred to by the United States Delegate was considering Item 1510 in the context of its revision for inclusion in List I. Its embargo status was not challenged by the United Kingdom Government. They accepted the position that the export to the Bloc of the equipment caught by Item 1510 on its own, and not in ships, would still be embargoed.

7. The DANISH Delegate said that in his opinion the United States insistence on adding Item 1510 in its entirety to Item 1416(e) was unreasonable. As he had pointed out at the previous meeting (COCOM 3422, paragraph 5), from the procedural point of view the United States were in a strong position as far as the repairs were concerned while the rest of the Committee were in a strong position on the sale of vessels. He had hoped that there would be a compromise with the majority of the Committee yielding somewhat on sales and the United States giving a little on repairs. Now, however, the United States were still asking the whole Committee to leave the present position on repairs unchanged and to accept the whole of the United States proposal on sales.

8. The UNITED STATES Delegate observed that it was a fine juridical point as to whether the present Item 1416(e) superseded the provisions of COCOM 1104. Although he was not prepared to adopt a firm position on this point at the moment, COCOM 1104 was nevertheless a reflexion of the importance the Committee had always attached to Item 1510.

9. The FRENCH Delegate pointed out that the position in 1952 and 1953 was very different from what it was now. There had been important revisions of the International Lists in 1954 and 1958 which had affected the substance of Item 1510.

10. After further discussion the CHAIRMAN stated that in COCOM 549 there was an essential difference between the use of embargoed items as far as repairs were concerned and their installation in a vessel to be sold to the Bloc. Annex B of COCOM 549 stated that the installation of all List I items should be prohibited during repairs while, with regard to sales, Member Countries were to avoid the installation of certain specific List I items "to the maximum extent possible." (Annex C).

CONFIDENTIAL

CONFIDENTIAL

- 3 -

COCOM Document No. 3445

11. The DANISH Delegate said that in his opinion the substance of the matter was that the majority of the Committee had accepted the embargo of Item 1510, albeit reluctantly, because some types of fish finding equipment could be considered strategic. The shipbuilding nations did not consider that there was any great danger if a set of this equipment was exported with a new ship because such cases would be few in number, whereas ordinary sales might well be more numerous. He felt that the fundamental question to be considered was whether or not it was dangerous from the strategic point of view to export a few sets of fish finding equipment with vessels which were sold to the Bloc. The Committee had accepted the prohibition of the installation of certain more dangerous items when vessels were sold to the Bloc but the Danish Government did not consider that Item 1510 came within this category. It was important for the shipbuilding nations to have the maximum possible freedom in conducting trade negotiations with the Bloc.

12. The UNITED STATES Delegate said that if the whole of Item 1510 were added to Item 1416(e), it would still be possible to use the Committee's exceptions procedure to obtain agreement for the export of equipment in a vessel. As had been pointed out in a previous statement (COCOM 3422, paragraph 2(b)), the United States authorities considered that this was the proper course. As an alternative Member Countries could make proposals for adding to the equipment specifically excluded from coverage of Item 1510. ~~Limited~~ as it stood now Item 1510 did not cover innocuous equipment.

13. The ITALIAN Delegate suggested that a possible solution to the present deadlock might be the addition of a note, as the Committee had done in the past for a few other items, saying that exceptions requests concerning Item 1510 would be favourably considered by the Committee.

14. The COMMITTEE agreed to continue the discussion on March 9th.

CONFIDENTIAL