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February 9th, 1959

COCOM Document No. 2869.82

COORDINATING COMMITTEE

S.  
General

RECORD OF STATEMENTS BY THE UNITED KINGDOM AND UNITED STATES DELEGATES

ON

THE REVIEW OF THE STRATEGIC EXPORT CONTROLS - ADMINISTRATIVE PRINCIPLE NO. 3.

February 5th, 1959

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

References: COCOM 2401, 2869.5, 2869.55, 2869.57, 2869.61, 2869.64, 2869.72, 2869.73, 2869.76, 2869.80 and Secretariat Paper 102.

United Kingdom Statement.

1. The UNITED KINGDOM Delegate said that if the Committee accepted the phrase "a principal element" instead of "the principal element", as proposed by his Delegation, Member Countries would find themselves in some difficulties over Administrative Principle No. 3. Referring to the examples given by the German Delegation (COCOM 2869.61, paragraph 6(c)) of the application of Principle No. 3, the chemical plant containing equipment for liquefaction of gas (paragraph 6(c)II(i)) would be a permitted export at present, but would not be allowed if the phrase "a principal element" were inserted, because then the equipment would be neither "the" principal element nor the principal element from the point of view of value or quantity. Thus, contrary to the opinion of the German Delegation, the United Kingdom authorities thought that the phrase "a principal element" was more restrictive and, if the Committee could not accept the word "the", would propose returning to the phrase "a principal element in value of quantity."

United States Statement.

2. In light of the inability of the Committee to agree on either the United Kingdom or the Italian compromise proposal at this time, and without prejudice to further discussion of either of those proposals later, the United States Delegation proposes the following revision of Administrative Principle No. 3:

a. Adopt as introductory paragraph and sub-paragraph (i) the wording proposed by the German Delegation (COCOM Doc. 2869.61, page 3), as follows:

"The object of the embargo controls should not be defeated by the export of any non-embargo items (including plants) containing one or more embargoed components:

(i) when the embargo component or components are a principal element of the item and can feasibly be removed or used for other purposes, or".

b. Then add the following sub-paragraph:

(ii) when the embargo component or components can be utilized for the acquisition of unique technological know-how within the meaning of criterion (b) of COCOM Doc. 2869.27."

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3. The sub-paragraph (ii) proposed above reflects our belief that technology within the meaning of the technology criterion should not be exported as part of a non-embargoed item if observation or analysis of the embargoed component, irrespective of whether the embargoed component is a principal element and can feasibly be removed or used for other purposes, would enable the Bloc to acquire technological know-how that the Member Countries, in agreeing to criterion (b), have agreed should not be made available to the Bloc.

4. This proposal would leave the decision on individual cases to be made by the exporting country without prior consultation; we would hope, however, that Governments would agree to bring doubtful cases to the Committee.

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