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November 1, 1956

Mr. William N. Morrell, Jr.  
Central Intelligence Agency  
Washington, D.C. 20505

Dear Bill:

Subject: Multiplex Equipment - IL 1523(s)

The United Kingdom and Japan have again proposed relaxation of this item. They are clearly unconvinced by our arguments against change. The Japanese proposal revives their hidden China differential idea. This time they say "to a country belonging to CCITT"; last year it was "to a Communist-bloc country which has already developed the equipment operable within these frequencies." Last year they told us they had in mind potential sales to the U.S.S.R.

We have opposed relaxation primarily because of China. Is that country likely to be in the market for high capacity communications equipment?

We have demonstrated a willingness to be liberal on exceptions cases for Eastern Europe; we would presumably extend this to the U.S.S.R. Is there any compelling reason not to state that we have no objection to exports to these areas?

Our inability to convince others of the strategic nature of this equipment doesn't help the credibility of our strategic evaluations in general. Other countries emphasize predominant civil use. We would appreciate your taking another look at the matter prior to the forthcoming review scheduled to begin November 14.

Sincerely yours,

State Dept. declassification & release instructions on file

Joseph A. Greenwald  
Deputy Assistant Secretary for  
International Trade Policy and  
Economic Relations

Enclosures:  
COCOM Docs. (66)1523/1 and 1523/2

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