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To: Technical Task Groups

From: Robert Reiss, Coordinator

Subject: Request by the US Delegation to CoCom for
Priority Studies on Certain List II Items.

The United States Delegation to CoCom, in connection with the approaching negotiations on List II quotas for the year 1953, has transmitted a list of those items that have presented special negotiating difficulties in the past.

Although all Task Groups responsible for List II items presently are engaged in technical and intelligence studies of those items to put a solid floor of fact under their quota recommendations, it is necessary to put special emphasis upon the items identified by the US Delegation as presenting particular problems.

This memorandum, while transmitted for action only to those Task Groups identified below, is also being sent to all other Task Groups for their information and to emphasize to all the kind of information the United States particularly requires to buttress its arguments on behalf of Task Group recommendations.

The Task Groups to which this memorandum is addressed for action, and the commodities identified by the U.S. Delegation as requiring specially intensive studies are:

Inorganic Chemicals Task Group (Mr. Wilder)
Sulfur and sulfuric acid.

Non-ferrous Metals and Minerals Task Group (Mr. Deitch)
Aluminum
Pyrites (jointly with Inorganic Chemicals Task Group, (Mr. Wilder)
Lead

Iron and Steel Task Group (Mr. Williams)
Ferro-chrome
Seamless steel pipe
Railroad rails (jointly with Transportation Task Group,
(Mr. Jeffrey)

Rubber and Rubber Products Task Group (Mr. Stockvis)
Tires and tubes

Chemical Equipment, (Mr. Smith), Petroleum Equipment, (Mr. Thompson)
and Iron and Steel, (Mr. Williams) Task Groups
Corrosion resistant materials

Chemical Equipment Task Group (Mr. Smith)
Chemical equipment

Metalworking Machinery Task Group (Mr. Warner)
Metalworking machinery

Transportation Equipment Task Group (Mr. Jeffrey)
Locomotives

Diesel Engines Task Group (Mr. Hutchinson)
Diesels

Diesel Engines; (Mr. Hutchinson); Transportation Equipment;
(Mr. Jeffrey) and Electrical Equipment (Mr. Truluck) Task Groups
Marine propulsion equipment

Transportation Task Group (Mr. Jeffrey)
Ships

Bearings Task Group (Mr. Miller)
Bearings

Construction Machinery and Tractors Task Group (Mr. Brosky)
Excavators

Electrical Equipment Task Group (Mr. Truluck)
Electrical equipment

The Department of State reports that it has already completed, or has nearly completed, studies on sulfur and sulfuric acid, and lead. The Task Groups concerned should examine these studies to determine if anything further can be added.

The Electrical Equipment Task Group has nearly completed its study in that field.

Other items are in varying degrees of progress, ranging from very little to a great deal.

The Rubber and Rubber Products Task Group reports that it has nearly completed its tires and tubes study, while the Bearings Task Group is proceeding with certain aspects of the work that can be done in Washington while awaiting the results of a visit to European bearings plants of a special team of investigators.

Other intelligence studies also understood to be near completion are in

the fields of metalworking machinery, locomotives, and marine propulsion equipment.

All Task Groups presently are engaged in technical and intelligence studies for all List II items in accordance with Task Group General Assignment GA-1, issued July 15, 1952. That assignment called for the development of data in accordance with the "Outline for Justification of Security List Items", which was attached to the assignment. The Outline is a guide to essentially the same kind of basic information that is necessary for the effective performance not only of the quota assignment but for all Task Group assignments.

In connection with the request for priority intelligence studies on the items listed above the United States delegation to CoCom transmits the following views for further guidance:

"Experience in CoCom negotiations shows that the Participating Countries definitely respect and are persuaded by whatever facts we can present regarding the situation in the Soviet Bloc, as distinguished from mere assertion that a commodity is strategic. When their direct economic interests are involved, the Participating Countries are especially critical of conclusions we may attempt to draw from scanty evidence or from hypotheses."

In other words, the US delegation has found that it cannot conduct successful negotiations on the basis of Task Group papers that consist of argument, rather than of evidence.

The US delegation further requests that for practical use in Paris it is necessary that lengthy papers be preceded by a concise and convincing summary of both recommendations and justification that can be transmitted to the other nations if necessary.

The US delegation makes the following additional suggestions on the kinds of data that are especially needed to support a US recommendation and which are in line with the suggestions given in GA-1:

- Why
1. Current typical or average prices in the free world (preferably European) for the item and its major varieties and qualities.
 2. Any indication of what the Soviet Bloc has offered or paid, with particular indication of premium prices offered by the Bloc.
 3. Statistics, or at least estimates, on Bloc production, consumption, requirements, stocks and trade. If such information is lacking, it is useful to supply similar data for one or more major industrial countries in the West, other than the United States.
- Why? //

4. Specific examples whenever possible (as from the examination of Soviet equipment captured in Korea) of the strategic use to which the Bloc is putting the item. In this connection, it is especially useful for the US delegation to CoCom to be informed of what the Bloc is doing or can be expected to do with the amount of imports specified in the CoCom quotas.
5. Where the Task Group's information shows that the Bloc has offered or supplied the West with items on the strategic lists, the US delegation would appreciate a technical and intelligence evaluation of the significance of such offers.

Action Requested:

Intensified attention to General Assignment GA-1 by the Task Groups identified above, in respect to the commodities identified above, and with particular attention to the suggestions made by the US Delegation to CoCom.