August 2, 1990

CONTROLS STILL NEEDED ON HIGH TECHNOLOGY EXPORTS TO THE U.S.S.R.

INTRODUCTION

The United States needs advanced military technology to maintain a winning edge against potential enemy forces. This need will continue despite the decline of the Soviet threat in Europe. For one thing, the Soviet Union remains a formidable military power around the globe. For another, the U.S. will need advanced military weapon systems to combat terrorism, the spread of ballistic missiles in the Third World, international drug trafficking, and regional challenges to U.S. interests. America thus must continue fielding better weapon systems and equipment than its adversaries.

To protect its military technology edge in the past four decades, America carefully has restricted the sale or other transfer of technology to its potential adversaries. These restrictions understandably are being reviewed in the wake of the real decline of the Soviet military threat in Europe. George Bush proposed on May 2 sweeping reductions of the restrictions on selling advanced technology to the U.S.S.R. and other countries of the Warsaw Pact. The House of Representatives passed landmark legislation on June 6 to ease export controls. The U.S. and its allies agreed in a June 6-7 meeting in Paris to lift many of the restrictions on the export of high technologies to the Soviet Union and other countries. And then on July 17, the Senate Banking Committee approved its version of the House bill.

Case for Relaxing Bans. The dramatic changes in Eastern Europe make a persuasive case for easing some constraints on technology transfer. The fall of the Berlin Wall and the emergence of democracy in Eastern Europe, for example, may entitle Czechoslovakia, Poland, and other countries to obtain

Western computers, fiber optic cable, telecommunication equipment, and other high-tech products.

Judiciously easing restrictions does not mean wholesale repeal of them. The restrictions should be dismantled gradually, by stages determined by hard-headed assessments of the potential threats facing the U.S. While restrictions must not become an anachronism, mindlessly locked in the fast-fading reality of the Cold War, they clearly must not jump ahead of changes in the military balance. It has been American superiority in military technology that, perhaps more than anything else defeated the Soviet Union in the Cold War. Continued technological superiority is required to keep the peace.

The Bush Administration must devise a policy of technology transfer that balances a variety of needs: that of the emerging East European democracies for American technology; that of American technology firms for new markets in Eastern Europe; that of the U.S. not to be left far-behind as the West Europeans and Japanese sell technology, with almost no restriction, to Eastern Europe; and that of the U.S. to defend itself against current and future adversaries.

The components of such a policy would be for the U.S. to:

♦ ♦ **Continue as leader in the Coordinating Committee for Multilateral Export Controls (COCOM).** Founded in 1949, COCOM coordinates the export policies of advanced industrial nations to prevent the Soviet Union and its allies from obtaining sophisticated military technologies from the West. Its membership includes Japan, Australia and all NATO members except Iceland. COCOM is currently easing export restrictions. Washington's COCOM leadership is being challenged by other members, particularly Bonn. The Administration should fight to keep its leadership. The reason: if U.S. leadership is eclipsed, those COCOM members who seek fewer restrictions on technology transfers to the Soviet Union will dominate COCOM and thereby allow the Soviets to obtain Western technology important to its military.

♦ ♦ **Maintain the COCOM standard of controlling "strategically significant" technologies.** Because modern militaries depend on a variety of industrial products to improve the combat effectiveness of their military forces, controlling the export of computers, machine tools, electronic equipment, and similar products protects U.S. security. COCOM has used what it calls the standard of "strategic significance" to determine which technologies should be denied to the Soviet Union and its allies. "Strategically significant" technologies are defined as those that increase the effectiveness of military establishments in adversary countries; examples include supercomputers and advanced sensor systems.[1] This standard would be weakened if a COCOM revised list of what are called industrial commodities ignores the standard of

1 U.S. Department of State, *Gist*, "US Exports: Strategic Technology Controls," April 1990.

"strategic significance." Attempts to weaken the "strategically significant" standard should be resisted.

♦ ♦ **Develop an export policy that distinguishes between the emerging democracies of Eastern Europe and the Soviet Union.** If the new democracies of Eastern Europe quit the Warsaw Pact military alliance, they would be divorcing themselves from military and intelligence cooperation with the Soviet Union. These countries then would pose only a minimal military threat, if any, to the U.S. and the West. At such a time, the U.S. should lift restrictions on the export of advanced technology to these countries. At the same time, strict rules must prevent them from transferring militarily significant technologies to the Soviet Union.

♦ ♦ **Ease restrictions on export controls to the Soviet Union only as Moscow reduces military spending and capabilities.** The Soviet Union is still a military colossus, fielding 30,000 nuclear warheads, roughly 50,000 tanks, and 4.5 million troops. It remains the only country that presents a mortal threat to the U.S and its allies. The U.S. should ask COCOM to reaffirm that the sale of strategically significant technologies to the Soviet Union will be restricted unless there is a substantial decline in Soviet military capabilities across the board.

♦ ♦ **Ask Congress for a one-year extension of the Export Administration Act (EAA).** The EAA is the statute establishing the guidelines for which U.S. technologies can and cannot be exported. It expires this September 30. The House of Representatives on June 6 passed a sweeping revision of the EAA, greatly weakening controls on the export of advanced technologies. The Bush Administration however seeks a one-year extension of the EAA. This extension is needed to give COCOM time to complete a major review of its policies. The Congress should not short-circuit U.S. export policy by undermining Bush's negotiating position in COCOM.

PROTECTING THE WEST'S LEAD IN MILITARY TECHNOLOGY

The Coordinating Committee for Multilateral Export Controls, or COCOM, was established in 1949 to prevent the export of strategically significant technologies and commodities to the East. Such technologies have been computers, machine tools, and electronic equipment, which can be used to manufacture such advanced weapons as self-guided rockets and elaborate military command and control systems, and to make submarines more difficult to track. Seventeen countries participate in COCOM: the U.S., Australia, Belgium, Britain, Canada, Denmark, France, West Germany, Greece, Italy, Japan, Luxembourg, the Netherlands, Norway, Portugal, Spain, and Turkey. These countries have agreed to prohibit the export of those technologies designated by the unanimous agreement of COCOM members. The COCOM headquarters, or secretariat, is located in Paris and serves as the administrative arm of COCOM.

COCOM Responsibilities. COCOM serves three major functions. First, it requires each member country to establish national "control lists" of equipment that legally cannot be exported to the Soviet Union and its allies. Common guidelines are established for the export of products like microelectronic equipment, telecommunication systems (telephone computer modems, for example), and such navigation devices as modern avionic equipment for aircraft. For the U.S., the Department of Commerce maintains the list of controlled products, called commodities (on what is officially known as the Commodity Control List), in consultation with the Departments of State and Defense. The U.S. Customs Service is the agency primarily responsible for enforcing U.S. export control laws and regulations.

Second, member governments of COCOM are required to review exports of most industrial commodities to prevent their diversion from their purported destination – such as Austria, for example – to the Soviet Union or its allies. In the U.S. this is done primarily by the Commerce Department, which grants export licenses for industrial goods that utilize modern technology. An American exporter who wishes to export relatively unsophisticated machine tools, for example, must apply for a license to sell the product in the Soviet Union. The Commerce Department reviews the application and grants a license to the exporter if the technology is not subject to an export ban. The Commerce Department last year reviewed some 1,800 such applications for export licenses to the Soviet Union and granted 1,251.[2]

Third, COCOM coordinates the licensing practices for strategic exports of the member governments. Individual COCOM nations are required to obtain permission from COCOM to grant export licenses that allow the export of the most sophisticated commodities. Further, COCOM coordinates enforcement policies. For example, COCOM harmonizes the procedures of all member governments for inspecting export shipments to ensure that restricted items are not diverted to the Soviet Union.

THE RUSH TO EASE EXPORT CONTROLS

The fall of the Berlin Wall and the collapse of the Warsaw Pact have convinced some COCOM governments and some members of the U.S. Congress that the Soviet military has weakened significantly. They thus argue for relaxing controls over the export of militarily significant technologies not only to the emerging democracies of Eastern Europe, but to the Soviet Union as well. Said Representative Don Edwards, the Democrat of California, on the House floor last June 6, "...the events in Europe and the Soviet Union over

2 General Accounting Office, "Export Controls U.S. Policies and Procedures Regarding the Soviet Union" (Washington, D.C., 1990), p. 11.

the past year have brought dramatic changes not only terms of national security and military strategies, but also in terms of international trade."[3]

The campaign to relax export controls is led by American and foreign businesses that seek markets in Eastern Europe and the Soviet Union. Among U.S. companies pressing for lighter controls are International Business Machines Corporation, Digital Equipment, Inc., and American Telephone and Telegraph Company. The U.S. Chamber of Commerce supports the House of Representatives bill to loosen export controls. In the House, the most outspoken advocates of eased controls are Connecticut Democrat Representative Sam Gejdenson and Wisconsin Republican Toby Roth. The foreign government pushing hardest for eased export controls is West Germany. In fact, proposals were made last year in the West German Bundestag, its parliament, to abolish COCOM altogether.

Responding to Pressure. This pressure has had an impact on the Bush Administration. The White House announced on May 2 that the U.S. would revise its export control policy. The Administration proposed that COCOM establish a completely new list of controlled technologies. Over 40 of the existing 120 categories of restricted commodities will be either partially or completely eliminated.

Certain categories of computers, telecommunications equipment, and machine tools, labeled "priority sectors" by the Bush Administration, receive special attention in the proposal. Computers with data processing rates of 275 megabits per second (mps), a rate roughly equivalent to that found in an IBM PS 2 personal computer, were taken off the list of controlled technologies. Computers with a data processing rate of up to 550 mps, which is similar to that of the very large IBM 3081 mainframe computer, can also be exported so long as the customers are civilians and not associated with the military.

Communications for Eastern Europe. The Bush proposal also relaxes controls on the export of telecommunications equipment, including fiber optic equipment with a transmission level of 156 megabits, to the emerging democracies of Eastern Europe. Fiber optic equipment transmits computer data by light impulses across a very thin, glass-like silicon tube. This equipment would give East Europeans the ability to provide the sorts of communications services generally available in the U.S. Example: they could develop high-quality fax machine networks and use the telephone to check credit card numbers when making purchases in stores. Finally, the Administration lifted all controls on machine tools with a cutting accuracy of plus or minus 2 or 3 microns. A micron is. 000039 inches.[4] The previous standard for exports to the Soviet Union was around 10 microns.

3 *Congressional Record*, June 6, 1990, p. H3278.
4 White House Press Office, "Comprehensive U.S. proposal for Modernizing COCOM," May 2, 1990.

The White House proposal significantly eases U.S. export controls. While the primary impetus for the change in policy came from the Commerce Department, both the State Department and Pentagon approve the changes.

Some technologies exported to the Soviet Union under the new U.S. rules, including computers and machine tools, could be used to manufacture weapons. Machine tools, for example, could produce engine parts and chassis for tanks and armored personnel vehicles. The machine tools illegally exported to the Soviet Union in the 1980s by the Japanese company Toshiba Corporation are being used to produce high-quality submarine propellers, making Soviet submarines quieter and thus more difficult to detect by the U.S. Navy.

CONGRESS ACTS TO EASE EXPORT CONTROLS

The House of Representatives, on June 6, voted 312 to 86 for H.R. 4653 to ease export controls.[5] The six key provisions to the House bill are:

1) **The elimination of U.S. export licenses** on commodities destined for COCOM countries and other non-member countries which cooperate with COCOM, effective September 30, 1991. This would eliminate the need for U.S. manufacturers to apply for export licenses so long as the recipient countries are cooperating with COCOM in controlling exports.

2) **The decontrol of all commodities** whose technological sophistication is equal to that currently permitted for exports to the People's Republic of China (PRC). The only requirement would be to notify other COCOM nations of the exports. This standard of relative technological sophistication is commonly referred to in COCOM as the "PRC Greenline." Advocates of this proposal argue that these products are unsophisticated and would no longer be helpful to the Soviet military.

3) **A favorable consideration of license applications** for the sale of commodities more sophisticated than those exported to the PRC. These exports, however, could only go to civilian customers in Eastern Europe who, according to the bill, "do not have interests adverse" to America and its allies. They could not go to the Soviet Union or hostile nations in Europe unless approved case-by-case. The application for licenses for civilian exports to Eastern Europe would be largely formal because the Commerce Department would likely approve most of them under the new liberalized rules.

4) **A thorough review of all commodities** on the so-called "control list" of exports to controlled countries. The first step in this process would be to eliminate all commodities on the list. The second step would be to establish a special review to determine which commodities should be reinstated on the control list. This process will require a fresh review for every item; only those

5 *Congressional Record*, June 6, 1990, pp. H3270-H3355.

that can be justified would remain on the list. The first review is to take place by October 1, 1992; subsequent reviews are to occur every two years.

5) **Restrictions on the jurisdiction** of the Pentagon in reviewing export licenses. As a result, the Commerce Department would approve the vast majority of export license applications without consulting the Pentagon.

6) **Increased penalties** for violating export control. The maximum prison terms and fines for willful violations of export controls would be increased from the current ten years and $1 million to twenty years and $2 million.[6]

An amendment to the Export Facilitation Act (H.R. 4653), sponsored by Representative Richard Durbin, the Illinois Democrat, was adopted by the House on June 6. It established the requirement that the Soviet government enter negotiations with Lithuania before controls on exports to the Soviet Union could be eased.[7]

The House bill would liberalize export controls much more than would the Bush Administration. The House would reduce severely the jurisdiction of the Secretary of Defense in export control policy. It also would put the burden of proof on those wishing to prevent the export of a particular commodity. The reason: all commodities will be removed from the list and those returned are required to be "reinstated with justification". Under current law, the burden of proof rests with those whose wish to remove a product from the control list. They must prove that the technology used by a product would not enhance the military capabilities of the Soviet Union and its allies.

Senate Action. The following month, on July 17, the Senate Banking, Housing and Urban Affairs Committee, which has jurisdiction over export conntrol legislation in the Senate, drafted a companion bill to the one passed by the House. The Senate Committee's bill codifies the export control standards already announced by Bush and COCOM. It also adds provisions to: 1) authorize the U.S. Export-Import Bank, a U.S. government agency that insures export sales, to back sales of defense items; 2) impose trade sanctions on Iraq; and 3) impose trade sanctions on companies from non-COCOM countries, such as South Korea and the Republic of China on Taiwan, if they violate export restrictions after agreeing to guard against technology transfers to the Soviet Union. The Senate Banking Committee staff is still drafting the report to accompany this legislation.

6 House of Representatives, Committee on Foreign Affairs, *Report on the Export Facilitation Act of 1990*; 101st Cong., 2nd session, H.Rept. 101-482 (Washington, D.C.: GPO, 1990), pp. 2-3.
7 *Congressional Record*, June 6, 1990, pp. H3293-H3300.

THE COCOM REVIEW PROCESS

The COCOM review process will be long and complicated. All COCOM members have agreed to the Bush Administration proposal to revise the "Industrial List" of controlled technologies. This list names the industrial commodities, like advanced electronics and supercomputers, that COCOM countries agree not to export to the East. A new list is to be written from scratch by COCOM members and the work will be completed by the end of this year. The U.S. and other COCOM members will submit their proposals for the revised list by September 15.

A new set of categories for technologies will be created in the new list. These are: 1) electronics; 2) advanced materials; 3) telecommunications equipment; 4) sensor systems; 5) navigation and avionics equipment; 6) marine technology; 7) computers; 8) propulsion systems. These categories have been established to ensure that all member countries have the same categories of controlled commodities. The final result is certain to be a shorter list of embargoed commodities, which is why it currently is being referred to as the "core list."

Removing Controls. COCOM at its June 6 and 7 meeting adopted the Bush Administration's May 2 proposal to ease controls in the "priority sectors" of computers, telecommunications equipment, and machine tools. Then on July 1, COCOM deleted 30 commodities from the industrial list, including vacuum pumps and metal rolling mills. An additional eight items, including sophisticated cameras and robots, will be taken off the list on August 15. The export rules governing seven items on the industrial list, such as materials used to manufacture integrated circuits, were also changed on July 1, allowing export to the Soviet Union if other COCOM members were notified of the sale.

The June 6 and 7 COCOM meeting also created a temporary list for controlled exports to the East Germany. Only the most sophisticated technologies, including submarine and laser technologies, are subject to stiff restrictions against export to the East Germany. Until German unification is complete, and a new set of rules are promulgated, the new rules require businesses of COCOM members to give advanced notice of exports to East Germany. When Germany is unified by December of this year, the temporary list will cease to apply and the entire German state will become a full member of COCOM.

Taking Precautions. Finally, the COCOM meeting set less restrictive standards for exports to Czechoslovakia, Hungary, and Poland which could take effect if these governments take precautions against diverting technologies to the Soviet Union. They would have to end all intelligence cooperation with the Soviet Union and ensure that the goods are used solely for civilian purposes. The final decision to make any of these countries eligible for the lower standards will be made collectively by COCOM members at a later date.

FOUR MYTHS ON EASING EXPORT RESTRICTIONS

The case for fewer restrictions on the export of advanced technology to the Soviet Union and its allies is based on four myths. They are:

Myth #1: Giving the countries of Eastern Europe high technologies is the key to modernizing their economies.

Representative Sam Gejdenson of Connecticut and others argue that Czechoslovakia, Hungary, Poland and other emerging democracies in Eastern Europe will not be able to modernize their economies without high technology equipment. They cite the need for modern telecommunications for the banking system, computers for business management, and automated production equipment for food processing. A May 10, 1990, report by the House Foreign Affairs Committee states: "As long as one cannot pick up a phone and get a dial tone in Warsaw, and as long as Hungary's banking system and hotel reservation system lack up-to-date computers, the economic development of Poland and Hungary, and other countries in Eastern Europe will be retarded, thereby making it more difficult to maintain their economic and political independence from the Soviet Union."[8]

It is true that Eastern Europe will need some advanced technologies, particularly in telecommunications, but reliable and affordable technologies will be more important than sophistication. What Hungarian and Polish industries need are machine tools to produce reliable consumer products, not expensive and highly sophisticated technologies to produce high quality propellers for submarines. The key to Eastern Europe's economic future is economic reform, not advanced technology. Economic policies that encourage productivity and efficiency will do more to promote economic growth than high-technology which the relatively backward economies of Eastern Europe may not in some instances be able to absorb. To rely on high technology to transform East European economies is to repeat the mistake made in the past quarter-century's failures to transform the African economies.

Myth #2: Export controls on high technologies prevent U.S. companies from exporting to Eastern Europe and the Soviet Union.

Some U.S. business leaders believe that the U.S. export control policy on high technology is the principal barrier to U.S. exports to Eastern Europe and the Soviet Union.[9] But only 6 percent of the dollar value of U.S. exports to the U.S.S.R. and its allies have been subject to export bans since 1987. Only high technology manufactured products such as advanced computers or microelectronic equipment are prohibited. All other goods can be exported,

8 House Committee on Foreign Affairs, *op. cit.*, p. 9.

9 GAO, *op.cit.*, pp. 18-19.

although some are subject to a license requirement. Some 85 percent of exports to the Soviet Union are agricultural products and not subject to controls at all. And, of the $3.6 billion worth of U.S. products licensed before export to the U.S.S.R. from 1987 to 1989, about $2.6 billion was approved for export.[10] Nothing in the current export control law prevents U.S. businesses from exporting fertilizers, food, oil production equipment and a vast variety of other products to most countries in the world. U.S. export controls are not a serious economic barrier to trade with the East.

Myth #3: U.S. export restrictions on technologies are out of date.

Businessmen from the U.S. and other COCOM nations frequently say that many technologies controlled by the West are already available elsewhere on the world market. Echoing this sentiment, the House Committee on Foreign Affairs report stated: "The Commodity Control List [the list of sensitive commodities prohibited from export to the East and managed by the Department of Commerce] is cumbersome and out of date. Items are on the List absent justification and just remain there."[11]

In some instances this is true. The earlier list includes steel alloys and floating dry docks. These provide the Soviets with no military advantage. Yet the standard for restricting technology transfers should not be based on what is generally available in the world market, but on what the Soviet military currently lacks. The aim of U.S. and COCOM export control policies is to restrict the ability of the Soviet Union to produce advanced weaponry. Moscow is still lagging behind world standards in most militarily significant technologies, including computers, fiber optics, and microelectronic circuits.[12] Giving the Soviets such advanced technology, which they do not yet have and which could improve the performance of their military equipment and weaponry if they obtained it, is against the security interests of the West. In some instances this could include technologies that the West views as unsophisticated, such as some kinds of microelectronic and telecommunications equipment. Products using this kind of technology include certain types of computers and telephone modems for computers.

Myth #4: The Soviets already have obtained the technology they want from spying on the West.

Though Moscow does steal Western technology, Soviet spying and illegal purchases clearly do not make U.S. export control policies meaningless. The Pentagon calculates that of the 32 categories of deployed weapon systems,

10 *Ibid.*, p. 1.
11 House Committee on Foreign Affairs, *op.cit.*, p. 13.
12 Department of Defense, *Soviet Military Power Prospects for Change 1989* (Washington, D.C.: GPO, 1989), p. 137.

the U.S. has more sophisticated weapon systems in fifteen, including strategic bombers, ballistic missile submarines, and sea-based aircraft.[13] Were the Soviet spy program able to obtain advanced technologies from the West at will, Soviet weapons would be on a par with U.S. weapons. The Soviet spy program, despite its vigor, cannot by itself close the gap between the Soviet Union and the U.S. in advanced military technologies. Moscow must rely on technology imports to do that.

A PRUDENT POLICY OF EXPORT RESTRICTIONS

Most COCOM members have more lenient standards on restricting high technology exports to the East than the U.S and they are seeking even lower standards. While they argue that high technology exports to the new democratic governments of Eastern Europe will help these countries modernize their economies, the main motive for COCOM members to push for lower restrictions is to give their domestic industries expanded export markets. It is up to Washington, as it has been for nearly a half-century, to make it clear to the other COCOM nations that collective security must not be sacrificed for the sake of potential export markets for specific industries. The Administration can do this by:

♦ ♦ **Maintaining U.S. leadership in COCOM.** The U.S. should remain COCOM leader. There have been occasions, particularly last year, when the U.S. has been the sole opponent of proposals to ease export restrictions. This happened during an October COCOM meeting in Paris. Because COCOM makes decisions only by unanimous consent, a firm U.S. position can prevent or slow an opening of the floodgates on technology exports to the Soviet Union. The U.S. should block the decontrol of particular commodities after the new core list is established. If the U.S. refuses to okay decontrolling a particular commodity, it will not be taken off the list. Other COCOM members may be tempted to propose easing export restrictions on specific items after the completion of the current review. The U.S. should resist this as it could become an indirect way to eliminate all export restrictions as the more lax members of COCOM continually whittle away at the list of restricted commodities.

♦ ♦ **Continuing the COCOM standard of controlling "strategically significant" technologies.** COCOM soon will create a new "core list" of controlled commodities. The traditional standard for COCOM in determining what items to restrict has been what is called "strategic significance," or whether the particular product would increase the military effectiveness of the Soviet Union and other targeted countries. This standard was abandoned by the June 6 and 7 COCOM meeting. At that time the organization adopted a new

13 Department of Defense, *op.cit.*, p. 134.

standard, called "strategic criticality." COCOM has not specifically defined this term, but says that the standard would consider the "inherent controllability" of a commodity. This implies that COCOM members may argue that a specific item should be excluded from the new core list not because it will not be useful to the Soviet military but because it may be difficult to control. As it designs its own "core list," the Bush Administration should adopt as guidelines for "strategic criticality" those that it had for "strategic significance." The basic standard for controlling the flow of high technology to the Soviet Union and other controlled countries should remain the same.

♦ ♦ **Distinguishing between exports to the Soviet Union and the new democracies in Eastern Europe.** The emerging democracies of Eastern Europe, specifically Czechoslovakia, Hungary, and Poland, should be exempted from strict COCOM restrictions if they continue to divorce themselves from their military and intelligence relationships with the Soviet Union. As democratic nations, these countries pose no significant military threat to the U.S. and its allies. The new, lower standards for exporting high technology commodities to the emerging democracies of Eastern Europe, however, should take effect gradually. These countries have been members of the Warsaw Pact for over 40 years. Military and intelligence ties to the Soviet Union will not dissolve overnight. As these ties are loosened, COCOM restrictions can be eased. At the same time, COCOM must impose on the new East European governments strict rules against transferring Western technology to the Soviet Union. COCOM will have to develop new ways to enforce the rules, perhaps requiring the exporter to identify the customer and to reveal the stated purpose for which the product is intended. Periodic inspections to ensure compliance with regulations will be required.

♦ ♦ **Ensuring strict controls on exports to the Soviet Union.** The Soviet Union (or even an independent Russia) will remain a significant military threat to the U.S. and its allies long into the future. The Soviet strategic modernization program continues, and as its conventional forces shrink, Soviet generals will seek through advanced technologies to achieve what American military experts call "force multipliers," which enhance the capability of the combat force using them.[14] The U.S. should insist that COCOM link further relaxation of export restrictions to the U.S.S.R. to a demonstrable decline in Soviet military capabilities. The West should demand that Moscow deploy a military force no larger than needed for defense of Soviet territory. For U.S. export policy toward the Soviet Union to be relaxed almost completely, the Soviet Union would have to become a multi-party democracy with a market-based economy; this is the best way to ensure friendly intent toward the West.

14 Since an highly accurate air-to-air missile, for example, is three times more likely to hit its target than earlier models, the same mission can be performed with only a fraction of the planes carrying such missiles. Hence the "force multiplying" effect of the more accurate missile.

Barring these actions the Soviet Union should not be eligible for high technology exports from the West.

♦ ♦ **Extending the Export Administration Act for one year.** COCOM is in the midst of revising its export control policies. This, therefore, is not an appropriate time for Congress to revise U.S. laws governing the sale of advanced technology to the Soviet Union and Eastern Europe. Doing so would undercut the Administration's negotiating authority with other COCOM members, and confuse both allies and adversaries about the direction of U.S. export policy. Instead, the Bush Administration should seek a one-year extension of the Export Administration Act. This will keep the existing law from expiring while new policies are established through COCOM.

CONCLUSION

The Bush Administration is facing extraordinary pressure from business interests, large blocs in Congress, and even from allied governments to abandon nearly all restrictions on the export of advanced technologies to the Soviet Union and other Warsaw Pact nations. Resisting these pressures and maintaining a credible program for restricting the flow of militarily significant technologies to the U.S.S.R is necessary if the U.S. wishes to maintain its global military technology advantage.

The Soviet threat may be diminishing in Europe, but it remains elsewhere – in the Pacific, in Asia and above all in a vast nuclear arsenal aimed at the U.S. In countering the Soviet threat, the West has never attempted to match the Soviets missile for missile or tank for tank. It has compensated for the smaller size of its military forces by maintaining a lead in advanced technologies with military applications.

Overstated Benefits. The U.S. can and should ease restrictions on technology exports to the emerging democracies of Eastern Europe. At the same time, policy makers must recognize but the benefits of expanded high technology exports to Czechoslovakia, Hungary, Poland, and others are overstated. Economic and political reform are far more important to modernizing these countries' economies than access to supercomputers and other sophisticated technologies. Similarly exaggerated are the benefits to American manufacturers of loosening the restrictions on high technology exports. Existing restrictions cover relatively few products, and lifting them would assist only a select group of U.S. companies. The vast majority of American companies never have faced export restrictions.

To maintain the West's lead in militarily significant technologies, the Bush Administration needs to maintain American leadership in the Coordinating Committee for Multilateral Export Controls. In addition, the Administration should insist on maintaining "strategic significance" as the standard in determining what products COCOM countries cannot export. This standard will prevent Moscow from obtaining those technologies needed to modernize its military and improve its combat effectiveness.

To Moscow, the Bush Administration should say that the U.S. will not ease controls on high technology exports unless there is a substantial decline in Soviet military capabilities throughout the globe.

The political and military changes in Czechoslovakia, Hungary, and Poland warrant some easing of export controls to these countries. They should be allowed to obtain all but the most sensitive technologies, such as submarine components. Nevertheless, the Administration should require these countries to prevent the transfer of restricted technologies to the Soviet Union.

Finally, the Administration should request that Congress extend for one year the Export Administration Act, the statute that governs U.S. export control policy. The Administration is negotiating with U.S. allies to revise export control policies. U.S. negotiating leverage should not be undercut by Congress enacting major revisions in the Export Administration Act.

Balancing Competing Interests. This is not the time for the U.S. to abandon export controls and give up what has been the trump card of Western security – its clear advantage in military technology. What the ongoing changes in Eastern Europe and the Soviet Union require is a careful review of export control policies and the easing of restrictions based on a clear-eyed assessment of the risks to Western security. This will require that the Bush Administration establish a policy that properly balances the competing interests of East European economic modernization, expanded foreign markets for U.S. producers, and American and allied security. Given the fact that the Soviet Union retains an extremely potent military force, Western superiority in military technology is still essential to maintaining a military balance and world peace. Until the Soviet Union dismantles its huge conventional and strategic forces, the U.S. has no choice but to restrict the flow of advanced technologies to the U.S.S.R.

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