

4. Transfers of technology

Doc. A2-99/85

21/2/86

RESOLUTION

441-2(103)

on technology transfer

The European Parliament,

- having regard to the motion for a resolution by Mr LINKOHR on the restrictions imposed by the USA on the international transfer of technology and the adverse effects of these restrictions on industrial development in the European Community (Doc.2-721/84),
 - having regard to the report of the Committee on Energy, Research and Technology (Doc. A 2-99/85),
- A. whereas scientific and industrial progress is based on the free exchange of ideas, know-how and information,
- B. whereas there is considerable interlocking between science and industry in Western Europe and the USA as witnessed, among other things, by the large number of post-doctoral students and leading scientists of European origin in the USA and the fact that output by American companies in Western Europe exceeds total US exports, and in that a technical lead in any field obtained anywhere in the West is taken up by all industry in the West,
- C. whereas there has been growing concern in the USA since the mid-seventies that the availability of western technology to the Soviet Union will increase the defence capacity of the Soviet Union,
- D. whereas the USA is to an increasing extent keeping technology secret and imposing export controls and contractual restrictions on the disclosure of information and that, as a result, her West European allies are also experiencing difficulties or delay in obtaining American technology to the detriment of their exports from and imports to the USA,

- E. whereas American legislation on export controls is broader in scope than similar legislation elsewhere and includes provisions on re-export from other countries,
- F. whereas a growing number of forms of technology are suitable both for civil and military applications,
- G. whereas, since the mid-seventies, the civil applications of new technologies have increasingly outstripped the military applications, that, accordingly, control over military technology can be ensured only by extending control over civil technologies and that this is a development that is in the process of being completed in the USA, among other things, in respect of the technologies included on the METAL list,
- H. whereas US Government policy is officially justified as and aimed solely at preventing militarily critical technology from becoming available to the Eastern bloc and not all technology with military applications,
- I. whereas in practice, however, the USA is indeed endeavouring to prevent the Eastern bloc from acquiring any technology with military applications,
- J. whereas the USA benefits primarily from the sale of cereals to the Eastern bloc, the economic significance of European exports to the Eastern bloc is primarily industrial, and they are achieved as a result of competition among industrialised states,
- K. whereas the European NATO allies have, in the context of COCOM, agreed under American pressure to a significant extension of the lists of goods and know-how which may not be exported to the Eastern bloc and that these allies have undertaken to honour these embargo agreements,
- L. whereas, over and above these multilateral embargo agreements, the USA operates additional embargo lists on a unilateral basis and that Western Europe is thereby, in practice, also affected by a US embargo, particularly in respect of technological products which it is prepared, unlike the USA, to supply to the Eastern bloc, which has serious consequences for firms in Western Europe, and increases their dependence on the United States;

- M. fearing that the European Community, if it does not adopt a concerted approach, will become increasingly politically dependent and vulnerable because of its technical dependence;
- N. whereas under American domestic law the legal definition of exports is such that exports from the EEC are also subject to American legislation where they incorporate American components or technology resulting unjustifiably in a claim to extra-territoriality of American legislation,
- O. whereas this has drastic consequences for American multinationals in Western Europe which virtually without exception manufacture high-technology products and that these products are not eligible for export to the Eastern bloc,
- P. whereas, as a result of the extraterritorial operation of US export legislation, European multinationals, for which the USA is important either as a supplier of know-how or components or as an outlet for their products, avoid the Eastern European market where this clearly jeopardises both their supplies from America, and even more important, juridically, their proper freedom of sales there,
- Q. whereas, according to a recent CIA estimate, 70% of the militarily useful technology acquired by the Soviet Union is acquired contrary to the above-mentioned US laws and that it has not been able to stop the transfer of new technology generally agreed to be deleterious to western defence,
- R. whereas the foregoing factors have led rightly or wrongly to a common view in Europe that US provisions which exceed those agreed by COCOM are in part motivated by general national commercial considerations emanating from political rather than business circles,
1. Notes that the imposition of unilateral controls by the USA on the transfer of technology over and above the multilaterally agreed COCOM monitoring arrangements restricts Western Europe's access to American technology and is contrary to good neighbourly national policy among allies;

2. Notes that, while it is true that the USA is most concerned about the consequences of Western technology unintentionally being made available to the Eastern bloc, it is predominantly Western Europe that has to bear the burden of the restrictive policy resulting from such concern;

3. So far as transfers of technology between Community Member States are concerned, draws attention to the possible conflict between the COCOM rules and the provisions of the EEC Treaty; calls upon the Commission to examine the compatibility of Member States' application of the COCOM rules with the provisions of the Treaty, and to bring the matter before the Court of Justice, if necessary;

4. Confirms the necessity of the COCOM agreement in order to prevent the export of militarily critical technology to Eastern Europe; is however of the opinion that:
 - the COCOM list ought to be revised more regularly in order to remove products from the list which can no longer be regarded as militarily critical;
 - the controls on the transfer of technology between COCOM members themselves and between COCOM members and third countries that undertake to respect COCOM rules should be dismantled as swiftly as possible and that the efforts undertaken in COCOM should be aimed at ensuring proper observance of the controls agreed on under national legislation;
 - products listed by COCOM and of US origin should not require an additional US re-export licence if they are re-exported from COCOM countries under COCOM rules;

5. Takes the view that controls on the transfer of technology to the Eastern bloc should be based solely on agreed technical criteria between the allies as to what is militarily critical technology; it is unilateral and especially indiscriminate proliferation of controls to alleged but not necessarily proven militarily useful technologies that has undermined their effectiveness and confidence in the system and has thus damaged Western unity and the West European economy;
6. Is of the opinion that nationals of, and legal persons in, Community Member States cannot be subject to foreign (non-EEC) legislation;
7. Recommends the governments of the Member States therefore to prepare after mutual consultations legislation to counteract this practice on the lines of the UK Protection of Trading Interests Act of 1980;
8. Takes the view that the best insurance against unilateral restrictions on the transfer of technology from the USA is a Western Europe that also has a great deal to offer the USA in terms of technology; an initial requirement here is a major joint research and development effort by the European Community;
9. Reiterates the need for greater cooperation in the framework of Community research and industrial policy with a view to improving European standards in the field of advanced technology, especially data processing, automation, biotechnology, air and space travel, new materials and telecommunications;
10. Requests the Council and Commission to bring their influence to bear on the USA with a view to achieving an unrestricted transfer of technology between the USA and the Community;
11. Requests the Commission to forward to Parliament and Council a proposal for the principles governing technology transfer to and from undertakings in the European Community;
12. Instructs its President to forward this resolution to the Commission, Council and parliaments of the Member States.

Question Time

Questions to the Commission

Tuesday, 18 February

Export Controls

Thomas Raftery, (Munster, EPP), was not satisfied with the Commission's answer as regards the so-called COCOM list. Karl-Heinz Narjes said the Commission was not represented at the Coordinating Committee for multinational export controls. Mr. Raftery complained that many items on his list were not military-sensitive. Michael Hindley, (Lancashire East, Soc), said Ireland was not a signatory, though this was not his main contention. His complaint was that the COCOM list was under the control of the USA. Surely there should be a European COCOM list. Mr. Narjes said it was a matter for speculation where this might be possible. Ben Patterson (Kent West, Dem), asked whether COCOM did not infringe EC market rules?

Border checks

The agreement signed in July 1985 between France, Germany and the Benelux countries was not a matter for the Commission. In any case it only covered private motor transport. Lord Cockfield told Dieter Rogalla, (G, Soc), the Commission would like to go much further. George Stevenson, (Staffordshire East, Soc), suggested that any relaxation of checks could open the door to increased drug traffic. Lord Cockfield agreed opening up frontiers must be coupled with tighter security measures, though drug seizures usually resulted from inside information about runs planned. Ben Patterson, (Kent West, Dem), asked which EC states were opposed to progress here. Lord Cockfield said some wanted to preserve full control and some would prefer voluntary moves to EC legislation.

The Antwerp environment

The Community has legislation on air quality and proceedings are taken against countries which infringe them. Paul Staes, (B, RBW), was complaining about "insidious poisoning caused by the Antwerp industrial zone". He pointed out that over a million people live in the area. Stanley Clinton Davis asked for firm evidence. The Commission acted on complaints, rigorously.