

DECLASSIFIED

NATIONAL SECURITY COUNCIL

E.O. 12958, as amended, Sect 3.5

WASHINGTON, D.C. 20506

*NSC/Doublers to Smith 09/06/2002*

By 642 Date 02/13/07

June 26, 1969

~~SECRET/SENSITIVE~~

National Security Decision Memorandum 17

TO:                   The Secretary of State  
                          The Secretary of the Treasury  
                          The Secretary of Commerce

SUBJECT:           Relaxation of Economic Controls Against China

The President has decided, on broad foreign policy grounds, to modify certain of our trade controls against China. He has decided, in principle, that we should:

(1) Remove the restraints in the Foreign Assets Control regulations upon foreign subsidiaries of U.S. firms on transactions with China that are regarded as non-strategic by COCOM.

(2) Modify the Foreign Assets Control regulations prohibiting purchase of Communist Chinese goods to permit Americans travelling or resident abroad to purchase Chinese goods in limited quantities for non-commercial import into the U.S.

(3) Modify the administration of the Foreign Assets Control regulations and Export Controls to permit general licenses for exports of food, agricultural equipment, chemical fertilizer and pharmaceuticals.

(4) Follow these steps, at the earliest appropriate time, by modifying import and export controls in non-strategic goods to permit a gradual development of balanced trade.

The President desires early implementation of these decisions. He has, therefore, directed that the Under Secretaries Committee supervise the preparation of the following documents, to be submitted to him by July 7, 1969.

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- (1) Implementing regulations (to be developed by State, Commerce, and Treasury);
- (2) A press and diplomatic scenario (to be developed by State);
- (3) A scenario for Congressional consultation (to be developed by State and Treasury).

The President has directed that until he decides when and how this decision is to be made public, the SECRET/SENSITIVE classification of this project be strictly observed.



Henry A. Kissinger

cc: The Secretary of Defense  
The Director of Central Intelligence  
The Chairman, Joint Chiefs of Staff

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