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E.O. 12958, as amended, Sect 3.5

NSC/Soubers to Smith 09/06/2002

By LR Date 02/14/07

THE WHITE HOUSE

WASHINGTON

~~SECRET/NODIS/HOMER~~

June 8, 1972

National Security Decision Memorandum 170

Council on International Economic Policy Decision Memorandum 7

TO: The Secretary of State
 The Secretary of Treasury
 The Secretary of Defense
 The Secretary of Agriculture
 The Secretary of Commerce
 The Director of Central Intelligence

SUBJECT: US-PRC Trade

The President has reviewed the memorandum submitted by the Department of State, with the Department of Commerce, on April 24 and the response to NSSM 149 submitted by the Ad Hoc Group on March 24 on the above subject. Based on these, he has approved the recommendations for actions over the next three months contained in the April 24 memorandum for proceeding to implement the statement on trade in the Shanghai communique with the following modifications:

- The memorandum for Ambassador Huang should indicate that we recognize the PRC's interest in MFN but view this as a subject for later discussion.
- The matter of alleged PRC failure to repay Export-Import Bank debt should not be raised with the PRC at this time. An interagency committee chaired by Treasury should examine this question and its effect on PRC eligibility for Export-Import Bank financing, and submit a report to the President by July 3.
- The memorandum for Ambassador Huang should place greater stress on the necessity of beginning discussions in the near future on the settlement of the claims issue.
- References to the cotton textile issue and to US anti-dumping regulations and US prohibitions on imports of "certain endangered animal species" should be removed from the memorandum

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for Ambassador Huang. These matters should be dealt with in separate memoranda to be presented to Ambassador Huang within the next several weeks. In his oral presentation, Ambassador Watson should indicate that we intend to provide the PRC with such memoranda shortly. Memoranda on these subjects together with recommendations as to the timing of their presentation should be submitted to the President by June 23.

- No mention should be made to the PRC at this time of possible US changes in transportation regulations. The Department of State, in cooperation with other appropriate agencies, should submit to the President as soon as possible documents necessary to revise US regulations regarding reciprocal visits by ships and aircraft. A draft statement announcing such decisions as well as a statement indicating that eventual establishment of scheduled air services would be subject to US-PRC inter-Governmental discussions should also be submitted.

As to recommendations for longer term steps, the President has deferred his decision and requests that they be resubmitted with proposed memoranda, where appropriate, and specific recommendations as to timing.


Henry A. Kissinger


Peter M. Flanigan