

INFORMATION

SECRET

May 3, 1971

MEMORANDUM FOR: DR. KISSINGER

FROM: C. FRED BERGSTEN

SUBJECT: Implementation of the President's
Decisions on Trade with China

The Under Secretaries Committee had planned, with the concurrence of the agencies, to have Treasury announce on May 1 the freeing of the Foreign Assets Control regulations regarding transactions with China. Commerce and Transportation were also planning to announce on May 7 the regulations on bunkering, shipping and cargo. These were all elements of the decision which did not need further referral to the President. (They are the marked items on the attached Decision Memorandum.) State is also preparing the final memorandum for the President on implementation of the decisions on imports and exports, which do have to be sent here before May 13.

However, on Friday Secretary Connally, who has been out of town, directed Treasury not to issue the regulations before he returns on Wednesday, so that he would have a chance to review the release and sign the announcement.

The lower level Treasury officials do not believe that this indicates any substantive problem. If, however, after Connally returns there should develop such a problem, we shall have to be prepared to issue a directive to Treasury. There is no reason to do this if the delay merely means that Connally wishes to participate.

Clearance: JHoldridge

ON-FILE NSC RELEASE INSTRUCTIONS
APPLY

HAK HAS 5862

SECRET

JUN 3 1971

T. G. C.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SECRET

April 13, 1971

National Security Decision Memorandum 105

TO: The Secretary of State
The Secretary of Defense
The Director of Central Intelligence
The Attorney General

SUBJECT: Steps Towards Augmentation of Travel and Trade
Between the People's Republic of China and the
United States

The President has reviewed the recommendations forwarded by the Under Secretaries Committee on steps to increase personal and commercial contacts between the People's Republic of China and the United States, and has directed that the following moves be undertaken:

-- Issuance of a public statement offering to expedite visas for groups of visitors from the People's Republic of China to the U. S.

*Foreign Assets
controls*

-- Relaxation of currency control to permit Chinese use of dollars.

Bunkering

-- Ending restrictions on American oil companies providing bunkers except on Chinese owned or chartered carriers bound to or from North Vietnam, North Korea, or Cuba. This relaxation covers ships as well as planes, but would not affect our existing controls on entry to PRC carriers into U. S. ports.

*Cargoes
and
shipping*

-- Granting permission to U. S. vessels to carry Chinese cargoes between non-Chinese ports, and for U. S. -owned foreign flag vessels to call at Chinese ports.

-- Commencement of a relaxation of controls on direct trade between the U. S. and China by placing individual items under general license for direct export to the PRC after item-by-item interagency review to determine if they are of strategic significance. The Under Secretaries Committee is to be charged with the

ON-FILE NSC RELEASE INSTRUCTIONS
APPLY

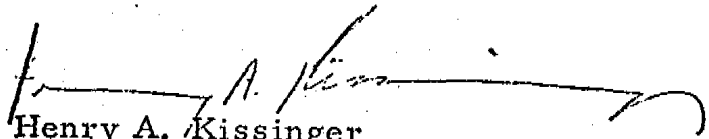
SECRET

SECRET

2

responsibility of determining which items should be placed on general license, and should forward a report within 30 days requesting approval of these determinations. Upon the commencement of these limited direct exports, direct imports from China of a similar and correlated nature will be allowed.

The President has also directed that the Under Secretaries Committee review and report to him after a period of four months the results of the steps taken. The report should include an assessment of the reactions to these steps by the PRC and the GRC. The President will then determine whether implementation of additional steps recommended by the Under Secretaries Committee may be warranted.


Henry A. Kissinger

cc: Secretary of the Treasury
Secretary of Commerce
Chairman, Joint Chiefs of Staff
Director, United States Information Agency

SECRET