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1357THE SECRETARY OF DEFENSE
WASHINGTON, D. C. 20301

FEB 20 1975

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Quarterly Report on Exports to Communist Countries

This report is submitted in conformance with the Export Administration Act of 1969, as amended. Section 10(a) of the Act requires the head of any department or agency, or other official exercising any functions under this Act, to make a quarterly report, within 45 days after each quarter, to the President and to the Congress of his operations thereunder.

The Export Administration Amendments of 1974 (P.L. 93-500) did not become law until October 29, 1974. However, for the period October 1, 1974, to October 28, 1974, pursuant to Section 709 of the Department of Defense Appropriation Authorization Act for 1975 (P.L. 93-365), a similar, earlier enactment, the Department of Commerce referred to the Department of Defense each application for a license to export goods or technology to the Soviet Union, Eastern Europe, or the People's Republic of China. Previously, about half of the applications for licenses to export to these destinations had been reviewed by Defense either in the interagency Operating Committee or on a bilateral basis. The remaining cases had been acted upon in the Commerce Department in accordance with existing, agreed-on policy guidelines.

The Export Administration Amendments of 1974 added a new Section 4(h) to the Export Administration Act of 1969. This amendment continued the requirement for Defense review, but authorized the Secretary of Defense in consultation with the Department of Commerce, to determine the types and categories of transactions to be reviewed. In addition, applications for licenses to export to all Communist countries were made subject to Defense review.

During the fourth quarter of 1974, the Department of Defense completed its review of 912 applications. Of these, 96 were considered in the interagency Operating Committee, of which Defense is a member, and 91 were reviewed under bilateral agreements between Commerce and Defense that predated the Department of Defense Appropriation Authorization Act for 1975. The remaining 725 were reviewed solely as a result of Section 709 of the Department of Defense Appropriation Authorization Act for 1975

OSD REVIEWED 15-Mar-2011: NO OBJECTION TO DECLASSIFICATION

and, more recently, Section 4(h) of the Export Administration Act. In each case the Commerce recommendation was concurred in by Defense, so that no referrals to the President were necessary.

Signed
W. P. CLEMENTS JR.

February 26, 1975

Dear Mr. Clements:

This is in acknowledgment of your memorandum of February 20 to the President submitting, in conformance with Section 10(a) of the Export Administration Act of 1969, as amended, a Quarterly Report on Exports to Communist Countries.

Sincerely,

Roland L. Elliott
Director of Correspondence

The Honorable W. P. Clements, Jr.
Deputy Secretary of Defense
Washington, D. C. 20301

JJR:cmf

(The report was made in the referenced memo of 2/20/75, the original of which was sent to Warren Hendriks - Domestic Council.)