THE WHITE HOUSE
WASHINGTON

March 14, 1974

National Security Decision Memorandum 247

Council on International Economic Policy Decision Memorandum 22

MEMORANDUM FOR

The Secretary of the Treasury
The Secretary of Defense
The Secretary of Commerce
The Chairman, U.S. Atomic Energy Commission
The Director of Central Intelligence
The Deputy Secretary of State
The Director, National Security Agency
The Director, National Science Foundation

SUBJECT: U.S. Policy on the Export of Computers to Communist Countries

The President has reviewed the findings and recommendations of the interagency study (CIEPSM 25) and has decided that:

1. The power of computers to be exported to Communist countries under the present "easy access" procedure shall be raised from its present level of a Processing Data Rate (PDR) of 8 million bits per second to 32 million bits per second, to be designated as the limit of the "Special Administrative Exception" procedure (thus ending the easy access terminology). The conditions of sale are specified in the attachment. Exports of computers exceeding this power shall be reviewed on a case-by-case basis and strictly limited to demonstrably peaceful applications.

2. The export of completed hardware for use as part of computer systems produced by Communist countries shall be restricted in number, performance, and presale conditions as specified in the attachment. Electromechanical peripheral equipment shall be decontrolled; spares for the equipment shall also be decontrolled, except where otherwise embargoed.
3. The export or transfer of computer technology, production facilities, specialized programs and comprehensive programming services shall continue to be restricted. These restraints shall include those placed on the means to design, develop, and produce computers, peripheral storage devices and storage media, displays, high speed memories, and electronic components. The permitted levels for the sale of production technology for magnetic peripherals and final system configuration are specified in the attachment. Technology uniquely related to electromechanical peripheral equipment shall be decontrolled, except where such technology is otherwise embargoed.

4. The differential practiced against the People's Republic of China in computer exports shall be removed so that export restrictions against the PRC shall be identical to those applied to East European countries and the Soviet Union.

The President has directed the further study of technical and administrative issues relating, in particular, to safeguard procedures and the means to control the export of technical information, training services, and software. The purpose of these studies will be to determine what measures are effective and economically feasible so that export restraints might then be appropriately modified.

The President believes that a reduction in the administrative burden associated with processing license applications for computer exports is needed. Accordingly, he has directed that arrangements be worked out between the Department of Commerce and other Departments to simplify the administrative procedures for processing license applications for computers and associated equipment. The Department of Commerce shall also continue its effort to improve its internal procedures for reviewing computer license applications.

The President has directed the preparation of a comprehensive U.S. position for the 1974 COCOM computer list review, including a determination of those parameters left unspecified in the attachment. This effort shall be conducted by the Economic Defense Advisory Committee and the staffs of the Council on International Economic Policy and the National Security Council.

Attachment

Henry A. Kissinger

Peter M. Flanigan