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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

Withdrawer

File Folder TECHNOLOGY TRANSFER (MAY 17-MAY 31, 1983)

CAS 9/8/2017

Box Number 109

FOIA

F2003-004

SKINNER

546

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
211239	MEMO	CLARK TO THE PRESIDENT RE TECHNOLOGY TRANSFER POLICY FOR THE PEOPLE'S REPUBLIC OF CHINA R 10/5/2022 M724/1	4	ND	B1
211242	MEMO	CHARLES HILL, STATE DEPT, TO CLARK RE TECHNOLOGY TRANSFER TO THE PRC R 11/29/2018 M724/1	1	5/18/1983	B1
211245	MEMO	CLARK TO THE PRESIDENT RE TECHNOLOGY TRANSFER POLICY FOR THE PEOPLE'S REPUBLIC OF CHINA R 10/5/2022 M724/1	4	ND	B1
211248	DRAFT MEMO	CLARK TO THE PRESIDENT RE TECHNOLOGY TRANSFER POLICY FOR THE PEOPLE'S REPUBLIC OF CHINA R 10/5/2022 M724/1	3	ND	B1
211252	MEMO	POINDEXTER TO KEYWORTH ET AL RE TECHNOLOGY TRANSFER TO THE PRC (INCLUDES ATTACHED CABLE) R 11/29/2018 M724/1	4	5/19/1983	B1
211254	CABLE	190216Z MAY 83 D 9/8/2017 NLR-753-109-9-6-6	4	5/19/1983	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: SUBJECT FILE

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File Folder TECHNOLOGY TRANSFER (MAY 17-MAY 31, 1983)

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FOIA

F2003-004

SKINNER

546

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
211255	MEMO	SIGUR TO POINDEXTER RE WOLFOWITZ LIST OF ITEMS TO BE SOLD TO CHINA <i>R 11/29/2018 M724/1</i>	1	5/18/1983	B1
211256	MEMO	SIGUR TO POINDEXTER RE TALKING POINTS FOR SEC BALDRIDGE IN BEIJING RE TECH TRANSFER <i>R 2/14/2023 M724</i>	1	5/19/1983	B1
211267	CABLE	200103Z MAY 83 <i>PAR 2/14/2023 M724</i>	3	5/20/1983	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

- B-1 National security classified information [(b)(1) of the FOIA]
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C. Closed in accordance with restrictions contained in donor's deed of gift.

RECEIVED 13 MAY 83 12

TO CLARK

FROM LAUX

DOCDATE 12 MAY 83

LAUX

17 MAY 83

CLARK

17 MAY 83

UNCLASSIFIED
OF CLASSIFIED

W 7/8/17

KEYWORDS: CHINA P R

TECHNOLOGY TRANSFERS

EXPORT CONTROLS

SUBJECT: TECHNOLOGY TRANSFER POLICY RE CHINA

ACTION: FWD TO PRES FOR INFO

DUE: 18 MAY 83 STATUS C FILES PA

FOR ACTION

FOR CONCURRENCE

FOR INFO

CLARK

COMMENTS DISPATCHED TO AGENCIES VIA LDX.

REF# LOG 8303271 8304151 NSCIFID (L / S)

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PRES	P 5/17	FOR DECISION	5/19	
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DISPATCH

W/ATTCH FILE PA

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(C)

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<i>W. J. ...</i>	<i>1x MAY 13 1983</i>	<i>information</i>		
	<i>MAY 13 1983</i>	<i>information</i>		
	<i>MAY 13 1983</i>	<i>information</i>		
<i>W. J. ...</i>	<i>5/13</i>	<i>Report in Signature</i>	<i>5/14</i>	
<i>W. J. ...</i>	<i>5/17</i>	<i>Signature of Mead</i>		<i>PA</i>

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	<i>5/17</i>	<i>In Deceased?</i>		
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<i>Painter</i>	<i>5/18</i>	<i>Any action required</i>		

DISPATCH _____ W/ATTCH FILE _____ (C)

PRESERVATION COPY

THE WHITE HOUSE
WASHINGTON

Bria - Orig
Upstairs 10⁸pm
5/17

~~SECRET~~ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK

SUBJECT: Technology Transfer Policy for the People's Republic of China

Issue

How to improve and clarify our technology transfer policy for China.

Facts

On June 4, 1981, you issued a "Presidential Directive on Export Control Policy" stating that it was in our strategic interest to preserve China as an effective counterweight to growing Soviet military power and to strengthen our strategic cooperation with China. Toward that end, you stated it was important that our export control policy support a secure, friendly, and modernizing China, and you directed that technology be approved at "significantly higher technical levels". Because of some confusion and disagreement in Agency interpretation and implementation of that Directive, I issued a clarifying memorandum on May 6, 1982. Unfortunately, this policy has still not been carried out, and confusion persists over the interpretation of these guidelines. There are now political reasons for clarifying and improving our technology transfer policy toward China, and for the purposes of Secretary Baldrige's trip it is desirable to make some decisions on this issue now.

Discussion

At a May 2 Export Administrative Review Board meeting, the participants agreed that the following steps be taken to improve our technology transfer policy toward China:

- Increase the level of technology transfer to China.
- Retain national security controls.

DECLASSIFIED

NLRR M724 #211239

BY RW NARA DATE 10/5/2007~~SECRET~~

Declassify: OADR

- Make the administrative improvements recommended in a study done under the China NSSD working group, chaired by OSTP. This includes negotiating a special "no re-transfer" agreement with China similar to agreements we have concluded with Sweden and Austria.

- Rigorously define those areas within the four special mission areas (nuclear weapons and their delivery systems, electronic and anti-submarine warfare, and intelligence gathering) most critical to our national security and target our controls more precisely on them.

- Establish an Interagency Working Group to do the necessary definitional work and set benchmark levels for specific technology transfer. The group would draw up a selective ("red line") list of the most sensitive technologies which would be subject to a presumption of denial. It would establish a second level ("green line") below which licensing policy would be liberal. This list would include dual use technologies applicable to the four special mission areas. For technologies between the two levels, there would be case-by-case review with a presumption for approval unless the export in question would substantially and directly enhance China's capabilities in one of the four mission areas and pose a credible major risk to our national security.

On several issues, agreement could not be reached. To resolve these disagreements, and to further specify implementation of policy, I recommend the following:

Recommendations

1. Category Change:

A review of the country categories will start immediately: (1) the entire country category system, particularly the V category, will be revamped; and (2) within that system, China will be raised to a new level. A Subcommittee of the ACEP will report to the EARB within 60 days. An interim report on progress and problems will be provided to the EARB after 30 days. COCOM will be consulted with before any category change is effected and before a public announcement is made. The Special Subcommittee of the Advisory Committee on Export Control Policy will consist of members from State, Defense, OJCS, Commerce, and NSC staff.

Guidelines for the Subcommittee will be provided by the Assistant to the President for National Security Affairs.

Approve _____

Disapprove _____

- A working group of the ACEP, chaired by an NSC staff member and consisting of representatives from the Departments of State, Defense, OJCS, Commerce, and with terms of reference provided by the Assistant to the President for National Security Affairs, will be established to do the following:
 - a. The group will be instructed to develop a new definition of a "credible major risk to national security" to be used in conjunction with the guidance to be established setting the new technology transfer levels for China. The group is to report this definition to the EARB within 30 days. If a consensus is not reached, within seven days after that deadline, the EARB will submit an options paper to the Assistant to the President for National Security Affairs.
 - b. Within 60 days of the issuance of the above definition, the working group should define more precisely the areas of concern within the four special mission areas and set new benchmark levels for technology transfer for the key commodity control list items significantly above what they are now. These benchmark levels will be used to define the red and green lines described earlier for the special mission areas.
 - 1) In defining these areas of concern and setting the benchmark levels, the following factors will be taken into account:
 - China's indigenous military capabilities;
 - The contribution to Chinese capabilities;
 - Foreign availability;
 - The degree of actual threat to US national security or US commitments to its allies.
 - 2) In establishing these benchmark levels, the working group will consider that the US in general is willing to transfer dual use technology in the four special mission areas and other COCOM controlled commodities that provides a capability of approximately 40-70% of the capability of the state-of-the-art technology available in the free world. It is understood that some commodities, because of their applicability to the four mission areas, might be subject to control at less than the 40% capability suggested.

For transfers not under COCOM or CCL control, these transfers will be approved as for other friendly non-allied countries.

- 3) The group will submit this report to the EARB for approval. An interim report will be provided to the EARB at the end of 30 days, describing the progress and problems in devising the new guidelines. Within seven days of the submission of the final report to the EARB, the EARB will submit its report to the Assistant to the President for National Security Affairs. An options paper will be included for any items on which consensus has not been reached.

Approve _____ Disapprove _____

211242¹



DEPARTMENT OF STATE

Washington, D.C. 20520

May 18, 1983

~~SECRET~~

MEMORANDUM FOR WILLIAM P. CLARK
THE WHITE HOUSE

SUBJECT: Technology transfer to the PRC

DECLASSIFIED
NLRR M7924 #211242
BY fw NARA DATE 11/20/88

The State Department supports the basic thrust of your draft memorandum to the President but has several suggestions to simplify its implementation.

Page 2: The description of the "green line" has been changed to "below which licensing policy would be liberal." We do not believe this standard will permit consistent and expeditious licensing at that level. We suggest the "green line" be that 'below which licensing would be the same as for all other friendly, non-allied countries.'

Page 2: Recommendations. We do not believe that an extensive study of the entire category system should be undertaken because of the review of China policy. Despite its faults, the present system provides predictability to exporters. The entire system should not be placed in turmoil under pressure of dealing with the China problem. We maintain that China should be moved to category V, with its variety of other countries. If the category system is later improved or revamped, we would of course assist in defining China's place within that new structure.

Page 3.a: We believe that the ACEP structure should coordinate its policy review with the S/IG on technology before submission to the EARB.

Page 3.b: The task of the technical working group should be more clearly defined. We suggest a change to the phrase "the working group should define precisely the areas and items within the four special mission areas which would have a critical impact on US security interests and set new..."

Page 3.b.1: We support the inclusion of a list of factors to establish the benchmark. We suggest that "the degree of actual threat to US national security" includes US commitments to its allies and therefore that tick can be shortened. We also believe that the positive goals of our policy need to be included and suggest another tick: '-- the constraining effect on the Soviet Union of PRC modernization.'

With these changes, we support the sending of the memorandum to the President.

Charles Hill
Charles Hill
Executive Secretary

~~SECRET~~

211245
3265

MEMORANDUM

THE WHITE HOUSE
WASHINGTON

~~SECRET~~

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK

SUBJECT: Technology Transfer Policy for the People's
Republic of China

Issue

How to improve and clarify our technology transfer policy for China.

Facts

On June 4, 1981, you issued a "Presidential Directive on Export Control Policy" stating that it was in our strategic interest to preserve China as an effective counterweight to growing Soviet military power and to strengthen our strategic cooperation with China. Toward that end, you stated it was important that our export control policy support a secure, friendly, and modernizing China, and you directed that technology be approved at "significantly higher technical levels". Because of some confusion and disagreement in Agency interpretation and implementation of that Directive, I issued a clarifying memorandum on May 6, 1982. Unfortunately, this policy has still not been effectively implemented, and confusion persists over the interpretation of these guidelines. There are now foreign policy reasons for clarifying and improving our technology transfer policy toward China, and for the purposes of Secretary Baldrige's trip it is desirable to make some decisions on this issue now.

Discussion

At a May 2 Export Administration Review Board meeting, the participants agreed that the following steps be taken to improve our technology transfer policy toward China:

- Increase the level of technology transfer to China.
- Retain national security controls.

~~SECRET~~

Declassify: OADR

DECLASSIFIED
BY *lw*

NLPR 11724 #211245
NARA DATE 10/5/2022

~~SECRET~~

- Make the administrative improvements recommended in a study done under the China NSSD working group, chaired by OSTP. This includes negotiating a special "no re-transfer" agreement with China similar to agreements we have concluded with Sweden and Austria.
- Rigorously define those areas within the four special mission areas (nuclear weapons and their delivery systems, electronic and anti-submarine warfare, and intelligence gathering) most critical to our national security and target our controls more precisely on them.
- Establish an Interagency Working Group to do the necessary definitional work and set benchmark levels for specific technology transfer. The group would draw up a selective ("red line") list of the most sensitive technologies which would be subject to a presumption of denial. It would establish a second level ("green line") below which licensing policy would be liberal. This list would include dual use technologies applicable to the four special mission areas. For technologies between the two levels, there would be case-by-case review with a presumption for approval unless the export in question would substantially and directly enhance China's capabilities in one of the four mission areas and pose a credible prior risk to our national security.

On several issues, agreement could not be reached. To resolve these disagreements, and to further specify implementation of policy, I recommend the following:

Recommendations

1. Category Change:

A review of the country categories will start immediately: (1) the entire country category system, particularly the V category, will be revamped; and (2) within that system, China will be raised to a new level. A Subcommittee of the ACEP will report to the EARB within 60 days. An interim report on progress and problems will be provided to the EARB after 30 days. COCOM will be consulted with before any category change is effected and before a public announcement is made. The Special Subcommittee of the Advisory Committee on Export Control Policy will consist of members from State, Defense, OJCS, Commerce, and NSC staff.

Guidelines for the Subcommittee will be provided by the Assistant to the President for National Security Affairs.

Approve _____ Disapprove _____

2. Establishment of Working Group of Advisory Committee on Export Policy (AECPE):

- A working group of the ACEP, chaired by an NSC staff member and consisting of representatives from the Departments of State, Defense, OJCS, Commerce, and with terms of reference provided by the Assistant to the President for National Security Affairs, will be established to do the following:
 - a. The group will be instructed to develop a new definition of a "credible major risk to national security" to be used in conjunction with the guidance to be established setting the new technology transfer levels for China. The group is to report this definition to the FARB within 30 days. If a consensus is not reached, within seven days after that deadline, the FARB will submit an options paper to the Assistant to the President for National Security Affairs.
 - b. Within 60 days of the issuance of the above definition, the working group should define more precisely the areas of concern within the four special mission areas and set new benchmark levels for technology transfer for the key commodity control list items significantly above what they are now. These benchmark levels will be used to define the red and green lines described earlier for the technology transfer area.
 - 1) In defining these areas of concern and setting the benchmark levels, the following factors will be taken into account:
 - China's indigenous military capabilities;
 - The contribution to Chinese capabilities;
 - Foreign availability;
 - The degree of actual threat to US national security or US commitments to its allies.

~~SECRET~~

~~SECRET~~

- 2) In establishing these benchmark levels, the working group will consider that the US in general is willing to transfer dual use technology in the four special mission areas and other COCOM controlled commodities that provides a capability of approximately 40-70% of the capability of the state-of-the-art technology available in the free world.

For transfers not under COCOM or CCL control, these transfers will be approved as for other friendly non-allied countries.

- 3) The group will submit this report to the EARB for approval. An interim report will be provided to the EARB at the end of 30 days, describing the progress and problems in devising the new guidelines. Within seven days of the submission of the final report to the EARB, the EARB will submit its report to the Assistant to the President for National Security Affairs. An options paper will be included for any items on which consensus has not been reached.

Approve _____

Disapprove _____

~~SECRET~~

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

May 12, 1983

MEMORANDUM FOR CHARLES HILL
Executive Secretary
The Department of State

SUBJECT Draft Memorandum for the President
re Technology Transfer Policy for the PRC

Note: Judge Clark has not reviewed
this memorandum in final.

Please deliver copy to Paul Wolfowitz.

*John Poindexter
by
Charles Minor*

John M. Poindexter
Military Assistant to the Assistant
to the President for National Security
Affairs

THE WHITE HOUSE
WASHINGTON

May 12, 1983

MEMORANDUM FOR CAPTAIN JAMES CORMACK
Office of the Secretary of Defense

DR. FRED IKLE
Under Secretary of Defense for Policy

SUBJECT: Draft Memorandum for the President re
Technology Transfer Policy for the PRC

Note: Judge Clark has not reviewed
this memorandum in final.

John Poindexter
by
Charles P. Ryan

John M. Poindexter
Military Assistant to the Assistant
to the President for National
Security Affairs

NATIONAL SECURITY COUNCIL DISTRIBUTION RECORD

Log Number 3265

1A

UNCLASSIFIED (S) (NOVA)
OF CLASSIFIED ENCLOSURES

Date MAY 17 1983

W 7/11/7

Subject: TECHNOLOGY TRANSFER TO PRC

CLASSIFICATION: TOP SECRET ~~SECRET~~ CONFIDENTIAL UNCLASSIFIED

INTERNAL DISTRIBUTION

_____ Judge Clark	_____ Mr. Fontaine	_____ Mr. Lord	_____ Mr. Posa	_____ Mr. Tambs
_____ Mr. McFarlane	_____ Mr. Fortier	_____ Mr. Manfredi	_____ Mr. Raymond	_____ Mr. Teicher
_____ Adm. Poindexter	_____ Mr. Guhin	_____ Mr. Martin	_____ Mr. Reed	_____ Mr. Tyson
_____ Sit. Room	_____ Mr. Helm	_____ Mr. McGaffigan	_____ Ms. Reger	_____ Mr. Weiss
_____ Mr. Bailey	_____ Mr. Kemp	_____ Mr. McMinn	_____ Mr. Robinson	_____ Mr. Wattering
_____ Cmdr. Blair	_____ Mr. Kimmitt	_____ Mr. Morris	_____ Col. Russell	_____ Col. Wheeler
_____ Mr. Boverie	_____ Mr. Kraemer	_____ Ltc. Myer	_____ Col. Rye	_____ NSC Secretariat
_____ Ltc. Childress	_____ Mr. Laux	_____ Mr. Nau	_____ Mr. Sapia-Bosch	_____ NSC MSG Center
_____ Mr. De Graffenreid	_____ Mr. Levine	_____ Mr. North	_____ Mr. Sigur	_____ Admin. Office
_____ Ms. Dobriansky	_____ Col. Lilac	_____ Mr. Pipes	_____ Capt. Sims	
_____ Cmdr. Dur	_____ Ltc. Linhard	_____ Mr. Pollock	_____ Mr. Sommer	

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THE SECRETARY OF THE TREASURY Main Bldg/Room 3422				
THE SECRETARY OF DEFENSE The Pentagon	LDX			
DIRECTOR, ACDA Room 5933/Dept. of State				
CHAIRMAN US START DELEGATION C/o ACDA, 5933 State				
DIRECTOR, CIA Langley, Va/or Pickup				
CHAIRMAN, JCS The Pentagon	LDX			
THE SECRETARY OF COMMERCE 14th & Const. Ave. NW, Room 5851	1	5/17/83	440	<i>H. Boyle</i>
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THE SECRETARY OF AGRICULTURE Independence & 14th SW				
UNITED STATES TRADE REPRESENTATIVE Room 209 Winder Bldg 17 & F St NW				
THE DIRECTOR, FEMA 500 C Street,				
DIRECTOR, JOINT PROGRAM OFFICE (JPO) 1300 Wilson Blvd. #1051, Arlington, VA				
MANAGER, NATL COMMUNICATIONS SYSTEM (NCS), 8th & SO Courthouse Rd, Arlington, VA				

DATE, TIME & SIGN THIS RECEIPT & RETURN TO: BT MERCHANT, SITUATION ROOM, WHITE HOUSE

WASHFAX RECEIPT

THE WHITE HOUSE

C

UNCLASSIFIED
EXCEPT WHERE SHOWN
OTHERWISE

DEPARTMENT OF STATE

MAY 17 PM 5 40

63 17 P 3: 41

S...

SECRET

MESSAGE NO. 990 CLASSIFICATION: CONFIDENTIAL PAGES FIVE

FROM WADM JOHN POINDEXTER
(NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION I.O.C. 01265

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
B	CHARLES HILL	EXEC. SEC. DEPT OF STATE	
D	WADM THOMAS BIGLEY	OPC OF THE CHAIRMAN, JCS	
D	FRED C. IRLE	UNDER SEC OF DEF FOR POLICY	

REMARKS:

PLEASE DELIVER ASAP. AND ACKNOWLEDGE RECEIPT IMMEDIATELY.

WASHFAX

WASHFAX RECEIPT

THE WHITE HOUSE

17 MAY 1983 15 43

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UNCLASSIFIED INFORMATION
OF CLASSIFIED ENCLOSURES

CW 9/18/83

83 MA 17 P 3: 41

ST. UATP...COM

SECRET

MESSAGE NO. 990 CLASSIFICATION: CONFIDENTIAL PAGES FIVE

FROM RADM JOHN POINDEXTER (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION LOG #3265

<u>TO (AGENCY)</u>	<u>DELIVER TO:</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
<u>B</u>	<u>CHARLES HILL</u>	<u>EXEC. SEC. DEPT OF STATE</u>	
<u>D</u>	<u>VADM THOMAS BIGLEY</u>	<u>OFC OF THE CHAIRMAN, JCS</u>	
<u>D</u>	<u>FRED G. IKLE <i>UIP</i></u>	<u>UNDER SEC OF DEF FOR POLICY</u>	

REMARKS:

PLEASE DELIVER ASAP. AND ACKNOWLEDGE RECEIPT IMMEDIATELY. THANKS.

PI0: 37

WASHFAX RECEIPT

THE WHITE HOUSE

DEPT OF STATE

C

GW 9/8/17

MAY 12 PM 10 48

TF

MESSAGE NO. 966 CLASSIFICATION SECRET PAGES 4

FROM [REDACTED] (NAME) [REDACTED] (EXTENSION) [REDACTED] (ROOM NUMBER)

MESSAGE DESCRIPTION DRAFT MEMO ON
TECHNOLOGY TRANSFER POLICY for the AIC

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
<u>STATE</u>	<u>CHARLES Hill</u>		

REMARKS: _____

83 MAY 12 PID: 37

SITUATION ROOM

WASHFAX RECEIPT

THE WHITE HOUSE



GW 9/8/77

12 MAY 1983 22
NMD:JW

WASHFAX

MESSAGE NO. 967 CLASSIFICATION SECRET PAGES 4
 FROM [REDACTED] (NAME) [REDACTED] (EXTENSION) [REDACTED] (ROOM NUMBER)

MESSAGE DESCRIPTION DRAFT MEMO ON TECHNOLOGY
TRANSFER POLICY FOR THE ARC

<u>TO (AGENCY)</u>	<u>DELIVER TO:</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
<u>DOD</u>	<u>CAPT CORMACK</u>	<u>OSD</u>	
<u>DOD</u>	<u>LR FRES IKLE</u>	<u>OSD</u> us/dr	

REMARKS: _____

211248

3265

19

THE WHITE HOUSE

WASHINGTON

~~SECRET~~

DRAFT

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK
SUBJECT: Technology Transfer Policy for the People's Republic of China

Issue

How to improve and clarify our technology transfer policy for China.

Facts

On June 4, 1981, you issued a "Presidential Directive on Export Control Policy" stating that it was in our strategic interest to preserve China as an effective counterweight to growing Soviet military power and to strengthen our strategic cooperation with China. Toward that end, you stated it was important that our export control policy support a secure, friendly, and modernizing China, and you directed that technology be approved at "significantly higher technical levels". Because there was some confusion and disagreement in the interpretation and implementation of that Directive, I issued a clarifying memorandum on May 6, 1982. Unfortunately, this policy has still not been effectively implemented, and confusion persists over the interpretation of these guidelines. There are now political reasons for clarifying and improving our technology transfer policy toward China, and for the purposes of Secretary Baldrige's trip it is desirable to make some decisions on this issue now.

For four months the Department of Commerce and an NSSD Working Group on China have been re-evaluating our technology transfer policy toward China. Both groups have produced studies, and Secretary Baldrige convened two recent meetings (April 25 and May 2) of the Export Administration Review Board (EARB) to examine the recommendations of these two studies.

Discussion

At the May 2 EARB meeting, the participants (except CIA, which abstained) agreed that the following steps be taken to improve our technology transfer policy toward China:

~~SECRET~~

Declassify on: OADR

DECLASSIFIED

NLRR 11724 # 211248

BY RW NARA DATE 10/5/2022

- Increase the level of technology transfer to China.
- Retain the present system of national security controls.
- Make the administrative improvements recommended in the study done under the China NSSD working group chaired by OSTP. This includes negotiating a special "no re-transfer" agreement with China similar to agreements we have concluded with Sweden and Austria.
- Rigorously define those areas within the four special mission areas (nuclear weapons and their delivery systems, electronic and anti-submarine warfare, and intelligence gathering) most critical to our national security and target our controls more precisely on them.
- Establish an Interagency Working Group to do the necessary definitional work and set benchmark levels for specific technology transfer. The group would draw up a selective ("red line") list of the most sensitive technologies which would be subject to a presumption of denial. It would establish a second level ("green line") below which licensing policy would be the same as for all other friendly, non-allied nations. For technologies between these levels, there would be case-by-case review, with a presumption of approval unless the export would substantially and directly enhance China's capabilities in one of the four special mission areas and pose a credible major risk to our national security.

There were, however, several issues on which agreement could not be reached at the EARB meeting and which have not been resolved in subsequent interagency discussions. In order to resolve these disagreements, I recommend the following:

Recommendations

1. Category Change: Move China from Category P to Category V in the Country Group Categories of the Export Administration Regulations.
 - This will be a clear signal to the Chinese that we intend to treat them as a friend rather than as an enemy. At the same time, the retention of national security controls will provide the Department of Defense with the authority it needs to continue to protect US national security interests. This is essentially a political decision, to be made because the symbolic aspect of what we decide is important in our relationship with the Chinese. Nevertheless, we should

not announce this change until we have consulted with our COCOM partners.

Approve _____ Disapprove _____

2. Establishment of Working Group of Advisory Committee on Export Policy (ACEP).

- A working group of the ACEP, consisting of representatives from the Departments of State, Defense, Commerce, and the National Security Council, will be established to do the following:

- a. The group will be instructed to develop a new definition of a "credible major risk to national security" to be used in conjunction with the guidance to be established setting the new technology transfer levels for China. The group is to report this definition to the EARB within 30 days. If a consensus is not agreed upon in this time period, then within seven days after that deadline, the EARB will submit an options paper to the Assistant to the President for National Security Affairs.
- b. Within 60 days of the issuance of the above definition, the working group should define more precisely the areas of concern within the four special mission areas and set new benchmark levels for technology transfer for the key commodity control list items significantly above what they are now. The group will submit this report to the EARB for approval. An interim report will be provided to the EARB at the end of 30 days, describing the progress made and problems encountered in devising the new guidelines. Within seven days of the submission of the final report to the EARB, the EARB will submit its report to the Assistant to the President for National Security Affairs. An options paper will be included for any items on which consensus has not been reached.

Approve _____ Disapprove _____

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RECEIVED 20 MAY 83 15

22

TO AGENCIES

FROM POINDEXTER *as 9/6/17* DOCDATE 19 MAY 83

KEYWORDS: TECHNOLOGY TRANSFERS CHINA P R BALDRIGE, M

SUBJECT: INSTRUCTIONS TO BALDRIGE ON TECHNOLOGY TRANSFER TO CHINA

ACTION: POINDEXTER SGD MEMO TO AGENCIE DUE: STATUS C FILES SII

FOR ACTION

FOR CONCURRENCE

FOR INFO

COMMENTS

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19 MAY 1983 22 58

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MESSAGE NO. 117 CLASSIFICATION ~~SECRET~~ PAGES 4
 FROM RAM BOINEXTER 395-2291 WH. WEST WING
 (NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION TECHNOLOGY TRANSFER
To The PRC

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
1- OSD	Hon FRED C IKLE		
2- STATE	CHARLES Hill		
3- JCS	VADM THOMAS BIGLEY		
4- OSTP	Hon G. A. KEYWORTH II		
COMMERCE	Hon WETHINGTON		

COURTIERE - SENT IB

REMARKS:

original
to Brian 5/20/83 nice

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OVA (S) 9/8/17

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MESSAGE NO. 117 CLASSIFICATION ~~SECRET~~ PAGES 4

FROM RAM BOINEXTER 315-2291 .. WH. WEST WING

(NAME)

(EXTENSION)

(ROOM NUMBER)

MESSAGE DESCRIPTION TECHNOLOGY TRANSFER
TO THE PRC

TO (AGENCY)	DELIVER TO:	DEPT/ROOM NO.	EXTENSION
<u>OSD</u>	<u>Hon FRED C IKLE</u>		
<u>STATE</u>	<u>CHARLES Hill</u>		
<u>JCS</u>	<u>WADM THOMAS BIGLEY</u>		
<u>OSTP</u>	<u>Hon G A. KEYWORTH</u>		
<u>COMMERCE</u>	<u>H.N. WETHINGTON</u>		

REMARKS:

[Faint, mostly illegible text in the bottom section of the form]

~~SECRET~~

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SYSTEM II
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THE WHITE HOUSE
WASHINGTON

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May 19, 1983

MEMORANDUM FOR THE HONORABLE GEORGE A. KEYWORTH, II
Director, Office of Science and Technology Policy

THE HONORABLE FRED C. IKLE
Under Secretary of Defense for Policy

THE HONORABLE CHARLES HILL
Executive Secretary, Department of State

THE HONORABLE OLIN WETHINGTON
Deputy Under Secretary of Commerce

VADM THOMAS BIGLEY
Office of the Chairman, Joint Chiefs of Staff

SUBJECT: Technology Transfer to the PRC (U)

Attached is draft cable of instructions to Secretary Baldrige for his discussions on subject issue in PRC. Request your department or agency clearance by 10:00 a.m., Friday, May 20, 1983. An advance copy of the draft has been sent to Secretary Baldrige for his comment. (C)

The departments and agencies are still far apart in their positions on the draft Presidential memo that has been circulated earlier. The implications of the decision issues are not well enough understood to present the issues to the President for decision. (S)

There are two areas of difference: issue of country category change and issue of an objective measure for use in establishing specific criteria for implementation of the President's policy. We will shortly circulate a new approach to resolving this problem in an expeditious manner but there is not time to do this before Secretary Bladrige's arrival in PRC. (S)



John M. Poindexter
Military Assistant to the
Assistant to the President for
National Security Affairs

Attachment

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SECRET ATTACHMENT

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MLRR M724 #211252

RW

11/29/18

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4. DRAFT CABLE FOR SECRETARY BALDRIDGE. QUOTE:

SUBJECT: FIRST MEETING OF U.S. - PRC COMMISSION ON TRADE:
GUIDANCE AND TALKING POINTS ON TECHNOLOGY TRANSFER
TO CHINA

- (1) THE FOLLOWING INFORMATION AND GUIDANCE ARE PROVIDED FOR YOUR DISCUSSIONS WITH CHINESE ON SUBJECT OF TECHNOLOGY TRANSFER.
- (2) SCIENCE ADVISOR KEYWORTH, IN HIS PRIVATE MEETINGS WITH PREMIER ZHAO ZIYANG, STATE COUNCILOR FANG YI, AND DEFENSE MINISTER ZHANG AIPING, MAY 8-14, TOOK CARE TO AVOID LEAVING IMPRESSION THAT YOU WOULD ANNOUNCE RESULTS OF U.S. TECHNOLOGY TRANSFER POLICY REVIEW DURING YOUR VISIT. HE STRESSED U.S. COMMITMENT TO IMPROVING U.S. - CHINA RELATIONS AND NOTED HIGH-LEVEL REVIEW WAS IN PROGRESS AIMED AT EXPEDITING CHINESE ACCESS TO HIGH TECHNOLOGY. AT THE SAME TIME, HE POINTED OUT THAT CHINA WILL REMAIN A SPECIFIC CASE IN VIEW OF ITS INDEPENDENT CAPABILITY TO INFLUENCE WORLD EVENTS.
- (3) FOR YOUR INFORMATION, WE ARE CONTINUING POLICY REVIEW HERE IN WASHINGTON AND EXPECT TO FORWARD DECISION MEMO TO PRESIDENT SOON. HOWEVER, WE DO NOT EXPECT A DECISION DURING YOUR MEETINGS IN BEIJING. IN THE INTERIM, WE RECOMMEND THAT YOU REINFORCE POINTS MADE DURING KEYWORTH

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M724 #211252
RW 11/29/18

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OUTGOING

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PAGE 02 OF 03 THE WHITE HOUSE 3192 DTG: 200103Z MAY 83 PSN: 036256

VISIT AND STRESS THE POSITIVE DIRECTION OF OUR REVIEW AS INDICATED BY RECENT LICENSE APPROVALS.

(4) FOLLOWING ARE SUGGESTED TALKING POINTS FOR YOUR USE IN DISCUSSING TECHNOLOGY TRANSFER WITH CHINESE LEADERS:

- HIGH LEVEL REVIEW OF TECHNOLOGY TRANSFER TO CHINA IS IN PROGRESS.
- U. S. TREATS CHINA AS A SPECIAL POWER HAVING INDEPENDENT CAPABILITY TO INFLUENCE WORLD EVENTS. U. S. PLACES GREAT VALUE ON ITS RELATIONS WITH CHINA AND IS DETERMINED TO TAKE STEPS LEADING TO IMPROVED AND ENDURING U. S. -- CHINA RELATIONS.
- AS NOTED DURING SCIENCE AND TECHNOLOGY COMMISSION MEETING, WE EXPECT IN NEAR FUTURE, CERTAINLY WITHIN A COUPLE OF MONTHS, THAT WE WILL HAVE A NEW ELABORATION OF U. S. TECHNOLOGY TRANSFER POLICY WHICH WE ANTICIPATE WILL LEAD TO EXPANDED FLOW OF HIGH TECHNOLOGY TO CHINA.
- INCREASED COMMUNICATIONS BETWEEN OUR CIVIL AND MILITARY OFFICIALS WILL BE IMPORTANT IN LEADING TO THE IMPROVED UNDERSTANDING OF OUR RESPECTIVE CONCERNS.

FYI: IF THE CHINESE DISCUSS THE VISIT OF SECRETARY WEINBERGER TO CHINA, YOU SHOULD RESPOND IN A POSITIVE MANNER.

- IN THE MEANTIME, OUR SPIRIT IS BEST DEMONSTRATED BY SEVERAL RECENT LICENSE CASES THAT ARE IN THE MOST SENSITIVE AREAS OF CONCERN WITH RESPECT TO ALL NATIONS. THESE CASES ARE IN THE FINAL STAGES OF COORDINATION FOR APPROVAL.

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OUTGOING

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PAGE 03 OF 03 THE WHITE HOUSE 3192 DTG: 200103Z MAY 83 PSN: 036256

-- WE LOOK FORWARD TO COMMUNICATING THE RESULTS OF
OUR REVIEW IN NEAR FUTURE. END OF QUOTE.

~~SECRET~~

~~SECRET~~

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THE SECRETARY OF AGRICULTURE Independence & 14th SW				
UNITED STATES TRADE REPRESENTATIVE Room 209 Winder Bldg 17 & F St NW				
THE DIRECTOR, FEMA 500 C Street				
DIRECTOR, JOINT PROGRAM OFFICE (JPO) 1300 Wilson Blvd. #1051, Arlington, VA				
MANAGER, NATL COMMUNICATIONS SYSTEM (NCS), 8th & SO Courthouse Rd, Arlington, VA				

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FROM SIGUR *as 9/1/12*

DOCDATE 19 MAY 83

SUSPENSE

KEYWORDS: CHINA P R

TECHNOLOGY TRANSFERS

SUBJECT: LIST OF ITEMS TO BE SOLD TO CHINA

ACTION: FOR INFORMATION

DUE:

STATUS IX FILES

FOR ACTION

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Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	_____	_____	_____
Staff Secretary	_____	_____	_____
Sit Room	_____	_____	_____
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cc: VP Meese Baker Deaver Other _____

COMMENTS

Don,
Of course the problem
is Defense approval but with
what restrictions.
K

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36

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

May 18, 1983

NOTED

INFORMATION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: GASTON J. SIGUR *Gast*

SUBJECT: Wolfowitz List of Items to be Sold to China

Paul Wolfowitz called me on the secure phone to give me the list of items that State believes could be sold to China now in keeping with national security controls. He understands that Defense has agreed to a number of these same items. The list is as follows:

- OC 1610 - Vacs 117-60
- OC 1658 - Kromenco Dual Processor and
1691 - Kromenco Boards and Computers
- OC 1666 - Western Geophysical. An additional Array
Processor
- OC 1672 - Prime 750 Computer
- OC 1653 - EPROMM - PROM Programmer
Kromenco
- OC 1584 - Burroughs B-70800 Computer
- OC 1685 - HB 1000 Mini Computer

ITT case in COCOM

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BY *lw* NARA DATE 11/24/18

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TO POINDEXTER

FROM SIGUR

DOCDATE 19 MAY 83

W 9/8/83

KEYWORDS: CHINA P R

TECHNOLOGY TRANSFERS

BALDRIGE, M

SUBJECT: SUGGESTED TALKING POINTS FOR BALDRIGE MTGS IN CHINA

ACTION: FOR INFORMATION

DUE:

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The White House

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MAY 19 1983
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John Poindexter	<u>1</u>	<u>X</u>	<u>I</u>
Bud McFarlane	_____	_____	_____
Jacque Hill	_____	_____	_____
Judge Clark	_____	_____	_____
John Poindexter	_____	_____	_____
Staff Secretary	_____	_____	_____
Sit Room	_____	_____	_____

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cc: VP Meese Baker Deaver Other _____

COMMENTS

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39

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET~~

May 19, 1983

INFORMATION

MEMORANDUM FOR JOHN POINDEXTER

FROM: GASTON SIGUR *Gastur*

SUBJECT: Talking Points for Secretary Baldrige in Beijing
re Tech Transfer

In my view, Secretary Baldrige should take an upbeat approach with technology transfer issue in his meetings with top Chinese leaders. The following are suggested talking points for him:

I have a full report on your conversations with Dr. Keyworth. He told me in clear and unmistakable terms of your concerns about the technology transfer issue. I appreciate the candor and frankness with which you have dealt with us on this matter.

In Washington, we have been engaged in most extensive and intensive re-examination of technology transfer at the highest levels. I, personally, have spent a considerable amount of time wrestling with this complicated problem, as has Secretary Shultz and other colleagues.

I want you to know that we are taking full account of your views. The President has made it clear that he wants some advance in this area. In fact, there has been considerable improvement over the past two years in the transfer of technology to China for the U.S. (Baldrige's entourage should have the figures on this. A CIA study shows it to be a fact. Also, Tom Shoesmith informed me this morning that in 1982 the sales of control items to the Soviet Union totaled \$35M whereas to China the total was \$350M. So at least the Chinese are wrong to say we equate them with with the Soviets.)

We have clearly in mind that we should do better in tech transfer to you. We will become more flexible and will streamline our procedures so that you will know what we can do, what we will do and what we can't do. We will make our procedures more expeditious and will avoid the long delays of the past.

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BY RW NARA DATE 2/14/2023

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TO CLARK

FROM MANFREDI

DOCDATE 19 MAY 83

A. 9/1/77

KEYWORDS: **COMPUTERS**

TECHNOLOGY TRANSFERS

SUBJECT: COMPUTER DATA BASE SECURITY WORKING GROUP - STATUS & PROBLEMS

ACTION: FOR SIGNATURE

DUE: 24 MAY 83 STATUS X FILES

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Clark

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Clark sgd

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John Poindexter	<u>1</u>	<input checked="" type="checkbox"/>	
Bud McFarlane	<u>2</u>	<input checked="" type="checkbox"/>	
Jacque Hill	<u>3</u>	<input checked="" type="checkbox"/>	
Judge Clark	<u>4</u>	<input checked="" type="checkbox"/>	<u>A</u>
John Poindexter			
Staff Secretary	<u>5</u>		<u>D</u>
Sit Room			

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cc: VP Meese Baker Deaver Other _____

COMMENTS

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5-19-83

NATIONAL SECURITY COUNCIL

Ant Manfredi:

I recommend revising
Tab B as shown, to capture
the Judge's style. Also, in the
future, use the first tab to
cover what the Judge will sign.

Please clear with

Ken deGraffenreid.

Thanks-

Bob Kennett

Strongly concur.

Thanks
Ken de Graffenreid

33

~~CONFIDENTIAL~~

3454

THE WHITE HOUSE

WASHINGTON

June 7, 1983

~~CONFIDENTIAL~~

MEMORANDUM FOR THE HONORABLE MALCOLM BALDRIGE
The Secretary of Commerce

SUBJECT: Computer Data Base Security Working Group (C)

Last September, based on an initiative by Bo Denysyk, we set up a working group chaired by Commerce to study the problem of hostile access to US computer data bases. I understand that the group recently has come up against a number of problems, including funding for some needed contractor support, and I am concerned that the working group has lost considerable momentum. This effort is one of a number of studies which are underway in the technology transfer area, an area of key concern to the Administration. (C)

I call this matter to your attention for your consideration. (U)

William P. Clark

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Auth: USCW/llc

BY: [Signature] DATE 9/9/87

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3454

Paul AA

MEMORANDUM

NATIONAL SECURITY COUNCIL

May 19, 1983

CONFIDENTIAL

MEMORANDUM FOR WILLIAM P. CLARK

SIGNED

FROM: ARTHUR F. MANFREDI, JR. *Art*

SUBJECT: Computer Data Base Security Working Group - Status and Problems

Last September we set up a working group chaired by Commerce to study the problem of hostile access to US computer data bases (Tab A). The group got off to an enthusiastic start under Bo Denysyk's chairmanship, and Commerce had set aside \$400,000 for contractor support. As I've mentioned in my weekly reports, we have subsequently run into funding problems and have a new chairman. Energy, through the Lawrence Livermore and Los Alamos National Laboratories, has proposed what needs to be done and is willing to do it, with funding. The working group agrees with this approach, but needs some leadership to get moving.

I have been perhaps too forgiving up until now, but we have a serious problem at Commerce which should be resolved. The new chairman, John Boidock, is in overload and cannot apparently devote the time and attention necessary. For instance, he didn't even show up at our last meeting yesterday. And, the funding issue remains unresolved.

RECOMMENDATION

That you sign and send the attached memorandum (Tab B) to Secretary Baldrige expressing our concern. Gus concurs. *de Staffman concurs.*

Approve

Disapprove

Attachments

- Tab A Wheeler memo to agencies 9/13/82
- Tab B Memo to Baldrige

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Authority *NSC Walker*

BY *LN* DATE *9/8/17*

Mambredis

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

September 13, 1982

~~CONFIDENTIAL~~

MEMORANDUM FOR MR. L. PAUL BREMER, III
Executive Secretary
Department of State

LT. COLONEL W. RICHARD HIGGINS
Assistant for Interagency Matters
Office of the Secretary of Defense

Mr. F. HENRY HABICHT
Special Assistant to the
Attorney General of Justice

MS. HELEN ROBBINS
Executive Assistant to the
Secretary of Commerce

MR. WILLIAM V. VITALE
Director, Office of the Executive Secretariat
Department of Energy

MR. THOMAS B. CORMACK
Executive Secretary
Central Intelligence Agency

DR. GEORGE KEYWORTH
Director, Office of Science and Technology
Policy

SUBJECT: Computer Data Base Security

A number of US firms offer commercial subscription services to computerized data bases. These data bases contain a considerable amount of scientific and technical data. Some of these data bases are being or can be exploited by the Soviet Union or surrogates as a form of technology transfer.

We need to determine the extent of the problem and then decide if we need to establish a USG policy on access to these data bases. As a first step, a Working Group will be established to define the problem, assign study tasks and schedules, and consider contractor support. The Working Group will provide guidance and direction for a coordinated USG review of this issue. Among its goals will be the preparation of a report to:

- List what data bases are accessible;

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Authority *USG v. US*
BY *CA* *DATE 1/11/77*

~~CONFIDENTIAL~~
DECLASSIFY ON: OADR

~~CONFIDENTIAL~~

- Detail what types of data are available, and their vulnerability, and;
- Provide policy recommendations, alternatives, and their cost.

The Working Group should submit a final report in about six months to the NSC Coordinating Committee on Technology Transfer.

Commerce will take the lead by chairing the Working Group.

Carolyn E. Cleveland
Michael O. Wheeler for
Staff Secretary

~~CONFIDENTIAL~~

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SENSITIVE

PAGE 1 - 170

SITUATION LISTING

DATE 08/10/83/1222

SITUATION: PRIVACY
SUBJECT CATEGORY: OUT

MESSAGE / ANNOTATION:
MESSAGE:

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FM THE WHITE HOUSE
TO [REDACTED]
ZEM

3.3(b)(1)(c)

~~SECRET~~ VIA PRIVACY CHANNELS WHO3192

PASS TO MR DAVID LAUX, NSC STAFF,
WITH SECRETARY BALDRIDGE DELEGATION
FROM RADM POINDEXTER

SUBJ: TECH TRANSFER TO PRC

1. DISCUSS THIS CABLE WITH SECRETARY BALDRIDGE.
2. HAD LONG DISCUSSION WITH JAY KEYWORTH TODAY. ALSO APPROACHED DEFENSE TO FALL OFF SOME OF THEIR CAVEATS ON THE SEVEN CASES INCLUDED IN MY CABLE LAST NIGHT. IN SHORT TIME AVAILABLE HAVE BEEN UNABLE TO GET DEFENSE TO MODIFY THE RESTRICTIONS; HOWEVER, MY QUICK LOOK AT DETAILS INDICATES THERE IS SOME ROOM FOR LIBERALIZATION OF THESE RESTRICTIONS. THIS LITMUS TEST HAS BEEN VERY INSTRUCTIVE IN THAT IT HAS INDICATED TO ME THE DIRECTION WE MUST PROCEED IN CLARIFYING THE INTERPRETATION OF THE PRESIDENT'S POLICY. UPON YOUR PARTY'S RETURN I PROPOSE THAT WE AGREE TO IDENTIFY FIVE OR SIX PENDING CASES THAT COVER A RANGE OF TECHNOLOGIES AND SURFACE THE DETAILS OF THESE CASES TO THE PRINCIPALS IN A STAFF PAPER THAT WOULD BE DISCUSSED IN A MEETING (FORUM TO BE DETERMINED). THE PAPER WOULD GET DOWN TO THE SPECIFIC DETAILS OF THE THREAT TO NATIONAL SECURITY. I BELIEVE THAT ONCE ALL OF THE PRINCIPALS ARE AWARE OF THESE DETAILS WE WILL GET CLOSURE. THESE CASES WOULD THEN BE USED TO ESTABLISH PRECEDENTS. THIS MAY NOT SOLVE ALL OF OUR PROBLEMS BUT I BELIEVE IT WILL BE INSTRUCTIVE AND A STEP IN THE RIGHT DIRECTION. WE COULD CALL THIS THE TECHNICAL PRECEDENT RULE. IT IS VERY DIFFICULT TO ARGUE AGAINST DEFENSE'S OBJECTION TO THE 50-75 PERCENT RULE BECAUSE WE DO NOT KNOW HOW TO EVALUATE THE THREAT TO NATIONAL SECURITY RESULTING FROM SUCH A BROAD GUIDELINE.
3. IN PARAGRAPH 4 I AM PROVIDING A DRAFT CABLE THAT WE HAVE SENT TO THE CONCERNED DEPARTMENTS FOR CLEARANCE EARLY FRIDAY MORNING. JAY KEYWORTH HAS ALREADY CLEARED IT. WE KNOW THIS ISN'T ALL THE

SENSITIVE

DECLASSIFIED IN PART

NLRR M724 #211267

BY RW NARA DATE 2/14/2023

SITUATION: PRIVACY
SUBJECT CATEGORY: OUT

MESSAGE / ANNOTATION:

SECRETARY EXPECTED BUT WE FEEL IT IS SUFFICIENT WHEN COMBINED WITH OUR DETERMINATION TO PROVIDE AN EARLY RESOLUTION TO THE PROBLEM AS I HAVE OUTLINED ABOVE.

4. DRAFT CABLE FOR SECRETARY BALDRIDGE. QUOTE:

SUBJECT: FIRST MEETING OF U.S.-PRC COMMISSION ON TRADE:
GUIDANCE AND TALKING POINTS ON TECHNOLOGY TRANSFER
TO CHINA

- (1) THE FOLLOWING INFORMATION AND GUIDANCE ARE PROVIDED FOR YOUR DISCUSSIONS WITH CHINESE ON SUBJECT OF TECHNOLOGY TRANSFER.
- (2) SCIENCE ADVISOR KEYWORTH, IN HIS PRIVATE MEETINGS WITH PREMIER ZHAO ZIYANG, STATE COUNCILOR FANG YI, AND DEFENSE MINISTER ZHANG AIPING, MAY 8-14, TOOK CARE TO AVOID LEAVING IMPRESSION THAT YOU WOULD ANNOUNCE RESULTS OF U.S. TECHNOLOGY TRANSFER POLICY REVIEW DURING YOUR VISIT. HE STRESSED U.S. COMMITMENT TO IMPROVING U.S.-CHINA RELATIONS AND NOTED HIGH-LEVEL REVIEW WAS IN PROGRESS AIMED AT EXPEDITING CHINESE ACCESS TO HIGH TECHNOLOGY. AT THE SAME TIME, HE POINTED OUT THAT CHINA WILL REMAIN A SPECIFIC CASE IN VIEW OF ITS INDEPENDENT CAPABILITY TO INFLUENCE WORLD EVENTS.
- (3) FOR YOUR INFORMATION, WE ARE CONTINUING POLICY REVIEW HERE IN WASHINGTON AND EXPECT TO FORWARD DECISION MEMO TO PRESIDENT SOON. HOWEVER, WE DO NOT EXPECT A DECISION DURING YOUR MEETINGS IN BEIJING. IN THE INTERIM, WE RECOMMEND THAT YOU REINFORCE POINTS MADE DURING KEYWORTH VISIT AND STRESS THE POSITIVE DIRECTION OF OUR REVIEW AS INDICATED BY RECENT LICENSE APPROVALS.
- (4) FOLLOWING ARE SUGGESTED TALKING POINTS FOR YOUR USE IN DISCUSSING TECHNOLOGY TRANSFER WITH CHINESE LEADERS:
 - HIGH LEVEL REVIEW OF TECHNOLOGY TRANSFER TO CHINA IS IN PROGRESS.
 - U.S. TREATS CHINA AS A SPECIAL POWER HAVING INDEPENDENT CAPABILITY TO INFLUENCE WORLD EVENTS. U.S. PLACES GREAT VALUE ON ITS RELATIONS WITH CHINA AND IS DETERMINED TO TAKE STEPS LEADING TO IMPROVED AND ENDURING U.S.--CHINA RELATIONS.

SITUATION: PRIVACY
SUBJECT CATEGORY: OUT

MESSAGE / ANNOTATION:

- AS NOTED DURING SCIENCE AND TECHNOLOGY COMMISSION MEETING, WE EXPECT IN NEAR FUTURE, CERTAINLY WITHIN A COUPLE OF MONTHS, THAT WE WILL HAVE A NEW ELABORATION OF U.S. TECHNOLOGY TRANSFER POLICY WHICH WE ANTICIPATE WILL LEAD TO EXPANDED FLOW OF HIGH TECHNOLOGY TO CHINA.

- INCREASED COMMUNICATIONS BETWEEN OUR CIVIL AND MILITARY OFFICIALS WILL BE IMPORTANT IN LEADING TO THE IMPROVED UNDERSTANDING OF OUR RESPECTIVE CONCERNS.

FYI: IF THE CHINESE DISCUSS THE VISIT OF SECRETARY WEINBERGER TO CHINA, YOU SHOULD RESPOND IN A POSITIVE MANNER.

- IN THE MEANTIME, OUR SPIRIT IS BEST DEMONSTRATED BY SEVERAL RECENT LICENSE CASES THAT ARE IN THE MOST SENSITIVE AREAS OF CONCERN WITH RESPECT TO ALL NATIONS. THESE CASES ARE IN THE FINAL STAGES OF COORDINATION FOR APPROVAL.

- WE LOOK FORWARD TO COMMUNICATING THE RESULTS OF OUR REVIEW IN NEAR FUTURE. END OF QUOTE.

871
#3192
NNNN

RECEIVED 31 MAY 83 14

TO POINDEXTER

FROM MARCUM, J

DOCDATE 27 MAY 83

6115 in

KEYWORDS: CHINA P R

TECHNOLOGY TRANSFERS

KEYWORTH, G

SUBJECT: KEYWORTH RPT ON TRIP TO CHINA & DISCUSSIONS RE TECHNOLOGY TRANSFER
ISSUE

ACTION: FOR RECORD PURPOSES DUE: STATUS C FILES PA

FOR ACTION

FOR CONCURRENCE

FOR INFO

LAUX

SIGUR

CHILDRESS

WEISS

RYE

DeGraffenreid

COMMENTS

REF#

LOG

NSCIFID

(C / C)

ACTION OFFICER (S) ASSIGNED ACTION REQUIRED DUE COPIES TO

DISPATCH _____ W/ATTCH FILE _____ (C)

RECEIVED 31 MAY 83 18

TO PRESIDENT

FROM KEYWORTH, G

DOC DATE 31 MAY 83

UNCLASSIFIED UPON REMOVAL
OF CLASSIFICATION

CA 9/8/17

KEYWORDS: CHINA P R

Orig in ↑

TECHNOLOGY TRANSFERS

ZHAO ZIYANG

ZHANG

SUBJECT: OVERVIEW OF RECENT TRIP TO CHINA

ACTION: PREPARE MEMO FOR CLARK

DUE: 02 JUN 83 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

LAUX

SIGUR

WEISS

CHILDRESS

RYE

DEGRAFFENREID

COMMENTS

REF# LOG NSCIFID (J /)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>Clark</i>	<i>IX 6/3</i>	<i>for information</i>		
	<i>JUN 0 6 1983</i>	<i>Under review</i>		
<i>Laux</i>	<i>JUN 0 3 1983</i>	<i>Further action</i>	<i>6/8</i>	
	<i>c 8/23</i>	<i>Handled by phone per Laux</i>		

DISPATCH

W/ATTCH FILE *PA* (C)