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E.O. 12958, as amended, Sect 3.5

NSC/Soubers to Smith, 09/06/2002  
By LR Date 01/30/07

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

March 28, 1969

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National Security Study Memorandum 35

TO:           The Secretary of State  
              The Secretary of Defense  
              The Secretary of Commerce  
              The Secretary of the Treasury  
              The Secretary of Agriculture  
              The Special Representative for Trade Negotiations  
              The Director of Central Intelligence  
              The President of Export-Import Bank

SUBJECT:     U. S. Trade Policy Toward Communist Countries

The President has directed a review of U. S. Trade Policy toward Communist countries. This subject was originally to be covered in the response to NSSM 16, U. S. Trade Policy, but the President wishes a fuller treatment of these issues than would be possible as part of that overall review.

This study should examine policy towards COCOM, U. S. differential controls, trade with Eastern Europe, Asian communist and Cuban trade embargos, and extraterritorial effects of trade controls, by treating the following elements:

- the effectiveness of present measures;
- the strategic impact of these controls upon communist countries;
- relations with our allies;
- other relevant factors including U. S. exports, our balance of payments and relations between the U. S. Government, on the one hand, and U. S. business and labor, on the other.

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The paper should then explore alternative U. S. policies, including legislative changes if necessary, such as continuation of our present course, various means of modifying controls, what countries should be included and possible differentiation among them. Finally, the paper should briefly describe present U. S. government organization for implementing trade control policy and examine possible improvements in this machinery.

The President has directed that this study be prepared by an Ad Hoc group chaired by the Assistant Secretary of State for Economic Affairs and including representatives from the Department of Defense, the Central Intelligence Agency, Department of Commerce, Department of Agriculture, Department of Treasury, Office of the Special Representative for Trade Negotiations, the Export-Import Bank, and the Assistant to the President for National Security Affairs. The Chairman may invite other agencies to send representatives as appropriate.

This report should be submitted to the Review Group by May 9, 1969.

A handwritten signature in black ink, appearing to read "H. A. Kissinger", with a stylized flourish at the end.

Henry A. Kissinger

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