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SECY-1449

May 3, 1971



U.S. TRADE RELATIONS WITH CHINA AND ROMANIA

Note by the Secretary

The Assistant General Manager for International Activities has requested that his attached memorandum of May 3, 1971 be circulated for the information of the Commission.

W. B. McCool

Secretary of the Commission

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UNITED STATES
ATOMIC ENERGY COMMISSION
WASHINGTON, D.C. 20545

MAY 3 1971

Chairman Seaborg
Commissioner Ramey
Commissioner Johnson
Commissioner Larson
Commissioner
M. J. [Signature]
THRU: General Manager

U.S. TRADE RELATIONS WITH CHINA AND ROMANIA

On April 14 a public announcement was made by Press Secretary Ziegler that President Nixon was easing trade restrictions with Communist China. In the announcement, it was reported that President Nixon had asked for a list of items of a non-strategic nature which could be placed under general license for export to China. This step among several which the President took to ease relations with Communist China resulted from a study that had been underway for the past several months by the Under Secretaries Committee of the National Security Council.

On Monday, April 19, AEC staff as well as the staffs of State, Defense, Treasury, and Agriculture were asked to review a list of approximately 900 commodities that Commerce was proposing to place under general license to China. Preliminary comments to this list were requested by close of business the same day. All of the items proposed for decontrol are presently under general license to Eastern European bloc countries and the Soviet Union. The list consists primarily of consumer products, pharmaceuticals, and raw materials. AEC staff review of the list did not reveal any items of particular AEC interest or concern. Since that time, we have been asked by Commerce to review approximately 100 additional entries proposed by State for decontrol to China. These items are primarily in the metals category. None were of interest to the AEC. We understand that the list will be submitted to the President this week for his approval.

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The Commission

In a similar action, the Commerce Department sought our comments on a proposed list of commodities which they intend to place under general license to Romania. The Commission will recall that in my memorandum of March 29, 1971 (SECY-1256, March 30, 1971), we indicated that the President had decided to give Romania the same status as Yugoslavia on exports of U.S. goods. Commerce is proposing to decontrol approximately 100 commodities to Romania which are presently under general license to Yugoslavia. The staff has also reviewed this list and has found all but a few of the items to be of no interest to the AEC. We have reserved our clearance on a few items to give us an opportunity to check them more carefully with the technical staff.

On April 26, Secretary Stans personally informed President Ceausescu in Romania that the U.S. was putting under general license to Romania approximately 100 additional commodities. The list of commodities has not, as yet, been given to the Romanians. A public announcement by Commerce on the list is expected early next week.

We will keep you informed of any further developments in this area.



Myron B. Kratzer
Assistant General Manager
for International Activities

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