

In light of ERDAs comments, Def (Clements) has reviewed position and reaffirmed belief that conditions attached to sale are adequate from national security perspective. Also, in Def mind, is view that some asst to your enemy's worst enemy is a good thing.

Our Views

For reasons in memo to Pres we think risk of diversion is not great and that we can live with precedent. Note, however, that Japanese want to increase their computer exports to Chi and have pressing for less onerous conditions. If we go through with CDC sale under proposed terms, any attempt to veto future computer sales by other countries on grounds of inadequate safeguards would be harder to justify and could undermine validity of COCOM.

We have deliberately excluded from mem to Pres any mention of other doubts that we and most other working level people in bureaucracy have had about this deal, i.e.:

--even if initially proposed safeguards were excessive, they were made known to PRC and to back away from them in face of Chi intransigence is questionable course of action;

--fact that, although principle of parity between SovUn and Chi may need revision, this particular deal is make-shift arrangement concocted without benefit of careful analysis of better long-term approach to problem.

See no point in dwelling on these reservations now that principals, of all agencies, except ERDA, have agreed on common recommendation to Pres.

Attached is memo from you to Pres requesting auth to grant exception and issue directive.

Need for rapid action. CDC del on its way to Peking for its once-postponed meeting to consummate deal. Chi have indicated their patience is running out and doubtful they would tolerate further delay.

Recom: Sign memo to Pres seeking his ok to issue directive.

Memo for Scowcroft
From: Elliott
Oct 22, 1976
C
#6529

Further Leaks Re CDC Computer Export to PRC

Sate believes Aviation Week now has copy of letter from Seamsna to Richardson outlining ERDA objections to export of CDC 172 computer to PRC. If true, we can expect quotes from letter in Monday's magazine. Magazine has copy of your dm and conditions attached to export. You might want to consider releasing two memos from Richardson which show that Clements reviewed ERDA positions and still recom approval of