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*Gen. Scowcroft*

NATIONAL SECURITY COUNCIL  
WASHINGTON, D.C. 20506

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May 12, 1975

National Security Decision Memorandum 294

TO: The Secretary of the Treasury  
The Secretary of Defense  
The Deputy Secretary of State  
The Administrator, Agency for International Development

SUBJECT: Change in the Eligibility of States to be Suppliers for AID  
Development Loan - Financed Procurement

The President has decided to expand the categories in which the United States would permit goods and services financed under U.S. Development Loans to be purchased from non-U.S. suppliers.

Such purchases were previously controlled by:

- para. 6(a) of NSDM 76 which provided for such purchases "in any non-European low income country (defined as any country with per capita income of less than \$1,000) eligible to receive U.S. assistance, as well as in the United States," and
- NSDM 28 which provided authority "to untie all AID loans to Latin America for Latin American procurement." AID implemented NSDM 28 authority by ruling that it permitted procurement under development loans in the U.S. and all independent countries of the Western Hemisphere south of the United States, except Cuba.

In addition to the two categories above, the President has now decided that goods and services financed under U.S. development loans may also be purchased in any non-European recipient of AID assistance as well as in the U.S.

*Henry A. Kissinger*  
Henry A. Kissinger

cc: The Secretary of Commerce  
The Director, Office of  
Management and Budget  
The Chairman, Joint Chiefs of Staff

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