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.

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

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Henry A. Kissinger