January 16, 1976

National Security Study Memorandum 236

TO: The Secretary of State
    The Secretary of the Treasury
    The Secretary of Defense
    The Secretary of Commerce
    The Director of Central Intelligence
    The Acting Executive Director, Council on
    International Economic Policy

SUBJECT: United States Policy on Export-Import Bank Loans
        for South Africa

The President has directed a review of United States policy toward
Export-Import Bank loans for exports to South Africa.

The study should describe current United States policy and the rationale
for continuing or modifying that policy, taking into account the following:

-- the economic benefits and costs of an Export-Import Bank
  policy change, with particular attention to the extent of
  competitive disadvantage United States business firms
  presently have in exporting to South Africa;

-- the short and long term consequences of a changed policy
  for overall United States interests in Africa and elsewhere;

-- the policies of other nations with regard to the use of
  government export credit agencies for transactions with
  South Africa;

-- United States policy toward South Africa and changes in
  that policy implied by possible Export-Import Bank policy
  revisions;

-- U.S. relations with other African countries and the effect
  of a change in Export-Import Bank policy on those relations.
the extent to which the present unstable condition in southern Africa would be affected by a policy change;

Likely reaction within the United States to a change in United States policy.

Based upon the foregoing assessment, the study should evaluate alternative United States policy options with regard to Export-Import Bank loan policies in South Africa including pros and cons for each.

The study should be prepared by an ad hoc group composed of representatives of the addressees and the National Security Council staff and chaired by the representative of the Secretary of State. Where appropriate, a representative of the Chairman, Export-Import Bank should be invited to participate in the meetings of the ad hoc group. Knowledge of the study and participation in its preparation should be kept on a strict need-to-know basis. Any additional participation should be specifically approved by the Chairman of the Group.

The study should be submitted to the Assistant to the President for National Security Affairs no later than January 30, 1976.

Brent Scowcroft

cc: The Chairman, Export-Import Bank