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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20505

January 26, 1977

Presidential Review Memorandum/NSC-12

TO: The Vice President
The Secretary of State
The Secretary of Defense

ALSO: The Secretary of the Treasury
The Director, Office of Management and Budget
The Chairman, Council of Economic Advisers
The Director, Arms Control and Disarmament Agency
The Chairman, Joint Chiefs of Staff
The Director of Central Intelligence

SUBJECT: Arms Transfer Policy Review (U)

The President has directed that the Policy Review Committee, under the chairmanship of the Department of State, review our policy with regard to the international transfer of conventional arms.

The review should be completed by March 15, 1977, and should:

1. Examine the role of arms transfers in the conduct of U.S. foreign policy, identifying the benefits and disadvantages of arms transfers as a policy tool, and their dominant or subordinate position relative to U.S. political, economic, and military interests. This examination should include:
 - (a) the feasibility and desirability of various unilateral and multilateral initiatives to restrict arms transfers on a national, regional, and global basis;
 - (b) consideration of such factors as: the type of weapon, equipment, or service being transferred; the role and activities abroad of commercial arms suppliers; third country transfers; transfer of high technology and sensitive items; co-production; employment of U.S. citizens on defense contracts abroad; and international standards of human rights; and

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Declassified/Released on 8/27/81
By the National Security Council
under provisions of E.O. 12065
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81F-232

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- (c) the feasibility and desirability of restricting all U.S. arms transfers to government-to-government transactions.
2. Identify and analyze basic policy options, on the basis of the foregoing examination. Consider the impact of each option on the U.S. economy, on defense readiness and procurement, and on U.S. relationships with both recipient and supplier states.
3. Review the current organizational structure for departmental and interagency consideration of arms transfer requests, and develop options for mechanisms and procedures to provide systematic policy guidance in the future.
4. Assess the current relationship between the executive and legislative branches in this area, and propose guidelines and changes necessary for an optimum relationship.



Zbigniew Brzezinski

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