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WITHDRAWAL SHEET Ronald Reagan Library

DOCUMENT			
NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
I. list	of participants for NSC meeting, with handwritten notations (1p)	11/19/82	P-1
2. memo	from M. Wheeler to J. Poindexter re: attendance to NSC meeting.	11/9/82	P-1>
	with handwritten notations (2pp)		
8. memo	from-M. Wheeler to-J. Poindexter re: attendance at NSC meeting,	-1-1/9/82	Parton
	with handwritten notations (2pp)		
4. memo	from M. Wheeler to J. Poindexter re: attendance at NSC meeting,	.1-1/9/82	P-1
	with handwritten notations (2pp)		
5note	from Carol C. with handwritten note from M.W. (1p)	11/9/82	P-1
E list	of participants for NSC meeting (1p) 4 .Z	11/9/82	-P-1
7. memo	from M. Wheeler to Bud McFarlane re: attendance at NSC	10/15/82	P-1
	meeting (3pp) ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~		
B. list	of participants for NSC meeting, with handwritten notations (1p)	10/15/82	P-1
letter case (8290922)	R v ~ tif		
NSC profile		11/17/82	P-1
PNSC profile-	(ip) P w ~ #15		
10 memo	fr Blair to W., Clark re: minutes of NSC meeting (1n)	11/17/82	P-1
11. minutes	of NSC meeting (9pp)	11/9/82	P-1, P-5
	PArt + #17		
letter case (8290910)			
12. NSC-profile	(1p) L +18	11/9/82	_P-1
COLLECTION:			
	EXEC. SECRETARIAT, NSC: Rcds (NSC Meeting Files)		dd
FILE FOLDER:	· ·		
	NSC 00065 09Nov82 [1 of 2] Box 91284		12/8/94

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA.
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy ((a)(6) of the PRA).

Freedom of Information Act - [5 U.S.C. 552(b)]

- F-2 Release could disclose internal personnel rules and practices of an agency ((b)(2) of the FOIA).
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA].
- C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET Ronald Reagan Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
13. memo	from W. Clark to the President re: NSC meeting, with handwritten	11/9/82	P-1, P-5
14- memo	notation (2pp) How Blair/R. Robinson to W. Clark re: NSC meeting (3pp)	11/9/82	P-1, P -5
	K ~ +71)		
15: 'agenda	for NSC meeting (1p) L - 4Z1		P-1
COLLECTION:	EXEC. SECRETARIAT, NSC: Rcds (NSC Meeting Files)		dd
FILE FOLDER:	NSC 00065 09Nov82 [1 of 2] Box 91284		12/8/94

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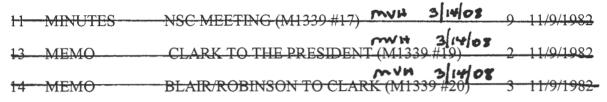
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PENDING REVIEW IN ACCORDANCE WITH E.O. 13233

Ronald Reagan Library

Collection Name	EXECUTIVE SECRETARIAT, NSC: MEETING F	ILE	Withdr	awer
			SMF	3/29/2007
File Folder	NSC 0065 09 NOV 82 (1 OF 2)		FOIA	
			M1339	
Box Number	91284			
ID Doc Type	Document Description	No of Pages	Doc Date	



NSC Meeting November 9 5:00 - 6:00 Cabient Room Chaired by President

. . . .

Subject: Soviet Sanctions

VP - Mary Anne (4213) Terrie Mary Anne State-Sheila (632-5804) Sheila Tain OSD - Higgins (695-6064) Betty Detty Treasury - Toreau (566-2394) Teresa Jeresa. Commerce - (377-5283) (2000) Xise Lionel Olmen (Sec out of Town) 215m USUN - Mary (632-3647) Mary Amb Kistophin Mary USTR - 3204 (Dekku Inith) Jene / Jene Bill Drock attending OMB - Diane (6816) Diane Diana OPD - Betty (6515) Corp Betty - 5042 yb cell. Cenyia Georgia Susane CEA - 5054 Georgia L695-4824) (Sgt Orr) (Stanley) Sul Nisanken CIA - John Mc Thaliena Meese-Barb/710 710 Baker - mangarat - V Deaver - Shutey Darman Jan Jan Clark- Wilma Wilme Horence McFarlane- Wilma Wilme Horence

Bailey -Robinson - himselt / Pat Pat Pat Blair- Terrie Jerrie Dennis Blain Wheeler - himself

Commerce: Sec Malcolm. Baldrep

Amb Kinkpatrick Jec Donald T- Regan. Amb W Amb Wm Brock.

OSD: Weinbergen

Prinipal only Tentatively confirmed

CEA Bull Diskanen JCS: Versey NLS ______ NARA, DATE ______

marc. E. heland.

OMB: Dr. Alton Keel (Associations+ Mr. Joe Weight (Pepty Directo OP: Roger Porter Deputy. (Mr. Harper's mother passed away today)

MEMORANDUM

NATIONAL SECURITY COUNCIL

-CONFIDENTIAL

November 9, 1982

ACTION

DECLASSIFIED NLS M1339 BY_ CAS

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: MICHAEL O. WHEELER NW

SUBJECT: Attendance List for the National Security Council Meeting, November 9, 1982 (1)

The following officials plan to attend the National Security Council Meeting on Soviet Sanctions which is scheduled for November 9, 1982, at 5:15 p.m. in the Cabinet Room. (C)

The Vice President Admiral Daniel J. Murphy

State: Secretary George P. Shultz plus one of they want

OSD: Secretary Caspar W. Weinberger Dep Sec Frank C. Carlucci IKLE

<u>Treasury:</u> Secretary Donald T. Regan Mr. Marc E. Leland (Assistant Secretary for International Affairs)

Commerce: Secretary Malcolm Baldrige + OLMER OMB: Mr. Joseph Wright (Deputy Director) Dr. Alton Keel (Associate Director for National Security and International Affairs)

CIA: Mr. John McMahon (Acting Director)

OPD:

Mr. Roger Porter (Deputy Assistant to the President - Mr. Harper will not be able to attend . (His mother passed away today.))

CEA:

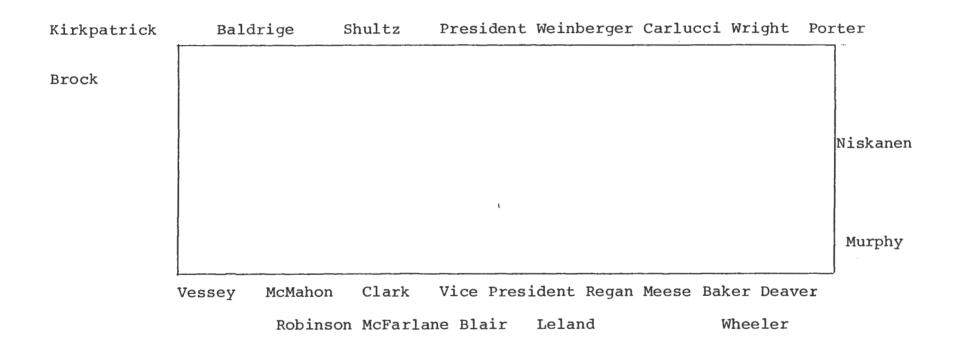
Mr. William Niskanen (Staff Member - Dr. Feldstein is out of town.)

CONFIDENTIAL Declassify on: OADR

2 CONFIDENTI USUN: Amb Jeane J. Kirkpatrick USTR: Amb William E. Brock JCS: General John W. Vessey, Jr. White House: Mr. Edwin Meese III Mr. James A. Baker III Mr. Michael K. Deaver Judge William P. Clark Mr. Richard G. Darman Mr. Robert C. McFarlane Admrial John M. Poindexter NSC: Colonel Michael O. Wheeler Commander Dennis Blair Mr. Roger Robinson As Amended Approved Attached is a proposed seating plan for this meeting. (U) R

THE CABINET ROOM

Poindexter Keel Darman



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DOOR

appeved ap amend cel per flaesce MEMORANDUM NATIONAL SECURITY COUNCIL CONFIDENTIAL November 9, 1982 - DECLASSIFIED NLS 1339 CAS NARA, DATE 11/08/05 ACTION MEMORANDUM FOR JOHN M. POINDEXTER MICHAEL O. WHEELER MID FROM: SUBJECT: Attendance List for the National Security Council Meeting, November 9, 1982 (U) The following officials plan to attend the National Security Council Meeting on Soviet Sanctions which is scheduled for November 9, 1982, at 5:15 p.m. in the Cabinet Room. (Q)The Vice President Admiral Daniel J. Murphy State: Secretary George P. (Shultz dus one-phoneal OSD: Secretary Caspar W. Weinberger Dep Sec Frank C. Carlucei Dr. Ted Ikle pushed Treasury: Secretary Donald T. Regan Mr. Marc E. Leland (Assistant Secretary for International Affairs) 8. 1 Commerce: Secretary Malcolm Baldrige honel Olman phoned OMB: Mr. Joseph Wright (Deputy Director) Dr. Alton Keel (Associate Director for National Security and International Affairs) CIA: Mr. John McMahon (Acting Director) OPD: Mr. Roger Porter (Deputy Assistant to the President - Mr. Harper will not be able to attend . (His mother passed away today.)) CEA: Mr. William Niskanen (Staff Member - Dr. Feldstein is out of town.) CONF LDENT LAL Declassify on: OADR

USUN: Amb Jeane J Kirkpatrick NOT COMING

USTR: Amb William E. Brock

JCS: General John W. Vessey, Jr.

White House: Mr. Edwin Meese III Mr. James A. Baker III Mr. Michael K. Deaver Judge William P. Clark Mr. Richard G. Darman Mr. Robert C. McFarlane Admrial John M. Poindexter

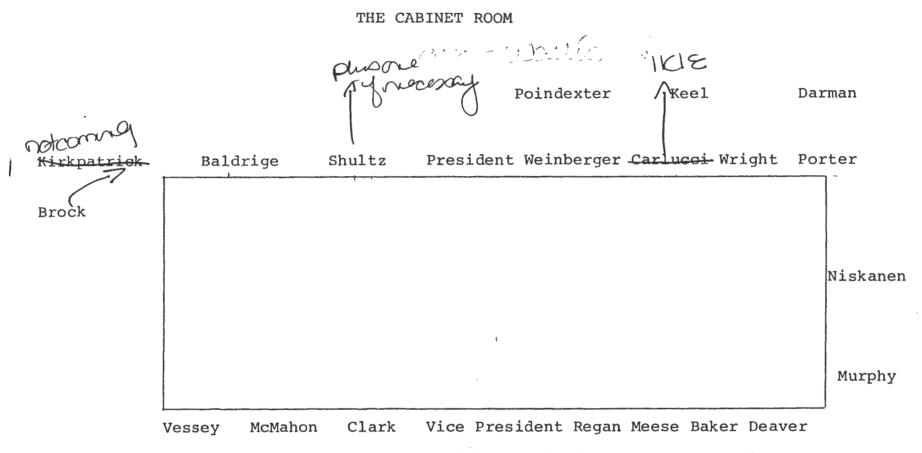
NSC: Colonel Michael O. Wheeler Commander Dennis Blair Mr. Roger Robinson

Approved As Amended

Attached is a proposed seating plan for this meeting. (U)

CONFIDENTIAL

2



Robinson McFarlane Blair Leland Wheeler

MEMORANDUM

10.

NATIONAL SECURITY COUNCIL

CONFIDENTIAL

November 9, 1982

ACTION

DECLASSIFIED # 12 NLS 1339 BY_US

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: MICHAEL O. WHEELER HW

SUBJECT: Attendance List for the National Security Council Meeting, November 9, 1982 (U)

The following officials plan to attend the National Security Council Meeting on Soviet Sanctions which is scheduled for November 9, 1982, at 5:15 p.m. in the Cabinet Room.

The Vice President Admiral Daniel J. Murphy?

State:

Secretary George P. Shultz

OSD: Secretary Caspar W. Weinberger Dep Sec Frank C. Carlucci

Treasury: Secretary Donald T. Regan Mr. Marc E. Leland (Assistant Secretary for International Affairs)

Commerce: Secretary Malcolm Baldrige

OMB:

Mr. Joseph Wright (Deputy Director) Dr. Alton Keel (Associate Director for National Security and International Affairs)?

CIA: Mr. John McMahor (Acting Director)

OPD:

Mr. Roger Porter (Deputy Assistant to the President - Mr. Harper will not be able to attend . (His mother passed away today.))

CEA:

Mr. William Niskanen (Staff Member - Dr. Feldstein is out of town.)

CONFIDENTIAL Declassify on: OADR

USUN: Amb Jeane J. Kirkpatrick USTR: Amb William E. Brock JCS: General John W. Vessey, Jr.V White House: Mr. Edwin Meese III Mr. James A. Baker III Mr. Michael K. Deaver Judge William P. Clark? Mr. Richard G. Darman? Mr. Robert C. McFarlane Admrial John M. Poindexter NSC: Colonel Michael O. Wheeler Commander Dennis Blair Mr. Roger Robinson Approved As Amended

Attached is a proposed seating plan for this meeting. (U)

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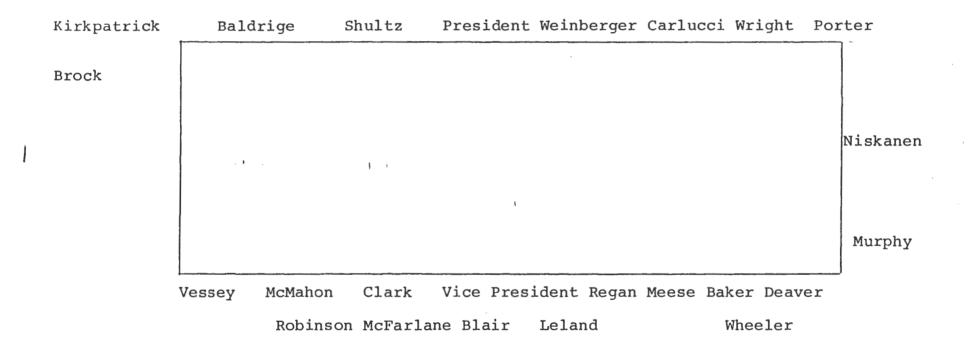
THE CABINET ROOM

Poindexter

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Keel

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DOOR

NATIONAL SECURITY COUNCIL

Nov 9, 1982

Attached are the agencies that attended the meeting on Pipeline Sanctions which was held on Sept 22, 1982.

carol C.

Good. Check again is Tyron at 11:30 a.m.; even if the time still is tentative at that point, we'll start lacing calls. Thanks. MW8

NLS MISSIFIED RC/ ASCO BY_

CONFIDENTIAL

NATIONAL SECURITY COUNCIL MEETING:

DATE: SUBJECT: 10/15/82 Status Report on 2:50-3:23 p.m. East-West Economic. Policy Talks Cabinet Room

PARTICIPANTS:

The President State: Secretary George P. Shultz Amb Morris Draper OSD: Secretary Caspar W. Weinberger Dr. Fred C. Ikle Treasury: Secretary Donald T. Regan Mr. Marc E. Leland Commerce: Deputy Sec Guy Fiske Mr. William Morris (Asst Sec for Trade) Agriculture: Deputy Sec Richard Lyng CIA: Mr. William J. Casey Mr. Charles Waterman OMB : Dr. Alton Keel USUN: Amb Jeane J. Kirkpatrick USTR: Amb William E. Brock CEA: Dr. Martin Feldstein JCS: General John W. Vessey, Jr. Lt General Paul F. Gorman White House: Mr. Edwin Meese III Judge William P. Clark Mr. Richard G. Darman Mr. Robert C. McFarlane The Vice President's Office: Mr. Donald Gregg NSC: Dr. Richard Pipes Mr. Norman Bailey Mr. Geoffrey Kemp

DECLASSIFIED NLS M1339 #12 BY CIS NARA, DATE 11/08/05

CONFIDENTIAL

MEMORANDUM

NATIONAL SECURITY COUNCIL

CONFIDENTIAL

October 15, 1982

ACTION

MEMORANDUM FOR BUD MCFARLANE

FROM: MICHAEL O. WHEELER MU

SUBJECT: Attendance List for the NSC Meeting, October 15, 1982

The National Security Council Meeting which is scheduled for today, October 15, 1982, at 2:00 p.m. in the Cabinet Room is in two parts. The following officials plan to attend the first part of the meeting which will be from 2:00-2:30 p.m. and will be on Lebanon.

State:

Secretary Geroge P. Shultz Amb Morris Draper (Deputy Assistant Secretary for Near East and South Asian Affairs)

OSD:

Secretary Caspar W. Weinberger Dr. Fred C. Ikle (Under Secretary for Policy)

CIA:

Mr. William J. Casey Mr. Charles Waterman (NIO for East East and South Asia)

USUN:

Amb Jeane J. Kirkpatrick

JCS:

General John W. Vessey, Jr. Lt General Paul F. Gorman

White House:

Mr. Edwin Meese III Mr. James A. Baker III Mr. Michael K. Deaver Judge William P. Clark Mr. Richard G. Darman Mr. Robert C. McFarlane

The Vice President's Office: Admiral Daniel J. Murphy Mr. Donald Gregg

CONFIDENTIAL Declassify on: October 15, 1983

DECLASSIFIED NLS M1339 BY CIJ NARA, DATE

CONFIDENTIAL

2

Continuation of Attendance List for Lebanon Portion of Meeting:

NSC: Mr. Geoffrey Kemp Approved RCM As Amended The following officials plan to attend the second part of the meeting which will be a Status Report on the East-West Economic Policy Talks. State: Secretary George P. Shultz Treasury: Secretary Donald T. Regan Mr. Marc E. Leland (Assistant Secretary for International Affairs) Defense: Secretary Caspar W. Weinberger Dr. Fred C. Ikle Commerce: Deputy Secretary Guy Fiske (Sec Baldrige out of town) Mr. William Morris (Acting Under Secretary for Trade Administration) Agriculture: Deputy Secretary Richard Lyng (Sec Block out of town) OMB: Mr. David A. Stockman CIA: Mr. William J. Casey USUN: Amb Jeane J. Kirkpatrick USTR: Amb William E. Brock CEA: Dr. Martin Feldstein JCS: General John W. Vessey Lt General Paul F. Gorman White House: Mr. Edwin Meese III Mr. James A. Baker III Mr. Michael K. Deaver Judge William P. Clark Mr. Richard G. Darman Mr. Robert C. McFarlane

CONFIDENTIAL

Continuation of Attendance List for Economic Portion of Meeting:

The Vice President's Office: Admiral Daniel J. Murphy Mr. Donald Gregg

NSC: Mr. Richard Pipes Mr. Norman Bailey

Approved As Amended m

CONFIDENTIAL

NSC Meeting October 15 2:00-3:00 p.m. Cabient Room

Shultz doing briefings

Chaired by the President

NLS M1339 - 14 BY _____ NARA, DATE _11/08/05

2:00-2:30

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Agenda - Lebánon

principal plus one

VP - Admiral murphy and Danciregg / Mary Ame OSD-Berty- Cospo WEINbergen and Fred EKIE JCS- Colstanieu State- Sheila-Aquiculture; CIA - ANN USUN-Mary OMB - Mostul Meese - 2235-1 FIO EA : Baker - 6797 - Mangaret Deaver - 6275- Kay Darman - 2702 Jan McFarlane> Florence Clark NSC: -Wheeler Kemp - Jally / Howard

2:30-3:00 Economic Status Report on East-West Policy Toleko

All above plus Nonroy -Regan +1 - 566-2394/2269 Stortany Regan Marcleland Baldrige +1-377-5283-Heidi-Orp. Sc. Fish & William Morris Ad. Underse Trade Admin Baldrige +1-377-2621-2621 - Science Richard Anna Block only - 447 - 3631 - neville Orp see Richard Lyng Brock only - 3204 Jane Russell NSC: Wheeler -Chairman, CEA only - 5084 - Susan Rindsey Bailey -Bailey - tat

Commence ;

GMB: David Stockman National Security Council The White House

Package # 90922

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	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter		<u>+</u>	
Bud McFarlane			
Jacque Hill			
Judge Clark			
John Poindexter	~~~		
Staff Secretary	12	ىپ مىرىمىيە	\underline{R}
Sit Room		- <u></u>	
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-CONFIDENTIAL

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RECEIVED 19 NOV 82 16-

CLARK TO

FROM BLAIR

DOCDATE 17 NOV 82

BY

KEYWORDS: MINUTES NSC

EAST WEST ECONOMICS

EXPORT CONTROLS

SANCTIONS

USSR

POLAND

SUBJECT: MINUTES FOR 9 NOV NSC MTG

ACTION:	FOR DECISION	DUE:	STATUS	CD	FILES	IFM	0
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	CLARK						

COMMENTS

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MEMORANDUM

NATIONAL SECURITY COUNCIL

CONFIDENTIAL

November 17, 1982

ACTION

MEMORANDUM FOR WILLIAM P. CLARK BLAIR FROM:

DENNIS

SUBJECT:

Minutes of 9 November NSC Meeting

Attached for your approval at Tab I are the Minutes of last week's NSC meeting on the East-West trade agreement. They have been checked by Roger Robinson and Mike Wheeler.

RECOMMENDATION

NO

That you approve the attached Minutes as the final record of the NSC meeting on 9 November.

Attachment:

Minutes of NSC Meeting Tab I

DECLASSIFIED NLS M1339 BY. NARA, DATE

CONFIDENTAL. DECLASSIFY ON: OADR

SYSTEM II 90922

NATIONAL SECURITY COUNCIL MEETING

DATE, TIME AND PLACE:

November 9, 1982, 5:15 p.m., Cabinet Room

SUBJECT:

NSC Meeting regarding the Allied Agreement on East-West Trade and Poland-related Sanctions

PARTICIPANTS:

The President

The Vice President

State: Secretary George P. Shultz

Treasury: Secretary Donald T. Regan Mr. Marc E. Leland

Defense: Secretary Caspar W. Weinberger Dr. Fred C. Ikle

Commerce: Secretary Malcolm Baldrige Mr. Lionel Olmer

USTR: Ambassador William E. Brock

OMB: Mr. Joseph Wright

CIA: Mr. John McMahon

OPD: Mr. Roger Porter

JCS: General John W. Vessey

White House: Judge William P. Clark Mr. Edwin Meese, III Mr. James A. Baker, III Mr. Robert C. McFarlane

By ______, NARA, Date // 18/0X ______ MSC: MIS _______, NARA, Date // 18/0X ______ Mr. Roger Robinson Cdr. Dennis Blair

> CONDIFIENTIAL DECLASSIFY ON: OADR

Minutes

National Security Adviser Clark opened the meeting, noting that the next decision point on the sanctions issue had arrived after the decisions of December, 1981 and June, 1982. He said that Secretary Shultz would review the status of consultations with the Allies. Although the President might not be ready to make a decision at the meeting, he continued, the Secretary of State needed a selection by the President from among the four options in order to inform the Allies.

Secretary <u>Shultz</u> said that although during the consultations, the Allies there had been careful not to discuss the pipeline sanctions, they were now "curious" to know what action the President would take to modify the sanctions. The consultations with the Allies, he continued, had identified the common ground in the area of East-West economic relations. This common ground enabled the Allies to feel that they had not been negotiating with the United States under duress, and the United States for its part was able to put forward an agreement in a positive, upbeat manner. The Secretary stated that he would address four topics: the status of the discussions with the Allies; a review of the non-paper; the side letters to the paper; and the Poland-related sanctions. (e)

Concerning the status of the discussions, the Secretary pointed out that although the paper was in a final form, final Allied approval depended on U.S. sanctions modifications. He pointed out that certain words in the text of the paper such as "subsidize" and "strategic interests" were ambiguous. There was an inherent ambiguity in these words that could only be worked out as the paper became "concrete and operational." There were several side letters to be written in conjunction with the paper: the

wanted reassurance that the contracts covered in the "pause for reflection" which they had instituted would not be considered "new contracts," therefore subject to the agreement of the non-paper. The the subject to the agreement reassurances on an imminent gas agreement the the subject to the agreement.

wanted assurances concerning the **second project**, for which contracts were signed on a yearly basis. The **second** wanted an assurance for contracts similar to those of Italy. Secretary Shultz pointed out all these situations were straightforward, legitimate, in good faith and that the countries concerned were seeking reasonable assurances. Concerning the interpretation of the word "subsidize," the side letter would point out that the definition of the word is not identical among all the governments. Secretary Shultz thought that this side letter might be better handled by other means during the consultations. There was also a potential side letter concerned that this phrase not be interpreted to mean that countries could only take actions which were agreed by all of them.

ONFIDENTIAL

The United States had asserted in the consultations that it might still be necessary to take unilateral actions. Secretary Shultz then stated that Under Secretary Wallis had rejected a European proposal on a joint examination of the legal aspects of extraterritoriality. Under Secretary Wallis had said that such a study could be undertaken as a separate effort, but not as part of the non-paper.

-3-

Secretary Shultz next reviewed the contents of the non-paper for the members of the National Security Council. He covered the introduction, the section listing criteria for East-West trade, a list of areas for study, and the near-term undertakings in the study. He concluded this description by pointing out that the United States would attempt to remove or make side letters unnecessary, but that if this were not successful, he would have no hard objection to the side letters.

Secretary Shultz then turned to the schedule for further consultations. He said that a meeting had been scheduled for tomorrow, November 10, with the four European countries affected by the American temporary denial orders. He said at that meeting he hoped to inform those countries what the President's intentions were for modifying the sanctions. Later in the afternoon of November 10 there was a meeting of the "Seven plus two" in which the entire package would be reviewed. In an effort to avoid the disagreements which had followed the Versailles Summit, all the Allies would agree on what they would say publicly. The American preference was to distribute the non-paper. The had objected. As an alternative, the State Department had distributed to the Allies a precis of the paper in the form of talking points which the President would use, and had asked for a similar paper from each of the Allies by tomorrow. At the 10 November afternoon meeting, the task was to put the papers together and to coordinate the public pronouncements. The Secretary noted that the non-paper would in due course become public through leaks in any case and that this was nothing to be worried about since it was a good paper, one to be proud of. Secretary Shultz concluded that by tomorrow afternoon the Allies could be very close to a final agreement on all elements in the package requiring only a few cables, among foreign ministers and capitals to wrap it up. (-)

Judge Clark asked if the Secretary considered it worthwhile for the President to send a message through his channels to the other heads of state.

Secretary <u>Shultz</u> said that the basic public line of all the heads of state should be that the paper represented a victory for the Alliance, not for any individual country. It was necessary to have an upbeat, positive presentation. It would be good for the President to emphasize this interpretation to his counterparts.

The Secretary had met earlier in the afternoon with German Defense Secretary Manfred Woerner and had given him this message concerning public handling of the issues. Woerner had promised to take this message back to Chancellor Kohl. In conclusion, Secretary Shultz said messages from the President to his counterparts would be desirable.

Judge <u>Clark</u> reviewed the manner in which the U.S. would announce the arrangement. The President would announce the overall agreement on East-West trade, then the "action would shift" to the question of modifying the U.S. sanctions, and the announcement on this subject would be handled by Secretary Shultz and Secretary Baldrige, who actually was responsible for administering the sanctions. The idea would be that the President would announce the broad outlines of the agreement, and then give directions to his departments to implement them. This was similar to the way in which these sanctions had been imposed. (C)

Secretary <u>Shultz</u> said that he would be giving a background briefing with Secretary Baldrige. He would elaborate on the overall agreement, and Secretary Baldrige would field the questions on the sanctions themselves.

Before the views of the other members of the NSC were given, the <u>President</u> stated that what he wanted to know was whether the agreement which Secretary Shultz had worked out was superior to what the United States now had in place. He recalled that Under Secretary Buckley had gone to Europe to work out common measures. If he had succeeded there would have been no need for U.S. sanctions. Neither had there been any success at the Versailles or Bonn Summits in working out common sanctions.

Secretary Shultz said that the agreement was basically a good one. It was, of course, impossible to say whether the work program laid out in the agreement would meet all U.S. objectives. However, a certain momentum was being generated and it looked promising. As for the concrete content of the agreement, the improvements to COCOM were actually in progress. The agreement that there be no new gas contracts signed for the course of the study was a clear commitment. Basically, the paper was a commitment by the Alliance to work out an economic strategy to complement the military strategy and the strategy on values which the Alliance already had. It was appalling to him that the Alliance did not have one already. As for the studies, the Secretary recommended strongly that they go forward and that the U.S. government assign their best people to them. Properly done, the studies could be of great significance. There was always the possibility that they could peter out and produce no concrete results, but the Secretary doubted it. The agreement on credit policy was a plus, in the Secretary's view. He hoped that an arrangement could be worked out. Other credit agreements having nothing to do with the Soviet Union had been negotiated

from time to time and had not been terribly successful, but it was worthwhile trying again. Concerning the agreement to study controls on high-technology items outside the military sector, specifically oil and gas controls, the Secretary thought that the possibilities were good of obtaining some positive commitments. He did not expect sweeping controls, but some individual items could be identified. The Secretary continued to say that the United States had "gotten a lot of mileage" out of the pipeline They had focused the attention of the Allies and they controls. had focused world attention on Poland. There had been damage done to the pipeline in terms of delaying it and creating difficulties for it, although the intelligence community had different views on the exact nature of these effects. In the end, however, the Soviets would complete this pipeline, as they had many other pipelines. When the Soviets completed the pipeline, the United States did not want to have its pipeline sanctions in place, since this would give the appearance of failure. There was a point, therefore, when it was important to modify the pipeline sanctions. In the Secretary's judgement, we had just about reached that point. (\mathcal{O})

Secretary Weinberger agreed that the non-paper had good potential. The criteria were especially good. However, he pointed out that the paper was basically an agreement to consider an agreement, with the exception of the commitment not to sign new gas contracts. The undertakings on COCOM were nothing new. The agreements on credit, an ex post review and a harmonization of policies, would be good if they were fulfilled. The studies had potential to have greater results, Secretary Weinberger felt, if the U.S. sanctions were lifted in a way that retained leverage in U.S. hands. More leverage was needed than simply assigning good people to do the studies. After the Versailles Summit, the agreements had been disavowed by some of the participants. Secretary Weinberger pointed out that some Frenh officials were already saying privately that the paper contained nothing new. Very little could come from the paper and the studies unless the United States retained some leverage. He agreed with Secretary Shultz that the sanctions that the United States had imposed had given positive results. Without the pain they had inflicted there would have been no movement on the common agreement. The manner of lifting the sanctions would give the opportunity to ensure the studies were completed and gave concrete commitments. In summary, the United States should get something solid in return for lifting its sanctions. Secretary Weinberger, therefore, recommended a variation on option four: that the temporary denial orders be rescinded and that enforcement of the June 18 measures be suspended pending completion of the studies. When these studies resulted in concrete commitments, the rest of the sanctions would be eliminated. This leverage would be retained to prevent a repetition of Versailles. (C)

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Secretary Baldrige pointed out that the effectiveness of the sanctions was now at its height. Within a couple of years it would diminish as companies and countries figured out ways to work around the sanctions. in his opinion if the studies showed promise, then it was sensible to drop these sanctions before they became weaker. Although he had signed a memo with Secretary Shultz which recommended option 2, he was now changing his recommendation to option 1. Option 4 simply penalized American companies while European companies took their business. If the agreement was in fact better than the sanctions, then the clean, unambiguous action of option 1 should be taken. Even under option 1 the Afghanistan, sanctions relating to oil and gas equipment would still be in place, as would the export control mechanisms. The important thing was to relieve the uncertainty for American businessmen and customers. uncertainty prevented from going ahead with their plans. If the December sanctions were retained, the effect would be that Alsthom Atlantique would take over contracts for rotors which General Electric was unable to compete for. (e)

Secretary Shultz stated that he supported option 2. (C)

Mr <u>Baker</u> asked whether the President himself would announce both the overall agreement and lifting the sanctions. Judge Clark replied that the President would announce the overall agreement and the Commerce Department would announce the sanctions modifications. Mr. Baker replied that from the press point of view the government would not be successful in separating the two pronouncements. (C)

The <u>President</u> stated that it was necessary to say publicly that the United States would have preferred to have had an agreement like this in the first place, before it imposed its unilateral sanctions.

Secretary Shultz pointed out that instead of saying that the United States had obtained this agreement from its Allies, he could therefore lift the sanctions, he could say something like "in the light of this agreement..."

Mr. Baker concluded that it was opinion that the President should announce both the agreement and the modification of the sanctions in his statement.

In reply to a question from Counsellor Meese, Secretary Baldrige said that option 2 would solve some but not all of the problems of U.S. companies which had been affected by these sanctions. It would not solve General Electric's problem with its rotors. He frankly said he did not understand what leverage over the Allies would remain with option 2. (e)

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Counsellor <u>Meese</u> said that option 2, the "broad exception" option, would give the U.S. flexibility. The concept as he understood it was a gradual loosening of U.S. controls except for selected areas of high technology. Secretary Shultz agreed that this was the case, and that option 2 would allow Caterpillar and Allis-Chalmers to compete for contracts. Secretary Baldrige interjected that the effect was still to leave U.S. companies under controls but not European companies. (C)

Secretary Shultz said that controls would remain in place, but that companies would proceed with their contracts under the exceptions. The United States would restrain certain high technology items. It was true that some of our companies would be penalized, but this would be a form of leverage. A structure would also be in place so that further actions could be taken if necessary. (\mathcal{G})

Secretary <u>Baldrige</u> said that the structure for controls would exist in any case. He still failed to see why how controlling U.S. companies but not European companies gave us leverage over European governments.

Counsellor Meese stated that his recommendation was option 2. (e)

Secretary Regan said that he agreed with Secretary Shultz's analysis of the importance of the agreement. His recommendation was option 2. He pointed out that under option 2 companies would still be competing for many non-Soviet contracts and for Soviet contracts under the exceptions policy. (C)

The Vice President inquired whether option 2 would allow the Cameron Company to sell blowout preventers to the Soviet Union. Secretary Shultz replied that these were high technology, U.S.origin items and would be candidates for remaining under controls. The Vice President said that a lot of money was involved in these contracts and that it was not entirely clear that they were sensitive technology and should be controlled. (C)

Under Secretary Olmer said that the blowout preventers could be sold. The only items which would be held would be rock bits and submersible pumps under option 2. Secretary Shultz said that option 2 would retain controls over more than just bits and pumps; there was a list of additional equipment which would be covered. (C)

Under Secretary Olmer continued that the U.S. would be attempting to obtain multilateral controls on this type of equipment, but that if they were unsuccessful, then the equipment would be allowed to be shipped as an exception.

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<u>Mr. McMahon</u> said that he was relaying Director Casey's views. Director Casey considered it a major achievement that the Allies were sitting down to work out a common economic policy towards the East. He suggested that as many reviews as possible be conducted in the NATO context in order to emphasize the security context. He said that tightening COCOM restrictions alone is a tremendous achievement. He thought the paper itself was a very positive step. (C)

General Vessey said that the options were basically not a military matter. It would be an advantage for overall NATO cooperation to have an agreement with the Allies, but if the studies failed to control high technology items, then the military tasks of the United States would be more difficult. From his point of view options 2, 3, or 4 would be acceptable.

Ambassador <u>Brock</u> said that, in answer to the President's question, the agreement was better than what the United States now had. He favored option 1. The problem of businessmen was uncertainty, and the exceptions policy of option 2 retained this uncertainty. Controls would still remain under option 1 to prohibit the export to the Soviet Union of sensitive high technology products which were unique and controlled by the U.S. He said the effect of options 2, 3, or 4 would be simply to put additional U.S. products under controls which other countries could manufacture and win U.S. contracts.

The President asked for a clarification of the difference between option 1 and option 2. Under Secretary Olmer explained that under the 1978 Afghanistan sanctions and prior controls, the United States prohibited the export to the Soviet Union of oil and gas exploration and production equipment and technology. It did not under these controls, prohibit export of equipment for refining or transmission and had not controlled foreign subsidiaries and licensees. The measures taken in June controlled subsidiaries The measures of December 1981 controlled refining and licensees. and transmission equipment. Therefore, under option 1, two of the four oil and gas equipment areas would remain under controls, whereas under option 2, all four areas would remain under control. In addition, under option 2 there would be a small amount of additional leverage concerning extraterritoriality. Concerning G.E.'s rotors, the hope would be that the agreement reached after the studies on high technology items would prevent Alsthom-Atlantique from displacing General Electric in the world market. (C)

Secretary Weinberger said that Secretary Baldrige had asked what leverage the United States would retain under option 2. He pointed out that despite all the talk that Alsthom Atlantique could replace General Electric, there had been no sign in the four months since the June measures that it was able to do so. Most observers believed it would take at least two years to accomplish this. In addition, Secretary Weinberger pointed out that the situation in Poland was getting even worse. He reiterated that under option 4 the December sanctions would be removed once solid commitments had emerged from the studies. (C)

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Secretary <u>Shultz</u> said that the wording of option 1 was not completely correct. It was not true that "all sanctions" would be lifted. It was more accurate to say that the measures taken in December 1981 and June 1982 would be lifted.

Secretary <u>Baldrige</u>, in reply to Secretary Weinberger's remarks, said that it was not a four-month proposition to build highspeed rotors. If Alsthom-Atlantique saw that G.E. was being excluded from the world market, it would move right in. (C)

The President closed the meeting by hoping that everyone else would have a pleasant evening.

On November 16 the President signed NSDD 66 which approved the "Summary of Conclusions" on East-West economic relations resulting from consultations with the Allies by Secretary Shultz; approved cancellation of the December 30 sanctions and the June 22 amendment; and laid out the President's objectives for the studies with the Allies in the area of East-West economic relations. In his radio address on November 13 the President announced the agreement and the lifting of the sanctions. (C)



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MEMORANDUM

SYSTEM II 90910

THE WHITE HOUSE

WASHINGTON

November 9, 1982

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MEMORANDUM FOR THE PRESIDENT

FROM: WILLIAM P. CLARK

SUBJECT: NSC Meeting on November 9, 5:00 p.m., on East-West Economic Relations

Issue

Now that we have reached agreement with the Allies on the non-paper, the issue before you is to select the appropriate U.S. response in terms of modifying our unilateral oil and gas controls.

Facts

The following options will be presented to you at the NSC meeting:

- Option 1: Lift all oil and gas equipment and technology sanctions against the Soviet Union.
- Option 2: As recommended in attached memo from Secretaries Shultz and Baldrige, cancel the June 22 measures, and resulting denial orders; retain December 29 controls with broad "exceptions" criteria including grandfathering pre-December contracts.
- Option 3: "Toughen" the recommendations in the Shultz/Baldrige memo through an NSDD, requiring speedy agreement on multilateral controls on critical oil and gas equipment in the context of the study called for in the non-paper.
- Option 4: Lift only the June 22 measures pending the separate successful negotiation of multilateral controls on critical oil and gas equipment.

Discussion

Your selection from these options depends on the approach you think will be most effective in translating the broad principles of the non-paper into specific firm commitments. Option 1 relies completely on the good faith of the Allies in living up to the spirit of the non-paper. The history of this issue is not encouraging in this respect. Option 4 requires new concessions from the Europeans before we will grandfather pre-December contracts, and would probably be contested by them, if not

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rejected. Option 2 occupies the middle ground on a U.S. response. You should understand that it will be difficult for the Commerce Department to administer, because of its complexity. Vigilant high-level attention will be required to ensure it does not degenerate into Option 1. The liberal "exceptions" policy of Option 2 can forfeit any future U.S. leverage and prejudge unfavorably the outcome of the study on oil and gas technology controls. Option 3 addresses these limitations directly by accelerating the study on multilateral oil and gas controls to replace the exceptions policy as quickly as possible.

The confused public handling of this issue in recent months argues strongly for a clear statement from you at this critical juncture. The cabinet must be informed that your statement and the White House-issued press guidance on these decisions will govern all public and private explanation of our policy. Poland remains at the center of this policy - the prolonged repression of the Poles has been the catalyst in the forging of an enduring, security-minded East-West economic policy.

RECOMMENDATION

That you select one of the four options modifying U.S. sanctions as the U.S. response to agreement on the non-paper.

OK	NO		
		1.	Lift all oil and gas equipment and technology controls against the Soviet Union.
		2.	Cancel June 22 measures, and resulting denial orders, while retaining December 29 controls, with broad "exceptions" criteria, including the grandfathering of pre-December contracts.
		3.	Same as Option 2, with an NSDD which requires speedy agreement on multilateral controls on critical oil and gas equipment to replace the "exceptions" policy.
		4.	Lift only June 22 measures; December sanctions would be maintained pending successful negotiation of multilateral controls on critical oil and gas equipment.

Tab A Shultz/Baldrige memo



MEMORANDUM

SYSTEM II 90910

NATIONAL SECURITY COUNCIL

ACTION

November 9, 1982

MEMORANDUM FOR WILLIAM P. CLARK

FROM:

DENNE COMPLAIR / ROGER ROBONSON

SUBJECT: NSC Meeting on East-West Trade Agreement and Poland-related Sanctions, Tuesday, November 9, 1982

Objectives: The NSC meeting has one formal objective and one hidden objective:

- --Formal Objective: To decide what action the United States will take to adjust its Poland-related sanctions in the context of agreement on the non-paper on East-West trade
- --Hidden Objective: To forge a unified U.S. position on the issue, approved by the President and understood by the cabinet officers concerned, so that the U.S. government will speak with one voice when the arrangements are made public.

Status of Public Affairs Planning: As a result of a meeting Monday afternoon, the following public affairs scenario was developed by a consensus including the White House, State and Commerce. We suggest that you review it at the outset of the NSC meeting.

Tuesday, 9 November:

5:00 p.m. Presidential decision on adjustments to sanctions 7:00 p.m. Allies informed of Presidential decision Letters from President to Allied leaders

Wednesday, 10 November:

- 10:00 a.m. Inform Congressional leadership President announces the agreement in the press room
- 10:15 a.m. Secretaries Shultz and Baldrige background the President's announcement, also giving broad outlines of adjustments to sanctions
- afternoon Commerce Department press briefing giving detailed information on sanctions adjustments or on Friday if more time is required. Backgrounder for foreign press at USIA

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Other Actions:

- -- Telephone calls to conservative columnists
- Selection of personnel for morning talk shows on Thursday and Sunday
 Development and distribution of Q and A's for all government officials and spokesmen

Adjusting the Sanctions: The fundamental decision the President must make is whether he is prepared to lift the sanctions <u>entirely</u>, or whether he wishes to retain some leverage with the allies to complete the studies and implement their recommendations in good faith.

• Option 1: "Complete Rollback"

As you know, the preferred recommendation by Secretaries Shultz, Regan and Baldrige (Brock and Block would undoubtedly join the view) is to lift the sanctions entirely. They would argue that we must rely on the good faith commitment of the Allies to conduct the studies seriously, and to implement their recommendations.

• Option 2: "Shultz/Baldrige Memo"

The Shultz/Baldrige memo says that it retains some leverage over the Allies. They told you last Friday that this option was recommended primarily to placate Defense (and you). The leverage lies in the manner in which we would administer an exceptions policy for enforcing the sanctions. We would make exceptions for pre-December contracts, for "non-sensitive products readily available from a foreign source" and for other "limited situations" which resulted in inequities. The Commerce Department experts fear that this exception policy might result in a virtual rollback option if it is interpreted liberally and prejudge the outcome of the studies. They also fear that it will be extremely difficult to administer, and may result in the raising of individual cases to a high level for decision.

• Option 3: "A Toughened Shultz/Baldrige Memo Approach"

The approach in the Shultz/Baldrige memo could be toughened by an NSDD. The NSDD would state that the President expected the exceptions policy would be temporary. The study on oil and gas equipment controls called for in the non-paper should be completed quickly, resulting in effective multilateral controls. The President would make this clear at the meeting. If it lagged, we could tighten up the exceptions policy. In addition, if the study did not come up with effective results, we would have to review the exceptions policy and our unilateral options.

• Option 4: "Multilateral Controls - the Defense Option"

DoD has developed its own option. Weinberger will probably recommend that we only lift the June 22 extraterritorial



controls while we <u>negotiate</u> multilateral controls on oil and gas equipment. Then we would lift the remaining December controls.

Recommendation: We recommend Option 3. It increases our leverage to influence the study results favorably, and focuses Presidential influence and attention on a positive outcome from the studies.

The United Public Stand: Whatever the President decides on this issue, it is essential that his cabinet officers understand his decision at the NSC meeting and publicly support that decision down the line. We therefore recommend that when you summarize the results of the meeting, you emphasize this point, make it clear that the President's statement and the Q and As which will be circulated are to form the basis of all official comment on the issues.

RECOMMENDATION

That you sign the briefing memo to the President at Tab I.

Approve____ Disapprove____

Tab I Memo to the President



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NATIONAL SECURITY COUNCIL MEETING

Tuesday, November 9, 1982 5:15 p.m.

AGENDA

1. Introduction

William P. Clark

- Review of allied consultations on non-paper
- 3. Options

SECRET

Secretary Shultz

William P. Clark

- Lift all oil and gas equipment and technology controls against the Soviet Union.
- b. Cancel June 22 amendment and resulting denial orders, while retaining December 29 controls with broad exceptions criteria, including the "grandfathering" of pre-December contracts.
- c. Same as Option 2 but exception criteria would be temporary pending urgent implementation of multilateral controls on critical oil and gas equipment technology to replace December controls.
- d. Cancel only June 22 amendment. December sanctions would be maintained pending successful negotiation of mutilateral controls on critical oil and gas equipment and technology.
- 4. Discussions of options.

Cabinet Members

5. Conclusion

William P. Clark

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The White House

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