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**Collection:** Executive Secretariat, National  
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**Folder Title:**

USSR (10/21/1982-10/22/1982)

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# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

**Withdrawer**

KDB 12/2/2015

**File Folder** USSR (10/21/82-10/22/82)

**FOIA**

F03-002/5

**Box Number** 23

SKINNER

274

ID Doc Type	Document Description	No of Pages	Doc Date	Restrictions
170924 MEMO	D. BLAIR/R. ROBINSON TO W. CLARK RE NOV. 1 REVISED VERSION OF NON-PAPER	2	11/2/1982	B1
<b>R</b>	<b>4/8/2013</b>	<b>CREST NLR-748-23-11-1-9</b>		
170925 NON-PAPER	REVISED VERSION OF NON-PAPER (W/EDITS)	4	11/1/1982	B1
<b>R</b>	<b>4/8/2013</b>	<b>CREST NLR-748-23-11-2-8</b>		
170926 NON-PAPER	UNMARKED COPY OF DOC #170925 (REVISED VERSION OF NON-PAPER)	4	11/1/1982	B1
<b>R</b>	<b>4/8/2013</b>	<b>CREST NLR-748-23-11-3-7</b>		
170927 MEMO	D. BLAIR/R. ROBINSON TO W. CLARK RE REVISED VERSION OF NON-PAPER	3	10/28/1982	B1
170928 NON-PAPER	REVISED VERSION OF NON-PAPER (W/EDITS)	4	10/27/1982	B1
<b>R</b>	<b>4/8/2013</b>	<b>CREST NLR-748-23-11-5-5</b>		
170929 NON-PAPER	REVISED VERSION OF NON-PAPER (SAME DRAFT AS DOC # 170928, W/DIFFERENT EDITS)	4	10/27/1982	B1
<b>R</b>	<b>4/8/2013</b>	<b>CREST NLR-748-23-11-5-5</b>		

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

- B-1 National security classified information [(b)(1) of the FOIA]
- B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- B-3 Release would violate a Federal statute [(b)(3) of the FOIA]
- B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- B-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

**Collection Name** EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

**Withdrawer**

KDB 12/2/2015

**File Folder** USSR (10/21/82-10/22/82)

**FOIA**

F03-002/5

**Box Number** 23

SKINNER

274

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
170930	MEMO	W. CLARK TO G. SHULTZ RE QUADRIPARTITE DISCUSSIONS	3	10/23/1982	B1
	<b>R</b>	<b>4/8/2013</b>	<b>CREST NLR-748-23-11-6-4</b>		
170931	NON-PAPER	REVISED VERSION OF NON-PAPER	4	10/21/1982	B1
	<b>R</b>	<b>4/8/2013</b>	<b>CREST NLR-748-23-11-7-3</b>		
170932	CABLE	MOSCOW 12733	2	10/21/1982	B1
	<b>R</b>	<b>4/8/2013</b>	<b>CREST NLR-748-23-11-8-2</b>		
170933	MEMO	W. MARTIN TO W. CLARK RE SOVIET GAS IN EUROPEAN MARKETS (W/ATTACHMENTS)	4	10/22/1982	B1
	<b>R</b>	<b>1/13/2012</b>	<b>CREST NLR-748-23-11-9-1</b>		

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

B-1 National security classified information [(b)(1) of the FOIA]

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B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

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B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Donor's deed of gift.

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OF CLASSIFIED ENCLOSURES  
12/2/85 COB

RECEIVED 22 APR 85 12

TO CLARK

FROM SHULTZ, G

DOCDATE 21 OCT 82

MCMANAWAY, C

27 OCT 82

BLAIR

28 OCT 82

KEYWORDS: USSR NATO

TECHNOLOGY TRANSFERS OIL

GAS COCOM

SUBJECT: NSC REVIEW OF REVISED STATE DEPT NON-PAPER

ACTION: CLARK SGD MEMO

DUE:

STATUS C

FILES SII

FOR ACTION

FOR CONCURRENCE

FOR INFO

COMMENTS

REF# LOG NSCIFID ( B / B )

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
	10/27	read state revised memo		
Clark	X 10/28	decision		
	- 10/29	Poundexter noted		
Clark	TX 11/02	a/p for information		
	C 11/03	Comments Daily to Eagleburger		

DISPATCH

W/ATTCH FILE (C)

National Security Council  
The White House

407

Package # 91081

2

IV 2 .PID: 47

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>✓</u>	
Bud McFarlane	<u>2</u>	<u>SEPARATE COPY</u>	
Jacque Hill	<u>3</u>		
Judge Clark	<u>4</u>	<u>✓</u>	<u>A</u>
John Poindexter			
Staff Secretary			
Sit Room			

I-Information A-Action R-Retain D-Dispatch N-No further Action

DISTRIBUTION

cc: VP Meese Baker Deaver Other \_\_\_\_\_

COMMENTS

Judge Passed to Casperberg orally 11/3 am.  
RCM

MEMORANDUM

DECLASSIFIED (RECLASSIFIED)

THE WHITE HOUSE

WASHINGTON

148-23-111-9

TE 12/2/15

170924

BY COB

November 2, 1982

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: DENNIS BLAIR / ROGER ROBINSON

SUBJECT: November 1 Revised Version of Non-Paper

We have reviewed the latest version of the non-paper, in as positive a manner as possible. We can accept many of the small drafting changes, even though their cumulative effect is to weaken the U.S. position.

However, the four changes listed below are mandatory if the paper is to serve our interests, or we proceed with the studies. If these mandatory changes are all incorporated, we could support the U.S. removing the retroactive aspects of the June 22 and December 29 oil and gas equipment controls, but not the sanctions in their entirety. Such a move would only be justifiable once firm commitments were made from the studies.

-- Page 1, Section 1, line 8

COMMENT: Must delete phrase "that have arisen." It implies that recent U.S. actions are responsible for differences in approach, when in fact differences are long-standing. This phrase is making the U.S. acknowledge wrongdoing.

-- Page 2, Section 2, tick 3, line 4

COMMENT: Must delete phrase "inter alia." Why should we permit addition of this open-ended qualifier, meaning "among other things"? We want to keep the focus strictly on security interests and balance of advantages. This was the tick from which we previously deleted the phrase "and obligations."

-- Page 2, middle paragraph (beginning "It is agreed..."), line 5

COMMENT: Must add the words "and paragraph two" after "...paragraph one." It is paragraph two which contains the security framework which is the crux of the paper. Paragraph one only talks about the importance of narrowing differences.

- /- Page 3, first full paragraph (beginning "In their analysis..."  
lines 2, 3 and 5

COMMENT: As presently written, this redundant paragraph leaves for study the question of whether or not security interests require controls on high technology items. We should not allow this basic question to be left open. Controls are required. The paragraph should only leave for study how best to implement necessary controls. This point was conveyed to State last week, but not incorporated into this version. Required word changes noted on marked up draft (Tab A).

- Page 4, Section 3(b)

COMMENT: Concur with the suggested language conveyed by Al Adams' telephone message to John Poindexter on November 2 (Tab B).

5





ONAL SECURITY COUNCIL DISTRIBUTION RECORD

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OF 12/2/85 CDB

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Date

Time

Received/Signed For By:

DR FRED IKLE  
OSD, PENTAGON

1

08 Nov 1320

Aoretta Coble

DATE, TIME & SIGN THIS RECEIPT & RETURN TO:  
BT MERCHANT  
SITUATION ROOM  
WHITE HOUSE

November 1, 1982

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748-23-11-2-8

BY ICDB NARA DATE 12/2/85 REVISED VERSION OF NON-PAPER

7  
Robinson / Show  
to Blair

170925

During conversations in Washington between the Secretary of State of the United States of America and representatives of the EEC, Canada, the Federal Republic of Germany, France, Italy, Japan and the United Kingdom on the subject of East-West relations, a certain number of conclusions have been reached on behalf of their governments. The summary of these follows.

1. They recognize the necessity of conducting their relations with the USSR and Eastern Europe on the basis of a global and comprehensive policy designed to serve their common fundamental security interests. They are particularly conscious of the need that action in the economic field be consistent with that global and comprehensive policy and thus be based on a common approach. They are resolved together to take the necessary steps to remove differences ~~that have arisen~~ and to ensure that future decisions by their governments on these issues are taken on the basis of an analysis of the East-West relationship as a whole, with due regard for their respective interests and in a spirit of mutual trust and confidence.

2. The following criteria should govern the economic dealings of their countries with the Soviet Union and Eastern European countries:

~~SECRET/SENSITIVE~~

8

-- That they will not undertake trade arrangements, or take steps, which contribute to the military or strategic advantage and capabilities of the USSR.

-- That it is not in their interest to subsidize the Soviet economy; trade should be conducted in a prudent manner without preferential treatment.

-- That it is not their purpose to engage in economic warfare against the Soviet Union. To be consistent with our broad security interests, trade with the USSR must proceed, inter alia, on the basis of a strict balance of advantages.

It is agreed to examine thoroughly in the appropriate bodies how to apply these criteria, taking into account the various economic and political problems involved, with the view to agreeing on a common line of action in the spirit of paragraph one, *and paragraph two.* They will pay due attention in the course of this work to the question of how best to tailor their economic relations with Eastern European countries to the specific situation of each of them, recognizing the different political and economic conditions that prevail in each of these Eastern European countries.

The overall analysis of economic relations with the USSR and the Eastern European countries will touch in particular on the following areas:

- Strategic goods and technology of military significance (COCOM);
- Other high technology items;
- Credit policy;

- Energy;
- Agricultural products.

In their analysis of other high technology items, it is agreed to examine immediately <sup>the controls</sup> whether their security interests require controls, to be implemented in an agreed and appropriate manner, on the export to the Soviet Union and Eastern Europe of advanced technology and equipment, to be jointly determined. This immediate examination of whether their security interests require controls, to be implemented in an agreed and appropriate manner, on the export to the Soviet Union and Eastern Europe of advanced technology and equipment will include technology and equipment with direct applications to the oil and gas sector.

In the field of energy, they will initiate a study of their projected energy requirements and dependence upon imports over the next decade and beyond and possible means of meeting these requirements, with particular attention being given to the European energy situation. The study will be conducted under the auspices of the OECD.

3. As an immediate decision and following decisions already made, they have further agreed on the following:

(a) Building on the conclusions of the High-Level Meeting, they will work together within the framework of the Coordinating Committee (COCOM) to protect their contemporary security interests: the list of strategic items will be evaluated and, if necessary, adjusted. This objective will be pursued at the COCOM Review now under way. They will take the

necessary measures to strengthen the effectiveness and responsiveness of COCOM and to enhance their national mechanisms as necessary to enforce COCOM decisions.

(b) It was agreed at Versailles that the development of economic and financial relations with the Soviet Union and Eastern Europe would be subject to periodic ex post review. The necessary procedures for this purpose will be established without delay. Having in mind the criteria in paragraph two above,

*Substitute at Tab B*

[Allied Governments will also establish the means to harmonize national policies with respect to the extension of credits, covering interest rates, maturities, down payments, and fees, building upon the agreements already established in the OECD export credits consensus arrangement.] (US version)

or

[they will also examine the possibilities of further harmonization of credit policies.] (EC Proposal)

(c) They have informed each other that during the course of the study on energy requirements, they will not sign, or approve the signing by their companies of, new contracts with the Soviet Union for the purchase of natural gas.

National Security Council  
The White House

10-A

Package # \_\_\_\_\_

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	1	<input checked="" type="checkbox"/>	
Bud McFarlane	2	<input checked="" type="checkbox"/>	
Jacque Hill	3		
Judge Clark	4		I
John Poindexter			
Staff Secretary			
Sit Room			

I-Information A-Action R-Retain D-Dispatch N-No further Action

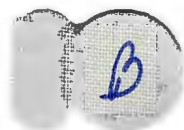
DISTRIBUTION

cc: VP Meese Baker Deaver Other \_\_\_\_\_

COMMENTS

Copy sent to Robinson/Blain

11



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SYSTEM II  
91081

11-A

THE WHITE HOUSE  
WASHINGTON

November 2, 1982

JP:

Al Adams called with the following sentence.

WC and Shultz just talked and this is the suggested language

Possible Alternative Language for third sentence of paragraph 3b in non paper

"Having in mind the criteria in paragraph two above building upon the agreements already reached in the OECD export credit consensus arrangement, they will work to harmonize further national credit policies covering interest rates, maturities, downpayments and fees."

K



Nov. 2 9:00 PM

91081

THE WHITE HOUSE  
WASHINGTON

11-B

John:

Dennis was still at the office so we were able to do a comprehensive review. As we discussed we took the approach of the minimum number of required changes. We obviously feel very strongly about the items selected. Also, please check with the Judge to determine proof-positive that the President read my memo before it was removed from the Oval Office. A second reading wouldn't hurt given the state-of-play. Rosen

November 1, 1982

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NLRR 748-23-11-3-7BY 15013 NARA DATE 11/2/05REVISED VERSION OF NON-PAPER

170926

12

During conversations in Washington between the Secretary of State of the United States of America and representatives of the EEC, Canada, the Federal Republic of Germany, France, Italy, Japan and the United Kingdom on the subject of East-West relations, a certain number of conclusions have been reached on behalf of their governments. The summary of these follows.

1. They recognize the necessity of conducting their relations with the USSR and Eastern Europe on the basis of a global and comprehensive policy designed to serve their common fundamental security interests. They are particularly conscious of the need that action in the economic field be consistent with that global and comprehensive policy and thus be based on a common approach. They are resolved together to take the necessary steps to remove differences that have arisen and to ensure that future decisions by their governments on these issues are taken on the basis of an analysis of the East-West relationship as a whole, with due regard for their respective interests and in a spirit of mutual trust and confidence.

2. The following criteria should govern the economic dealings of their countries with the Soviet Union and Eastern European countries:

**SECRET/SENSITIVE**

-- That they will not undertake trade arrangements, or take steps, which contribute to the military or strategic advantage and capabilities of the USSR.

-- That it is not in their interest to subsidize the Soviet economy; trade should be conducted in a prudent manner without preferential treatment.

-- That it is not their purpose to engage in economic warfare against the Soviet Union. To be consistent with our broad security interests, trade with the USSR must proceed, inter alia, on the basis of a strict balance of advantages.

It is agreed to examine thoroughly in the appropriate bodies how to apply these criteria, taking into account the various economic and political problems involved, with the view to agreeing on a common line of action in the spirit of paragraph one. They will pay due attention in the course of this work to the question of how best to tailor their economic relations with Eastern European countries to the specific situation of each of them, recognizing the different political and economic conditions that prevail in each of these Eastern European countries.

The overall analysis of economic relations with the USSR and the Eastern European countries will touch in particular on the following areas:

- Strategic goods and technology of military significance (COCOM);
- Other high technology items;
- Credit policy;

- Energy;
- Agricultural products.

In their analysis of other high technology items, it is agreed to examine immediately whether their security interests require controls, to be implemented in an agreed and appropriate manner, on the export to the Soviet Union and Eastern Europe of advanced technology and equipment to be jointly determined. This immediate examination of whether their security interests require controls, to be implemented in an agreed and appropriate manner, on the export to the Soviet Union and Eastern Europe of advanced technology and equipment will include technology and equipment with direct applications to the oil and gas sector.

In the field of energy, they will initiate a study of their projected energy requirements and dependence upon imports over the next decade and beyond and possible means of meeting these requirements, with particular attention being given to the European energy situation. The study will be conducted under the auspices of the OECD.

3. As an immediate decision and following decisions already made, they have further agreed on the following:

(a) Building on the conclusions of the High-Level Meeting, they will work together within the framework of the Coordinating Committee (COCOM) to protect their contemporary security interests: the list of strategic items will be evaluated and, if necessary, adjusted. This objective will be pursued at the COCOM Review now under way. They will take the

necessary measures to strengthen the effectiveness and responsiveness of COCOM and to enhance their national mechanisms as necessary to enforce COCOM decisions.

(b) It was agreed at Versailles that the development of economic and financial relations with the Soviet Union and Eastern Europe would be subject to periodic ex post review. The necessary procedures for this purpose will be established without delay. Having in mind the criteria in paragraph two above,

[Allied Governments will also establish the means to harmonize national policies with respect to the extension of credits, covering interest rates, maturities, down payments, and fees, building upon the agreements already established in the OECD export credits consensus arrangement.] (US version)

or

[they will also examine the possibilities of further harmonization of credit policies.] (EC Proposal)

(c) They have informed each other that during the course of the study on energy requirements, they will not sign, or approve the signing by their companies of, new contracts with the Soviet Union for the purchase of natural gas.

~~TOP SECRET EYES ONLY~~

*J*

CLASSIFICATION

CIRCLE ONE BELOW

IMMEDIATE

PRIORITY

ROUTINE

MODE

DACOM # \_\_\_\_\_

DEX # \_\_\_\_\_

TTY # \_\_\_\_\_

PAGES 7

RELEASER \_\_\_\_\_

DTG 281552Z OCT 82

UNCLASSIFIED UPON REMOVAL OF ENCLOSURES

*12/2/85 EOB*

FROM/LOCATION/

*J* THE WHITE HOUSE SITUATION ROOM

TO/LOCATION/TIME OF RECEIPT

*J* RADM JOHN POINDEXTER/CASPER WYOMING/TOR:

- 2. \_\_\_\_\_
- 3. \_\_\_\_\_
- 4. \_\_\_\_\_

INFORMATION ADDRESSEES/LOCATION/TIME OF RECEIPT

- 1. \_\_\_\_\_
- 2. \_\_\_\_\_

SPECIAL INSTRUCTIONS/REMARKS:

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52

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# WITHDRAWAL SHEET

## Ronald Reagan Library

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EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

*Withdrawer*

KDB 12/2/2015

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USSR (10/21/82-10/22/82)

*FOIA*

F03-002/5

SKINNER

*Box Number*

23

274

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<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
170927	MEMO  D. BLAIR/R. ROBINSON TO W. CLARK RE REVISED VERSION OF NON-PAPER	3	10/28/1982	B1

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B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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October 27, 1982

20

748-23-11-5-5  
BY CRB NARA DATE 12/2/15

REVISED VERSION OF NON-PAPER

Changes  
marked in  
red.

170928

1. Our Governments recognize the necessity of conducting their relations with the USSR on the basis of a global and comprehensive policy designed to serve our own fundamental security interests. They are particularly conscious of the need for a common approach in the economic field, where actions must be coordinated within the framework of their global strategy. They are resolved together to take the necessary steps to remove differences and to ensure that future decisions by their governments on these issues are taken on the basis of an analysis of the East-West relationship as a whole, with due regard for their respective interests and in a spirit of mutual trust and confidence.

2. They agree that the following criteria should govern the economic dealings of their countries with the Soviet Union and Eastern European countries.

-- That they will not undertake trade arrangements which contribute to the military capabilities of the USSR.

-- That it is not in their interest to subsidize the Soviet economy; trade should be conducted in a prudent manner without preferential treatment.

-- That they will take no steps that contribute to the strategic advantage of the Soviet Union.

~~SECRET/SENSITIVE~~



-- That it is not their purpose to engage in economic warfare against the Soviet Union. Trade with the Soviet Union and Eastern Europe should proceed on the basis of a strict balance of advantages.

They agree to examine thoroughly how to apply these criteria, taking into account the various economic and political problems involved, with the view to agreeing on a common line of action. They will pay due attention in the course of this work to the question of how best to tailor their economic relations with Eastern European countries to the specific situation of each of them, recognizing the different political and economic conditions that prevail in each of these Eastern European countries.

This overall analysis will touch in particular on the following areas:

- Strategic goods and technology of military significance (COCOM);
- Other high technology items;
- Credit policy;
- Energy;
- Agricultural products.

In their analysis of other high technology items, the Allied governments agree to examine immediately ~~whether~~ <sup>the controls</sup> their security interests require ~~controls~~ on the export to the Soviet Union and Eastern Europe of advanced technology and equipment, ~~to be jointly determined,~~ but including controls on technology

with direct application to the oil and gas sector. Any actions as a consequence of the examination would be agreed upon and implemented in a framework to be agreed.

In the field of energy, the European Governments, as they are heavily dependent on imports of energy, will initiate a study of projected energy requirements over the next decade and beyond and possible means of meeting those requirements. Projected U.S. and Japanese energy requirements will be taken into account in this study, and the U.S. and Japanese governments will participate in its preparation. It will be prepared under the auspices of the OECD.

3. As an immediate decision and following decisions already made, they have further agreed on the following:

(a) They will work together within the framework of the Coordinating Committee (COCOM) to protect the contemporary security interests of the Alliance. The list of strategic items will be evaluated and, if necessary, adjusted. This objective will be pursued at the COCOM Review now under way. They further agree to take the necessary measures to strengthen the effectiveness and responsiveness of COCOM and to enhance their national mechanisms as necessary to enforce COCOM decisions.

(b) It was agreed at Versailles that the development of economic and financial relations with the Soviet Union and Eastern Europe would be subject to periodic ex post review. The Allies are agreed on the need to establish without delay the necessary mechanism for this purpose. Having in mind the criteria in paragraph two above, Allied Governments will also establish the means to harmonize national policies with respect to the extension of credits, covering interest rates, maturities, down payments, and fees.

SECRET/SENSITIVE

-4-

(c) Allied governments have informed each other that during the course of the study on energy requirements, they will not sign, or approve the signing by their companies, of new contracts with the Soviet Union for the purchase of natural gas.

SECRET/SENSITIVE

10/27/82

23A

23A

WHSR  
ROUTE SLIP

RECEIVED Time Stamp

82 OCT 27 P 8: 00

STAFF	C/O
Clark	
McFarlane	C
Poindexter	C
Merchant	
NSC S/S	C

WHITE HOUSE  
SITUATION ROOM

C : Copy

O : Original

DEPARTMENT OF STATE

1982 OCT 27 PM 7 38

WASHFAX RECEIPT  
DEPARTMENT OF STATE

**B**

S/S #

RECEIVED  
82 OCT 27 8:08  
WHITE HOUSE  
SITUATION ROOM

MESSAGE NO. 569 CLASSIFICATION SECRET/SENSITIVE No. Pages 4  
FROM: s/s Clay McManaway 23126 UNCLASSIFIED UPON REMOVAL 12/2/05  
(Officer name) (Office symbol) (Extension) OF CLASSIFIED ENCLOSURES 1008  
(Room number)

MESSAGE DESCRIPTION  
revised version of non-paper

<u>TO: (Agency)</u>	<u>DELIVER TO:</u>	<u>Extension</u>	<u>Room No.</u>
NSC	Bud McFarlane	456-2257	

FOR: CLEARANCE  INFORMATION  PER REQUEST  COMMENT

REMARKS: URGENT TRANSMITTAL PLEASE

S/S Officer: CDM MR

October 27, 1982

DECLASSIFIED

NLRR 748-23-4-5-5 REVISED VERSION OF NON-PAPER

170929

BY 16700 N DATE 12/2/85

1. Our Governments recognize the necessity of conducting their relations with the USSR on the basis of a global and comprehensive policy designed to serve our own fundamental security interests. They are particularly conscious of the need for a common approach in the economic field, where actions must be coordinated within the framework of their global strategy. They are resolved together to take the necessary steps to remove differences and to ensure that future decisions by their governments on these issues are taken on the basis of an analysis of the East-West relationship as a whole, with due regard for their respective interests and in a spirit of mutual trust and confidence.

2. They agree that the following criteria should govern the economic dealings of their countries with the Soviet Union and Eastern European countries.

-- That they will not undertake trade arrangements which contribute to the military capabilities of the USSR.

-- That it is not in their interest to subsidize the Soviet economy; trade should be conducted in a prudent manner without preferential treatment.

-- That they will take no steps that contribute to the strategic advantage of the Soviet Union.

-- That it is not their purpose to engage in economic warfare against the Soviet Union. Trade with the Soviet Union and Eastern Europe should proceed on the basis of a strict balance of advantages.

They agree to examine thoroughly how to apply these criteria, taking into account the various economic and political problems involved, with the view to agreeing on a common line of action. They will pay due attention in the course of this work to the question of how best to tailor their economic relations with Eastern European countries to the specific situation of each of them, recognizing the different political and economic conditions that prevail in each of these Eastern European countries.

This overall analysis will touch in particular on the following areas:

- Strategic goods and technology of military significance (COCOM);
- Other high technology items;
- Credit policy;
- Energy;
- Agricultural products.

In their analysis of other high technology items, the Allied governments agree to examine immediately whether their security interests require controls on the export to the Soviet Union and Eastern Europe of advanced technology and equipment, to be jointly determined, but including controls on technology with direct application to the oil and gas sector. Any actions as a consequence of the examination would be agreed upon and

IMPLEMENTED WITHIN A FRAMEWORK TO BE DETERMINED

In the field of energy, the European Governments, as they are heavily dependent on imports of energy, will initiate a study of projected energy requirements over the next decade and beyond and possible means of meeting those requirements. Projected U.S. and Japanese energy requirements will be taken into account in this study, and the U.S. and Japanese governments will participate in its preparation. It will be prepared under the auspices of the OECD.

3. As an immediate decision and following decisions already made, they have further agreed on the following:

(a) They will work together within the framework of the Coordinating Committee (COCOM) to protect the contemporary security interests of the Alliance. The list of strategic items will be evaluated and, if necessary, adjusted. This objective will be pursued at the COCOM Review now under way. They further agree to take the necessary measures to strengthen the effectiveness and responsiveness of COCOM and to enhance their national mechanisms as necessary to enforce COCOM decisions.

(b) It was agreed at Versailles that the development of economic and financial relations with the Soviet Union and Eastern Europe would be subject to periodic ex post review. The Allies are agreed on the need to establish without delay the necessary mechanism for this purpose. Having in mind the criteria in paragraph two above, Allied Governments will also establish the means to harmonize national policies with respect to the extension of credits, covering interest rates, maturities, down payments, and fees.



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-4-

(c) Allied governments have informed each other that during the course of the study on energy requirements, they will not sign, or approve the signing by their companies, of new contracts with the Soviet Union for the purchase of natural gas.

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10/27/82

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THE WHITE HOUSE

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October 23, 1982

170930

MEMORANDUM FOR THE HONORABLE GEORGE P. SHULTZ  
THE SECRETARY OF STATE

SUBJECT: Quadripartite Discussions on La Sapiniere  
Follow-up

The President has reviewed the October 21 revision of the non-paper and has approved the following comments on the revisions and the language in brackets. The comments are in two categories: those we feel strongly about and those that are mandatory.

Feel Strongly About

p. 1, Sec. 2, tick 3

Comment: If we are going to live with the new language in ticks 1 and 2, then a further weakening in tick 3 is not indicated. It provides the US with a much easier case to make for the former language ("contribute to the strategic advantage of the Soviet Union") than to prove the reverse argument proposed ("weaken the strategic position of the West"). Should therefore seek to restore the original tick 3 in exchange for new language in ticks 1 and 2.

p. 2, Sec. 2, tick 4

Comment: This is an entirely new tick. We feel that the second underlined sentence should end with "strict balance of advantages." The addition of "and obligations" is more favorable to the USSR and highlights the notion of "contract sanctity" and other methods used to circumvent US objectives.

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p. 2, Sec. 2, paragraph 2

Comment: In the new language added at the end of the paragraph insert Eastern European so that it reads "...recognizing the different political and economic conditions that prevail in each of these Eastern European countries." This will clarify which countries and will insure it is not later interpreted to mean the Western European countries.

p. 2, list of areas

Comment: Why permit addition of the word "possible" in the areas "High technology of strategic importance including oil and gas equipment?" This addition is a weakening of the language that may bring the Soviets cheer. We feel strongly that oil and gas equipment are of strategic importance without doubt.

Mandatory

p. 3, Sec. 3., paragraph (b)

Comment: If this is at all modified, much less deleted, we have less than Versailles. We must state our objective of not subsidizing the Soviet economy and must delineate the specific means to accomplish this objective without any changes.

p. 4, Sec. 3, paragraph (c)

Comment: This is priority one. We must insist on the following new language for paragraph (c): "During the course of the study on energy, Allied Governments will not sign new contracts with the Soviet Union for the purchase of natural gas." First, we are highly suspicious of the word "approve." In past deals "approve" has been similar or synonymous with "ratify." Allied firms could conceivably sign a new Soviet gas deal but the Government hold off on "approving" it. Second, we assume the newly added language (for which negotiations have not been concluded ) is to permit Italy to sign on strand one after its "pause for reflection." This should definitely be deleted and replaced with an oral understanding that Italy can sign on strand

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-3-

one if necessary. You can appreciate the irony of the way paragraph (c) presently reads. We must stay away from tying the ability to "sign" a deal to the stage of the negotiations. The Europeans will use back-dating or other techniques if we give them any daylight.

p. 4, Sec. 3, paragraph (d)

Comment: This bracketed language simply must stay in.

FOR THE PRESIDENT:



William P. Clark

*George, would like to discuss before 10:  
will be in office for phone call*

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October 21, 1982

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REVISED VERSION OF NON-PAPER

32

170931

1. Our Governments recognize the necessity of conducting their relations with the USSR on the basis of a global and comprehensive policy designed to serve our own fundamental security interests. They are particularly conscious of the need for a common approach in the economic field, where actions must be coordinated within the framework of their global strategy. They are resolved together to take the necessary steps to remove differences and to ensure that future decisions by their governments on these issues are taken on the basis of an analysis of the East-West relationship as a whole, with due regard for their respective interests and in a spirit of mutual trust and confidence.

2. They agree that the following criteria should govern the economic dealings of their countries with the Soviet Union and Eastern European countries.

-- That they will not undertake trade arrangements which contribute to the military capabilities of the USSR.

-- That it is not in their interest to subsidize the Soviet economy; trade should be conducted in a prudent manner without preferential treatment.

-- That they will take no steps that weaken the strategic position of the West.

~~SECRET/SENSITIVE~~

-- That is is not their purpose to engage in economic warfare against the Soviet Union. Trade with the Soviet Union and Eastern Europe should proceed on the basis of a strict balance of advantages and obligations.

They agree to examine thoroughly how to apply these criteria, taking into account the various economic and political problems involved, with the view to agreeing on a common line of action. They will pay due attention in the course of this work to the question of how best to tailor their economic relations with Eastern European countries to the specific situation of each of them, recognizing the different political and economic conditions that prevail in each of these countries.

This overall analysis will touch in particular on the following areas:

- Strategic goods and technology of military significance (COCOM);
- High technology of possible strategic importance including oil and gas equipment;
- Credit policy;
- Energy;
- Agricultural products.

In the field of energy, the European Governments, as they are heavily dependent on imports of energy, will initiate a study of projected European energy requirements over the next decade and beyond and possible means of meeting those requirements. The United States will participate in this study. It will be prepared under the auspices of the OECD.

3. As an immediate decision and following decisions already made, they have agreed on the following:

(a) They will work together within the framework of the Coordinating Committee (COCOM) to protect the contemporary security interests of the Alliance. The list of strategic items would be evaluated and, if necessary, adjusted. This objective will be pursued at the COCOM Review now under way. They further agree to take the necessary measures to strengthen the effectiveness and responsiveness of COCOM and to enhance their national mechanisms as necessary to enforce COCOM decisions.

(b) It was agreed at Versailles that the development of economic and financial relations with the Soviet Union and Eastern Europe would be subject to periodic ex post review. The Allies are agreed on the need to establish without delay the necessary mechanism for this purpose. [Having in mind the objective of not subsidizing the Soviet economy, Allied Governments will also establish the means to harmonize national policies with respect to the extension of credits, covering interest rates, maturities, down payments, and fees.]

(c) [During the course of the study on energy, Allied Governments will not approve new contracts with the Soviet Union for the purchase of natural gas for which negotiations have not been concluded.]

(d) [Allied Governments agree to examine immediately whether their security interests require controls on the export to the Soviet Union and Eastern Europe of strategically significant advanced technology and equipment, to be jointly determined, but including technology with direct application to the oil and gas sector. Any actions would be agreed upon and implemented within a framework to be agreed.]



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36

# WHITE HOUSE SITUATION ROOM

170932

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~~SECRET~~ SECTION 01 OF 02 MOSCOW 12733  
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E.O. 12356: DECL: OADR  
TAGS: TATT, IAEA, UR, US  
SUBJECT: MAKING ARRANGEMENTS FOR US-SOVIET NON-  
- PROLIFERATION TALKS  
REF: STATE 293235

1. (~~SECRET~~ - ENTIRE TEXT).
2. HAVING MADE THE DECISION TO CARRY OUT CONSULTATIONS WITH THE SOVIETS ON NON-PROLIFERATION, WE MUST TAKE CARE NOW THAT THEY WORK TO OUR BENEFIT. WITHOUT CAREFUL PREPARATION THEY MAY NOT. WE SHOULD ENSURE THAT THEY BRING US PROGRESS ON THE SUBSTANCE OF THE ISSUE ITSELF, AS WELL AS SHOW THE SOVIETS WE CAN WORK TOGETHER TO MUTUAL ADVANTAGE.
3. I WAS GRATIFIED TO SEE THE LENGTHY "MENU" OF TOPICS THE DEPARTMENT AND ACDA PROPOSED IN REFTEL. I THINK THE FULL LIST SHOULD BE INCLUDED IN OUR AGENDA. THE ISSUE IS SO COMPLEX, BOTH TECHNICALLY AND AS A MATTER OF REGIONAL POLITICS, THAT GENERAL DISCUSSIONS WHICH DO NOT GO INTO DETAIL ARE OF LIMITED USE. I THINK WE CAN GET DOWN TO DETAILS IF WE STRUCTURE THE DISCUSSIONS PROPERLY. I WOULD SUGGEST, FOR EXAMPLE, ALTERNATING

MESSAGE (CONTINUED):

PLENARY SESSIONS WITH WORKING GROUP MEETINGS, WITH PERHAPS A FINAL PLENARY DEVOTED TO A SUMMING UP OF WORKING GROUP RESULTS.

4. IF WE CHOOSE THIS METHOD OF STRUCTURING THE TALKS, WE SHOULD OF COURSE INFORM THE SOVIETS BEFOREHAND SO THEY CAN PREPARE THEMSELVES. WE SHOULD ALSO GIVE THEM, AS EARLY AS POSSIBLE, A BREAKDOWN OF TOPICS, INCLUDING THOSE TO BE DISCUSSED AT THE WORKING GROUP LEVEL. THE SOVIETS MAY IN TURN, IF THEY HAVE ENOUGH ADVANCE NOTICE, HAVE THEIR OWN IDEAS ON TOPICS.

5. DEVOTING THIS MUCH ATTENTION TO ADVANCE PREPARATIONS WILL NOT ONLY RAISE THE LEVEL OF SUBSTANCE WE CAN DISCUSS, BUT ALSO CONVEY TO

THE SOVIETS THAT WE INDEED ARE CONCERNED WITH SUBSTANCE AND NOT ONLY (AS SOME SOVIET ADVISERS WILL ARGUE) WITH ATMOSPHERICS.

6. IF WE CHOOSE THIS APPROACH, WE WILL HAVE TO CONSIDER CAREFULLY WHICH TOPICS TO DISCUSS IN PLENARY, AND WHICH AT THE WORKING GROUP LEVEL. MOST PERHAPS SHOULD BE TOUCHED ON AT LEAST BRIEFLY IN PLENARY EVEN IF THEY ARE DISCUSSED IN DETAIL IN THE WORKING GROUP. WASHINGTON WILL HAVE ITS OWN IDEAS ON HOW BEST TO DO THIS; WE HERE WOULD PROPOSE THE FOLLOWING, USING THE TOPICS AND TERMINOLOGY PROPOSED IN REFTEL:

- PLENARY:
- GENERAL APPROACH TO NON-PROLIFERATION
  - DANGERS OF POLITICIZATION OF THE ISSUE IN ANY CONTEXT
  - NPT/TLATELOLCO ADHERENCE
  - IAEA ISSUES, INCLUDING POLITICIZATION
  - OVERVIEW OF REGIONAL ISSUES
  - OVERVIEW OF SAFEGUARDS AND EXPORT CONTROL ISSUES
  - ROUND TABLE REVIEW OF PROBLEMS.

- WORKING GROUP A:
- DETAILED DISCUSSION OF REGIONAL ISSUES
  - DETAILED DISCUSSION OF NPT/TLATELOLCO
  - COMMITTEE ON ASSURANCE OF SUPPLY.

- WORKING GROUP B:
- DETAILED DISCUSSIONS OF HARDWARE/FUEL ISSUES (SAFE-
  - GUARDS, EXPORT CONTROL, REPROCESSING, ENRICHMENT,

MESSAGE (CONTINUED):

- PLUTONIUM STORAGE, ETC.).

7. I AM OF COURSE LOOKING FORWARD TO A ROLE FOR THIS EMBASSY IN THESE CONSULTATIONS IN THE FUTURE. MY

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~~SECRET~~ SECTION 02 OF 02 MOSCOW 12733  
NOBIS

STAFF CAN CONTRIBUTE TO THEM SUBSTANTIVELY, AND TAKING PART IN THEM WILL INCREASE OUR ACCESS TO KEY SOVIETS WHEN THE TALKS HAVE ADJOURNED. HOWEVER, GIVEN THE SOVIET PROPOSAL THAT THIS FIRST MEETING BE HELD IN WASHINGTON, I AGREE WE SHOULD OFFER TO TAKE OUR TURN FIRST AS HOSTS.

8. I BELIEVE AS A FINAL SUGGESTION THAT IT MIGHT BE USEFUL AT THE END OF THE WASHINGTON DISCUSSIONS TO COME TO SOME AGREEMENT WITH THE SOVIETS ON A GENERAL TIME FRAME FOR THE NEXT MEETING: A BALLPARK FIGURE COULD BE PERHAPS MID-YEAR 1983, OR SOONER IF OUR EXPERTS THINK IT WOULD BE USEFUL.  
HARTMAN

~~SECRET~~

HW  
38

7271

MEMORANDUM

NATIONAL SECURITY COUNCIL

170933

~~SECRET~~

October 22, 1982

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: WILLIAM F. MARTIN *WFM*

SUBJECT: Soviet Gas in European Markets

*nr*

We have received a troubling CIA assessment on the potential market for Soviet gas in European markets through use of only one strand of the Siberian pipeline and full use of existing infrastructure. This illustrates very clearly that unless we can get a commitment from the Europeans to limit their gas contracts to present levels, the Soviets will capture most of the market of the 1990s and drive out the competitive alternatives.

Attached (Tab I) are three visuals which tell the story.

Case I is the no Siberian gas case. The key here is that Dutch gas would have to be increased over the short term, but over the longer term, Norwegian and North African producers can meet demand. This is the President's original alternative energy case.

Case II assumes that the first strand of the pipeline is completed but that there are no more gas contracts with the Soviet Union. As you can see, there is still room for alternatives, particularly Norwegian gas. Sufficient market is preserved to allow development of the giant Troll field.

Case III shows how big a chunk the Soviets can take out of the market with only one strand, if some limitation is not imposed on contracts. The results are dismaying. They can effectively block out all large scale alternatives. Only the Sleipner field in Norway is assumed to be developed. Troll is knocked out.

Bottom line: The Foreign Ministers communique is presently inadequate because it does not contain a statement to limit gas purchases over the longer term. If we do not get this commitment, then economic momentum will be on the side of the Soviets. They have all the advantages. We must even the scales. I think that the President must be made aware of this analytical evidence and the consequences of not pressing the Europeans now to limit their gas purchases over the longer term.

Attachment

Tab I Visuals

cc: Bailey, Blair, Nau, Pipes, Robinson

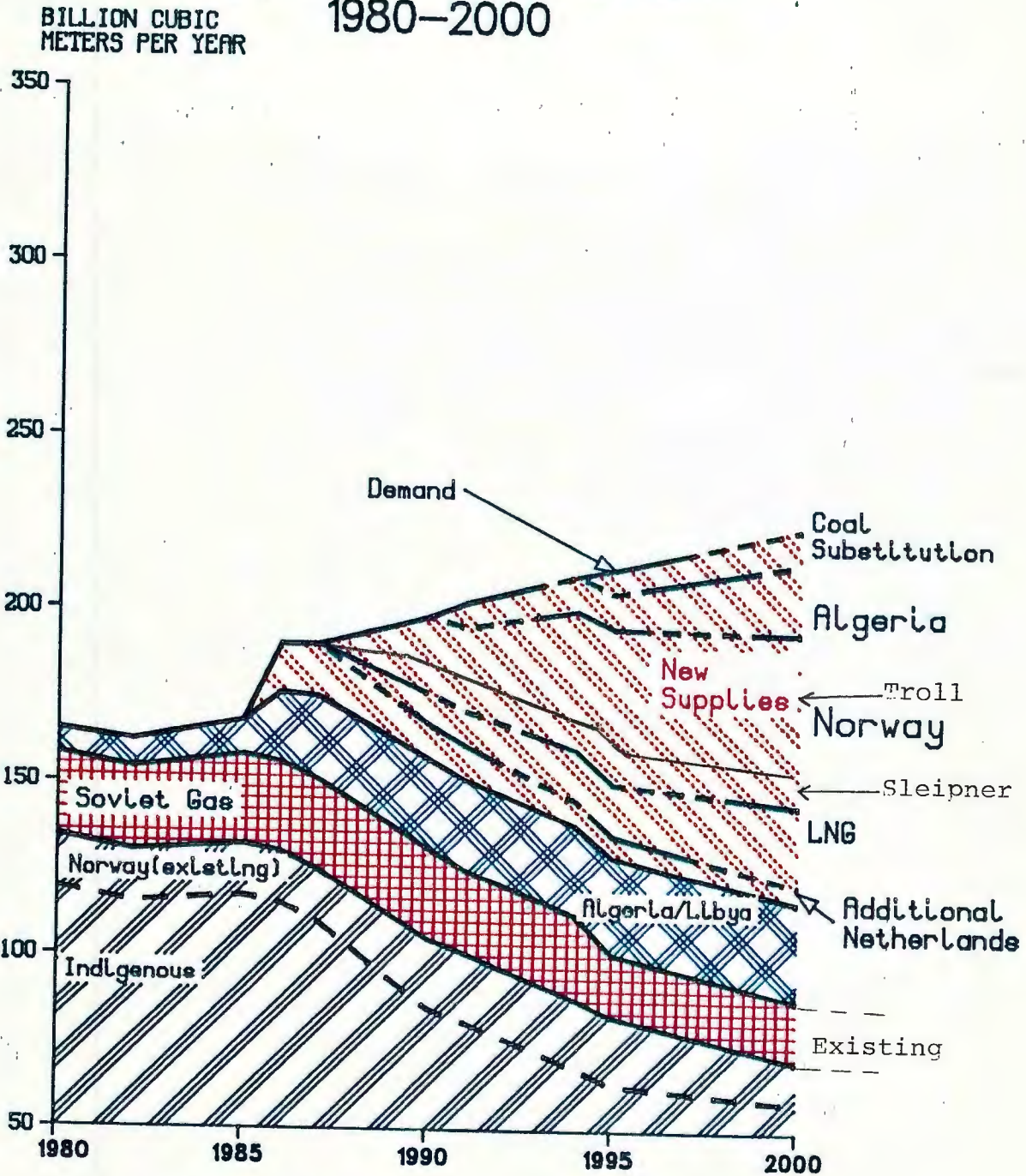
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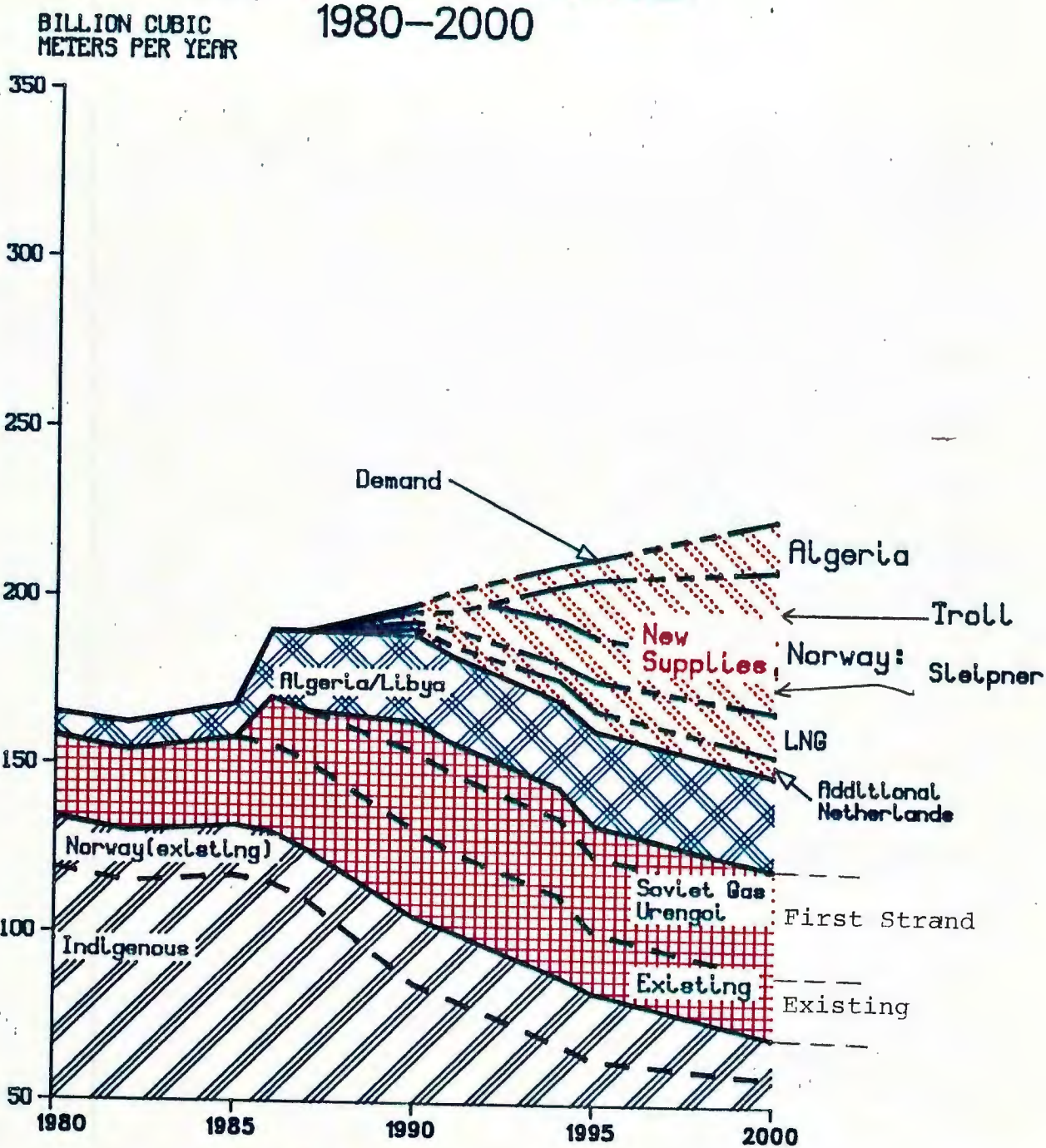
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# Continental Europe: Natural Gas Supply and Demand Forecast 1980-2000



Low Demand Scenario  
Without Siberian Gas

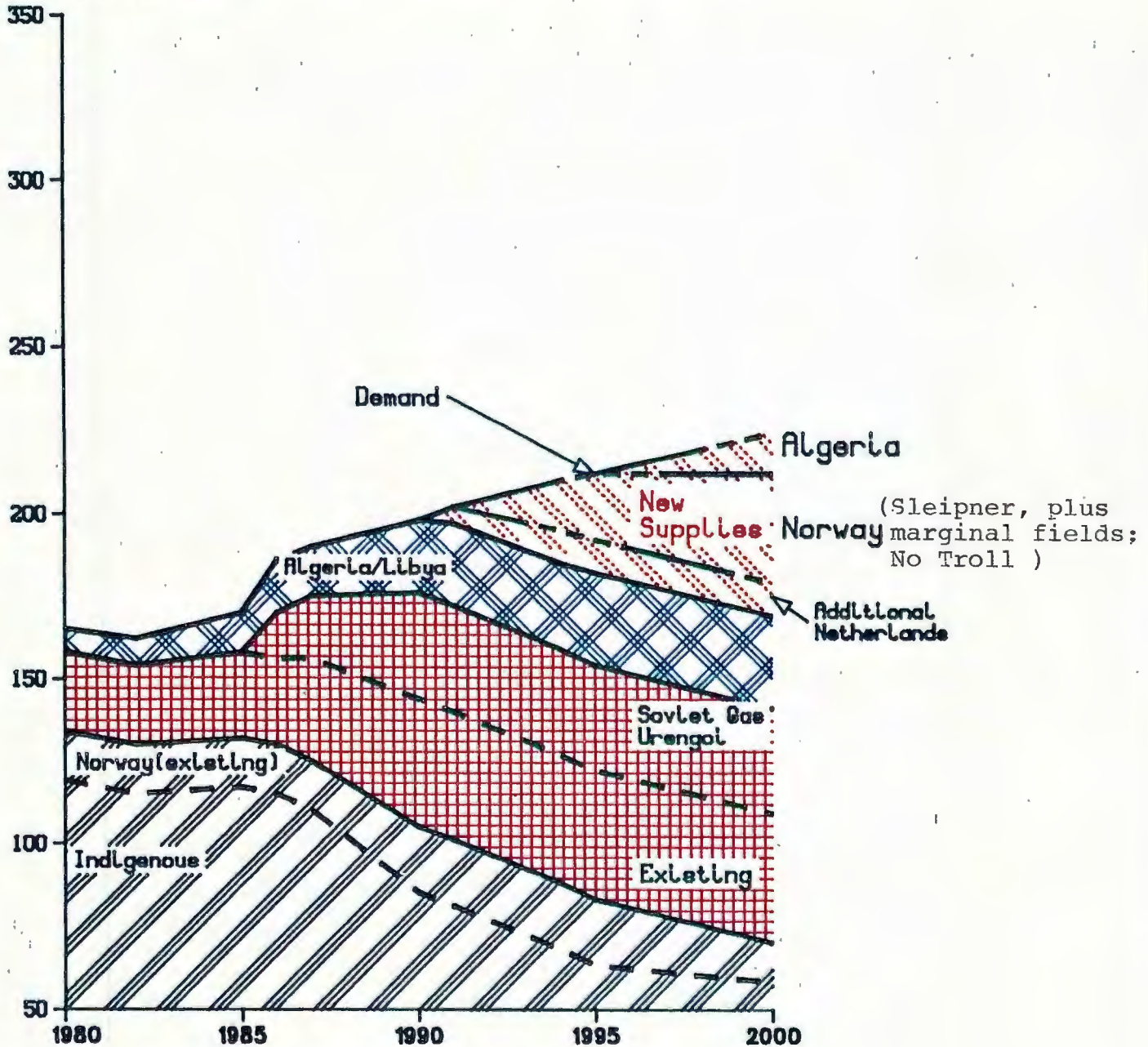
# Continental Europe: Natural Gas Supply and Demand Forecast 1980-2000



Low Demand Scenario

# Continental Europe: Natural Gas Supply and Demand Forecast 1980-2000

BILLION CUBIC METERS PER YEAR



Maximum Utilization of Existing and Planned Soviet Pipelines

NSC/S PROFILE

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TO CLARK

FROM MARTIN

12/2/85 EOB

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KEYWORDS: GAS  
EUROPE WEST

USSR

SUBJECT: SOVIET GAS IN EUROPEAN MARKETS

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DUE:

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FOR CONCURRENCE

FOR INFO

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