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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name EXECUTIVE SECRETARIAT, NSC: COUNTRY FILE

Withdrawer

KDB 1/25/2016

File Folder USSR (7/24/84)

FOIA

F03-002/5

Box Number 25A

SKINNER

406

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
172673	MEMO	J. MATLOCK TO R. MCFARLANE RE R. ANDERSON'S PROPOSALS ON U.S.-SOVIET RELATIONS (W/NOTATIONS)	3	7/24/1984	B1
172677	MEMO	RE BERING STRAITS - DRAFT	1	5/24/1984	B1
	R	6/5/2013			CREST NLR-748-25A-9-2-8
172675	MEMO	R. KIMMITT TO C. HILL RE PROPOSAL BY R. ANDERSON	1	8/25/1984	B1
	R	6/5/2013			CREST NLR-748-25A-9-2-8
172676	MEMO	SAME AS DOC #172677 (RE BERING STRAITS - DRAFT)	1	5/24/1984	B1
	R	6/5/2013			CREST NLR-748-25A-9-2-8
172674	MEMO	COPY OF DOC #172673 (J. MATLOCK TO R. MCFARLANE RE R. ANDERSON'S PROPOSALS ON U.S.-SOVIET RELATIONS, W/NOTATIONS)	3	7/24/1984	B1
172679	MEMO	TO ASST. FOR NATIONAL SECURITY AFFAIRS RE ATTACHED MEMO	1	7/23/1984	B1

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]

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
172680	MEMO		2	7/23/1984	B1
172682	CABLE	MOSCOW 9281	5	7/24/1984	B1
	R	6/5/2013			CREST NLR-748-25A-9-4-6
172683	REPORT	RE SOVIETS	3	7/24/1984	B1

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

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UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)

1/25/16 EDS

RECEIVED 25 JUL 84 20

TO MCFARLANE

FROM MATLOCK

DOCDATE 24 JUL 84 |

KEYWORDS USSR

ARMS CONTROL

ANDERSON, ROBERT O

SUBJECT: ANDERSON PROPOSALS ON US & USSR RELATIONS

ACTION: FOR DECISION

DUE:

STATUS X

FILES SII

FOR ACTION

FOR CONCURRENCE

FOR INFO

MCFARLANE

COMMENTS

REF#

LOG

NSCIFID

(B B)

ACTION OFFICER (S)

ASSIGNED

ACTION REQUIRED

DUE

COPIES TO

AUG 20 1984

Pounder approved #2

JUL

SPATCH

W/ATTCH FILE (C)

Merchant

RECEIVED
 1927
 THE F. O. B. B. B.

ORDER NO. 1234
 DATE 1/15/27
 AMOUNT \$100.00

TO THE ORDER OF
 PAY TO THE ORDER OF
 \$100.00

BANK OF AMERICA
 NEW YORK, N. Y.

National Security Council
The White House

JF 2

System #

#

Package #

90824

2: P 5: 14

1270

	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson	1	T	
Bob Kimmitt			
John Poindexter	2-		
Tom Shull			
Wilma Hall			
Bud McFarlane			
Bob Kimmitt	4	K	
NSC Secretariat	5	PK	N
Situation Room	3	WHE	DACOM TO
Rose	5		BUD Hold in DACOM -

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

cc: VP Meese Baker Deaver Other _____

COMMENTS

Should be seen by: _____

(Date/Time)

MFR

Bud decided to let this issue die. Matlock was instructed to pass the idea for this initiative to State. J

P 8 24

UNCLASSIFIED UPON REMOVAL
OF CLASSIFICATION ENCLOSURE(S)
1/25/16 EDB

~~CONFIDENTIAL~~

CLASSIFICATION

CIRCLE ONE BELOW

MODE

PAGES 26

IMMEDIATE

SECURE FAX # 52

RELEASER WKE

PRIORITY

NON-SECURE FAX #

DTG 302337 Z Jul 84

ROUTINE

TTY #

FROM/LOCATION/

1. THE SITUATION ROOM

TO/LOCATION/TIME OF RECEIPT

1. TOM SHULL FOR ROBERT MCFARLANE / SANTA BARBARA / SITTO #0451

2.

3.

4.

INFORMATION ADDRESSEES/LOCATION/TIME OF RECEIPT

TOT 310035 Z Jul 84
[Handwritten signature]

2.

SPECIAL INSTRUCTIONS/REMARKS: ATTACHED:

03
17
15
13
11
09
08
07
06
05
04
03
02
01

~~CONFIDENTIAL~~

CLASSIFICATION

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7



MEMO RE: BERING STRAITS

172677

T 8

The U.S. and the U.S.S.R. hereby agree to the following concepts as being in the long term interests of the two countries and the world community:

- 1) Both nations agree that the Bering Straits shall be open to peaceful navigation for all nations of the world in the belief that the concept of open sea lanes are a major need for world commerce.
- 2) Both nations agree to set up a joint organization to explore long range problems that are of mutual concern. Environmental problems, meteorological phenomena, mineral development in the Bering Sea, and others shall constitute the initial agenda for discussion.
- 3) A joint commission shall be constituted to put the foregoing into effect and to pursue any and all other matters of any nature whatsoever that may be of importance to the long term interests of both countries. The commission shall consist of 14 members, equally divided between the U.S. and the U.S.S.R.
 - (a) It shall meet not less than three times per year at a site to be designated by the Co-Chairmen.
 - (b) It shall be chaired by co-chairmen consisting of a U.S. and a Soviet member of the committee to be so designated.
 - (c) The Chairman and the committee shall report directly to their respective Chiefs of State. The U. S. membership shall be bi-partisan and advisory in nature.
- 4) The first meeting of commission shall be within 90 days of this agreement, dated _____.

DECLASSIFIED / RFA/DBP
 NLR 48-254-9-2-8
 BY 603 NARA DATE 6/15/13

9



HIRSCH/VELIKHOV DRAFT
U.S./U.S.S.R. PEACEFUL COEXISTENCE STUDY GROUP

PURPOSE: Develop a sound basis for peaceful coexistence in the nuclear age.

BACKGROUND/ASSUMPTIONS/GROUNDRULES:

- ° Nuclear war is intolerable and must be avoided.
- ° U.S./U.S.S.R. relations have deteriorated to a troubling level.
- ° Make no assumption of who is to blame.
- ° Attempt to rise above past confrontations and squarely face today's realities.
- ° Recognize each side thinks differently and sees each other in ways the other may not understand.
- ° Document and analyze past difficulties.
- ° Step back from any specific issue.
- ° Cover all aspects of relations.

EXPECTED RESULTS:

- ° A framework of understanding on which to build negotiations, trade and cooperation for the future.

D R A F T

TOWARDS A MORE SECURE PEACE

PROLOGUE

Relations between the two greatest powers in the world, the United States and the Soviet Union, are at their lowest point in recent history. Antagonisms exist that endanger world peace and detract from the abilities of the two countries to apply their energies to further the well-being of their peoples. The purpose of this communique is to attempt to squarely face up to past and present differences and lay a pragmatic foundation for upgrading future relationships.

WHY CHANGE IS NEEDED

Both the U.S. and the U.S.S.R. possess technologies and weaponry that are able to totally destroy the other country in a matter of minutes. Never before in human history have such capabilities existed. In the past, nations have possessed the power to conquer others but the time required to do so and the level of destruction possible are dwarfed by today's weaponry and delivery systems.

This capability for massive destruction has existed for nearly two decades. It is a credit to both sides that neither has unleashed its massive powers. On the other hand, there have been occasions of doubt and associated military alerts when the potential for miscalculation has been heightened dangerously.

Both sides strongly desire a practical, pragmatic means to reduce tensions and the threat of war. The primary motivation is the knowledge that such a war would probably totally destroy both countries and much, if not all, of the rest of the world.

D R A F T

The management of today's weaponry places heretofore unimagined responsibilities on the two sides. It mandates control, restraint, and cooperation that go beyond what man has ever had to exhibit in the past.

Such a threat clearly overshadows all other concerns. Nevertheless, it is also clear that a reduction in tensions and the awesome military activities associated therewith would free talent and resources that could be used for far more constructive purposes. Both countries have important internal problems whose solution would greatly benefit their peoples. Therefore, a reduction in tensions and related military expenditures could positively impact the internal wellbeing of both sides.

OBSERVATIONS ON THE PEOPLES AND THE GOVERNMENTS

The heritages and basic cultures of the U.S. and the U.S.S.R. differ dramatically. This is manifested in countless ways, many of which are not always recognized.

The Soviet people have a long and harsh history that has been shaped by multiple foreign invasions, geography, weather, and repressive czarist rule. The population of the U.S.S.R. is by no means homogenous, being composed of people from very diverse cultures, languages, and backgrounds. These people have not always worked together constructively.

American history is brief by comparison. It has been influenced by a struggle for independence, a civil war, a gentler climate and a diverse population, which originally came from virtually all countries of the world. The U.S. has had peaceful borders and has never suffered the destruction of invasion.

D R A F T

- 3 -

The Soviet system of government is basically centralized and controlled, while the American system is decentralized and less controlled. Both systems have different, difficult internal problems to solve. While the two sides have criticized each other's form of government in the past, such criticisms must be separated from issues of war and peace, which overshadow all else.

Both forms of government are devoted to promoting the well-being of their peoples. The Soviet system has full employment and universal medical care, among other things. On the other hand, all decision making must be worked through a central apparatus and freedom of individual choice is bounded.

The American system is decentralized so that individuals and organizations are relatively free to determine their own courses. Government influence on everyday life is comparatively less evident. On the other hand, the United States has problems such as unemployment and high interest rates.

The point is that both governments have strengths as well as weaknesses.

In the twentieth century, the United States has not been invaded by a foreign power. While its people have fought in foreign wars, it has not had to endure the fear, agony, destruction, and humiliations associated with invasion. This comparative security has impacted American thinking and military policy.

D R A F T

- 4 -

The U.S.S.R., on the other hand, has been invaded a number of times and incurred massive losses, in particular, during World War II. The scars of that war have created a deep resolve in the Soviet people and their government that such destruction must never be allowed to happen again. These feelings strongly impact Soviet thinking and military policy.

The U.S.S.R. has a number of borders across which potential aggressors could pass in a future invasion. By contrast, the U.S. has only two land borders both with peaceful, non-threatening neighbors. People and governments naturally think differently in these two situations.

Both sides see each other in very different ways just as individual people view each other differently. Individual people learn to live in harmony through a variety of means, usually involving friendly, conciliatory dialogue. Our countries began such dialogue in the early 1970s, but for a variety of reasons matters have recently deteriorated.

Like disputing individuals, there is every reason to believe that the U.S. and the U.S.S.R. can find common bases to rebuild and strengthen their relationships. Indeed, most peoples on both sides hope and pray for such improvements.

THE CHARACTER OF A NEW RELATIONSHIP

Both sides have taken actions in recent years that have heightened tensions. Neither side is without some blame.

D R A F T

- 5 -

It is totally unrealistic to think that a problem as complex as this can be solved simply. If that were the case, a solution would have already been developed.

Improvements in the relationships will require time, effort and unusual behavior. A pragmatic road to decreased tensions must be built on the assumption that many positive steps will be required and that a number of irritations and miscalculations will continue to occur along the way. It is simply unrealistic to think that our people and our political systems are capable, or maybe even desirous, of changing rapidly.

Further, neither side can be expected to unilaterally move toward peace without reciprocal action by the other. Indeed, unilateral force reduction would leave one side in a state of comparative weakness, which could lead to overreaction on its part in a period of perceived threat.

Both the Americans and the Soviets are excellent negotiators, and naturally attempt to gain an advantage for their side whenever possible. This has been past practice.

In the early to mid 1970s a number of treaties and agreements were developed between the two countries. Some of these have been of great mutual benefit and have endured. Others were not 50-50 agreements, i.e., one side benefited to a greater extent than the other. Unequal agreements are unfair to one party and accordingly, will always be doomed to a short lifetime.

D R A F T

- 6 -

Because of the great threats that we face and because the two countries need to build an inventory of long-lived mutually beneficial agreements, future negotiations should be held in an atmosphere where both sides aim to define 50-50 arrangements. Such an approach provides the highest probability of creating lasting agreements and creating a constructive atmosphere of trust between the two parties.

There have been, and will continue to be, great differences between the interests, needs and actions of the two countries. To think otherwise is to be unrealistic. The new relationship that we must build between our countries must be durable enough to withstand future differences and cannot minimize the concerns of the past or the present. Nevertheless, our special situation requires that we build a relationship that encourages both sides to rise above those differences and forge a better future.

RESOLUTION

Recognizing these facts, the two governments hereby establish a bilateral commission to study past, current and potential future issues of interest to our two countries and to make recommendations to the two heads of state for concrete actions to alleviate strains and to provide opportunities of mutual benefit.

The commission will work in private and report directly to the U.S. President and the Soviet Chairman. It will be composed of two co-chairmen plus twelve members, with equal representation from both sides. The American side will be bipartisan and the Soviet side will have representatives of its internal factions.

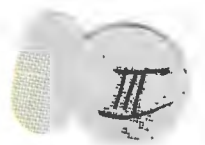
D R A F T

- 7 -

This approach will help to forge recommendations that have the best chance to enduring the expected periodic changes in the two governments. From time to time public announcements on progress will be provided, with the same message going to the peoples of both countries.

The commission will have no powers other than to study issues and make recommendations, which will then be processed through each government in a normal manner.

18



Robert O. Anderson

7/13
box 1000 622-3140
Roswell, NM 88201


Jack Matlock -

I thought you might find the brief
notes of my recent trip to Russia
of interest.

R. O. Anderson

July 11, 1984

Robert O. Anderson

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box 1000 622-3140
Roswell, NM 88201

Jack Matlock -

I thought you might find the brief notes of my recent trip to Russia of interest.

R. O. Anderson

July 11, 1984

I had occasion some months ago to write a paper regarding East-West relations and the possibilities for reduced tensions between the Western powers and the Soviet Union. In that document I portrayed a Russia that was in striking contrast to the country I visited a few weeks ago.

My description of the Soviet Union was based on several trips in the early and mid-1970s, at which time I had been greatly impressed by the relative poverty of the Soviet Union compared to the rapidly rising levels of prosperity in Western Europe.

Press accounts and occasional personal contacts had given me the impression that if progress had been made, it would have been at a glacial pace. Poland's financial difficulties in 1980 plus the Soviets' gradual liquidation of their substantial gold reserves were further indications that the Soviet Union was under increasing financial pressure. The need for hard currency to finance shortfalls in food production and other imports was very evident. Weather patterns in central Russia were seen as critical to the external needs for hard currency to finance food requirements for the Soviet Block countries. The Russian ruble had never been accepted as a world currency, and I interpreted this as a great impediment to the Soviets' ability to trade freely in the world community.

In short, there was little or no evidence to support the concept that there had been much improvement or change in the Soviet Union since my first visit thirteen years ago. Yet change I found, and in such a degree that I have been forced to conclude that we have somehow overlooked very

2.

basic factors in Soviet development during the last decade. I emerged from a week's visit with a new perspective of Russia and one that has particular reference to the future of East-West relations.

The new airport terminal in Moscow, while far from pretentious, was clearly more in keeping with Moscow's role as a major capital city. The Customs people and the slowness with which things moved indicated that this was still very much a police state preoccupied with bureaucratic procedure. The relatively large number of taxis and the competitive and even friendly and shouting taxi drivers were a new touch. So were the occasional but unmistakable traffic jams we encountered in the city itself. It was clear that Moscow was beyond the bicycle and motorbike era that dominated much of western Europe during the late 1950s and early 1960s. Hotels and high-rise buildings had gone up at an astonishing clip, and I counted 47 large construction cranes within the distance of a mile. A pleasant and warm Sunday afternoon had thousands of people out on the streets visiting and chatting in a manner that would have been unthinkable a decade earlier. Ten years ago people not only avoided your glance or comment, but they scuttled by looking like sullen gray bundles. Today high heels, sheer hose, lipstick and make-up are everywhere. Clothing, while not yet up to western standards, shows the clear impact of western fashion, and such differences as exist are not so great that one can readily distinguish a group of tourists at a glance.

In short, I found myself looking at a Moscow that could not possibly have existed a decade ago. While it obviously remains a relatively austere economy, it has clearly outpaced both western Europe and the United States in terms of relative change. Only in far Eastern Asia does one find

3.

even more remarkable change. The latter can be explained by the explosive rate of industrial development and commerce. Russia has not experienced either. Yet there obviously had to be an explanation for the change. The guns and butter scenario I had dwelt on in my paper eight months earlier had not had the negative impact I had anticipated. Russia has certainly not deviated from its military posture. Yet there was a great deal more "butter" than conventional wisdom could explain.

I departed from Moscow a week later mulling over a fact well known to me for more than a dozen years, but one that I had failed to think through or see its significance. Russia is by far the world's largest producer of crude oil. At 12,000,000 bbls. per day of oil production together with the world's largest known gas reserves, I think one can safely say that OPEC and the U.S. dollar have done far more for the Soviet Union than Carl Marx ever dreamed of. Russia produces more oil per day than the current level of all of the Persian Gulf countries combined. The nominal dollar value of this production is roughly \$150 billion per year, which would have a major impact on any country in the world irrespective of its size. To appreciate the full implications of this, one has to recognize that the major impact on Russia has occurred during the last two or three years as Russia has emerged as a significant exporter of crude oil and natural gas. All of these oil, gold and tourist transactions are in U.S. dollars which on today's United States monetary policies gives them a large multiplier when they convert the dollars to the less desirable currencies in which they primarily deal. I suspect the appreciation of the dollar has added purchasing power of close to the equivalent of \$20 billion

4.

per year to the Soviet's external trading. This is far more than enough to cover the worst possible crop failure in the Soviet Union, and more than enough to add tons of butter to the Soviet households as well.

Based on their present level of oil exports, gold, strategic metals and tourist income plus the dollar multiplier, I would suspect that the Soviet Union enjoys something like a \$50,000,000,000 equivalent per year surplus account to cover their external needs. As I write, the Soviet grain crop teeters on the brink of disaster, yet no one seemed to be the least bit concerned as I suspect they now have adequate funds to cover any shortfall. As a matter of fact, in the last few years the Soviet Union has become a very large factor in the international dollar market. It has been described as the largest dealer in dollar markets and appears to have ample funds to buy and sell large volumes of dollars on a daily basis. This adds credibility to the theory that the Russians are in far from desperate conditions in regard to their dollar avails and holdings.

The Polish and Eastern European debt problems have certainly moderated in the last four years, the same four years that Russia's fortunes have experienced a significant improvement. Oil, gas and the overvalued dollar have not only done wonders but there is no end in sight. Russia is moving rapidly to coal and nuclear power generation to free up more oil for export. Their major gas transmission lines to Eastern and Western Europe will be the basis for increased trade and they have more than ample reserves to back up and increase deliveries. The large gas reserves of Norway will have increasing difficulty in competing with the Soviet gas at the market place—particularly

5.

in view of the extremely heavy tax burdens placed on Norwegian gas.

While I have not had the opportunity to visit the Warsaw Block countries in recent years, I would suspect that they have also seen greater economic improvement in the last four years than that experienced by western Europe. The high heel shoes, clothing, laboratory equipment, automobiles, etc. all carry Warsaw Block country labels. There must be some parallel economic activity associated with what I observed, although it would be in rubles rather than dollar-denominated transactions. I now realize that a nonconvertible ruble is a most effective way to tie the Comecon countries to the Soviet Union. In short, the nonconvertibility factor of the Soviet currency is probably as effective a tie as the pound sterling which did much to hold the British Empire together in the 19th century.

The recent elections in Poland would indicate that economic conditions have moderated. Little has been said of the recent meeting of the Comecon countries, and one can only wonder if the Soviet Union found itself for the first time in position to deal more generously with its junior trading partners than it has in the past. It may also be the reason that after 13 years of relative hardship a meeting was convened at all. Comecon itself appears to be developing as a curious variation of a conventional imperial system. In most historical scenarios, the Empire has been focused on a major power that provided the industrial and military base to its colonial possessions. The colonies in turn provided resources and raw materials to the imperial power which shipped back finished goods to find a market and pay for products. Maintaining a single currency helped insure that the trading system

6.

could not be invaded by competing nations in the marketplace. The ruble plays a similar role today among the Comecon countries although here the system is inverted.

Russia, the dominant member, is the source of the raw materials (i.e. oil, gas, gold, strategic minerals) while the colonial trading partners (the Warsaw Block), furnish finished goods in exchange for resources and energy. An inverted Empire!

The system appears to be working surprisingly well, and as long as Russia can keep up a favorable trading balance with the hard currency nations there is little incentive to seek hard currency status for the ruble. In effect, it would reduce the dependence of its trading partners who would then be freer to turn to the West for trade.

As I see Russia today, there is little reason to believe that it will not become an increasingly important economic entity. They have vast resources and have discovered how to develop and utilize them.

Communism has repeatedly failed to demonstrate that it is a viable economic system, yet external income and money in sufficient quantities can cover up the shortfalls of virtually any economic system. Russia continues to have many problems. The "new affluence" does not extend to rural areas or Asiatic Russia, and the huge bureaucracy continues to stifle productivity. Their standard of living continues to be far behind the developed world. If the Soviets would elect to modify and liberalize their social and economic postures, they are probably in position to make some remarkable economic progress. They have a vast internal market potential, mineral resources and the manpower to become the dominant economy of Europe with a comparable standard of living.

It is difficult to analyze the military implications of what I have seen and described, but to see Russia as a declining economic and political power would be the height of wishful thinking. Ten years ago, I was confident that Russia would eventually collapse under its own economic and political failures. Today, it is clear to me that they have benefited enormously by external events that have given them the time to reverse their fortunes and they now have the means to become the dominant economic entity that de Tocqueville envisioned when he wrote of the United States and Russia in the early 19th century.

Hopefully it will be under a liberalized social system that will conform and coexist more comfortably with the world community than in the past.

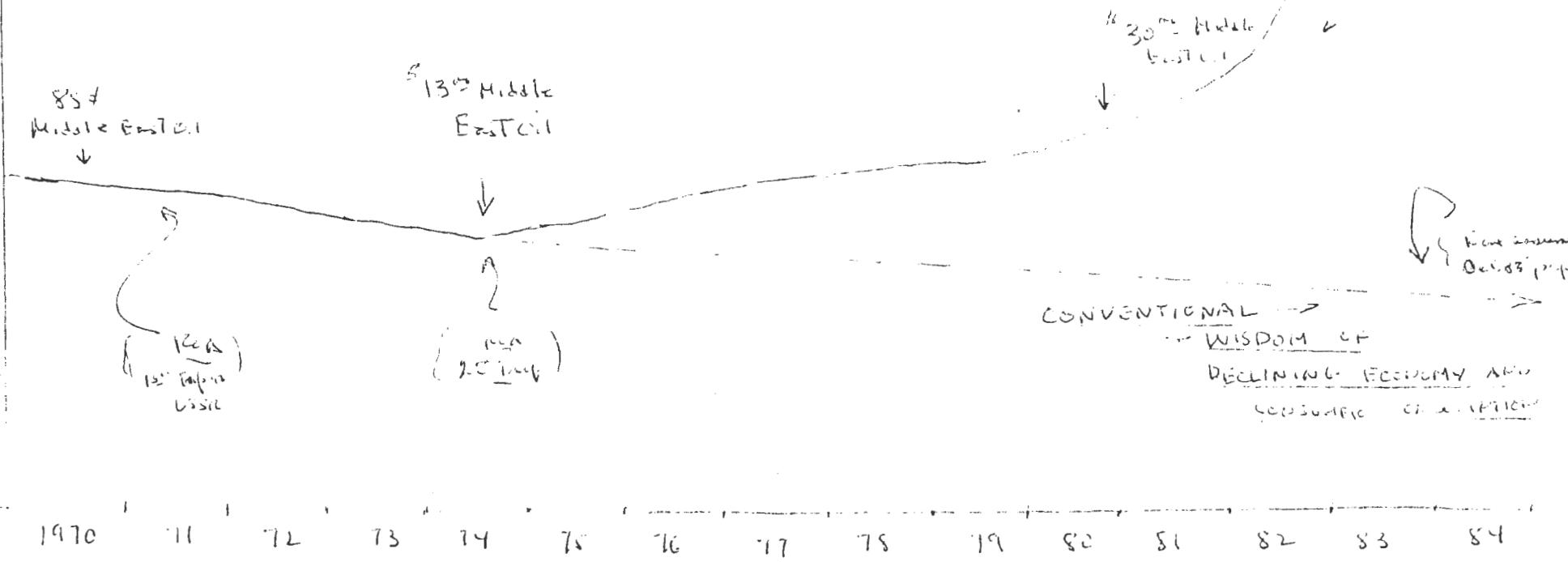
AFFLUENCE

CONCEPTUAL ECONOMIC
 OVERLAY OF RUSSIAN ECONOMY
 1970-1984 AS IMPACTED BY OPEC,
 RISING OIL + GAS EXPORTS PLUS
IMPACT OF DOLLAR DENOMINATED SALES

(1981-1984)
 1981-1984

30th Middle
 East Oil
 Enhanced 60%
 By Overvalued Dollar
 (+ 50%
 Equivalent
 Purchasing
 Power)
 Rising Oil
 Exports

POVERTY



(12%)
 12% (1970)
 13% (1971)
 14% (1972)
 15% (1973)
 16% (1974)
 17% (1975)
 18% (1976)
 19% (1977)
 20% (1978)
 21% (1979)
 22% (1980)
 23% (1981)
 24% (1982)
 25% (1983)
 26% (1984)

(18%)
 18% (1974)
 19% (1975)
 20% (1976)
 21% (1977)
 22% (1978)
 23% (1979)
 24% (1980)
 25% (1981)
 26% (1982)
 27% (1983)
 28% (1984)

have assumed
 Oct 83, 1984

CONCEPTUAL ECONOMIC

OVERLAY OF RUSSIAN ECONOMY

1970-1984 AS IMPACTED BY OPEC,

RISING OIL + GAS EXPORTS PLUS

IMPACT OF DOLLAR DENOMINATED SALES

AFFLUENCE

POVERTY

85% Middle East Oil
↓

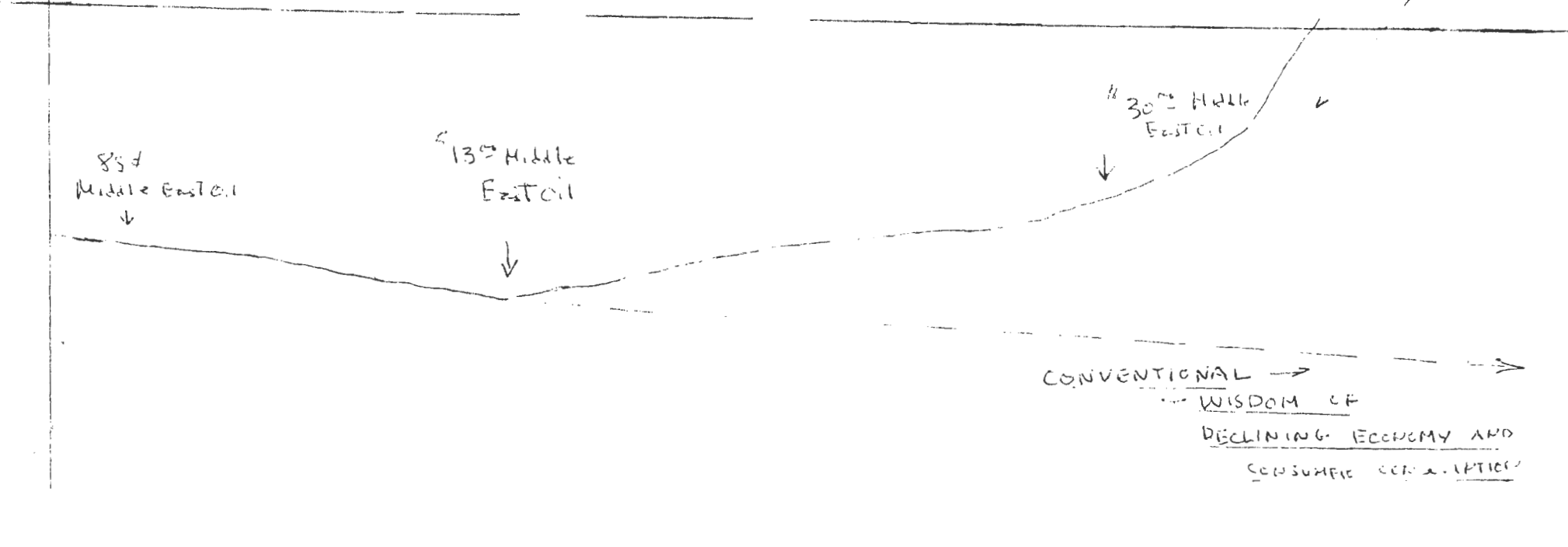
135% Middle East Oil
↓

30% Middle East Oil
↓

30% Middle East Oil
Enhanced 66 2/3%
By Overvalued Dollar
(+ 50% Equivalent Purchasing Power)
↑
Rising Oil + Gas Exports

CONVENTIONAL →
WISDOM OF
DECLINING ECONOMY AND
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1970 71 72 73 74 75 76 77 78 79 80 81 82 83 84



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RECEIVED 25 JUL 84 20

TO MCFARLANE

FROM MATLOCK 1/25/16 KAS

DOCDATE 24 JUL 84

MATLOCK

24 AUG 84

KEYWORDS: USSR

ARMS CONTROL

ANDERSON, ROBERT O

SUBJECT: ANDERSON PROPOSALS ON US & USSR RELATIONS

ACTION: FOR DECISION

DUE:

STATUS FILES SII

FOR ACTION

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11/25/16 CDB

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Date AUG 25 1984

Subject: Bering Straits

DOCUMENT CLASSIFICATION: TOP SECRET SECRET CONFIDENTIAL UNCLASSIFIED

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NLRR 78-15A-9-2-8 NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

BY CGR NARA DATE 6/5/13 August 25, 1984

177675

~~SECRET~~

MEMORANDUM FOR MR. CHARLES HILL
Executive Secretary
Department of State

SUBJECT: Proposal by Robert O. Anderson Regarding Bering
Straits (S)

Robert O. Anderson of ARCO has suggested that the U.S. Government propose to the Soviet Government that an agreement for cooperation in the Bering Straits area be negotiated. The text of his proposal, which he has discussed privately and informally with Vice President Velikhov of the USSR Academy of Sciences, is attached. (S)

It would be appreciated if the Department of State would examine this idea. (U)

Robert M. Kimmitt
Robert M. Kimmitt
Executive Secretary

Attachment:

Proposal by Robert O. Anderson: "Memo Re: Bering Straits"

~~SECRET~~
Declassify on: OADR

~~SECRET~~

MEMO RE: BERING STRAITS

177676

The U.S. and the U.S.S.R. hereby agree to the following concepts as being in the long term interests of the two countries and the world community:

1) Both nations agree that the Bering Straits shall be open to peaceful navigation for all nations of the world in the belief that the concept of open sea lanes are a major need for world commerce.

Both nations agree to set up a joint organization to explore long range problems that are of mutual concern. Environmental problems, meteorological phenomena, mineral development in the Bering Sea, and others shall constitute the initial agenda for discussion.

3) A joint commission shall be constituted to put the foregoing into effect and to pursue any and all other matters of any nature whatsoever that may be of importance to the long term interests of both countries. The commission shall consist of 14 members, equally divided between the U.S. and the U.S.S.R.

(a) It shall meet not less than three times per year at a site to be designated by the Co-Chairmen.

(b) It shall be chaired by co-chairmen consisting of a U.S. and a Soviet member of the committee to be so designated.

(c) The Chairman and the committee shall report directly to their respective Chiefs of State. The U. S. membership shall be bi-partisan and advisory in nature.

4) The first meeting of commission shall be within 90 days of this agreement, dated _____.

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	SEQUENCE TO	HAS SEEN	DISPOSITION
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Bob Kimmitt	<u>2</u>	<u>K</u>	
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Tom Shull			
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NSC Secretariat	<u>3</u>	<u>AD</u>	<u>D</u>
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AUG 25 1984

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

cc: VP Meese Baker Deaver Other _____

COMMENTS Should be seen by: _____
(Date/Time)

84 A 124 P 8: 50

MEMORANDUM

NATIONAL SECURITY COUNCIL

August 24, 1984

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Sec.34(b), E... as amended
White House Guidelines, Part 11, 2008
BY NARA CPS / 11/25/16

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: JACK MATLOCK *JM*

SUBJECT: Robert O. Anderson's Proposals on U.S.-Soviet Relations

SIGNED

In accord with your decision on my previous memorandum, a Kimmitt-Hill Memorandum is at TAB I, which transmits Anderson's proposal to State for its assessment.

RECOMMENDATION

That you approve transmittal of the memorandum at Tab I.

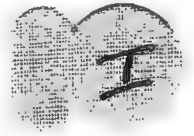
Approve RMK Disapprove

Attachment:

- Tab I - Kimmitt-Hill Memorandum with Anderson Proposal
- Tab II - Matlock-McFarlane Memorandum of July 24, 1984

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172674	MEMO COPY OF DOC #172673 (J. MATLOCK TO R. MCFARLANE RE R. ANDERSON'S PROPOSALS ON U.S.-SOVIET RELATIONS, W/NOTATIONS)	3	7/24/1984	B1

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-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]
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172679 MEMO

1 7/23/1984 B1

TO ASST. FOR NATIONAL SECURITY AFFAIRS
RE ATTACHED MEMO

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

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172680	MEMO	2	7/23/1984	B1

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

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172682

ACTION: NONE INFO: FILE, RF, CMASS-E, CR/U, CRES/ARD, CRES/FIC/P, DD/SOV, EPO/SE, D/FBIS-2, FBIS/AG, IAD/IC, IADSEG-3, ICS/HC/UR, NIO/CT, NIO/DL/AL, NIO/ECOV, NIO/USSR, ODPG-G, ODPH-H, ODPN-N, DDPS-S, OEA/CH/DEV, OGI/EC/CM, OGI/GD/ERA, OGI/IIC/PI, OGI/ISI/CP, OGI/TAB1, OGI/TAB2, OIA/TWSS, OOE/WE, OPCTR/EWE, PLANFAC-E, SAG/MEB, SAG/PPB-2, SE/DRP, SE/USSR, SE/XFR, SOV/CS/CA, SOV/CS/E/E, SOV/CS/E/P, SOV/CS/S/I, SOV/CS/S/M, SOV/CS/Y, SOV/EA/FO, SOV/EAD, SOV/EAG, SOV/PA/C, SOV/PA/D, SOV/PA/F/E, SOV/PA/FO, SOV/PA/S, SOV/SE, SOV/SE/M, SOV/SE/T, SOV/SFC, SOV/SFD, SOV/TAA/FO,

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BY UCDB

DATE 6/5/13

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LIMITED OFFICIAL USE MOSCOW 09281

E.O. 12356: N/A
TAGS: PINS, UR
SUBJECT: A BLUE COLLAR VOTE FOR REAGAN -- IN MOSCOW

1. THE LAST SHUTTLE HAD LEFT SOME TIME BEFORE. IT WAS THE HOTTEST EVENING OF THE YEAR. EMBOFF WAS HALF-HEARTEDLY TRYING TO HAIL A CAB -- ALWAYS AN IFFY PROPOSITION IN FRONT OF THE US EMBASSY IN MOSCOW. HE WAS JUST ABOUT TO THROW IN THE TOWEL AND TRUDGE OFF TOWARD THE METRO WHEN HE SAW THE TAXI SLEW AROUND IN A U-TURN AND START IN HIS DIRECTION. ITS ROOF-POST

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LIGHT SHONE GREEN -- "FREE." MIRABILE DICTU, IT PULLED TO A STOP IN RESPONSE TO EMBOFF'S CALL.

2. THE DUSTY YELLOW VOLGA LOOKED LIKE ANY OTHER CAR IN MOSCOW. SO DID ITS DRIVER -- FORTYISH, BLOND, GOING TO FAT AROUND THE MIDDLE. WHAT WAS UNUSUAL WAS HIS MANNER. AS EMBOFF APPROACHED THE CAR, EXPECTING THE SULLEN SILENCE TYPICAL OF MOSCOW HACKERS, HE WAS MET WITH A CHEERY "HOP IN!" FROM BEHIND THE WHEEL. AN ENCOURAGING "PLEASE" FOLLOWED IN HEAVILY ACCENTED ENGLISH. THE RESPONSE TO EMBOFF'S INSTRUCTIONS WAS SIMILARLY EBULLIENT. "RIGHT. O.K. ANYWHERE IN THE CITY YOU WANT TO GO." EMBOFF HAD CLEARLY STUMBLERD UPON A MOSCOW ORIGINAL. A MOST UNUSUAL CONVERSATION ENSUED DURING THE COURSE OF THE TWENTY-MINUTE RIDE.

3. "IT'S HOT," VOLUNTEERED EMBOFF. "DAMN RIGHT," CAME THE REPLY. "JUST LIKE IN CALIFORNIA. CALIFORNIA. YOUR PRESIDENT'S HOME. RONALD REAGAN'S HOME." EMBOFF NOTED THAT IT WAS PARTICULARLY HOT THERE THAT WEEK, WITH THE DEMOCRATS MEETING IN SAN FRANCISCO. "THEY HAVEN'T GOT A CHANCE," ROARED THE DRIVER. "REAGAN WILL WIN IN NOVEMBER. I'M POSITIVE." EMBOFF ACKNOWLEDGED THAT WAS PROBABLE. THE CABBIE CONTINUED. "REAGAN IS TERRIFIC. HE'S JUST TOP NOTCH. (ON MOLODETS). JUST TOP NOTCH." IN WHAT WAY, EMBOFF WONDERED. "HE'S BRAVE," CAME THE REPLY. "'THEY' CAN'T SCARE HIM. HE DOESN'T KNOW THE MEANING OF FEAR. WE HAVE A SAYING, 'BRAVERY TAKES THE TOWN.' THAT'S THE WAY HE IS. HE KNOWS HOW TO PLAY THE GAME. HE RUNS RINGS AROUND 'THEM.' THAT'S THE KIND OF PRESIDENT AMERICA NEEDS. AMERICA --" THE DRIVER CONCLUDED WITH A FLOURISH, AND CLAIMING TO QUOTE PRESIDENT REAGAN, "-- THE LAST HOPE OF MANKIND."

4. EMBOFF INQUIRED IF THE DRIVER HAD BEEN TO AMERICA. THE QUESTION WAS MET WITH A ROAR OF GOOD-NATURED LAUGHTER. "I'LL NEVER GET THERE," THE HACKER REPLIED. "BUT IT'S MY DREAM." HE WOULD PARTICULARLY LIKE TO VISIT THE HAWAIIAN ISLANDS, HE SAID. EMBOFF AGREED IT WOULD PROBABLY BE DIFFICULT FOR HIM TO VISIT THE US. THE DRIVER WAS NOT DISCOURAGED. "THE MOST IMPORTANT THING

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IS NOT THAT A DREAM BE REALIZED," HE SAID, "BUT THAT YOU HAVE ONE." EMBOFF COMMENTED THAT HIS INTERLOCUTOR SOUNDED MORE LIKE A PHILOSOPHER THAN A CABBIE. "YOU HAVE TO BE A PHILOSOPHER IN THIS BUSINESS," THE VOLGA VOLTAIRE RETORTED, "YOU COULDN'T STAND THE CRUMMY PAY OTHERWISE."

5. THE CAB SLOWED AS IT MERGED WITH TRAFFIC APPROACHING THE KRYMSKIY BRIDGE, PASSING THE MFA DIPLOMATIC ACADEMY ON THE LEFT AS IT DID SO. THE DRIVER CHANGED THE SUBJECT. "SO, YOU'RE A CAREER DIPLOMAT?" EMBOFF ACKNOWLEDGED THAT HE WAS. "THAT MEANS YOU'RE CIA, I SUPPOSE." EMBOFF OBSERVED THAT HE WAS CIA JUST LIKE ALL SOVIET DIPLOMATS WERE KGB. HEARTY LAUGHTER FROM THE FRONT SEAT, FOLLOWED BY "YEAH, WE'RE ALL LITTLE CHILDREN, AREN'T WE." WITHOUT WAITING FOR A REPLY, THE CABBIE WENT ON. "BUT, YOU KNOW, YOU JUST CALLED THEM (POINTING BACK TO THE ACADEMY) 'OUR DIPLOMATS.' THEY'RE MORE YOURS THAN OURS." ASKED TO EXPLAIN, HE CONTINUED, "WHAT HAPPENS TO THESE FELLOWS WHEN THEY GET OVERSEAS? THEY BEGIN TO RESPOND TO CAPITALIST STIMULI. THE ONLY THINGS THEY CARE ABOUT ARE HAVING A GOOD CAR, A DACHA, NICE SUITS, A MISTRESS. HELL," THE CABBIE CONCLUDED, "I'M A BETTER COMMUNIST THAN THEY ARE. AND I'D LIKE TO BE A CAPITALIST."

6. IN RESPONSE TO EMBOFF'S OBSERVATION THAT THIS WAS AN INTERESTING THOUGHT, THE DRIVER DEVELOPED IT FURTHER. "SURE. I'D LIKE TO BE A CAPITALIST. SO WOULD A LOT OF OTHERS." HE GESTURED TOWARD A YOUNG WOMAN APPROACHING THE SLOW-MOVING CAB ON FOOT. HEAVILY MADE-UP, ATTRACTIVE,

LIMITED OFFICIAL USE SECTION 02 OF 02 MOSCOW 09281

E.O. 12356: N/A

TAGS: PINS, UR

SUBJECT: A BLUE COLLAR VOTE FOR REAGAN -- IN MOSCOW

SHE WORE SKIN-TIGHT JEANS AND A TEE-SHIRT. "LOOK AT HER. WHAT DO YOU THINK SHE CARES ABOUT? KOMSOMOL? HA! NOBODY TAKES THE PARTY SERIOUSLY. ALL PEOPLE WANT IS

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TO GET BY, TO HAVE A BETTER LIFE. THAT'S WHAT MATTERS."

7. THE CAB TURNED OUT OF OKTYABRSKAYA SQUARE UP LENINSKIY PROSPEKT, AND THE CONVERSATION TURNED BRIEFLY DOWN A MORE SERIOUS ALLEY AS THE DRIVER ASKED IF PEOPLE IN THE US WERE "VERY" AFRAID OF WAR. HE SEEMED ONLY MILDLY INTERESTED AS EMBOFF EXPLAINED THAT, WHILE THERE WAS CONCERN, WAR WAS NOT THE OMNIPRESENT THEME IN THE US THAT IT SEEMED TO BE IN THE USSR. THE DRIVER AGREED WITH EMBOFF'S OBSERVATION THAT THE SOVIET PRESS KEPT THE SUBJECT ALIVE IN THE SOVIET UNION. HE THEN REVERTED TO HIS PREVIOUS SUBJECT.

8. PEOPLE IN BOTH COUNTRIES, HE SAID, HAD TO FEEL SECURE. THIS WAS NATURAL. BUT AT SOME POINT, HE HOPED, BOTH WOULD FEEL THEY HAD ENOUGH WEAPONS. THEN THEY COULD GET ON WITH IMPROVING THE LOTS OF THEIR RESPECTIVE PEOPLES. "WE RUSSIANS WANT," HE SAID, "WHAT YOU ALREADY HAVE -- A CAR, A DECENT PLACE TO LIVE, DECENT FOOD, AN OCCASIONAL DRINK." REACHING OVER TO THE FRONT PASSENGER'S SEAT, THE CABBIE HELD UP A PARCEL -- A BULKY, SOVIET-MADE POCKET CALCULATOR. HE HAD BOUGHT IT THAT AFTERNOON, HE SAID WITH OBVIOUS PRIDE, FOR HIS SON, A FIFTEEN-YEAR OLD STUDENT. "THIS REALLY MAKES ME HAPPY," HE SAID. "THIS IS WHAT WE NEED MORE OF. WE SHOULD WORK TOGETHER, YOU AND WE. YOUR FANTA (PRODUCED UNDER LICENSE IN THE USSR) IS GREAT. SO IS OUR VODKA. THEY'RE EVEN BETTER TOGETHER. LET'S STOP COMPETING."

10. COMMENT: THE CONVERSATION REPORTED ABOVE TOOK PLACE JULY 17. IT IS REPORTED BECAUSE IT IS UNUSUAL. THE CABBIE INVOLVED WAS THE FIRST IN EMBOFF'S EXPERIENCE WILLING TO EXCHANGE MORE THAN PLEASANTRIES, AND THE FIRST SOVIET MAN IN THE STREET PREPARED TO ADMIT TO AN ADMIRATION OF PRESIDENT REAGAN. A FAR MORE COMMON REACTION IS OF CONCERN, OFTEN EXPRESSED AS A SOLICITATION OF ASSURANCES THAT THE PRESIDENT DOES NOT REALLY WANT WAR. ATYPICAL AS THE CASE IS, HOWEVER, IT IS PERHAPS REVEALING THAT, DESPITE THE SOVIET MEDIA'S CONSTANT CRITICISM OF THE US AND THE PRESIDENT PERSONALLY, AT LEAST ONE AVERAGE MUSCOVITE NOT ONLY HAS HIS OWN VIEWS

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ON THE MATTER, BUT WOULD OBVIOUSLY VOTE REPUBLICAN IN
NOVEMBER IF HE HAD THE CHANCE.
HARTMAN

END OF MESSAGE

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172683	REPORT RE SOVIETS	3	7/24/1984	B1

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