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WITHDRAWAL SHEET

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. cable	from US Mission USNATO to Sec. of State re: joint ventures in the USSR (6pp)	4/29/88	P-1
2. attachment to memo	from S. Danzansky to Paul Schott Stevens re: approval of protocol language (1p)	4/1/88	P-1
3. memo	re: security risks inherent in western joint ventures with USSR (1p)	3/9/88	P-1
4. report	re: security risks inherent in western joint ventures with the USSR (4pp)	3/9/83	P-1
COLLECTION: DANZANSKY, STEPHEN I.: Files			db
FILE FOLDER: Soviet Union (Joint Ventures) <i>RAC Box 12</i> Box 91819			11/16/94

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.

Joint Ventures
Danzansky

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Chevron Corporation

225 Bush Street, San Francisco, California 94104-4289

April 27, 1988

File
S. J. ...
J. D. Bonney

J. D. Bonney
Vice-Chairman of the Board

Mr. Steven I. Danzansky
National Security Council
Old Executive Office Building
Room 365
Washington, D.C. 20506

Dear Mr. Danzansky:

I very much appreciate your taking time last week, at very short notice, to advise our company about our prospective joint venture with the Soviet Union. We at Chevron are aware that this is a potentially sensitive project in a variety of respects and are thus anxious to receive the advice of our country's leaders as we make our business decisions.

As we go through the decision-making process ahead of us, I would like to be able to sound you out on this matter from time to time. I also hope you will feel free to contact me, or have your staff contact our Washington Office, should there be further advice or information you wish to volunteer.

With best wishes,

Sincerely,

P.S. - My telephone number is 415/894-3232.

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

ACTION

April 1, 1988

MEMORANDUM FOR PAUL SCHOTT STEVENS

FROM: STEPHEN I. DANZANSKY

SUBJECT: Approval of Protocol Language

The Department of Commerce has requested (Tab II) our approval on language proposed for the protocol amending the 1974 U.S.-USSR Long-Term Agreement to Facilitate Industrial, Economic, and Technical Cooperation. This protocol would be signed by Secretary Verity and the Soviet Minister for Foreign Economic Relations at the conclusion of the U.S.-USSR Joint Commercial Commission meetings on April 14.

RECOMMENDATION:

That you sign the memorandum to McKiernan (Tab I) indicating that the NSC concurs with the proposed protocol language.

Approve _____ Disapprove _____

Fritz Ermarth and Jerry Leach concur.

Attachments

- Tab I Memo to McKiernan
- Tab A Proposed Language
- Tab II Memo from McKiernan

Prepared by:
Eric Melby *M*

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

CONFIDENTIAL ATTACHMENT

2495

MEMORANDUM FOR MR. GERALD J. MCKIERNAN
Chief of Staff
Department of Commerce

SUBJECT: Approval of Protocol Language

The NSC staff concurs with the attached proposed language for the protocol amending the 1974 U.S.-USSR Long-Term Agreement to Facilitate Industrial, Economic, and Technical Cooperation (Tab A).

Paul Schott Stevens
Executive Secretary

Attachment
Tab A Proposed Protocol Language

CONFIDENTIAL ATTACHMENT



UNITED STATES DEPARTMENT OF COMMERCE
International Trade Administration
Washington, D.C. 20230

MAR 31 1988

~~CONFIDENTIAL~~

MEMORANDUM FOR PAUL SCHOTT STEVENS
Executive Secretary
National Security Council

FROM: Franklin J. Vargo *[Signature]*
Executive Secretary, U.S. Section
Joint U.S. - USSR Commercial Commission

SUBJECT: Request for Approval of Protocol Language

Attached is language proposed for a protocol amending the 1974 US-USSR Long-Term Agreement to Facilitate Industrial, Economic, and Technical Cooperation. This protocol would be signed by Secretary Verity and the Soviet Minister for Foreign Economic Relations at the conclusion of the US-USSR Joint Commercial Commission, April 14, 1988.

The protocol is for the purpose of updating the Long-Term Agreement to reflect Soviet organizational changes. It has been cleared by all of the Joint Commission agencies and approved by the Assistant Secretary of State for Europe, the Department of State's Legal Affairs office, and the Deputy Secretary of State.

Circular 175 authority will be needed in order for Secretary Verity to be able to conclude this document with the Soviets. Your approval would be appreciated as soon as possible so the Department of State may obtain the necessary authority. Anticipating your quick approval, the State Department has informally begun preparing the necessary paperwork.

Attachment

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~~CONFIDENTIAL~~

Joint Ventures
Danzansky

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Joint Ventures
Panzansky

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*File: ~~10/10/87~~
Soviet Joint Ventures
Sub 12 - 5000*

November 12, 1987

LIST OF SOVIET JOINT VENTURES

SIGNED AGREEMENTS:

UNITED STATES
Combustion Engineering
Production of instrumentation for
petroleum refineries and
petrochemical plants
Occidental Secondary oil extraction
PepsiCo Two Pizza Hut restaurants

FINLAND
(Finnair Nordic Hotel subsidiary)
Berlin Hotel modernization to be
renamed Hotel Savoy
(Kati-Nunti) Joint production of women's clothing
w/V.Klementi garment trust of
Estonian Ministry of Light Industry
in Tallinn
(Oy Sadolin) Wood preservatives (paints, sealing
compounds, glues) a 40% partner in an
Estonian factory - 1st signed

HUNGARY (?) Packaging field
INDIA (?) Indian restaurant in Moscow

JAPAN (Tairiko Trading)
Construction of a plant to produce
90,000 cu m of sawn timber in Novaia
Igirma near Irkutsk (78% of output to
be sold on the Japanese market, the
rest in the USSR & third countries)-
1st signed

SWITZERLAND (Liebherr Intern AG actually their West
German subsidiary)
Heavy construction self-propelled
cranes w/Odessa plant with capacity
up to 160 metric tons

WEST GERMANY
(Burda Moden) Women's Fashion Magazine (in Russian)
publishing
(Heinemann) Production of lathes and flexible
production modules w/Ordzhonikidze
plant of the Ministry of the Machine
Tool and Tool Building Industry
(Mineral Rohstoff Handel)
Production of ethylene glycol
w/Nizhnekamskneftkhim of the Ministry
of the Petroleum Refining and
Petrochemical Industry

LETTERS OF INTENT SIGNED OR BEING NEGOTIATED:

(According to a Soviet announcement in June 1986 more than 250 joint venture applications were received.)

With U.S.:

American Standard	Production of household bathroom fixtures
Babson Brothers	Automated dairy farms
Coca-Cola	Grape flavored soft drink production ?
Cooper Industries	Production of hard rock drilling machines
Eli Lilly	Coproduction of veterinary and pharmaceutical products
Felton	Food preservatives and aromatic additives
Gus Pech	Production of drilling equipment using Soviet chassis
Honeywell	Process controls
Merloni Progetti	1-Production of low-power electric motors for household appliance 2-Production of household irons w/steam and nonstick soles
Monsanto	Herbicide production plant
Moorman Manufacturing	"Mintrat-X" vitamin & mineral enriched protein feed additive production
National Steel Corporation	Production of pre-fabricated steel houses w/wooden frames
Norton	Negotiating w/Ministry of Light Industry porcelain tableware production
Proctor & Gamble	Detergent, toothpaste, skin and hair care products manufacturing
Sandoz Crop Protection Co	Crop protection chemicals
SSMC Inc (Singer)	Sewing machine production in Orsha
Turner Trading Co	Discussion of a possible joint venture which would involve selling U.S. films w/right of duplication and in return being paid in \$ and rubles.
Upjohn Corp	Pharmaceuticals
Westinghouse	W/SCST
Wolverine	Talks on the possibility of forming a joint venture to produce footwear as well as process leather

With East European Countries:

CSSR (Skoda Pilzen) With Uralmash engineering enterprise to design and supply technical equipment used in cold rolling of steel and nonferrous metals

Hungary (BHG Communications) With VEF Lenin Trust Riga to develop and produce microelectronic components

(Volanpack) With Littara Vilnius to produce packaging materials and packaging

(Tungstram) With Iskra Lvov to engineer and design lighting

With Western Countries:

Austria (Actual-Fenster) Plastic window frame production

(Andritz Ruthner) Production of clean iron oxide for use in the ferrite industry

(Fuchs & Co) Production of equipment for brick yards

(Nalco subsidiary of Nalco (US)) Design and manufacture sewage treatment plants

(Pioneer Overseas-subsubsidiary of Pioneer U.S.) Production corn hybrids and herbicides

Brazil (Braspetro) To extract and process oil in a third country

(Sucocitrico Cutrale, Cintrosuco, Cargill Agricola, and Swedish packaging company in Brazil Tetra Pak) Production of apple juice in Lipetsk for export to US and Europe. Hard currency earnings will be used to import orange juice.

Canada (Magestic) Production of electric-resistance welding machines

(Foremost Industries) Production of Yamal cross-country vehicle (70 t cargoes across swamps & snow)

Denmark (Danbrew) Production of alcohol-free beverages from grain w/Aldaris in Latvia

Egypt (Yasmina) Discussing production and marketing of cosmetics

Finland (Eka) Joint construction of a plant for reprocessing polymer wastes

(Taimi-Virman) Nursery in Tambov to produce commercial plants, herbs, and medicinal plants

(Valmet) Production of cores used in paper making

France(Bata) Modernization of footwear plants

(Creusot-Loire group: Usinor, Merlin Gerin, Stein Heurtey, Clesid) Production of new technologies for manufacturing machinery and automatic equipment for ferrous metallurgy and

(Pechiney Ugine Kuhlmann)
 Aluminum-based packaging materials
 production for use in food and
 cosmetics

(Rhone Poulenc) Agricultural Chemicals

(Yves Rocher) Production of perfumes ?

Greece (?) \$450 million dollar alumina plant in
 Greece.
 Plastics for Food Wrapping

India (Asian Vehicle
 Industries) Lada and Niva Production Facility

Italy (Ansaldo) Development and production of
 electronic drive units in Tbilisi

(Artsana) Production of Chicco brand knitwear
 in Kiev

(Comau of Fiat group)
 Production of flexible lines to
 assemble mechanical units and joints

(Diamond Service)
 Diamond-tipped cutting tools

(Eli Lilly-Elanco subsidiary of Eli-Lilly (US))
 Pharmaceutical production
 w/Minmedbioprom

(Elsag) . Automation systems production

(Fata) Cold Storage Refrigeration

(Ferrari) Italian-style restaurant in Moscow
 (two week trial)

(Gi&Gi & Giza) Plant to process Astrakhan pelts at
 Chimkent, Kazakhstan

(Giorgio Armani)
 Production of men's and women's
 ready-to-wear garments

(Italimpianti)
 Joint venture in third countries
 (India or China) to produce seamless
 steel tubes w/Paton Institute of
 Electric Welding

(Olivetti) Manufacture and market NC machine
 tools

(Otto Galli) Press molds and injection molding
 machinery used in turning out plastic
 footwear

(Sovplastital a mixed Soviet-Italian enterprise)
 Production of household plastic
 products

(Terzago) Discussing production of
 stone-working equipment

Japan (Amada) Production of sheet metal
 manufacturing machines

(Chori) Possible joint venture for production
 of computer equipment

(Fisheries Agency)
 Salmon hatching ?

(Mitsui) Fish processing plant in Soviet Far
 East

(Nissho-Twai) Exploitation of forestry resources in

Netherlands (Peja Holding)	1-Phosphate enhancing
	2-Synthetic fiber near Moscow
(Phillips)	1-Cooperation in the production of integrated circuit microchips
	2-Production of diodes
Spain (?)	Processing of 60,000 tons of waste paper into cardboard and paper
(Compania Telefonica Nacional de Espana)	Production of telephone sets and components
(Inagrisa)	Fertilizer production based on amino acids in Estonia
Sweden(Alfa Laval)	Production of separators for dairy industry
(ESAB)	Production of equipment for pressure welding of 114-530 mm diameter pipe
(Gotoverken Energy Systems)	Equipment to burn solid fuel, including wood waste and garbage
(Sandvik)	Advanced metal-cutting tool manufacture
(Tetra Pak)	To produce container and packaging materials in Uryupinsk, Volgograd region
Switzerland(Sandoz)	1-Cooproduction of herbicide for grain and corn
	2-Production of grease base, pigment paste, and shoe-care products
	3-Dies for coloring polyester and polyamides
(ASEA-Brown Boveri)	Production of cranes
UK (Disctec)	Compact disc production
(Lurmark)	Agricultural machinery - equipment used in the application of fertilizers and herbicides
West Germany	
(ASB)	Production of fertilizers
(Bayer)	Production of fungicides and insecticides in Ukraine & Uzbekistan
(Salamander)	Production of footwear in Leningrad (3 mn pairs by 1990) and Vitebsk
(Schiess)	Production and marketing of flexible production modules and machining centers in Krasnodar
(Walter)	Production of grinding machines and NC machine tools with Vitebsk enterprise
(Weidmuller)	Production of sparplugs, robots, and other automaking equipment w/Zil
(Wendt)	Production of grinding equipment for use with hard alloys
(Werner & Kolb)	Production of chain links, tool clamps, pallets, as well as machining centers at the machine plant in Gomel, Belorussia

TRI-COUNTRY ARRANGEMENTS

Belgium-Dutch-Soviet

(Ahlers Shipping-KNSM Kroonburgh-Latvian line)
Container shipping line

BANK AGREEMENTS SIGNED:

Austria (Zentralsparkasse and Kommerzialbank and Donau Bank) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Western business organizations

Finland (Kansallis-Osake-Pankki) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Finnish business organizations
(Osuuspankkien Keskuspankki Oy) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Finnish business organizations

France (Credit Lyonnais & Banque de l'Union Europeenne) With Gosbank and Vneshtorgbank to offer financial services to Soviet and French business organizations

Italy (Banca Commerciale Italiana & Mediocredito Centrale) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Italian business organizations

Scandinavian banks (Union Bank - Finland, Skandinaviska Enskilda Banken - Sweden, Bergen Bank - Norway, and Privatbanken A/S - Denmark) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Scandinavian business organizations

U.K. (Bank of Scotland, Morgan Grenfell & Co) With Moscow Narodny Bank Ltd to assist Soviet and foreign enterprises in the process of creating joint ventures in the USSR

West Germany (Bayerische Landesbank) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Western business organizations
(Deutsche Genossenschaftsbank) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Western business organizations
(Commerzbank) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Western business organizations
(Dresdner Bank) With Gosbank and Vneshtorgbank to offer financial services to Soviet and Western business organizations