

~~SECRET~~

10/22

Judge Clark: review from meeting on the subject - review agents
Casey: Field update - no fundamental change since last
meeting - discuss details (cont present, available)

NSC
6/18/82
East-West Sanctions

The target offense is still in effect, has already
occurred - Court did not need to any
further action to do - it's not too late
to stop the system in the target you believe
it's the better chance there is you can
do it - I think I believe evidence
from Bud to Guff via Alvin I

Baldwin: ... from ... to track
Signed before

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NLS M1311 #10

BY smf, NARA, DATE 11/3/05

Note: built on ...
of ...

Learn: ...
credits

~~SECRET~~

NSC Meeting
6/18/82

Judge Clark: review former meetings on this subject — overview agenda

Casey: intel update = no fundamental change since last meeting ... discuss details (can't prevent, can delay)

Eagleburger: State view = lift sanctions ... nobody likes pipeline ... can't be stopped ... can be delayed, but costs to us to do so (e.g., control of export credits) will be ~~higher than~~ ^{higher than} costs to Soviets

Weinberger: offense to allies, if it will happen, has already occurred — French won't limit credits any further whatever we do — it's not too late to stop the pipeline ... the longer you delay it, the better chance there is you can stop it ... [break — I deliver message from Bud to Geoff via Wilma]

Baldrige: ... favor grandfathering contracts signed before Dec 30th

Meese: build on yesterday's UN statement — keep sanctions & extend extraterritoriality as far as we can

Regan: conditional on allies working with us to limit credits

Feketeakuty: Brock favors lifting sanctions

Edwards: delay ^{lifting} until after election

President: decision not any easier — after coming from meetings in Europe, want to say something — today USSR more vulnerable than we've ever known it to be (said this there) — quiet diplomacy — time has come where someone in the world has to stand on principle ... which may convince Europeans to use quiet diplomacy — regardless of recession, don't see how we can retain any credibility if we fall back from this condition

Clark: (reads proposed directive)

President: mention Poland?

Wenberger: Poland & elsewhere

Eagleburger: has it been checked w/ lawyers?

Judge: let courts decide

Baldrige: consult w/ Hill?

Meese: extend to extent we can

Weinberger: extraterritoriality red herring ... burden on American companies to comply w/ American law — don't let leak as Bill said

Eagleberger: must tell embassies

Clark: work out language w/ Pres

President: any rebuttals

1. Lift the December 30, 1981 sanctions on oil and gas equipment exports to the USSR governed by existing contracts.
2. Maintain the December 30 sanctions as presently constituted.
3. Extend the December 30 sanctions to include subsidiaries and licensees of U.S. companies abroad.
4. Approve on an exceptional basis U.S. export licenses for the Sakhalin project.

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NLS 09/27/83

Review June 16, 1983

BY [signature] DATE 1/2/84

MEMORANDUM

NATIONAL SECURITY COUNCIL

June 17, 1982

~~CONFIDENTIAL~~

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: MICHAEL O. WHEELER *mw*

SUBJECT: Attendance List for the National Security Council Meeting, June 18, 1982 (U)

The following officials plan to attend the National Security Council Meeting which is scheduled for June 18, 1982, at 1:15 p.m. in the Cabinet Room. ~~(C)~~

The Vice President
Admiral Daniel J. Murphy (Chief of Staff to the Vice President)

State:
Under Secretary Lawrence Eagleburger
~~Mr. Robert Hormats~~ (Assistant Secretary for Economic Affairs)

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


Treasury:
Secretary Donald T. Regan *marc blair*

Commerce:
Secretary Malcolm Baldrige
Mr. Lionel Olmer (Under Secretary for International Trade)

Justice:
Deputy Attorney General Edward C. Schmultz

Energy:
Secretary James B. Edwards

CIA:
Mr. William J. Casey


OMB:
Mr. William Schneider, Jr. (Associate Director for National Security and International Affairs)

E.O. 12958
As Amended
Sec. 1.4c

~~CONFIDENTIAL~~

Review on June 17, 1983

DECLASSIFIED IN PART
NLS M/3/11/82
By AW, NARA, Date 11/8/95

~~SECRET/SENSITIVE~~

10/55

The President's concluding remarks at the National Security Council meeting, Friday, June 18, 1982:

The President: You have not made it a damn bit easier. Let me point out: I am very conscious that we must not shoot ourselves in the foot, but a greater principle is involved. During the final days of Versailles, when endless speeches were being made, I could not resist making a plea to the Allies. Today, I said, the Soviet Union is more vulnerable than ever, especially economically because of their military outlays and foreign adventures. They are literally starving their people to keep this up. They have even resorted to food rationing. I asked the Allies why could they not adopt a policy of showing to the Soviet Union that if there ever is a chance that they will give up the ideology or the religious bent for global hegemony, or even their fear ... They don't have to do this in the open. We can use quiet diplomacy; we must not issue an ultimatum which will make it impossible for them to give in. Instead, sit around a table and tell the Russians quietly, find out whether there is no way of improving the lot of Soviet people and end the strain, take some concrete deeds so that we can come forward and show what you can get for rejoining civilized people. But I got no support. France would not cooperate. Trudeau later made some unkind remarks about me. The Soviet Union has given us nothing but words to show that they will abandon the global Marxist state. The time has come for someone to stand on principle. Maybe the Allies will go to the Soviet Union. If the Soviet Union would only -- I said -- let Walesa out, and other Polish prisoners ... keep the military [in power], but open talks; that alone would be enough for us to make a complementary act. It would show them what happens when you are nice guys. But there were no takers. Not even Schmidt moved, and he has done as much close negotiating with the East as anyone. No one wanted to be a spokesman for this cause. So I have to say that we do have a recession, but we cannot retain credibility with our Allies who will say that we are all rhetoric and no action. The Soviet Union will say that my UN speech was all talk. Now in our arms talks with the Soviet Union, we are trying to get real reductions, we cannot fall back from this position. If they relent, for example, on emigration where they violate the Helsinki Accords (we have seven people living in the basement of the U.S. Embassy) ... So unless the Soviet Union takes action and shows us, then they can build their damn pipeline without our help. ... Stronger memo follows.

Casey: General Electric will get by in the world.

Clark: Stronger memo follows. We have three options: the one that tracks what you have just said Mr. President, I will read it out. Then Gergen will announce it in the next couple of hours to prevent leaks.

~~SECRET/SENSITIVE~~

DECLASSIFIED

NLRRF03-009 #10155

OV 1/MI NADA DATE 1/30/11

[Judge Clark then read the prepared option paper.]

DECEMBER 30, 1981 SANCTIONS ON OIL AND GAS
EQUIPMENT EXPORTS TO THE SOVIET UNION

I have reviewed the sanctions on the export of oil and gas equipment to the Soviet Union imposed on December 30, 1981 and have decided to extend these sanctions to include subsidiaries and licensees of U.S. companies abroad.

The objective of the United States in imposing the sanctions has been and continues to be to advance reconciliation in Poland through concrete measures: the lifting of martial law, release of political prisoners, and the reopening of a dialogue with Solidarity and the Church. Since December 30, 1981, little has changed concerning the situation in Poland. Martial law remains in effect, human rights are being violated, Lech Walesa is still in jail, Solidarity remains virtually outlawed and forced underground. The burden of valuable business foregone by American companies as a result of the sanctions has not been adequately shared by competing firms in allied countries. Unless our sanctions are extended to include subsidiaries and licensees the principal cost of enforcing our sanctions will continue to fall on U.S. firms. We will in effect be exporting more American jobs, allowing others to profit from our restraint. Although we have taken an important first step with our allies on our initiative to restrain officially-supported credits to the USSR, there remains a need for substantial progress in forging a unified position on more defined measures to accomplish this objective. In addition, we will continue actively to encourage the allies participating in the Siberian gas pipeline project to pursue non-Soviet energy alternatives.

The President: I have one comment about the statement. The specific references as to what they have not done in Poland means that they cannot give in. Maybe this should be crossed out. Better say that nothing has changed; if we mention what should be done, we almost foreclose the possibility of it being done. This should not be mentioned in public.

Weinberger: Omit the specifics but tie our actions to Polish events.

Eagleburger: As concerns the decision to extend the sanctions, have the lawyers checked this out? Our lawyers have serious doubts.

Clark: There are many opinions but this certainly may involve high-level litigation.

The President: Let us put the burden on our Allies.

Clark: The legal moves cannot be contemplated now.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name PIPES, RICHARD: FILES

Withdrawer

File Folder (NATIONAL SECURITY COUNCIL) NSC MEETINGS: NSC
06/18/1982 SANCTIONS

LOJ 5/11/2005

Box Number 3

FOIA

2003-009

SKINNER

67

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
10155	MINUTES	THE PRESIDENT'S CONCLUDING REMARKS AT NSC MEETING 6/18/1982 <i>R 6/9/2011 F2003-009/1</i>	3	ND	B1
10156	MEMO	DECISION RE NSC MEETING ON 12/30/81 SANCTIONS <i>R 6/9/2011 F2003-009/1</i>	1	6/16/1982	B1
10157	NSDD	DRAFT RE US POLICY TOWARD EASTERN EUROPE (DRAFT OF NSDD 54) <i>R 6/9/2011 F2003-009/1</i>	5	6/16/1982	B1
10158	MEMO	ROGER W. ROBINSON TO WILLIAM P. CLARK, RE RECIPROCAL... <i>R 6/20/2008 F2003-009</i> DOCUMENT PENDING REVIEW IN ACCORDANCE WITH E.O. 13233	1	6/22/1982	B1
10159	MEMO	CLARK TO THE PRESIDENT, RE NSC MEETING OF 6/18/82 <i>R 6/9/2011 F2003-009/1</i>	3	6/17/1982	B1
10160	TALKING POINTS	FOR 6/18/1982 NSC MEETING <i>R 6/9/2011 F2003-009/1</i>	1	6/17/1982	B1
10161	MEMO	CLARK TO PRESIDENT, RE EXTENSION... <i>R 6/20/2008 F2003-009</i>	2	6/22/1982	B1
10162	MEMO	ROBINSON TO CLARK, RE TALKING POINTS <i>R 6/20/2008 F2003-009</i>	1	6/22/1982	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]

C. Closed in accordance with restrictions contained in donor's deed of gift.

THE CABINET ROOM

Herbert
~~Herbert~~

Poindexter

Olmer

Darman

Kirkpatrick

Edwards

Eagleburger

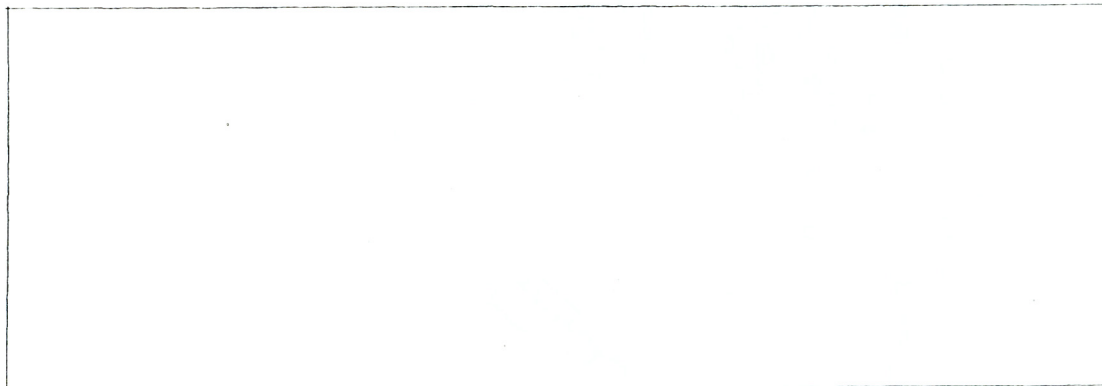
President Weinberger

Carlucci

Baldrige

Schnieder

Feketakuty



Vessey

Casey

Clark

Vice President

Regan

Meese

Baker

Deaver

Murphy

Gorman

McFarlane

Bailey

[^]
Martin

Robinson



Wolcott

DOOR

Kanatsu
(pipe layers)

- o Caterpillar Tractor (Chairman Lee Morgan)
- o General Electric (VP P.S. Peter)
- o Sen William Armstrong (R-CO) ... Senate Banking subcommittee

~~SECRET~~ Alsthom-Atlantique
(GE license ... turbine rotors)

o John Brown

NSC Meeting on the December 30, 1981 Sanctions
on Oil and Gas Equipment to the Soviet Union

In the NSC meeting of ~~May 24~~, the President ~~deferred a decision~~
on whether to ~~maintain, amend, or extend the December 30~~
~~sanctions until after the Versailles and Bonn Summits~~. Nevertheless,
he used the occasion of the meeting to indicate his general views
on this subject. Among the views expressed at the meeting were:

1. The purpose of the December 30 sanctions were to advance reconciliation in Poland through concrete measures.
2. The initiative on East-West credits is solely linked to consideration of extraterritorial controls on oil and gas equipment.
3. Concern that U.S. credibility would be undermined by relaxing the sanctions prior to substantial improvement in the Polish situation and a meaningful allied agreement on credits.
4. A desire to persuade the Allies to move forward with the development of North Sea gas reserves on an accelerated basis and to abandon the second strand of the Siberian gas pipeline.

While developments at the Summits remain fresh in the minds of the participants, the President wishes to once again review the credit initiative and the December 30, 1981 sanctions and decide on one of the following options:

- | <u>OK</u> | <u>No</u> | |
|-----------|-----------|--|
| _____ | <u>✓</u> | 1. Lift the December 30, 1981 sanctions on oil and gas equipment exports to the USSR governed by existing contracts. |
| _____ | <u>✓</u> | 2. Maintain the December 30 sanctions as presently constituted. |
| <u>✓</u> | _____ | 3. Extend the December 30 sanctions to include subsidiaries and licensees of U.S. companies abroad. |
| _____ | <u>✓</u> | 4. Approve on an exceptional basis U.S. export licenses for the Sakhalin project. |

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NLS M1311 #13

BY smj, NARA, DATE 11/8/05

~~SECRET~~
Review June 16, 1988

HAND CENTRAL
AMERICA 57.5
of which:
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United States 55.0



CENTRAL
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