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SECRET

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

SECRET

NSC Meeting

December 16, 1982 2:00 p.m. Cabinet Room

SUBJECT

U.S. Relations with the USSR

PARTICIPANTS

The President

The Vice President
Admiral Daniel Murphy

STATE

Deputy Secretary Kenneth Dam Mr. Robert Blackwell

TREASURY

Secretary Donald T. Regan Mr. Marc Leland

OSD

Secretary Casper Weinberger Deputy Secretary Frank Carlucci

AGRICULTURE

Secretary John Block

COMMERCE

Secretary Malcolm Baldridge

Mr. Lionel Olmer

OMB

Dr. Alton Keel

CIA

Mr. William Casey

USUN

Ambassador Jeane Kirkpatrick

JCS

General John Vessey

ACDA

Mr. Robert Gray

USIA

Mr. Charles Wick

WHITE HOUSE

Mr. Edwin Meese III Mr. James Baker III

Judge William P. Clark

Mr. Richard Darman

Rear Admiral John Poindexter

NSC

Dr. Richard Pipes

Colonel Michael O. Wheeler

#### Minutes

Judge Clark began the meeting by reviewing the course of the study on U.S.-Soviet relations and by noting that no decision was required at this point. He noted that there was disagreement on several issues, which would be discussed during the course of the meeting.

SECRET Declassify on: OADR

Deputy Secretary Dam was asked to discuss the study in detail. He pointed out that the differences could be viewed as relatively minor, given the scope of the study and the importance of the subject. All agree, he said, that U.S. policy should contribute to containing (and over time reversing) Soviet expansionism, should promote internal change in the Soviet system, and should involve negotiation where U.S. interest would be served by such an approach. He reviewed the major elements of the study, and then described the general areas of difference: (1) whether U.S. policy should have as a goal inducing the Soviets to shift resources from capital investment in heavy industry and related activities toward the consumer sector; (2) whether we should adopt as a goal refraining from assisting the Soviet in developing their natural resources; (3) and whether there should be boycotts on agriculture as part of total trade.

The President commented that he could save some discussion by pointing out that he had crossed out contentious lines on pages two and two/A of the draft National Security Decision Document [the President points to the lines] — they are provocative and should not be allowed to leak. The President stated that nothing should be in the paper that we don't want to tell the Russians; we know what our policy is if the situation calls for its implementation.

 $\frac{\text{Secretary Weinberger}}{\text{does not matter what}}$  agreed that if we are clar about our policy, it

The President pointed out that this approach would be what he always has thought of as a part of quiet diplomacy.

Secretary Weinberger cautioned that if something is taken out of the draft, however, some may interpret that to be a shift in policy.

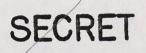
Secretary Baldridge was asked by <u>Judge Clark</u> if he had anything he wished to say. Secretary Baldridge proceeded to point out that he disagreed with Secretary Weinberger on the issue of refraining from assisting the Soviets with development of their natural resources. To do that would be to wage economic warfare. He pointed out that he thought interagency agreement had been reached to take this out of the drafts, and did not understand why it was in the paper.

<u>Judge Clark</u> stated that the general rule is that all significant disagreements should be placed on the table.

[At this point, the President received a note which informed him of the crash of an FBI aircraft in Ohio. He expressed his deep sympathy for the families, since there were four FBI agents involved with eleven children among them.]

Discussion continued among Dam, Weinberger, and Baldridge on the question of Soviet natural resource development. Judge Clark asked Secretary Regan if he wished to comment.

Secretary Regan shifted the discussion to the question of technology transfer, and pointed out that the paper was ambiguous in terms of not specifying whether high or low technology was intended.



The Vice President agreed that there were ambiguities in that area which could best be dealt with by leaving the section out.

Mr. Casey [inaudible]

Ambassador Kirkpatrick said she too was bothered by the ambiguous way in which technology was discussed in the paper. What, for instance, was meant by "critical" technology? She presumed that the central goal was to avoid helping the Soviets develop their military establishment.

Secretary Regan suggested that perhaps what was intended was "unique" technology, i.e., technology that the U.S. has but not its allies.

Secretary Baldridge interjected that the discussion showed how complicated the subject was, and that it needed clarification at the SIG. We cannot give business such ambiguous guidance.

At Judge Clark's request, <u>Dr. Pipes</u> pointed out that the word "critical" was not in the draft initially, but was added at State's insistence.

Secretary Weinberger, citing Ambassador Kirkpatrick's description of the central goal of controlling the transfer of technology, suggested that we should be examing all technology, and if that means that business goes abroad, so be it.

Deputy Secretary Dam asked Secretary Weinberger what would be accomplished if the Soviets could get the technology elsewhere. This discussion was continued, with Secretaries Weinberger and Baldridge participating, and with comments from Judge Clark and Ambassador Kirkpatrick.

The President summarized the discussion by saying that we should not facilitate a Soviet military buildup

After brief, related comments by Mr. Wick and Secretary Block,

Secretary Weinberger turned to the issue of securing allied cohesion.

That is an attractive goal, he said, but sometimes we pay an awful price to achieve it, and making it a course of action we are committed to may amount on occasion to preemptive capitulation.

General Vessey pointed out that sensitive technologies have been transfered in the past, and that our goal should be to insure that they are not transfered in the future.

The President summarized the discussion by noting what had been said and repeating that he did not want to compromise our chance of exercising quiet diplomacy.

Judge Clark asked if there were other comments, at which point <a href="Secretary Block">Secretary Block</a> shifted the discussion to the study document instead of the draft decision document. He began with the phrase "total boycott" on page thirty of the study, and suggested removing the phrase. He also referred to sections of page twenty-one, commenting that if what was being discussed on that page was the grain



embargo, he did not think it had been successful.

Secretary Weinberger countered that he thought there had been some effect from the grain embargo, across the board. Secretaries Weinberger and Block discussed this issue briefly, until Deputy Secretary Dam pointed out that the important qualifier "unified" had been in the study.

Ambassador Kirkpatrick turned the discussion to a different point, suggesting that on page four of the study, the phrase "...and friends who support us" should be added. She discussed specific examples of some Third World countries that we should give higher priority to helping because of their support for us in Third World forums. Secretary Dam agreed, but Deputy Secretary Carlucci questioned whether this meant if Brazil, for instance, opposes the U.S. position on an issue, that we would not help them in other areas.

Secretary Baldridge turned the discussion to a point of clarification, i.e., what is the policy on development of Soviet resources. Do we trade with them? Do we engage in economic warfare?

Secretary Weinberger said he presumed that decisions would be made on a case-by-case basis. He cited the example of the pipeling, which gets them \$10 billion per year in hard currency for practically no cost.

The President inserted that he wished to keep our options open.

Mr. Wick raised the question of what is meant by "strict reciprocity" on page six, giving the example of cultural exchange. Dr. Pipes explained the choices in this area, with Mr. Wick offering additional comments about whether we want to give them access that we are denied.

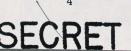
The President commented that many Soviets stay here when they come on tours.

Secretary Block added that it is to our benefit to have Soviets come to the United States and see the vast contrast in societies between theirs and ours. The discussion continued briefly, with Deputy Secretary Dam stating that the areas of the study dealing with exchanges could be reworked.

Judge Clark pointed out that time was up -- that no decisions had been reached, and that more drafting was in order.

The President concluded the meeting by thanking the participants for expressing their points of view, with the final observation that he thought the discussion had cleared the air a little.

Minutes Prepared by M. Wheeler



NSC Meeting
12/16/82
US Son Policy towned USSR

NLS MOI OIO#4

BY CIS NARA, DATE 7/3/03

SECRET 13C 2/16/82 wpc: (introductory temarks)... no decision today... disagreement on 3 points 3-Soviet Policy 05 pm Dam: defferences helatively minor given scope of the study - all agree (1) contain over time neverse (2) promote internal change (3) regotiations - (overview paper) - veas of différence: (1) induce USSIZ to shift resources capital -> consumer (2) refrain from assisting USSR w/ developing natural personnes (3) boycott on agil (part of total trade) Pres: I crossed out lines on pp 2:22A ... provocative and Don't want it to leak - there shouldn't be anothing in paper that we won't tell the Russians - we know what we d do if the situation wasanted it Weinborger: if we understand they're our policy, it doesn't Tres: this is rething into the area that I've always thought of a quiet deplomacy Weinberger if it's in proper é taken out, somei many feel it's a Shift in policy Baldridge: D disagree w/ Cap on issue of refraing from assisting wholevelopment of natural resources - to do that is to wage economic warfare -9 don't know why it's in paper When it was agreed to take it out

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were: because the disagreements should be placed on the table.

[Pres: note - a/c crash in Cin. - 4 FBI, 11 children among them]

Dan: (continue natural resources discussion) Weinberger: (ibid)

Dan ( lid) Baldridge : ( ibid)

Regan: best to leave this out until we clarify who we mean - high is low technology?

VP: leave it out

Casey: 4 (mumbled)

Kirlepatrick: I'm bothered by the ambiguity of
the treatment of technology
"critical" technology - central goal is
not to help the Soviets develop
their military establishment

Regan: "unique"? (US has it, allies don't)

Baldinge: this is such a complicated SECRET Subject, I think we should go

back to the SIG - can't give businesses an ambiguous statement

Pipes: "critical" not in draft-State demanded

Weinburger: Jean's central roal surgests we examine all technology - & Dresser Goes abroad, so be it

Dan: Cap, is it helping Soviel economy

of they can get it elsewhere

Weinberger: (trade var' cliscussion)
Baldridge:

WPC. vny neichbors brugin /amolsus because

Jenie

Pres: should not facilitate military brilling
Wich: C. 6 talks about "sensitive"
US technology SECRE

Block: concur w/ dropping two paragraphs

- think "critical" is OK

WPC: more?

Weinberger: 3rd footnote — allied cohesian vice,
but an awful price to pay for it

sometime — footnote contents to course
if action that could be "preemptive capitulation"

Brock: thes has said this already

Pres: reserve any option for our thinking -"... consider extreme measures."

Weinberger: Econnent on missing Pipes 1

Pres: comment on Wick's comment

Vessey: sensitive technologies have been transferred in the past... waske seem their not

WPC-Baldridge, (discussion of tractors)

WPC: concludes unless further...

Pres: acreed around table - don't compromise chance of quiet diplomacy

Block: study (030) has "total boycott"

-take out? ... on p. 21, if reference is
to grain embargo, we don't think it
was puccessful

Weinberger: 3 think there has been some effect, acress the board

Brock: p.22, 1st paragraph — "an't products"

Sount think it can have that

effect.

Dan: the important thing here is the qualification "unified"

Jenne: On O.4, 1st pana, would like to see us add the phrase "and friends who support..."— we should that some 3rd world countries better than those who don't

Dam: OK w/ ws

Carlucci: does this mean if Brazil apposes us on an issue, does this mean we want help them

Baldridge: I'm unclien on what happens vrow - what is our policy on Levelopment

Block: I think it is to own benefit to have them come here and see what we have

Dan: wid be glad to rework

-7-

WPC: more drafting - no decision

Res: cleared air a little

NSC 000 70 SECRET NSC meeting US Soviet Relations 16Der82 Judge - Introduced subject Dan - Overview of NSDO. Over - There shouldn't be anything in NSDO that we can't till the Sovieta. - or that we don't want to read in the pages. So I would delete items fortunted on pages 2 and 2A and so with agriculture wording on enbagoes. I support these ideas but don't want the in writing, Red called Senton and said we wanted Hollings and t. Cop - I have no problem in taking out words as long as one policy is whentood. Bolding - Having that as policy - saw as Dan - State opposes Regan - leave it out Cosey - ober language is broad enough

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to core.

Ribjetich - Their onlighty. Dot really have an item on high technology.

Baltiege - skorld uper inser om technology boeks to SIG.

Piper - "critical" was added by State.

Weibuge - it isn't a watter of words but a difference in philosophy.

Block - I agree that paragraph & on pages 2 and 2 A should be dropped.

and still signort trains total trade boyest out.

Cap - trade boycott - must not limit our options boul on allied cohesion.

President -

Block - page 30 of they - whe change as in NSDD

Tick - graze & of USDD refriends who less mes in opposing the Soviet Union.

Boldinge - pushed to set resolution of policy on ten at top of page 2A.

Presidt - well dete ite at top of page 2A and just keep our options open.

Wieh - we should restrict private cooperative exchanges and only authorize you't exchange.

Pipes - not legal rules com relate to

Clabs - no docision - needs more drafting.