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NSC
6/18/82
East-West Sanctions

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NLS M/311 #12

BY 2nd, NARA, DATE 11/3/15

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ISC Meeting
2/18/82

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 Geff 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

Secretary: Brock favors lifting sanctions

Edwards: delay ^{Lithia} 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

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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, rescind, 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 was 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> | |
|-----------|-----------|--|
| _____ | _____ | 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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Review June 16, 1988

BY dm DATE 11/8/05