

# Ronald Reagan Presidential Library Digital Library Collections

---

This is a PDF of a folder from our textual collections.

---

**Collection:** Bailey, Norman A.: Files  
**Folder Title:** East-West Trade  
(08/12/1982-08/16/1982)  
**Box:** 5

---

To see more digitized collections visit:

<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:

<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: [reagan.library@nara.gov](mailto:reagan.library@nara.gov)

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** BAILEY, NORMAN: FILES

**Withdrawer**

SMF 3/9/2010

**File Folder** EAST-WEST TRADE [08/12/1982-08/16/1982]

**FOIA**

F99-078/3

**Box Number** 5

ZUBER

37

| ID    | Doc Type | Document Description                                          | No of Pages | Doc Date  | Restrictions |
|-------|----------|---------------------------------------------------------------|-------------|-----------|--------------|
| 86811 | MEMO     | ROBINSON TO CLARK RE RECENT DEVELOPMENTS                      | 3           | 8/12/1982 | B1 B3        |
| 86812 | CABLE    | MOSCOW 09681                                                  | 1           | 8/11/1982 | B1           |
| 86813 | CABLE    | PARIS 27333                                                   | 1           | 8/11/1982 | B1           |
| 86814 | MEMO     | KIMMITT TO CLARK RE LEGAL CONSIDERATIONS OF PIPELINE DECISION | 1           | 8/12/1982 | B1           |
| 86815 | MEMO     | BAILEY TO CLARK RE LEGAL CONSIDERATIONS OF PIPELINE DECISION  | 1           | 8/9/1982  | B1           |
| 86816 | PAPER    | LEGAL CONSIDERATIONS PRESENTED BY PIPELINE EXPORT CONTROLS    | 6           | ND        | B1           |
| 86817 | PAPER    | LEGAL CONSIDERATIONS PRESIDENTED BY PIPELINE EXPORT CONTROLS  | 9           | 8/11/1982 | B1           |
| 86820 | MEMO     | ROBINSON TO POINDEXTER RE REPORT                              | 1           | 8/13/1982 | B1 B3        |

**The above documents were not referred for declassification review at time of processing**

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.

# WITHDRAWAL SHEET

## Ronald Reagan Library

**Collection Name** BAILEY, NORMAN: FILES

**Withdrawer**

SMF 3/9/2010

**File Folder** EAST-WEST TRADE [08/12/1982-08/16/1982]

**FOIA**

F99-078/3

**Box Number** 5

ZUBER

37

| ID    | Doc Type | Document Description                     | No of Pages | Doc Date  | Restrictions |
|-------|----------|------------------------------------------|-------------|-----------|--------------|
| 86818 | MEMO     | FROM CLARK RE PIPELINE REPORT            | 1           | ND        | B1 B3        |
| 86819 | MEMO     | ROBINSON TO BAILEY, ET AL RE REPORT      | 3           | 8/13/1982 | B1 B3        |
| 86821 | MEMO     | NAU TO CLARK RE STUDY ON EAST-WEST TRADE | 2           | 8/13/1982 | B1           |
| 86822 | CABLE    | RE STUDY                                 | 8           | 8/10/1982 | B1 B3        |

**The above documents were not referred for declassification review at time of processing**

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.

ESSAY

# Seven Pipeline Points

By William Safire

WASHINGTON, Aug. 11 — Here are seven arguments advanced by Europeans miffed at our refusal to help build their Siberian gas pipeline, followed by short doses of realism that have escaped U.S. Congressional doves:

1. *The gas pipeline is a private business deal that should not be blocked by cold war politics.*

Nonsense: Chancellor Helmut Schmidt, in the twilight of his power, is making this last-ditch attempt to impose the dead hand of détente on the East-West future. When Russians lose their capacity to export oil in a few years, it will need a new source of hard currency to finance purchases from the West. The Soviet-European pipeline deal would provide it more than \$10 billion a year. Mr. Schmidt's West German Socialists delude themselves that growing East-West trade will somehow make possible the reunification of Germany.

2. *Americans should have told us long ago that they opposed this deal — now it's too late.*

Our displeasure was made known over a year ago at the Ottawa summit meeting, and followed by a mission to Europe to dissuade the West Germans; these repeated warnings were treated with contempt. Finally, President Reagan publicly warned that unless the crackdown in Poland ended, "further steps" would be taken — but the Europeans didn't believe him.

3. *America's concern that this deal will make Europe subject to Soviet blackmail is misplaced — it will supply only 5 percent of total energy needs.*

Even the West Germans admit that the Russians will supply one-third of their natural gas in this deal; within the decade, that dependency will probably jump to one-half, concentrated in the home heating market. Only détente politics dictates this dependency: the needed gas could be developed from the North Sea instead.

4. *If you really wanted to punish Moscow, you would embargo your grain — why ask Europe to make a sacrifice America won't make?*

When America embargoed grain after the Soviet invasion of Afghanistan, Europe undercut that pressure by quadrupling its annual grain sales to the Soviet Union to two million tons. Europe profiteered on our embargo. When Mr. Schmidt made the grain-pipeline connection this spring, I asked the question that punctures that balloon: If America did embargo grain to help ease the pressure on Poland, would Europe drop the pipeline? The answer was a horrified "No!"

5. *America has no right to apply extraterritoriality to deals made by U.S. companies — if you want to do business in Europe, selling your licenses to our companies, you must abide by our laws.*

That charge turns truth on its head: the contracts made by U.S. companies with European concerns contain clauses that permit cancellation if the U.S. Government decides the deal is against our national interest. The Europeans are now threatening to breach these contracts, in effect ordering their companies to expropriate the U.S. technology on pipeline compressors. That would be a highly unfriendly act by the Europeans, demanding retaliation. Nor are we acting *ex post facto* — the issue has to do with the transshipment of our technology, which has not yet taken place.

6. *By denying the use of American technology, the U.S. may delay the pipeline for a couple of years — but won't stop it.*

If Mr. Schmidt and Mr. Mitterrand are so committed to making the biggest East-West trade deal in history that they are willing to risk a serious breach in the Atlantic alliance, that is their business: but the U.S. is not obligated to assist them in what we believe to be a fundamental mistake. As European nations are sovereign, so is the U.S.; and a two-year delay in the flow of hard currency to the Russians would be salutary.

7. *America is suffering a public relations defeat, alienating its allies without stopping the pipeline.*

The point of having an alliance is not merely to have an alliance — it is to act together in a common purpose. The purpose of NATO, for example, is to deter the Soviet Union from doing in West Germany what it has done in Afghanistan and Poland. If the West Germans consider it more important to strengthen their ties with the Russians than to maintain their ties with the Americans, then the "alliance" has become a hollow shell and we would do well to so recognize it.

A total of 350,000 U.S. servicemen are stationed in Europe to defend it from Soviet aggression. We have a right to object to actions by misguided allies that add to the power of our common adversary. If these serious objections are derided by foreign ministers who bluster about "divorce" and threaten to use our technology against our will, Europeans now taking us for granted may find themselves with a fine gas pipeline to the East and no umbilical cord to the West.

Anthony Lewis is on vacation.

PRESERVATION COPY

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i>     | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|---------------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86811     | MEMO<br><br>ROBINSON TO CLARK RE RECENT<br>DEVELOPMENTS | 3                            | 8/12/1982       | B1<br>B3                        |

The above documents were not referred for declassification review at time of processing

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.

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i> | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|-----------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86812     | CABLE<br><br>MOSCOW 09681                           | 1                            | 8/11/1982       | B1                              |

The above documents were not referred for declassification review at time of processing

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.

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

---

| <i>ID</i> | <i>Document Type</i>        | <i>No of</i> | <i>Doc Date</i> | <i>Restric-</i> |
|-----------|-----------------------------|--------------|-----------------|-----------------|
|           | <i>Document Description</i> | <i>pages</i> |                 | <i>tions</i>    |
| 86813     | CABLE                       | 1            | 8/11/1982       | B1              |
|           | PARIS 27333                 |              |                 |                 |

---

---

The above documents were not referred for declassification review at time of processing

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.

August 11, 1982

"EEC trade experts have been concerned over the U.S. Administration's bringing up controversial issues that have been considered settled. EEC Commissioner Karl-Heinz Narjes, who, as a Christian Democrat, is certainly no anti-Reaganite, says: 'In the 25 years I was involved in politics, there has never been a U.S. Administration beset by such a muddle of assignments and by such fierce intramural rivalries...'

"It is incomprehensible that Reagan does not prevent his Secretaries from escalating the U.S.-EEC conflict in such an arbitrary way....If the Federal Republic had not blocked, in the EEC Ministerial Council, everything that might lead to a trade war, such a war would already have occurred..."

#### On-Site Inspection of Pipeline Working Conditions?

Conservative Frankfurter Allgemeine reported today that a Christian-Democratic-Christian Socialist foreign affairs expert had called for an investigation of whether the Soviets were using slave labor on construction of the gas pipeline in Siberia, and that "he suggested that the Soviets accept on-site inspection by an international commission of trade unionists of the working conditions at the construction of the pipeline..."

#### U.S. Officials Call Steel Agreement "Practically a Failure"

West German TV Two's main newscast last night reported that "U.S. Government representatives" were saying that the U.S.-EEC agreement on steel exports was "practically a failure." The newscast reviewed the agreement and said the U.S. steel industry had rejected it.

#### "U.S. House Challenges Reagan"

Italian media today reported that the House Foreign Affairs Committee voted to rescind the Administration's embargo on material for the Siberia-West Europe gas pipeline.

Headlines on the story included: "Snipers Against Reagan" (conservative Il Tempo, Rome) and "Representatives Ignore Shultz Appeal...U.S. House Challenges Reagan" (leftist La Repubblica, Rome).

#### "Why the Europeans Are Protesting"

A byliner for centrist Resto del Carlino of Bologna wrote, "The Europeans are protesting because while Reagan wants to impose his restrictions he is selling billions of tons of American grain to the USSR. And the White House refrains from reminding them that in 1980, despite the Carter embargo, Moscow was able to receive all the American grain it needed through ghost firms created by Europeans which sold the grain to Brezhnev at high profits."

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i>                          | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|------------------------------------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86814     | MEMO<br><br>KIMMITT TO CLARK RE LEGAL<br>CONSIDERATIONS OF PIPELINE DECISION | 1                            | 8/12/1982       | B1                              |

The above documents were not referred for declassification review at time of processing

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.

a

**National Security Council  
The White House**

Package # 5100

82 AUG 9 10 02

|                 | SEQUENCE TO | HAS SEEN | ACTION   |
|-----------------|-------------|----------|----------|
| John Poindexter | _____       | _____    | _____    |
| Bud McFarlane   | _____       | _____    | _____    |
| Jacque Hill     | _____       | _____    | _____    |
| Judge Clark     | _____       | _____    | _____    |
| John Poindexter | <u>1</u>    | <u>✓</u> | _____    |
| Staff Secretary | _____       | _____    | _____    |
| Sit Room        | _____       | _____    | _____    |
| <u>KIMMITT</u>  | <u>2</u>    | _____    | <u>A</u> |

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

**DISTRIBUTION**

cc: VP   Meese   Baker   Deaver   Other \_\_\_\_\_

**COMMENTS**

*Any comment?*

# WITHDRAWAL SHEET

## Ronald Reagan Library

### Collection Name

BAILEY, NORMAN: FILES

### Withdrawer

SMF 3/9/2010

### File Folder

EAST-WEST TRADE [08/12/1982-08/16/1982]

### FOIA

F99-078/3

ZUBER

### Box Number

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i>                         | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|-----------------------------------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86815     | MEMO<br><br>BAILEY TO CLARK RE LEGAL CONSIDERATIONS<br>OF PIPELINE DECISION | 1                            | 8/9/1982        | B1                              |

The above documents were not referred for declassification review at time of processing

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.

I

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i>                        | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|----------------------------------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86816     | PAPER<br><br>LEGAL CONSIDERATIONS PRESENTED BY<br>PIPELINE EXPORT CONTROLS | 6                            | ND              | B1                              |

---

The above documents were not referred for declassification review at time of processing  
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.

Eastern Europe Imports\*  
(billions of dollars)

E-W T-

18

Source: CIA

|              | 1st Quarter 1981 | 1st Quarter 1982 |
|--------------|------------------|------------------|
| U.S.         | .770             | .342             |
| West Germany | 1.646            | 1.485            |
| U.K.         | .364             | .211             |
| France       | .574             | .388             |
| Japan        | .197             | .129             |
| Italy        | .259             | .242             |
| Canada       | .054             | .058             |
| Total**      | 5.219            | 4.030            |

---

\* Six CMEA countries, Poland, Hungary, Czechoslovakia, Bulgaria, Romania, East Germany (includes intra German trade).

\*\* Includes 19 OECD members

USSR IMPORTS  
(millions of dollars)

Source: CIA

|                             | 1980  |              | 1981  |              | 1981 1st Quarter | 1982 1st Quarter |
|-----------------------------|-------|--------------|-------|--------------|------------------|------------------|
|                             | Total | Agricultural | Total | Agricultural | Total            | Total            |
| U.S.                        | 2,081 | 1,314        | 2,310 | 1,587        | 827              | 1,371            |
| West Germany*               | 4,498 | 5            | 3,644 | 144          | 1,082            | 1,013            |
| France                      | 2,326 | 110          | 2,314 | 672          | 675              | 487              |
| Canada                      | 1,496 | 1,302        | 1,914 | 1,749        | 197              | 208              |
| U.K.                        | 1,467 | 3            | 1,193 | 11           | 433              | 236              |
| Japan                       | 2,730 | 1            | 3,076 | 1            | 879              | 1,121            |
| Italy                       | 1,438 | 105          | 1,393 | 39           | 356              | 409              |
| Belgium                     | 590   | 0            | 625   | 116          | 180              | 278              |
| Netherlands                 | 590   | 0            | 625   | 116          | 227              | 199              |
| Argentina                   | 1,790 | 1,671        | 3,297 | 3,143        | 504              | 435              |
| Total Industrialized West** |       |              |       |              | 7,156            | 7,346            |

\* Does not include West Berlin

\*\* Does not include Argentina



THE SECRETARY OF THE TREASURY

WASHINGTON  
AUG. 12 1982

10

*E-W T.*

UNCLASSIFIED  
(With Secret Attachment)

MEMORANDUM FOR THE VICE PRESIDENT  
THE SECRETARY OF STATE  
THE SECRETARY OF DEFENSE  
THE SECRETARY OF AGRICULTURE  
THE SECRETARY OF COMMERCE  
THE ATTORNEY GENERAL  
THE DIRECTOR, OFFICE OF MANAGEMENT  
AND BUDGET  
CHAIRMAN, COUNCIL OF ECONOMIC ADVISORS  
ASSISTANT TO THE PRESIDENT FOR  
NATIONAL SECURITY AFFAIRS  
ASSISTANT TO THE PRESIDENT FOR  
POLICY DEVELOPMENT  
UNITED STATES TRADE REPRESENTATIVE  
DIRECTOR OF CENTRAL INTELLIGENCE

SUBJECT Senior Interdepartmental Group on  
International Economic Policy (SIG-IEP)

Attached is an analysis of the legal issues raised by U.S. controls on exports of oil and gas goods and technology to the Soviet Union. This analysis reflects the shared views of the appropriate senior legal officers of the State, Defense, Commerce and Treasury Departments, as well as the views of the Office of Legal Counsel of the Justice Department and incorporates portions of earlier memoranda prepared by the Departments of State, Commerce, and Treasury.

*151 j. Skelton*  
for David E. Pickford  
Executive Secretary

Attachment

UNCLASSIFIED  
(With Secret Attachment)

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i> | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|-----------------------------------------------------|------------------------------|-----------------|---------------------------------|
|-----------|-----------------------------------------------------|------------------------------|-----------------|---------------------------------|

86817 PAPER

9 8/11/1982 B1

LEGAL CONSIDERATIONS PRESIDED BY  
PIPELINE EXPORT CONTROLS

The above documents were not referred for declassification review at time of processing  
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.

## NATIONAL SECURITY COUNCIL

August 13, 1982

INFORMATION

MEMORANDUM FOR JOHN POINDEXTER

FROM: ROGER W. ROBINSON *RWR*

SUBJECT: Forced Labor on Siberian Gas Pipeline

As per our discussion yesterday, please find attached (Tab I) the revised press guidance for this emerging issue. The original State version is also attached (Tab II). This revision has been cleared by Cary Lord and Elliott Abrams.

## Attachments

Tab I Revised Press Guidance  
Tab II State Version

cc: Bob Sims  
Cary Lord  
Henry Nau  
Jim Rentschler  
Norman Bailey  
Dick Pipes  
Al Meyer

13)  
August 13, 1982

Labor on Siberian Pipeline

Q: Do you have any comment on reports that the Soviet Union is using political prisoners to build the Siberian pipeline?

A: We are aware of these reports and are actively looking into this question. The Soviets do use prisoners from Gulag camps as forced labor on priority projects, and we are therefore deeply concerned that these reports are plausible. There have also been reports that thousands of Vietnamese are being brought to the Soviet Union to work, under conditions which warrant close international scrutiny. The use of such labor, whether on the pipeline or elsewhere, represents a serious abuse of human rights that should not be ignored.

ISS GUIDANCE

*Roger - This is not  
a particularly strong  
opener! Mort*

August 11, 1982

EUR 32

Labor on Siberian Pipeline

Q: Do you have any comment on reports that the Soviet Union is using political prisoners to build the Siberian pipeline?

A: We have heard rumors to this effect, but have not substantiated them. We are looking into the question. It should be noted that as a matter of standard procedure, the Soviets use prisoners from labor camps on many projects involving large amounts of manual labor.

Drafted: EUR/SOV: RHarms <sup>AM</sup>  
8/11/81 x29369 1113

Cleared: EUR/SOV: KYalowitz  
EUR/SOV: RECombs  
EUR: JDScanlan  
HA: HSimon  
EA/VLK: DHalsted  
INR/SEE: I Belousovitch <sup>SR</sup>

} by AM

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i> | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|-----------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86820     | MEMO<br><br>ROBINSON TO POINDEXTER RE REPORT        | 1                            | 8/13/1982       | B1<br>B3                        |

The above documents were not referred for declassification review at time of processing

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.

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i> | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|-----------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86818     | MEMO<br><br>FROM CLARK RE PIPELINE REPORT           | 1                            | ND              | B1<br>B3                        |

The above documents were not referred for declassification review at time of processing

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.

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

---

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i> | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|-----------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86819     | MEMO<br><br>ROBINSON TO BAILEY, ET AL RE REPORT     | 3                            | 8/13/1982       | B1<br>B3                        |

---

The above documents were not referred for declassification review at time of processing  
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.

MEMORANDUM

VIA LDX

38

THE WHITE HOUSE  
WASHINGTON

August 13, 1982

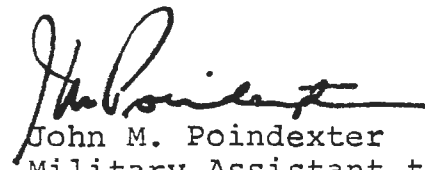
*Bailey*

MEMORANDUM FOR L. PAUL BREMER III  
Executive Secretary  
Department of State

*E-WT*

SUBJECT: Press Guidance

Attached is the NSC approved Q&A on Siberian pipeline labor.  
This should be used in place of earlier State-proposed  
guidance.



John M. Poindexter  
Military Assistant to the  
Assistant to the President for  
National Security Affairs

Attachment

bcc: Roger Robinson  
Bob Sims  
Mort Allin

34  
August 13, 1982

Labor on Siberian Pipeline

Q: Do you have any comment on reports that the Soviet Union is using political prisoners to build the Siberian pipeline?

A: We are aware of these reports and are actively looking into this question. The Soviets do use prisoners from Gulag camps as forced labor on priority projects, and we are therefore deeply concerned that these reports are plausible. There have also been reports that thousands of Vietnamese are being brought to the Soviet Union to work, under conditions which warrant close international scrutiny. The use of such labor, whether on the pipeline or elsewhere, represents a serious abuse of human rights that should not be ignored.

## NATIONAL SECURITY COUNCIL

August 13, 1982

INFORMATION

MEMORANDUM FOR JOHN POINDEXTER

FROM: ROGER W. ROBINSON *RWR*

SUBJECT: Forced Labor on Siberian Gas Pipeline

As per our discussion yesterday, please find attached (Tab I) the revised press guidance for this emerging issue. The original State version is also attached (Tab II). This revision has been cleared by Cary Lord and Elliott Abrams.

## Attachments

Tab I Revised Press Guidance  
Tab II State Version

cc: Bob Sims  
Cary Lord  
Henry Nau  
Jim Rentschler  
Norman Bailey  
Dick Pipes  
Al Meyer

EUR X

ASS GUIDANCE

*Roger - This is not  
a particularly strong  
opener! Mort*

August 11, 1982

Labor on Siberian Pipeline

Q: Do you have any comment on reports that the Soviet Union is using political prisoners to build the Siberian pipeline?

A: We have heard rumors to this effect, but have not substantiated them. We are looking into the question. It should be noted that as a matter of standard procedure, the Soviets use prisoners from labor camps on many projects involving large amounts of manual labor.

Drafted: EUR/ SOV: RHarms <sup>AM</sup>  
8/11/81 x29369 1113

Cleared: EUR/ SOV: KYalowitz  
EUR/ SOV: RECombs  
EUR: JDScanlan  
HA: HSimon  
EA/ VLK: DHalsted  
INR/ SEE: I Belousovitch <sup>SC</sup>

2  
THE WHITE HOUSE  
WASHINGTON

Cathy,

Next under are the "bcc's"  
then pkg #5646 which is  
taken care with the Poindexter  
to Bremer (LDX'ed this p.m.).

klm, 8/13

NATIONAL SECURITY COUNCIL

original was tubed --  
urgently requested by  
Poindexter

✓  
HW

X3  
305

National Security Council  
The White House

Package # 5646

82 / 0 / 0 / 1 / 75

|                 | SEQUENCE TO | HAS SEEN | ACTION   |
|-----------------|-------------|----------|----------|
| John Poindexter | <u>1</u>    | <u>J</u> | <u></u>  |
| Bud McFarlane   | <u>2</u>    | <u>m</u> | <u>A</u> |
| Jacque Hill     | <u></u>     | <u></u>  | <u></u>  |
| Judge Clark     | <u></u>     | <u></u>  | <u></u>  |
| John Poindexter | <u>3</u>    | <u></u>  | <u></u>  |
| Staff Secretary | <u></u>     | <u></u>  | <u></u>  |
| Sit Room        | <u></u>     | <u></u>  | <u></u>  |

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

DISTRIBUTION

cc:   VP   Meese   Baker   Deaver   Other

COMMENTS

Bud,

I would like to send revised guidance to State. Their first try is not good enough. Elliot Abrams is reported to be upset his guy cleared the first version. I sh

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

---

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i>     | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|---------------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86821     | MEMO<br><br>NAU TO CLARK RE STUDY ON EAST-WEST<br>TRADE | 2                            | 8/13/1982       | B1                              |

---

The above documents were not referred for declassification review at time of processing

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.

16

TAB  
A

1

1

# WITHDRAWAL SHEET

## Ronald Reagan Library

*Collection Name*

BAILEY, NORMAN: FILES

*Withdrawer*

SMF 3/9/2010

*File Folder*

EAST-WEST TRADE [08/12/1982-08/16/1982]

*FOIA*

F99-078/3

ZUBER

*Box Number*

5

37

| <i>ID</i> | <i>Document Type</i><br><i>Document Description</i> | <i>No of</i><br><i>pages</i> | <i>Doc Date</i> | <i>Restric-</i><br><i>tions</i> |
|-----------|-----------------------------------------------------|------------------------------|-----------------|---------------------------------|
| 86822     | CABLE<br><br>RE STUDY                               | 8                            | 8/10/1982       | B1<br><br>B3                    |

The above documents were not referred for declassification review at time of processing

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.