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WITHDRAWAL SHEET

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Collection Name EUROPEAN AND SOVIET AFFAIRS DIRECTORATE, NSC : **Withdrawer**
RECORDS JN 2/22/2019
File Folder USSR 1983-1984 (5) **FOIA**
~~E17-038~~ F17036
Box Number 6 SNYDER
7

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
227689	AGENDA	RE: LIBYA	1	12/2/1983	B1
227815	MEMO	MCFARLANE TO RR RE: EXPORT CONTROLS, LIBYA AND USSR	4	ND	B1
227819	PAPER	RE: EXPANSION OF FOREIGN POLICY EXPORT CONTROLS ON U.S. EXPORTS DESTINED TO LIBYA	4	ND	B1
227823	PAPER	RE: NATIONAL SECURITY CONTROLS ON OIL AND GAS EQUIPMENT EXPORTS TO THE SOVIET UNION	3	ND	B1
227824	LIST	OIL AND GAS EQUIPMENT AND TCHNOLOGY PROPOSED FOR COCOM CONTROL	1	ND	B1
227825	TALKING POINTS	RE: USSR EXPORT CONTROL ISSUE	1	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]
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227689

System II
91422*Sommer (revised)*

MEMORANDUM

NATIONAL SECURITY COUNCIL

December 1, 1983

~~SECRET~~ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: ROGER W. ROBINSON
DONALD FORTIERSUBJECT: NSC Meeting on Export Controls: Libya and
USSR, Friday, December 2, 11:00 a.m., Cabinet
Room*1. TY COB*
2. File USSR
S

At this meeting we will be treating two related but, at the same time, distinct export control issues. We have attempted to structure your briefing memorandum to the President (Tab I) in a manner which lays out these complex issues as clearly as possible. Our initial view of some way combining these issues would have proved confusing, so your memo is essentially two memos in one. Also attached are an agenda (Tab A) and your talking points (Tab II).

The President does not necessarily have to decide on these issues immediately following the meeting so we have an opportunity to assess the agency positions and determine whether specific decisions are indicated. This will probably be the case concerning Libyan export controls.

RECOMMENDATION:

That you sign the memorandum to the President at Tab I.

Approve _____ Disapprove _____

Attachments

Tab I	Memo to President
	Tab A Agenda
	Tab B State Paper
	Tab C Commerce Paper
Tab II	Talking Points
Tab III	Participants

cc: Tyson, Matlock, Sommer, Cobb, McMinn, Wettering

DECLASSIFIED

NARA Guidelines, August 23, 1987
JN NARA Date 2/25/2017~~SECRET~~

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227689 AGENDA

1 12/2/1983 B1

RE: LIBYA

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227815	MEMO MCFARLANE TO RR RE: EXPORT CONTROLS, LIBYA AND USSR	4	ND	B1

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NATIONAL SECURITY COUNCIL MEETING

Friday, December 2, 1983
11:00 a.m. - 12:00 noon
Cabinet Room

AGENDA

Introduction of Libya Agenda Item (4 Minutes) . . .	Robert McFarlane
Presentation of Libya Export Control Issue . . . (5 Minutes)	George Shultz
Discussion (20 Minutes)	Principals
Introduction of USSR Agenda Item (3 Minutes)	Robert C. McFarlane
Presentation of USSR Export Control Issue (5 Minutes) . .	Malcolm Baldrige
Discussion (20 Minutes)	Principals
Conclusion (3 Minutes)	Robert C. McFarlane

DECLASSIFIED
White House Guidelines, August 20, 1997
JN NARA, Date 2/25/2019

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DECLASSIFY ON: OADR

United States Department of State

Washington, D.C. 20520

System II Add-on
91312

November 30, 1983


~~SECRET~~MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSE

Subject: Controls on U.S. Exports to Libya

Attached is a paper describing a proposal for the expansion of foreign policy export controls on U.S. exports destined to Libya for discussion in the NSC meeting on Friday, December 2. This proposal was developed by an interagency working group in response to Judge Clark's memo of September 9. This proposal has not yet received final endorsement by all agencies represented on the working group.

Charles Hill
Executive Secretary

Attachment: As stated.

Dept. of State **DECLASSIFIED**
~~White House Guidelines, August 23, 1997~~
~~IN~~ NARA, Date 2/25/2019

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DECL: OADR

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ID	Document Type Document Description	No of pages	Doc Date	Restric- tions
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227819 PAPER

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ND

B1

RE: EXPANSION OF FOREIGN POLICY EXPORT
CONTROLS ON U.S. EXPORTS DESTINED TO
LIBYA

Freedom of Information Act - [5 U.S.C. 552(b)]

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UNITED STATES DEPARTMENT OF COMMERCE
Office of the Secretary
Washington, D.C. 20230

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURES

JN
2/25/2019

November 30, 1983

MEMORANDUM FOR: Honorable Robert C. McFarlane
Assistant to the President
for National Security Affairs

SUBJECT: National Security Council Meeting on
Export Controls

Bob Kimmitt requested by memorandum of November 28 that Commerce prepare a paper on oil and gas controls for the USSR.

Attached is our paper for the NSC discussion on this item.

A handwritten signature in cursive script, appearing to read "Mac".

Secretary of Commerce

Attachment

AUTOMATICALLY DECLASSIFIED UPON
REMOVAL OF SECRET ATTACHMENT.

DECLASSIFIED
Under House Guidelines, August 28, 1997
JN
NARA, Date 2/25/2019

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227823	PAPER RE: NATIONAL SECURITY CONTROLS ON OIL AND GAS EQUIPMENT EXPORTS TO THE SOVIET UNION	3	ND	B1

Freedom of Information Act - [5 U.S.C. 552(b)]

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227824	LIST OIL AND GAS EQUIPMENT AND TCHNOLOGY PROPOSED FOR COCOM CONTROL	1	ND	B1

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227825 TALKING POINTS

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RE: USSR EXPORT CONTROL ISSUE

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NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

December 27, 1983

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: TYRUS COBB *TC*

SUBJECT: Renewal of U.S.-USSR Housing Agreement

Attached at Tab I is a memorandum for you from State outlining the pros and cons of extending the U.S.-USSR Agreement on Cooperation in the Field of Housing. State notes:

- The Agreement was one of 11 science agreements signed between 1972 and 1974 and was renewed for the first time in 1979. While we have allowed three agreements to lapse (space, energy, and science and technology), our policy has been not to dismantle the broad framework of scientific agreements with the USSR.
- This agreement provides particular benefits to the U.S., including extensive private sector involvement and technical insights into construction practices in cold climatic zones. There is also some potential for commercial transactions in the future.
- HUD and State both agree that the Agreement should be extended for another five years and that no changes are needed in the Agreement. No formal action is needed to extend the Agreement, but a decision to terminate would have to be taken by December 28 of this year.

Jack Matlock recommended approval of the State/HUD position to extend the Agreement.

RECOMMENDATION

That you authorize the transmittal of the Kimmitt-Hill memorandum attached at Tab II allowing the Agreement to be automatically extended.

Approve _____ Disapprove _____

Attachments:

Tab I State's memorandum, December 23, 1983
Tab II Proposed Kimmitt to Hill memorandum

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White House Guidelines, August 22, 1997
JN
NARA, Date 2/22/2009



8339328

United States Department of State

Washington, D.C. 20520

December 23, 1983

~~CONFIDENTIAL~~MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSESUBJECT: Renewal of the US-USSR Agreement on Cooperation in
the Field of Housing and Other Construction

The US-USSR Agreement on Cooperation in the Field of Housing and Other Construction expires on June 28, 1984. According to the text of the Agreement, it will automatically be extended for five years unless either party notifies the other of its intent to terminate it not later than six months prior to the expiration date. Therefore, we need to notify the Soviets no later than December 28, 1983, if we do not desire to renew the Housing Agreement.

BACKGROUND

The Housing Agreement, which was one of eleven science agreements signed during the summit meetings held between 1972 and 1974, was renewed for the first time on June 28, 1979. The Executive Agencies for the Agreement are the Department of Housing and Urban Development (HUD) and the State Committee for Construction Affairs. As part of the President's response to the imposition of martial law in Poland, three of these original eleven agreements (space, energy, and science and technology) were allowed to expire in 1982. Negotiations for renewal of a fourth agreement (transportation) were cancelled due to the downing of the KAL airliner. Consistent with our policy as presented in NSDD-75 not to dismantle the framework of science exchanges with the Soviet Union, we have extended the bilateral agreements in agriculture (1982) and atomic energy (1983).

It is the assessment of HUD that the Housing Agreement should be extended for another five-year period based on the extensive private sector involvement in the program and that sector's support of the activities, the technical benefits to the American participants (particularly in the areas of construction in permafrost regions, earthquake-zone construction, fire-preventive coatings for wood and other fire-resistant techniques, and the use of large-scale research models), and the future commercial potential for export of American goods and services to the Soviet housing industry. HUD does not believe that any changes are needed in the text of the Agreement.

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Authority: DOS Waiver

BY JN NARA DATE 2/25/2019

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DECL: OADR

DECLASSIFIED IN PART

NLRB

BY

NARA DATE

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STATE'S VIEWS

The Department concurs in the assessment of HUD that the Agreement should be renewed for another five-year period without modifications in the text. Soviet administrators involved in the Agreement have indicated privately their interest in seeing it renewed.

The Housing Agreement is unique among our bilateral science agreements with the Soviets in the amount of private sector involvement in the activities. Renewing the Agreement will permit the private participants to continue cooperation at little cost to the U.S. Government. The scientific and technical benefits to the private housing industry and the intelligence gain to the USG from the regularly-filed trip reports were seriously taken into account in our decision to support extension of the Agreement.

An extension provides the Department with flexibility to adjust our policy toward the Soviet Union in response to future shifts in the political climate. The activities under the Housing Agreement are one aspect of the cooperative side of our relationship with the USSR which can be kept sensitive to the overall political situation. We already follow this approach under other agreements where we are continuing with certain routine exchanges, particularly in areas relating to health, pollution control, and particle physics.

The Housing Agreement affords visiting American specialists opportunities not otherwise available to gain access to Soviet scientists and facilities and to keep informed of Soviet developments in basic housing research. The Housing Agreement, as with the other bilateral science agreements, provides opportunities for our visiting researchers to engage in informal dialogue with their Soviet counterparts concerning U.S. positions on a range of issues effecting US-Soviet relations, and in the process, disseminate these views among an influential strata of Soviet society.

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STATE'S RECOMMENDATIONS

State recommends that the USG allow the Housing Agreement to be extended automatically on December 28, 1983, and notify the Soviets informally of our decision after that date.

Charles Hill
Executive Secretary

Attachments:

1. EUR/IG Report on the Renewal of the US-USSR Agreement on Cooperation in the Field of Housing and Other Construction
2. HUD Assessment of the Agreement
3. US-USSR Agreement on Cooperation in the Field of Housing and Other Construction

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EUR/IG REPORT ON THE RENEWAL OF THE US-USSR
AGREEMENT ON COOPERATION IN THE FIELD OF
HOUSING AND OTHER CONSTRUCTION

The US-USSR Agreement on Cooperation in the Field of Housing and Other Construction expires on June 28, 1984. Under the terms of Article VII, the Agreement will automatically be extended for five years unless either party notifies the other of its intent to terminate it not later than six months prior to the expiration date. We will need to notify the Soviets no later than December 28, 1983, if we do not intend to renew the Housing Agreement.

The Agreement, which was one of eleven science agreements signed during the summit meetings held between 1972 and 1974, was renewed for the first time on June 28, 1979. The Executive Agencies for the Agreement are the Department of Housing and Urban Development (HUD) and the State Committee for Construction Affairs. As part of the Administration's response to the imposition of martial law in Poland, three of these agreements (space, energy, and science and technology) were allowed to expire in 1982. Negotiations for renewal of a fourth agreement (The US-USSR Agreement on Cooperation in the Field of Transportation) were cancelled due to the KAL shootdown, thereby allowing that agreement to expire. Consistent with our policy not to dismantle the framework of exchanges with the Soviet Union, we have extended bilateral agreements in agriculture (1982), atomic energy (1983), and are currently considering the extension of a Memorandum of Cooperation between the National Bureau of Standards and the Soviet Academy of Sciences.

The most fruitful areas of cooperation for American participants under the Housing Agreement have been the following:

-- Utility Systems. Study of Soviet municipal waste water treatment, and use of ozone in water treatment; packaged small to medium size water and waste water treatment plants for possible use by small U.S. communities; use of plastic pipes for water supply systems (a concept still under investigation in the U.S.); and, district heating systems in cities, and district heating from nuclear power plants.

-- Building Materials and Components. Study of Soviet use of structural and mathematical models for research, particularly in the area of seismic design and construction of concrete and masonry buildings; scale modeling of heating,

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ventilation and air conditioning of buildings; technology of construction in cold-weather areas; effects of insulation in different climatic regions; and, the use of light-weight concrete.

The Soviets have benefited from the program largely in terms of the information gathered concerning construction techniques in the US. Research areas where HUD officials believe the Soviets have gained the most are inter alia waste water treatment technology, reinforced masonry design, environmental engineering technologies in buildings, and insulating materials and plastics (an area of likely commercial interest in the Soviet Union for purchase of US materials or plants).

SUMMARY CONCLUSIONS AND AGENCY RECOMMENDATIONS

The assessment of the program by HUD indicates:

-- US private sector participation in and support for the program have greatly bolstered the exchanges, with the private sector being the prime beneficiary of the results. Businesses and other private organizations have contributed two to three times the Government amount of staff and financial resources to the operation of the bilateral program.

-- The Agreement has been of technical and professional benefit to the US side, particularly in research in construction in permafrost areas, earthquake-zone construction, fire-preventive coatings for wood, and other fire-resistance techniques, district-size and integrated utility systems, low-energy use designs and technologies, and the use of large-scale models for research during the design stage.

-- The Agreement may open areas of commercial potential for export of American goods and services to the Soviet housing industry.

HUD, as presented in the attached assessment, recommends that the Agreement be renewed without modifications of the text for a period of five years.

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~~CONFIDENTIAL~~

-3-

State recommends allowing the Agreement to be extended automatically for another five years. State agrees with HUD that there is no need to modify the existing language of the Agreement. We plan to tell the Soviets informally of our decision after December 28.

The Housing Agreement is unique among our bilateral science agreements with the Soviets in the amount of private sector involvement in cooperative activities. Renewing the Agreement will permit these private participants to continue cooperation with their Soviet counterparts at little cost to the U.S. Government. The technical benefit to the private housing industry and the intelligence gain to the USG are the primary reasons that State supports a five-year extension.

In line with the policy directive NSDD-75, State believes that while we should continue to monitor the overall level of S&T exchanges in response to Soviet actions, we should not further dismantle the framework which now exists. As in our other S&T exchange programs, the activities conducted pursuant to the Agreement scientifically benefit HUD programs, afford our visiting scientists access to Soviet specialists not otherwise available, and keep Americans abreast of developments in Soviet construction techniques.

The Committee on Exchanges (COMEX), the Environmental Protection Agency, the US Department of Agriculture, and the Department of Defense support the extension of the Housing Agreement for five years as proposed by HUD.

Other agencies offered no comment.

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U.S./U.S.S.R. HOUSING AND CONSTRUCTION AGREEMENT:

AN ASSESSMENT

I. EXECUTIVE SUMMARY

The U.S./U.S.S.R. Agreement on Housing and Other Construction is just completing its second five-year phase. The U.S. must notify the U.S.S.R. by December 28 if it does not wish to have the Agreement automatically renewed. In anticipation of this decision, the U.S. Department of Housing and Urban Development (HUD) has conducted a review of the over-all Agreement in the six original Working Group areas. One, on New Towns, has completed its work. Of the five remaining, two have been very active, with significant private sector involvement: Utility Systems and Building Materials.

As a result of its own internal review and a survey of over sixty private sector participants, HUD has concluded that the Agreement should be renewed. This decision results from a weighing of benefits and costs of the Agreement and an understanding of how it can be made more effective, by focusing on more clearly defined technical areas.

While there are few broad general areas of Soviet technology with immediate application to the U.S., several specific areas have been singled out by American private-sector participants as useful to them in the industry's developmental work. These include, among others, construction in permafrost areas, earthquake zone building, fire-preventive coatings for wood, and other fire-resistance techniques, district-size and integrated utility systems, low energy use designs and technologies, and the use of large scale models for research in design. Experts in HUD and other participating agencies generally concur in this identification.

^

While it is impossible to measure the total flow of technical information in either direction, HUD recognizes the larger and more complex U.S. technological base offers the Soviets more access and a greater potential to benefit. Under this agreement the U.S. has benefited in a number of the projects, while the U.S.S.R. has benefited in others. HUD has attempted to ensure a mixture of projects which would yield a balanced outcome--with some benefiting the U.S. side and some the U.S.S.R. The latter benefits are necessary for the Soviets to continue the exchange in good faith.

In the technical/commercial area, HUD believes that the value of the Agreement to the U.S. is two-pronged: in fields where Soviet technology has something of interest, the U.S. gains expertise; where Soviet technology is weak and where exchanges can allow Americans to demonstrate the superiority of their product, a climate favorable to American marketing can be created in the U.S.S.R.

The professional, societal, and personal benefits of the program are very high.

Some of the past exchanges have lacked focus, and discussions in general have received more emphasis than site visits, to the consternation of some of the American participants. However, definite improvements have recently been made towards the end of a more substantive exchange. The success of the program will depend upon how well these recent trends are followed through by the Soviet side, with the U.S. setting a high standard.

On the basis of its recent review, HUD is in a position to enter into a new period, with a much leaner program and a more highly focused effort. If

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the Agreement is renewed HUD will convene the project leaders from government and business to develop a more productive project structure for early planning with the Soviets.

II. BACKGROUND

The Agreement on Cooperation in the Field of Housing and Other Construction, signed on June 28, 1974, is one of ten agreements signed by the United States and the U.S.S.R. between 1972 and 1974. Although the Agreement has been in effect for about nine years, active project work has been underway for only seven, with an initial renewal in 1979.

To identify and implement projects of interest to the U.S. and to evaluate information received from the U.S.S.R., the Department of Housing and Urban Development established six Working Groups. Each has a Soviet counterpart and they are

- Building Design and Construction Management;
- Utility Systems;
- Building Materials and Components;
- Construction in Seismic Areas;
- Building for Extreme Climates and Unusual Geological Conditions;
- New Towns.

The American working groups are largely composed of experts from industry, selected universities, technical and trade associations, and private design and engineering firms. Staff from the Department of Housing and Urban Development, the National Bureau of Standards, the General Services Administration, the U.S. Army Corps of Engineers, the U.S. Department of Agriculture,

and the Forest Service manage several projects and support others. During the last five years there have been 27 specific projects.

In most of the projects, the most significant involvement and the largest benefits have been in the private sector. As a consequence, businesses and other private organizations have contributed two to three times the government amount of staff and financial resources to the operation of the bilateral exchange effort.

Earlier this year HUD deemed it important to know the opinions of Americans who have participated in the program. Delphi Research Associates, a HUD contract organization, was asked to survey a substantial number of former and current participants in the program for their evaluations of the exchanges. This survey was designed to weigh the candid reactions of Americans who travelled to the Soviet Union or who received Soviet delegations in the U.S. Its findings are one important element to be considered in deciding whether the Agreement should be continued and how, if it is, the exchange program might be made more effective and more beneficial to the U.S.

That review has given expression to the views of over sixty key participants in the form of written evaluations, telephone interviews, informal letters, published articles, and trip reports. Many of the documents resulting from the various study trips and joint seminars are a matter of public record and have been incorporated into this summary.

III. ASSESSMENT

A. Technical Benefits to the U.S. Side

The technical benefits to the U.S. side have been moderate, ranging from

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very useful in some fields to nonexistent in others. It is generally agreed that American building and construction techniques are superior to those of the Soviets, and that while this suggests the possibility of commercial potential to the U.S. (with the U.S.S.R. as a possible market), there is little in the area of broad technical applications or systems to be learned from the Soviets. Benefits to the U.S. on a general basis have been largely in such areas as the scope on which planning is done, the use of full-scale models for testing, and the generally very high quality of Soviet theoretical work. Production and installation standards fall way below their U.S. counterparts.

However, it is clear the U.S. side has benefited in certain specific areas--either from the point of view of learning directly from Soviet technology, or learning from the process of comparison itself. Below are examples from two of the most active working groups. Their results are generally paralleled in the other groups.

For Working Group 10.02 ("Utility Systems"), the following areas have been singled out as instances where Soviet advances were of interest and benefit to the U.S. side:

Water Supply

- Municipal waste water treatment, and use of ozone in water treatment;
- Packaged small to medium size water and waste water treatment plants (a weak point in the infrastructure of small communities in the U.S.);
- Sludge treatment (the U.S. needs to improve efficiency in this area, and Soviet technologists have made some inroads);

- Use of plastic pipes for water supply systems (this is seen as a health hazard in the U.S., but has not been proven to be so);
- Water conservation methods, and sizing of tubing in distribution systems;
- Innovations in utility systems, such as pear-shaped pipes.

Energy

- Roadway lighting techniques;
- Theory (though not necessarily practice) on energy conservation;
- Use of peat and oil shale in generating energy;
- District heating systems in cities, and district heating from nuclear electric power plants.

For Working Group 10.03 ("Building Materials and Components"), the following areas were likewise seen to be of benefit to the U.S. side:

Design

- The use of structural and mathematical models for research--particularly in the area of seismic design and construction of concrete and masonry buildings;
- Discussions of the pro's and con's of novel approaches to design;
- Procedures for generating design;
- Scale modeling of heating, ventilation and air conditioning of buildings;
- Model experimental communities in suburbs.

Building Technology

- Technology of construction in cold-weather areas;
- Standardization of practices in industrial construction;
- Handling of material (especially moving and yard storage);
- Fire-protection coating for wood;
- Effects of insulation in different climatic regions;
- The use of light-weight concrete.

N
M

The Soviets have developed very novel and successful techniques in creating 8' x 8' utility tunnels containing most utility services for the neighborhoods being developed; other highlighted areas are fire resistance and the so-called "box form" of construction which yields entire prefabricated rooms made of one unit of gypsum walls--a system which does not exist in the U.S.

The benefits have been uneven among the project teams, but HUD has attempted to insure that there be a balance, so that the number of projects of greater benefit to the U.S. be equal to or greater than those of primary importance to the Soviets.

In defining areas of future joint research in Working Group 10.03 of benefit to the U.S. side, HUD has singled out four areas in which the U.S. could benefit: concretes and cements, fire resistance approaches, wood use, and industrialized building systems.

In addition to these areas, there is important intangible advantage in knowing more directly the strengths and weaknesses of Soviet techniques, particularly as a means of dealing with the U.S.S.R. as a potentially attractive market for U.S. products, licenses, or turn-key operations (the last two being more likely). While Soviet building techniques may have little direct application in the U.S. building trade, it can be of great benefit to U.S. firms working in Third World countries, where specifications and standards are different from those in the U.S.

B. Technical Benefits to the Soviet Side

Soviet technicians have probably benefited generally from the program in

the information gathered. The U.S. technological base offers greater opportunity for information exchange than the Soviet one. There are doubts, however, about the ability of skilled Soviet technicians to put that information to use within a cumbersome system resistant to innovation. Americans' appraisals of their Soviet counterparts are respectful of their theoretical skills, but consider that poor workmanship often undermines the appearance and completion of even the finest engineering schemes.

✓ Areas where the Soviet side may have benefited from the exchange were

- Reinforced masonry design;
- Waste water treatment technology;
- Wood construction (the U.S. side also benefited in this area);
- Electrical distribution technology;
- Consideration of economic forces when engaging in building projects;
- Techniques for testing wood products and for improved production procedures;
- HVAC control systems and energy conservation in buildings;
- Environmental engineering (HVAC) technologies in buildings;
- Insulating materials and plastics (an area of likely commercial interest in the U.S.S.R. for purchase of U.S. materials or plants);
- General discussion on method and approach, which most U.S. delegates felt were of greater benefit to the Soviets than to the Americans;
- Single family housing technology and utilities.

C. Commercial Potential for the U.S.

The inherent paradox of the program is seen by American businessmen as largely favorable to the U.S. side: where the Soviets have something to

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teach, the U.S. enhances its own technology; where the Soviets trail behind U.S. technology, the U.S. can use the exchanges to prepare them as a potential market. Because the Soviet system is cumbersome in adopting innovations, information imparted does not necessarily lead to a true technology transfer, but rather serves to convince the Soviets of American superiority in certain technical areas. This in turn creates the potential for commercial transactions of benefit to the U.S.

D. Professional and Personal Benefits

On this point, the American participants are nearly unanimous: Eighty-five percent of those polled feel that the program was of considerable benefit, and a majority of those rank the experience as "highly rewarding."

A selection of comments from private and government sector participants follows in Appendix 1 of this report.

Though a handful of U.S. participants have expressed doubts about the value of the program, the overwhelming majority feel that it is important to maintain a dialogue with the Soviet side and, as one participant said, "to keep the political, professional, and social doors open."

IV. CONCLUSION

Although HUD recommends that the Agreement continue, there are ways in which the overall program could be better managed in the future. Project areas need to be redefined to eliminate unproductive ones. Certain deficiencies must also be corrected at the project procedure level. It is expected that early negotiations with the Soviets in the new period would result in constructive changes; the Soviets have expressed similar needs for changes.

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The following aspects of the program need attention:

- The reluctance of the Soviets to show their laboratories and building sites, usually out of embarrassment;
- The difficulty in maintaining ongoing communications with the Soviets and in sustaining professional relationships;
- The slowness in establishing a communication network in the U.S. for the speedy dissemination of findings and materials resulting from the meetings;
- The overemphasis on cultural activities and non-specific professional discussions, to the detriment of a true exchange of technical expertise on focused topics;
- The devotion of too much time to theoretical discussions and not enough to technical site visits.

It is noted, however, that steps have already been taken by the Soviets to make the exchange more responsive to U.S. delegate needs. A recent trip report for Projects 1.1 and 1.2 of Working Group 10.02 indicates that "the visit was a good 'new start' . . . Expectations were clarified and good will was demonstrated by both sides . . . there appeared to be a greater degree of mutual trust; freedom of movement and program flexibility were very apparent." During the June, 1983, trip to U.S.S.R., the 10.03 Working Group of Project 3.1 observed that there was more open discussion than ever before regarding the Soviet weaknesses in industrialized building systems, and an official acknowledgement of a need for more focused discussions.

The Protocol signed on June 23, 1983, by the Soviet and American delegation leaders reads, "it was agreed that future visits will no longer take the form of familiarization tours of a general nature, but will be related only to activities pertaining to specific cooperative projects."

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Appendix 2 to this report provides a list of areas which, if well managed, would be of benefit to the U.S. side. The U.S. can now build on the learning experience of recent teams to enhance the benefits in a new Agreement period. The judgments of the two most recent, largely private, U.S. delegations to travel to the Soviet Union (May and June 1983) support this position. Their expressed views are compatible with the following HUD conclusions:

- ✓
- 1) The Agreement has been of technical and professional benefit to the U.S. side;
 - 2) U.S. private sector participation in and support for the program have greatly bolstered the program, and the private sector has also been the prime beneficiary of the results;
 - 3) The Agreement, if continued, may open up areas of commercial potential for the U.S., for export of goods and services;
 - 4) Past weaknesses are susceptible to improvement;
 - 5) Continuation of the Agreement for another two to four years would be necessary to fully realize the potential of several current projects.

Therefore, HUD recommends the renewal of the Agreement, with the condition that early discussion be held with the Soviet working group and project leaders to streamline the work plan and increase the effectiveness of exchange visits.

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APPENDIX 1

Selected personal comments from American participants of the private and government sector: —

Specific technical answers are not the point of these meetings: what is useful is the discussion of common technical problems with people from a different culture and social background. . . . As the general U.S. political stance becomes more insular, and relations with the U.S.S.R. deteriorate, it becomes more important to maintain relationships on the technical level where the interest in the subject transcends political attitudes. If we don't continue these kinds of exchanges we will end up talking only to ourselves and becoming more and more complacent.

- Christopher Arnold
Developer

It expands the professional horizon, stimulates new ideas and approaches, and, properly applied and exploited, is bound to be beneficial to both sides. . . . Direct exposure to the workings--and shortcomings--of another system is indispensable for sober appraisals and unbiased judgments of a given situation without prejudice, and without being influenced by political or media slogans or propaganda.

- Ernst Kremeyer
Export Consultant

Increased contact and interchange is the best way to overcome Soviet xenophobia. . . . At no time in the past has it been more imperative to promote technology exchanges with the Soviets. This program should be increased, for socio-political reasons.

- John Harrison
Engineer

I gained insights into the research environment in the U.S.S.R. which I have been able to share with my colleagues. These have had some useful effects on the way

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I view my own work. Also, I formed or strengthened working relationships with members of the U.S. team.

- Dr. Geoffrey Frohnsdorff
National Bureau of Standards

The shortcomings of the Soviet economic system became apparent. However, their visits to the U.S. help to dispel the false image their propaganda gives of the U.S. . . . I felt sorry for the Russians, the way they live. Even if the program had no commercial or technical benefit to the U.S.--and I believe it did--it seems to me we ought to help people so they can live better.

- Ion Caloger
Engineer

My impressions have been almost totally positive as to the importance of this Agreement to the United States. The private sector participants who gave of their valuable time to participate in this meeting, and others who do the same at other times, would not do so unless they believed in the value of their contributions. There have been and undoubtedly will be technical gains. Those gains may not be spectacular, but they are real. The technical advances aside, though, the people-to-people, builder-to-builder relations are invaluable.

- Shirley McVay Wiseman
Deputy Assistant Secretary
U.S. Department of Housing and
Urban Development

APPENDIX 2

Future areas of exchange which would benefit the U.S. side, including areas already explored which the American participants feel should be developed further:

10.02 Utility Systems

Water Supply

- Problems in the installation and maintenance of small water-treatment plants;
- Sludge treatment, its ultimate disposal and beneficial use;
- Protection of drinking water sources against contamination;
- Water conservation in public and private buildings;

Energy

- Lighting techniques, especially public roadway lighting and mass transit;
- District heating and cogeneration;
- Synthetic fuels for urban use.

Other

- Urban transit--an area where the Soviets have much to teach the U.S.;
- Service continuity and reliability in utilities;
- Conservation techniques--resource recovery and recycling (bio mass, agricultural residue, forest residue);

10.03 Building Materials and Components

Materials

- Reinforced plastics and roofing materials with the Soviet Chemicals Ministry included in the Agreement;

- A⁰
- Soviet use of aggregates in mixing cement;
 - Use of plastics in piping systems for drain, waste, and vent systems;
 - Studies of flame spread, smoke generation, and toxicity of building materials.

Design and Procedure

- Building diagnostics, its use in facilitation of building design procedure;
- Research management;
- Mathematical modeling as a tool in construction research;
- Standardization of practice, and safety standards.

Other

- Techniques for construction in cold regions, with comparisons between conditions in Alaska and Siberia;
- Low-energy dwellings;
- Thermal electric technology and insulation;
- Worker training, manpower, and manpower utilization;
- Welding technology;

AGREEMENT BETWEEN
THE UNITED STATES OF AMERICA AND
THE UNION OF SOVIET SOCIALIST REPUBLICS
ON COOPERATION
IN THE FIELD OF HOUSING AND OTHER CONSTRUCTION

The United States of America and the Union of Soviet
Socialist Republics;

Desiring to develop cooperation in the field of housing and
other construction;

Realizing that a more effective application of new and tra-
ditional building materials and techniques can contribute to more
rational utilization of the resources available to both countries;

Desiring to exchange information and techniques in the field
of housing and other construction;

Believing that cooperation in the field of housing and other
construction offers benefits for both the United States of America
and the Union of Soviet Socialist Republics;

Convinced that such cooperation will serve to contribute to
the improvement of relations between the two countries;

Noting cooperation already being implemented in these areas
under existing agreements, and in accordance with the General
Agreement between the United States of America and the Union of
Soviet Socialist Republics on Contacts, Exchanges, and Cooperation,
signed June 19, 1973; ^[1]

Have agreed as follows:

¹ TIAS 7649; 24 UST 1395.

ARTICLE I

The Parties will develop and carry out cooperation in the field of housing and other construction on the basis of mutual benefit, equality and reciprocity.

ARTICLE II

This cooperation will be directed to the investigation and solution of specific problems of mutual interest in the field of housing and other construction.

Initially, cooperation will be implemented in the following areas:

- a. innovative techniques for the improvement of life safety, reliability, quality, and economy of buildings and building materials including: organization and management of construction, new methods and materials, and the improved use of traditional methods and materials;
- b. performance criteria for housing and other construction in seismic areas with special consideration of the impact of geophysical conditions;
- c. improvement of construction methods in areas of extreme climatic conditions, such as cold and arid regions, including techniques for erection and finishing of buildings under sustained freezing, and foundation construction under unusual soil conditions;
- d. services to housing and other buildings, including water supply, waste disposal, heating, lighting, and ventilation, with special reference to combined utility functions; and
- e. planning, design, and construction of new towns.

Other areas of cooperation may be added by mutual agreement.

ARTICLE III

Cooperation pursuant to this Agreement may be implemented by the following means:

- a. exchange of experts, advanced students and delegations;
- b. exchange of scientific and technical information and documentation;
- c. conducting joint conferences, meetings and seminars;
- d. joint development and implementation of research programs and projects; and
- e. other forms of cooperation which may be mutually agreed upon.

Such cooperation shall be conducted in accordance with the constitution and applicable laws and regulations of the respective countries.

ARTICLE IV

In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, facilitate and monitor the development of cooperation and direct contacts between agencies, organizations and firms of the two countries, including the conclusion, as appropriate, of implementing agreements for carrying out specific projects and programs under this Agreement.

ARTICLE V

1. For the implementation of this Agreement, there shall be established a US-USSR Joint Committee on Cooperation in Housing and Other Construction. This Committee shall meet, as a rule, once a year alternately in the United States and the Soviet Union, unless otherwise mutually agreed.

2. The Joint Committee shall take such action as is necessary for the effective implementation of this Agreement, including, but not limited to, approval of specific projects and programs of cooperation, designation of appropriate agencies, organizations, and joint working groups to be responsible for carrying out cooperative activities; and making recommendations, as appropriate, to the Parties.

3. Each Party shall designate its Executive Agent which will be responsible for coordinating and carrying out this Agreement, and, as appropriate, in their respective countries, shall assure the cooperation of other participating institutions and organizations. During the period between meetings of the Joint Committee, the Executive Agents will maintain contact with each other and will coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

4. Unless an implementing agreement contains other provisions, each Party or participating institution, organization or firm shall bear the costs of its participation and that of its personnel in cooperative activities engaged in under this Agreement.

ARTICLE VI

Nothing in this Agreement shall be interpreted to prejudice other agreements between the Parties or their respective rights and obligations under such other agreements.

ARTICLE VII

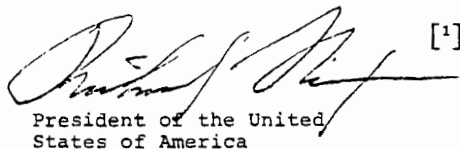
1. This Agreement shall enter into force upon signature and remain in force for five years. It will be automatically extended for successive five year periods unless either party notifies the other of its intent to terminate this Agreement not later than six months prior to the expiration of this Agreement.

2. This Agreement may be modified at any time by mutual agreement of the Parties.

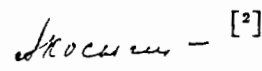
3. The termination of this Agreement shall not affect the validity of implementing agreements concluded under this Agreement between interested agencies, organizations and firms of the two countries.

DONE at Moscow on June 28, 1974, in duplicate in the English and Russian languages, both texts being equally authentic.

FOR THE UNITED STATES
OF AMERICA:

 [1]
President of the United
States of America

FOR THE UNION OF SOVIET
SOCIALIST REPUBLICS:

 [2]
Chairman of the Council
of Ministers of the USSR

¹ Richard Nixon
² A. Kosygin

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

9315
S/S 8339328

~~CONFIDENTIAL~~

MEMORANDUM FOR CHARLES HILL
Executive Secretary
Department of State

SUBJECT: Renewal of the U.S.-USSR Agreement on Cooperation
in the Field of Housing and Other Construction

We have reviewed your memorandum of December 23 and agree with the Department of State assessment that the U.S.-USSR Agreement on Cooperation in the Field of Housing and Other Construction should be extended for another five years and that no notification of intent to terminate the agreement should be given.

Robert M. Kimmitt
Executive Secretary

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED
White House Guidelines, August 28, 1997
NARA, Date 2/25/2019

THE WHITE HOUSE
WASHINGTON

January 30, 1984

Call
File

47
Sov.-Amer.
Rel.

Dear ~~Mr. Hammer~~: *Armand*

Thank you for your kind letter on my recent speech on Soviet-American relations. As you noted, the world's two greatest powers must continue to communicate, and, while our systems have profound differences in basic philosophical values, our dialogue can highlight areas of common interests and strengthen the possibilities for mutual cooperation.

In view of your years of experience in dealing with Moscow, I value your insights on our policy toward the Soviet Union. I hope you will stay in touch with Secretary of State George Shultz, and my National Security Advisor, Robert C. McFarlane.

Sincerely,

Ron

Mr. Armand Hammer
Chairman and Chief Executive Officer
Occidental Petroleum Corporation
10889 Wilshire Boulevard - Suite 1500
Los Angeles, California 90024

THE WHITE HOUSE

WASHINGTON

January 28, 1984

1984 JAN 30 AM 3:22
0472

ACTION

MEMORANDUM FOR THE PRESIDENT

FROM: ROBERT C. MCFARLANE
SUBJECT: Presidential Response to Letter from
Armand Hammer

Issue

A letter from you to Armand Hammer, Chairman and Chief Executive Officer of Occidental Petroleum, responding to his recent letter to you.

Background

Armand Hammer has written to you, expressing praise for the tone and content of your speech on Soviet-American relations. He also indicates that he would be available to provide us with special insights on the Soviet leadership, with whom he has dealt from the days of Lenin.

Discussion

Your response expresses thanks for Hammer's kind words and encourages him to communicate with our Soviet experts at State and the NSC. It does not propose a special role for him as intermediary, nor does it invite him to see you at this time.

Recommendation

OK No

lf That you sign the letter to Hammer at Tab A.

Attachment

Tab A - Letter to Armand Hammer

Prepared by:
Tyrus Cobb

cc: Vice President

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

January 23, 1984

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: TYRUS COBB *Tuc*SUBJECT: Presidential Response to Letter from
Hammer**SIGNED**

Armand Hammer has written to the President praising the speech on Soviet-American relations and offering his services, presumably as an intermediary or as an individual who can provide background information on the Soviet leadership.

The President's letter expresses thanks for Hammer's kind words and encourages him to communicate with our Soviet experts at State and the NSC. It does not propose a special role for him as intermediary, nor does it invite Hammer to see the President at this time.

JS-
Jack Matlock, John Lenczowski, Chris Lehman and Sven Kraemer concur. Speechwriters have cleared.

RECOMMENDATION

That you sign the memo to the President at Tab I, forwarding the Presidential letter to Hammer for his signature.

Approve _____

Disapprove _____

Attachments

Tab I - Memo for the President

Tab A - Presidential Letter for Signature

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NATIONAL SECURITY COUNCIL

January 23, 1984

TO: JULIE CAVE
SPEECHWRITERS

FROM: TY COBB
NSC

May I please have your comments/
changes on the attached package
ASAP.

Thanks,

Jeanne Hickie (for TC)
X5076

1-30-84

DSC/s:

Okay to dispatch

C

WHITE HOUSE STAFFING MEMORANDUMDATE: 1/17/84 ACTION/CONCURRENCE/COMMENT DUE BY: _____SUBJECT: Letter from Armand Hammer

	ACTION FYI			ACTION FYI	
VICE PRESIDENT	<input type="checkbox"/>	<input type="checkbox"/>	McFARLANE (original)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
MEESE	<input type="checkbox"/>	<input type="checkbox"/>	McMANUS	<input type="checkbox"/>	<input type="checkbox"/>
BAKER	<input type="checkbox"/>	<input type="checkbox"/>	MURPHY	<input type="checkbox"/>	<input type="checkbox"/>
DEAVER	<input type="checkbox"/>	<input type="checkbox"/>	OGLESBY	<input type="checkbox"/>	<input type="checkbox"/>
STOCKMAN	<input type="checkbox"/>	<input type="checkbox"/>	ROGERS	<input type="checkbox"/>	<input type="checkbox"/>
DARMAN	<input type="checkbox"/>	<input checked="" type="checkbox"/> P SS	SPEAKES	<input type="checkbox"/>	<input type="checkbox"/>
FELDSTEIN	<input type="checkbox"/>	<input type="checkbox"/>	SVAHN	<input type="checkbox"/>	<input type="checkbox"/>
FIELDING	<input type="checkbox"/>	<input type="checkbox"/>	VERSTANDIG	<input type="checkbox"/>	<input type="checkbox"/>
FULLER	<input type="checkbox"/>	<input type="checkbox"/>	WHITTLESEY	<input type="checkbox"/>	<input type="checkbox"/>
HERRINGTON	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
HICKEY	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>
JENKINS	<input type="checkbox"/>	<input type="checkbox"/>	_____	<input type="checkbox"/>	<input type="checkbox"/>

REMARKS:

- For appropriate action.

RESPONSE:

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JAN 17 1984

OCCIDENTAL PETROLEUM CORPORATION

10889 WILSHIRE BOULEVARD • SUITE 1500

LOS ANGELES, CALIFORNIA 90024

(213) 879-1700 • (213) 477-0066

ARMAND HAMMER
CHAIRMAN AND
CHIEF EXECUTIVE OFFICER

January 16, 1984

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

As I watched your thoughtful and momentous remarks this morning, my immediate reaction was that you, far more eloquently than I, were expressing everything I have ever believed about relations between the U.S.S.R. and the United States.

I have been committed to this for many years, sometimes with success and sometimes sounding like a voice in the wilderness.

But if the world's two greatest powers cannot communicate, then the future is too awful to contemplate and I have always felt that the most lasting gift we could leave future generations was the absence of the threat of nuclear holocaust.

As we all must in public life, I have, on occasion, been attacked for my views by those who fail to understand that these two great powers simply must come to some terms. I have often said that while we don't buy each others ideology there is no reason why we have to settle our differences by threat of war. As the last one left who knew Lenin, I have some extra standing with the Soviets, although they well remember that I am always an American first and that at the time of the Hitler-Stalin pact, took strong measures to assist President Roosevelt in the British Destroyer-For-Bases negotiations.

With all this background I have some further thoughts which I think could be helpful to you and would bring some concrete results in the near term as a logical follow-up to your speech. As you may know, I was in Russia in December, but my planned visit with Mr. Andropov was called off because of his illness. However, he did send word to me that I would be among the first visitors he would receive when he was well again.

6m
The President
Page Two
January 16, 1984

When I was in Washington last week at Premier Zhao's reception and the White House Treaty ceremony, I had the chance to briefly speak about Russia and some other ideas I have with Secretary Shultz and Secretary Block, offering my services wherever they will be helpful. I also expressed to Ed Meese the hope that when your schedule permits, we might have the chance to talk privately both on the Soviet leadership and the future, as well as on my role as Chairman of your Cancer Panel.

Congratulations on this newest presentation of our foreign policy. I am sure it will be welcomed not only by our people, but by peoples all over the world.

Respectfully,

Armand Hammer

AH:tbs

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DRAFT PRESIDENTIAL LETTER TO ARMAND HAMMER

Dear Mr. Hammer:

Thank you for your kind letter ~~commenting~~ ^{noted} on my recent speech on Soviet-American relations. As you ~~indicate~~ the world's two greatest powers ~~simply~~ must continue to communicate, and,

^{while} although our ~~two~~ systems have profound differences in basic philosophical values, ^{one} ~~this~~ dialogue should serve as the arena ^{can highlight the} ~~where our differences are aired and contested.~~ ^{area of common interest, and strengthen the potential for mutual}

^{cooperation.}

In view of your years of experience in dealing with Moscow, I ^{insights} ~~especially~~ value your ~~positive~~ comments on our policy toward the Soviet Union. ~~Given your intimate knowledge of the Soviet leadership,~~ ^{hope} I ~~encourage~~ ^{will} you to stay in touch with my ~~principal~~ ^{advisors on Soviet policy.} [Secretary of State, George Shultz, and the National Security Advisor, Robert C. McFarlane.]

Sincerely,

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