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WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name MATLOCK, JACK: FILES

Withdrawer

JET 5/25/2005

File Folder SOVIET UNION: TRADE 3/5

FOIA

F06-114/11

Box Number 37

YARHI-MILO

3701

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions	
11737	MEMO	PIPES TO CLARK RE EUROPEAN INVOLVEMENT IN BUILDING IN SOVIET UNION THE WORLD'S LARGEST SULFUR PLANT PAR 7/15/2008 NLRRF06-114/11	1	11/18/1982	B1	B3
11743	CABLE	161936Z NOV 82 (SAME AS 18892)	1	11/16/1982	B1	
11744	CABLE	282314Z DEC 82 D 7/15/2008 NLRRF06-114/11	1	12/28/1982	B1	B3
11738	MEMO	LENCZOWSKI TO MCFARLANE RE VISAS TO SOVIET "TRADE UNIONISTS" R 4/14/2011 F2006-114/11	1	4/18/1984	B1	
11741	MEMO	HILL TO MCFARLANE RE VISIT OF THREE SOVIET NATIONALS TO THE ACTOR'S EQUITY ASSOCIATION R 4/14/2011 F2006-114/11	1	3/28/1984	B1	
11742	MEMO	HILL TO MCFARLANE RE VISIT OF 3 SOVIET NATIONS TO THE ACTOR'S EQUITY ASSOCIATION R 4/14/2011 F2006-114/11	1	4/4/1984	B1	
11739	MEMO	MATLOCK TO MCFARLANE RE MEETING OF U.S.-USSR TRADE AND ECONOMIC COUNCIL R 4/14/2011 F2006-114/11	2	4/2/1984	B1	

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

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

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

WITHDRAWAL SHEET

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Collection Name MATLOCK, JACK: FILES

Withdrawer

JET 5/25/2005

File Folder SOVIET UNION: TRADE 3/5

FOIA

F06-114/11

Box Number 37

YARHI-MILO

3701

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
11740	MEMO	MATLOCK TO MCFARLANE RE LETTER FROM VERITY REQUESTING APPOINTMENT <i>R 4/14/2011 F2006-114/11</i>	1	5/10/1984	B1

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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B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

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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.

11/18/82
Rip
to USSR
Industry

National Security Council
The White House

431

Package # 7980

66 NOV 10 P 2: 53

	SEQUENCE TO	HAS SEEN	ACTION
John Poindexter	<u>1</u>	<u>X</u>	<u>I</u>
Bud McFarlane	<u>2</u>	<u>m</u>	
Jacque Hill	<u>3</u>	<u>g</u>	
Judge Clark	<u>4</u>	<u>✓</u>	<u>I</u>
John Poindexter			
Staff Secretary			
Sit Room			

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

DISTRIBUTION

cc: VP Meese Baker Deaver Other _____

COMMENTS

THIS IS CIA REPORT

MEMORANDUM

NATIONAL SECURITY COUNCIL

7980

~~CONFIDENTIAL~~

November 18, 1982

B1

B3

INFORMATION

MEMORANDUM FOR WILLIAM P. CLARK

FROM: RICHARD PIPES *RP*

SUBJECT: European Involvement in Building in Soviet Union
the World's Largest Sulfur Plant

The attached intelligence report (Tab I), [REDACTED]
[REDACTED] discusses a major Soviet project,
the world's largest sulfur plant to be built in Astrakhan. From
it transpires that:

- The French will get the bulk of the contracts, the Germans
and the Italians the remainder.
- On Soviet insistence, U.S. technology will be shut out.
- The European firms involved will provide "host government
concessionary project financing" which will come to one-
quarter of a billion dollars or more.

cc: Norman Bailey
William Martin
Roger Robinson

Attachment:

Tab I [REDACTED]

~~CONFIDENTIAL~~
Declassify on: OADR

DECLASSIFIED IN PART
NARS FOIb-114/11 #11737
BY CW JARA DATE 7/5/08

MEMORANDUM

NATIONAL SECURITY COUNCIL

October 24, 1983

MEMORANDUM FOR SALLY KELLEY

FROM: ROBERT M. KIMMITT

SUBJECT: Proposed Reply to Representative Martin

We have reviewed and concur with the Department of State's proposed reply to Representative James G. Martin concerning views on trade association practices used in the U.S. by the USSR by the Vneshtorgreklama organization.

7615

Attachment

NATIONAL SECURITY COUNCIL

October 24, 1983

FOR BOB KIMMITT

I recommend that you sign the attached memorandum to Sally Kelley.

 concurs.


JACK MATLOCK

U

UNCLASSIFIED

(Classification)

76156

RECEIVED

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
TRANSMITTAL FORM

83 OCT 22 A 9: 05

S/S 8331133

Date October 21, 1983

For: Mr. Robert C. McFarlane
National Security Council
The White House

Reference:

To: B. Oglesby From: Rep. James G. Martin

Date: 9/22/83 Subject: Encloses ltr from Walter Klein,

re views on Trade Assoc. Practices Used in US by the USSR by the
Vneshtorgreklama organization

WH Referral Dated: 10/12/83 NSC ID# 178267
(if any)

 The attached item was sent directly to the
Department of State.

Action Taken:

xx A draft reply is attached.

 A draft reply will be forwarded.

 A translation is attached.

 An information copy of a direct reply is attached.

 We believe no response is necessary for the reason
cited below.

 The Department of State has no objection to the
proposed travel.

 Other.

Remarks:

for Kristie A. Keeney
Charles Hill
Executive Secretary

UNCLASSIFIED

(Classification)

2

7

SUGGESTED REPLY

Dear Mr. Martin:

Your recent letter to Mr. Oglesby which forwarded a September 14 letter from your constituent Walter J. Klein has been referred to this office for reply. Mr. Klein recommended actions to be taken in response to the Soviet attack on KAL flight 007 and made reference to the activities of Vneshtorgreklama, a Soviet foreign trade advertising enterprise.

Vneshtorgreklama is based in Moscow and assists non-Soviet companies in their advertising efforts in the Soviet Union. It does not carry out operations in the United States. Vneshtorgreklama is represented here by the Amtorg Trading Corporation, a Soviet-owned trading company in New York City. Amtorg personnel are required by law to register with the federal government as foreign agents. Through the Foreign Agents Registration Act of 1938, the State Department and the Justice Department are able to keep abreast of who or what groups are acting on behalf of foreign governments. Information identifying these agents and those for whom they work is available publicly. In addition, the Amtorg Trading Corporation's staff level and staff travel is controlled by the State Department as part of its

The Honorable

James G. Martin,

House of Representatives.

8

-2-

regime of travel controls on official Soviet personnel resident in the United States.

The above will, I hope, be of interest to you and of help in responding to the concerns of your constituent. Thank you very much for writing .

Sincerely,

9
8331133

T H E W H I T E H O U S E O F F I C E

REFERRAL

OCTOBER 12, 1983

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DRAFT REPLY FOR SIGNATURE OF WHITE HOUSE STAFF MEMBER

DESCRIPTION OF INCOMING:

ID: 178267

MEDIA: LETTER, DATED SEPTEMBER 22, 1983

TO: B. OGLESBY

FROM: THE HONORABLE JAMES G. MARTIN
STATE REPRESENTATIVE
U. S. HOUSE OF REPRESENTATIVES
WASHINGTON DC 20515

SUBJECT: ENCLOSURES LETTER FROM WALTER KLEIN, STATING
HIS VIEWS ON TRADE ASSOCIATION PRACTICES USED
IN THE U.S. BY THE U.S.S.R. - WOULD LIKE
VNESHTORGREKLAMA

PROMPT ACTION IS ESSENTIAL -- IF REQUIRED ACTION HAS NOT BEEN
TAKEN WITHIN 9 WORKING DAYS OF RECEIPT, PLEASE TELEPHONE THE
UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

ID # 178267

TA

WHITE HOUSE CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING☐ H - INTERNAL☒ I - INCOMINGDate Correspondence
Received (YY/MM/DD)

83, 09, 29

Name of Correspondent:

James Martin

☐ MI Mail Report

User Codes: (A) _____

(B) _____

(C) _____

Subject:

Encloses letter from Walter Klein stating
his views on trade association practices
used in the U.S. by the USSR. Would like
Vneshtorgreklama.

ROUTE TO:

ACTION

DISPOSITION

Office/Agency (Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
Co/Cell (for Phil McBlair)	CS ORIGINATOR	83/10/05			1 1
✓ DOS	Referral Note:	ORCS 83/10/12			1 1
	Referral Note:				1 1
	Referral Note:				1 1
	Referral Note:				1 1
	Referral Note:				1 1

ACTION CODES:

A - Appropriate Action
C - Comment/Recommendation
D - Draft Response
F - Furnish Fact Sheet
to be used as Enclosure

I - Info Copy Only/No Action Necessary
R - Direct Reply w/Copy
S - For Signature
X - Interim Reply

DISPOSITION CODES:

A - Answered C - Completed
B - Non-Special Referral S - Suspended

FOR OUTGOING CORRESPONDENCE:

Type of Response = Initials of Signer
Code = "A"
Completion Date = Date of Outgoing

Comments:

Keep this worksheet attached to the original incoming letter.

Send all routing updates to Central Reference (Room 75, OEOB).

Always return completed correspondence record to Central Files.

Refer questions about the correspondence tracking system to Central Reference, ext. 2590.

JAMES G. MARTIN
8TH DISTRICT, NORTH CAROLINA

COUNTIES
IREDELL
LINCOLN
MECKLENBURG
YADKIN (SOUTHWEST)

8331133

WAYS AND MEANS COMMITTEE
HOUSE REPUBLICAN RESEARCH
COMMITTEE—CHAIRMAN

WASHINGTON OFFICE:
2186 RAYBURN BUILDING
WASHINGTON, D.C. 20515
TELEPHONE (202) 225-1976

Congress of the United States
House of Representatives
Washington, D.C. 20515

September 22, 1983

26 SEP 1983

178267

Mr. B. Oglesby
Deputy Assistant to the President
for Legislative Affairs
The White House Office
1600 Pennsylvania Avenue, N. W.
Washington, D. C. 20500

Dear B:

Enclosed is a copy of my constituent's letter and enclosures stating his views regarding trade association practices used in the United States by the USSR.

Since the White House is monitoring closely all matters involving the USSR, I took the liberty of forwarding this to you for your comments.

With best wishes.

Sincerely,

Jim Martin
James G. Martin
Member of Congress

enclosure

Request draft
from DOS
(checking I have
computer code)
Jim N



WALTER J. KLEIN COMPANY, LTD., 6301 CARMEL ROAD, BOX 2087, CHARLOTTE, N. C. 28211, 704-542-1403

1983 September 14

Honorable James G. Martin
Member of Congress
United States House of Representative
Washington, DC 20510

Dear Congressman Martin:

In connection with the President's concern with a proper response to the USSR regarding the Korean passenger jet, I wonder if you would consider looking into Vneshtorgreklama.

This organization is described on the enclosed page torn from the annual calendar we receive from them. We have been on their mailing list ever since my book on sponsored films was published in 1976.

They have an advertising agency in New York to help them stay in touch with authors and other influence types.

Clearly the USSR has a propaganda base here in the U.S. that does pretty much what it wishes. Closing it might be part of a U.S. program to answer the Korean air massacre.

Walter J. Klein
President

WJK:dj

Enclosure

С НОВЫМ
ГОДОМ!
HAPPY NEW
YEAR!



ADVERTISING - A KEY TO TRADE SUCCESS

VNESHTORGREKLAMA

The All-Union Self-Supporting Foreign Trade Association includes the following specialised firms:

- | | |
|-------------------------|--|
| Komplex-reklama | - import of advertising services, including services for advertising in the press, on the cinema screen, on radio and TV, street advertisement and for molding public opinion and advertising campaigns. |
| Inoreklama | - export of advertising services, including services for advertising in the press, on the cinema screen, on radio and TV, outdoor advertising, as well as services for the organisation of printing of advertising and technical publications and the holding of advertising and technical symposia. |
| Adres-reklama | - export and import of direct mail advertising services. |
| Poligraf-reklama | - printing of all kinds of publications prepared by V/O Vneshtorgreklama and also the import of printing services. |
| Filmreklama | - organisation of production of foreign trade advertising films to the order of All-Union Self-Supporting Foreign Trade Associations. |
| Souvenir-reklama | - organisation of deliveries of advertising souvenirs to All-Union Self-Supporting Foreign Trade Associations, as well as the import of packing materials for advertising souvenirs. |

Address: 31, Kakhovka St., Moscow,
113461, USSR

Cable address: Vneshtorgreklama Moscow

Telephone: 121-04-34

Telex: 411265

MEMORANDUM

NATIONAL SECURITY COUNCIL

October 24, 1983

MEMORANDUM FOR SALLY KELLEY

FROM:

RM ROBERT M. KIMMITT *RM*

SUBJECT:

Proposed Reply to Representative Martin

We have reviewed and concur with the Department of State's proposed reply to Representative James G. Martin concerning views on trade association practices used in the U.S. by the USSR by the Vneshtorgreklama organization.

Attachment

Handwritten signature: J. G. Martin

UNCLASSIFIED

7615 16

(Classification)

RECEIVED

DEPARTMENT OF STATE
EXECUTIVE SECRETARIAT
TRANSMITTAL FORM

83 00122 A 9: 05

S/S 8331133

Date October 21, 1983

For: Mr. Robert C. McFarlane
National Security Council
The White House

Reference:

To: B. Oglesby From: Rep. James G. Martin

Date: 9/22/83 Subject: Encloses ltr from Walter Klein,

re views on Trade Assoc. Practices Used in US by the USSR by the
Vneshtorgreklama organization

WH Referral Dated: 10/12/83 NSC ID# 178267
(if any)

_____ The attached item was sent directly to the
Department of State.

Action Taken:

xx A draft reply is attached.

_____ A draft reply will be forwarded.

_____ A translation is attached.

_____ An information copy of a direct reply is attached.

_____ We believe no response is necessary for the reason
cited below.

_____ The Department of State has no objection to the
proposed travel.

_____ Other.

Remarks:

for Kristie A. Keeney
Charles Hill
Executive Secretary

UNCLASSIFIED

(Classification)

SUGGESTED REPLY

Dear Mr. Martin:

Your recent letter to Mr. Oglesby which forwarded a September 14 letter from your constituent Walter J. Klein has been referred to this office for reply. Mr. Klein recommended actions to be taken in response to the Soviet attack on KAL flight 007 and made reference to the activities of Vneshtorgreklama, a Soviet foreign trade advertising enterprise.

Vneshtorgreklama is based in Moscow and assists non-Soviet companies in their advertising efforts in the Soviet Union. It does not carry out operations in the United States. Vneshtorgreklama is represented here by the Amtorg Trading Corporation, a Soviet-owned trading company in New York City. Amtorg personnel are required by law to register with the federal government as foreign agents. Through the Foreign Agents Registration Act of 1938, the State Department and the Justice Department are able to keep abreast of who or what groups are acting on behalf of foreign governments. Information identifying these agents and those for whom they work is available publicly. In addition, the Amtorg Trading Corporation's staff level and staff travel is controlled by the State Department as part of its

The Honorable

James G. Martin,

House of Representatives.

18

-2-

regime of travel controls on official Soviet personnel resident in the United States.

The above will, I hope, be of interest to you and of help in responding to the concerns of your constituent. Thank you very much for writing .

Sincerely,

19
8331133

T H E W H I T E H O U S E O F F I C E

REFERRAL

OCTOBER 12, 1983

TO: DEPARTMENT OF STATE

ACTION REQUESTED:

DRAFT REPLY FOR SIGNATURE OF WHITE HOUSE STAFF MEMBER

DESCRIPTION OF INCOMING:

ID: 178267

MEDIA: LETTER, DATED SEPTEMBER 22, 1983

TO: B. OGLESBY

FROM: THE HONORABLE JAMES G. MARTIN
STATE REPRESENTATIVE
U. S. HOUSE OF REPRESENTATIVES
WASHINGTON DC 20515

SUBJECT: ENCLOSURES LETTER FROM WALTER KLEIN, STATING
HIS VIEWS ON TRADE ASSOCIATION PRACTICES USED
IN THE U.S. BY THE U.S.S.R. - WOULD LIKE
VNESHTORGREKLAMA

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UNDERSIGNED AT 456-7486.

RETURN CORRESPONDENCE, WORKSHEET AND COPY OF RESPONSE
(OR DRAFT) TO:
AGENCY LIAISON, ROOM 91, THE WHITE HOUSE

SALLY KELLEY
DIRECTOR OF AGENCY LIAISON
PRESIDENTIAL CORRESPONDENCE

ID # 178267
TA

WHITE HOUSE
CORRESPONDENCE TRACKING WORKSHEET

☐ O - OUTGOING
☐ H - INTERNAL
☒ I - INCOMING
Date Correspondence Received (YY/MM/DD) 83, 09, 29

Name of Correspondent: James Martin

☐ MI Mail Report User Codes: (A) _____ (B) _____ (C) _____

Subject: Encloses letter from Walter Klein stating his views on trade association practices used in the U.S. by the USSR. Would like Vneshtorgreklama.

ROUTE TO:		ACTION		DISPOSITION		
Office/Agency	(Staff Name)	Action Code	Tracking Date YY/MM/DD	Type of Response	Code	Completion Date YY/MM/DD
<u>Co/Kell (for Phil McBlair)</u>		<u>CS</u> ORIGINATOR	<u>83, 10, 05</u>			<u>1 1</u>
<u>DoS</u>		Referral Note: <u>ORCS</u>	<u>83, 10, 12</u>			<u>1 1</u>
		Referral Note: _____	<u>1 1</u>			<u>1 1</u>
		Referral Note: _____	<u>1 1</u>			<u>1 1</u>
		Referral Note: _____	<u>1 1</u>			<u>1 1</u>
		Referral Note: _____	<u>1 1</u>			<u>1 1</u>

ACTION CODES:

- A - Appropriate Action
- C - Comment/Recommendation
- D - Draft Response
- F - Furnish Fact Sheet to be used as Enclosure
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- R - Direct Reply w/Copy
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Code = "A"
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Comments: _____

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JAMES G. MARTIN
9TH DISTRICT, NORTH CAROLINA

COUNTIES
IREDELL
LINCOLN
MECKLENBURG
YADKIN (SOUTHWEST)

8331137

WAYS AND MEANS COMMITTEE
HOUSE REPUBLICAN RESEARCH
COMMITTEE—CHAIRMAN

WASHINGTON OFFICE:
2186 RAYBURN BUILDING
WASHINGTON, D.C. 20515
TELEPHONE (202) 225-1976

Congress of the United States
House of Representatives
Washington, D.C. 20515

September 22, 1983

26 SEP 1983

178267

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James G. Martin
Member of Congress

enclosure

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from DOS
(checking I have
computer code)
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Washington, DC 20510

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Walter J. Klein
President

WJK:dj

Enclosure

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ГОДОМ!
HAPPY NEW
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113461, USSR

Cable address: Vneshtorgreklama Moscow

Telephone: 121-04-34

Telex: 411265

MEMORANDUM

NATIONAL SECURITY COUNCIL

2590

April 18, 1984

~~CONFIDENTIAL~~

INFORMATION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: JOHN LENCZOWSKI JL

SUBJECT: Visas to Soviet "Trade Unionists"

After first deciding to deny visas to two Soviet Trade Unionists, State has granted them visas after learning of Lane Kirkland's apparent indifference on the subject. State's memoranda (Tab I) reveal that it is acting on the basis of public pressure (or lack of it, in this case) rather than on the basis of the principle involved: namely the undesirability of admitting Soviet officials travelling under false pretenses.

Attachment:

Tab I State's memoranda of March 28 and April 4.

cc: Jack Matlock
Roger Robinson
Doug McMinn

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED

NLRR EOG-114/11 #11738

BY KML NARA DATE 4/21/11



Washington, D.C. 20520

2590

March 28, 1984

MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSE

SUBJECT: Visit of Three Soviet Nationals to the Actor's
Equity Association

Actress Jean Stapleton and Barbara Colton, Vice-President of Actor's Equity, have invited an actor (Kirill Y. Lavrov) and two trade union officials (Mikhail V. Pashkov and Sergey I. Seliverstov) from the Central Committee of Cultural Workers to make a social visit to the New York City area during the period April 5-April 9. The proposed visit during this five day period consists of a visit to a television studio, meeting with theater students, a reception at the Actors' Fund Home in New Jersey, shopping at Macy's and evening trips to the theater.

For decades the AFL/CIO has taken the position that Communist trade union officials seeking entry into the U.S. at the invitation of a U.S. labor organization should be denied admission and has, in this instance, registered its opposition to visa issuance for the two recognized trade union officials.

Except during the period when such officials were included in the McGovern Amendment provisions, all Administrations have accepted this position and denied entry to any official of a communist-dominated labor union seeking entry into the U.S. to meet with U.S. labor organizations. In light of this existing policy, the Department has denied entry to the two trade union officials and authorized entry to the Soviet actor.

Denial to the two Soviets will undoubtedly result in calls to the White House from Actors Equity since the Soviet actor will, in all probability, decline to make the visit alone.

Charles Hill

Charles Hill
Executive Secretary

DECLASSIFIED

NLRR F06-114/11 #11741

BY KML NARA DATE 4/21/11



S/S 8409777 XR-S/S 8409776 11742 21
United States Department of State

Washington, D.C. 20520

April 4, 1984

2590
Add-on

~~CONFIDENTIAL~~

MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSE

SUBJECT: Visit of Three Soviet Nationals to the Actor's Equity Association

In my memorandum of March 28 I informed you of the Department's decision to deny entry to two recognized Soviet trade union officials in light of the AFL/CIO's objection to their entry.

We have now been informed that Actor's Equity has taken the matter up with Lane Kirkland personally and that Kirkland has expressed himself as being indifferent on the subject. This represents a significant change of position since the AFL/CIO had initially registered its objection to the entry of the two officials.

While all Administrations for many years have accepted AFL/CIO objections to such visits, we find no reason to deny entry in such cases in the absence of such an objection. The only other basis for denying entry to the two is their affiliation with communist organizations, and that ineligibility normally is waived unless the purpose of the visit threatens national security or specific U.S. interests. In this case the purpose appears to be social.

Accordingly, we have reconsidered our original decision and have now decided to seek the normal waiver from the Department of Justice and to authorize the entry of the two trade union officials.

Corey

Charles Hill
Executive Secretary

DECLASSIFIED

~~CONFIDENTIAL~~
DECL: OADR

NLRR E06-114/11 #11742
BY KML NARA DATE 4/21/11

Trade/Economic
File

2643

28

Mattlock

MEMORANDUM

NATIONAL SECURITY COUNCIL

April 19, 1984

MEMORANDUM FOR DODIE LIVINGSTON

FROM: ROBERT M. KIMMITT *RMK*

SUBJECT: Presidential Message to Plenary Session of
U.S.-USSR Trade and Economic Council, May 22-24,
New York

Attached for appropriate transmission is a proposed Presidential message to the Plenary Session of U.S.-USSR Trade and Economic Council, May 22-24 in New York. The message was drafted by the Department of State and reviewed by the Speechwriters.

Attachment

29

DRAFT PRESIDENTIAL MESSAGE TO PLENARY SESSION,
US-USSR TRADE AND ECONOMIC COUNCIL,
NEW YORK, MAY 22-24

I would like to take this opportunity to welcome the Soviet ~~attendees~~ ^{participants in} the plenary session of the US-USSR Trade and Economic Council to the United States. It is ~~well~~ ^{encouraging} that leading representatives of American industry and their Soviet counterparts can meet to discuss trade and economic issues of mutual interest. ~~at a time when US-Soviet relations are not what we might wish.~~ The U.S. government supports mutually beneficial, non-strategic trade between our two countries. Your meetings and the activities of the Council, including the Agribusiness '83 trade show in Moscow last October, demonstrate that a key element of the structure for trade between our two countries remains in place to build upon if an improvement in international conditions permits. I look forward to hearing the results of your meetings.

Ronald Reagan



ARMCO CORPORATE OFFICES

C. WILLIAM VERITY, JR.
Chairman, Executive Committee
Board of Directors

March 27, 1984

The Honorable Robert C. McFarlane
National Security Advisor to the President
The White House
Pennsylvania Avenue
Washington, D.C. 20050

Dear Mr. McFarlane:

I thoroughly enjoyed our visit last Thursday and appreciate so much you taking the time to visit with me and to bring me up-to-date on our present positions vis-a-vis the Soviet Union.

I talked to Tom Green and Terry Pearce over the weekend and we are making arrangements to see Ambassador Dobrynin during the first week of April. We shall keep you advised of the results of that meeting.

I am also happy that I had a chance to share with you some of the high points of my meeting in Moscow with Prime Minister Tikhonov, as well as meetings with Deputy Prime Minister Nikolai Baibakov and Foreign Trade Minister Patolichev. There is no question in my mind that the Soviets are anxious to move forward in the normalization of relationships, but they want President Reagan to provide some signals that he is desirous of moving forward and that he does understand the Soviets' reluctance to make the first move.

I do believe that the U.S.-U.S.S.R. Trade and Economic Council meeting in New York on May 22-24 might provide a good vehicle for communication with the Soviets.

As I explained to you, the Trade Council is considered by high Soviet officials to be a very important organization. At the meeting in May, we will have not only a meeting of members but, also, the Directors and the Executive Committee, which is composed of Soviet Ministers, including Alkhimov, Chairman of Gosbank.

As agreed, I will check with you early this week on specific questions I asked of you -- namely, would the President send a message of support for the work of the Council and a message for our May meeting which would indicate that he hopes progress is made in ways to facilitate trade between our two countries?

31

A-1000

The Honorable Robert C. McFarlane
Page 2
March 27, 1984

Also, would the President receive Vladimir Sushkov, Chairman of the Soviet side of the Council? Mr. Sushkov and I are Co-Chairmen -- one from the American side and one from the Soviet side. Mr. Sushkov would be available on May 21, 22, 23 or 24.

Is it possible for us to invite Nicholai Baibakov, Deputy Prime Minister of the Soviet Union and Chairman of Gosplan, to the United States? We would make all the necessary arrangements for his visit, but it would not be appropriate to invite him unless we knew that he would be received at the White House.

Nicholai Baibakov is one of the most revered men in the Soviet Union because of the important position he has held for many years as Chairman of Gosplan.

And, lastly, if it is possible to reestablish the Aeroflot flights between New York and Moscow by May 22, this would be most helpful in making a significant signal to the Soviet Union.

If you were to let me know that this might be possible, I would communicate with Vladimir Sushkov and tell him that this is being done because of his request and, as a means of facilitating attendance by the Soviets at the meeting May 22-24. I can assure you this would be a most significant signal to the Soviets.

I am most anxious to be of help to you and to the President in any matter regarding our relationships with the Soviet Union. I do believe our Council might be helpful in creating a dialogue.

Also, I am hopeful that I will have a chance to spend about ten minutes with the President at which time I could give him my feelings about the current situation with the Soviet Union, and some other suggestions on possible signals to them.

Sincerely,

See

CWV:cee

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

April 19, 1984

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM:

JACK F. MATLOCK *JFM***SIGNED**

SUBJECT:

Presidential Message to Plenary Session of
U.S.-USSR Trade and Economic Council, May 22-24,
New York

As you recall, Bill Verity wrote you asking for a number of actions in connection with the meeting of the U.S.-USSR Trade and Economic Council in New York May 22-24. In your reply you indicated that you would support sending a message from the President to the meeting. Attached at Tab A is a draft message which has been prepared by State and reviewed by the Speechwriters.

RECOMMENDATION:

That you approve sending the memorandum from Kimmitt to Livingston (Tab I) for appropriate transmission of the Presidential message.

Approve

JCM
JS mco/

Disapprove

Attachments:

Tab I Kimmitt/Livingston Memo

Tab A Proposed Presidential Message



United States Department of State

Washington, D.C. 20520

April 18, 1984

~~CONFIDENTIAL~~MEMORANDUM FOR MR. ROBERT C. McFARLANE
THE WHITE HOUSE

SUBJECT: Draft Presidential Message to Plenary Session of
US-USSR Trade and Economic Council, May 22-24, New York

In response to your request (Tab A), we have prepared a draft Presidential message to the Trade and Economic Council meeting (Tab B) which U.S. Co-Chairman C. William Verity had requested in his letter to you of March 27. We understand that your staff has already replied to that letter.

Verity also wrote to Secretaries Shultz, Baldrige and Block, inviting them to speak at the meeting. After coordinating with Commerce and Agriculture, we have determined that the USG speakers should be at the sub-Cabinet level. Tentative plans call for Deputy Secretary Lyng to represent Agriculture, Deputy Secretary Brown to speak on behalf of Commerce, and Deputy Assistant Secretary Mark Palmer to represent State.

We will keep you informed of any additional requests on behalf of the Trade and Economic Council which would involve senior-level USG officials.

Charles Hill
Executive Secretary

Attachments: Tab A - NSC Tasker and letter from C. William
Verity to Robert C. McFarlane
Tab B - Draft Presidential Message

DECLASSIFIED

Department of State Guidelines, July 21, 1997
By CBS NARA, Date 8/7/02

~~CONFIDENTIAL~~

DECL: OADR

REFERRAL

DATE: 09 APR 84⁷⁴

MEMORANDUM FOR: DEPT OF STATE

8410602

DOCUMENT DESCRIPTION

TO: MCFARLANE

SOURCE: VERITY, C WILLIAM

DATE 27 MAR 84

KEYWORDS: USSR

AP

SUSHKOV, VLASIMIR

INTL TRADE

MP

BAIBAKOV, NICHOLAI

SUBJ: LTR TO MCFARLANE FM ARMCO REQUESTING PRES MSG RE US - USSR TRADE COUNC

REQUIRED ACTION: RECOMMENDATIONS & DRAFT MSG

DUE DATE: 16 APR 84

COMMENTS

Letter Drafted
44614
FOR ROBERT M. KIMMITT

EXECUTIVE SECRETARY

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO

DISPATCH _____ W/ATTCH FILE _____ (C)

THE WHITE HOUSE

WASHINGTON

April 4, 1984

Dear Bill:

Thank you very much for filling me in on your recent trip and sharing with me your plans for the U.S.-USSR Trade and Economic Council.

I also appreciate your letter of March 27, which sought guidance on several questions related to your meeting in New York in May. I believe that the President will be pleased to send a message to the Council, and will recommend that he do so. I do not believe his schedule at that time will permit him to receive Deputy Minister Sushkov, however. As for Deputy Prime Minister Baibakov, it is difficult to make a commitment without knowing when he might come, but I would try to arrange a meeting either with the President or with the Vice President if Mr. Baibakov should accept your invitation to visit the United States.

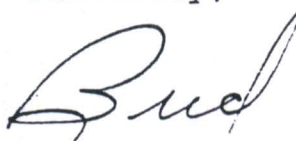
Regarding Aeroflot flights, I doubt that it will be possible to lift the sanction on regular service before your meeting May 20. Sanctions were imposed following the declaration of martial law in Poland, and reaffirmed after the Soviets shot down the Korean airliner and refused to accept responsibility or to pay compensation. In the absence of progress in changing the conditions which caused us to apply the sanctions, and of a general improvement in U.S.-Soviet relations -- which the Soviet Government seems to be resisting at this time -- a reversal of the sanctions on Aeroflot service does not seem realistic.

I know the President would like to make time to see you sometime in the near future, but, with his trip to China coming up, his calendar is extremely tight. We will certainly bear your interest in mind, and if a possibility should arise, I'll let you know.

You have my best wishes for a successful meeting in New York, and I hope that my thoughts on the topics you raised will assist you in making plans for the meeting.

With best regards,

Sincerely,

A handwritten signature in cursive script, appearing to read "Bud", written in dark ink.

Robert C. McFarlane

Mr. C. William Verity, Jr.
Chairman, Executive Committee
Armco Corporate Offices
703 Curtis Street
Middletown, Ohio 45043

11739 -

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

April 2, 1984

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

SIGNED

FROM:

JACK MATLOCK *JM*

SUBJECT:

Meeting of U.S.-USSR Trade and Economic Council

Bill Verity, Co-Chairman of the U.S.-USSR Trade and Economic Council, has written you with five requests in connection with the meeting of the Council in New York, which is scheduled for May 21-25. His specific requests are the following:

1. That the President send a message to the Council;
2. That the President receive Deputy Foreign Trade Minister Sushkov, the Soviet co-chairman;
3. That Deputy Prime Minister Baibakov (Chairman of the State Planning Commission) be received at the White House if Verity's group should invite him to visit the United States;
4. That Aeroflot flights be resumed before May 20; and
5. That the President receive Verity before the meeting.

Discussion:

1. Presidential message: I see no objection to this, provided it is carefully worded. (We can coordinate language with State and Commerce, if it is decided to send one.)

2. Sushkov call on President: I believe that this would be inappropriate, given Sushkov's relatively low rank and my feeling that we should not be emphasizing the trade relationship at a time when the Soviets are resisting our overtures to negotiate matters of greater importance. In the past, when the President has received Soviet participants in the meeting of the council, relations were better and the Soviet group was headed by Foreign Trade Minister Patolichev.

~~CONFIDENTIAL~~

Declassify on: OADR

DECLASSIFIED

NLRR F06-114/11 #11739

BY KML NARA DATE 4/21/11

3. Baibakov call at White House: It would be more appropriate for the President to receive Baibakov than Sushkov, but even here I suspect that the gesture could be misinterpreted. I would see no problem in the Vice President receiving him, however, and would suggest that Verity be told that if Baibakov comes, we would attempt to arrange an appointment with either the President or the Vice President.

4. Aeroflot Service: This, I believe, is out of the question. The sanction was initially applied because of Poland, and reaffirmed after the KAL shoot-down. The balance of benefits favors the Soviets, and the privilege should be restored only when some progress is manifest in the areas which stimulated the sanction, or until the Soviets are willing to make a concession in an area of interest to us.

5. Verity meeting with President: I have no objection to such a meeting, but given the constraints on the President's time, would recommend a non-committal reply at this point.

I have drafted a reply for you to send Verity (Tab I), which incorporates these recommendations on the five points.

 Doug McMinn concurs.

Recommendation:

That you sign the letter at TAB I.

Approve ☒

Disapprove ☐

Attachments:

Tab I - Letter to Verity for signature

Tab II - Verity-McFarlane Letter of March 27, 1984



ARMCO CORPORATE OFFICES

C. WILLIAM VERITY, JR.
Chairman, Executive Committee
Board of Directors

March 27, 1984

The Honorable Robert C. McFarlane
National Security Advisor to the President
The White House
Pennsylvania Avenue
Washington, D.C. 20050

Dear Mr. McFarlane:

I thoroughly enjoyed our visit last Thursday and appreciate so much you taking the time to visit with me and to bring me up-to-date on our present positions vis-a-vis the Soviet Union.

I talked to Tom Green and Terry Pearce over the weekend and we are making arrangements to see Ambassador Dobrynin during the first week of April. We shall keep you advised of the results of that meeting.

I am also happy that I had a chance to share with you some of the high points of my meeting in Moscow with Prime Minister Tikhonov, as well as meetings with Deputy Prime Minister Nikolai Baibakov and Foreign Trade Minister Patolichev. There is no question in my mind that the Soviets are anxious to move forward in the normalization of relationships, but they want President Reagan to provide some signals that he is desirous of moving forward and that he does understand the Soviets' reluctance to make the first move.

I do believe that the U.S.-U.S.S.R. Trade and Economic Council meeting in New York on May 22-24 might provide a good vehicle for communication with the Soviets.

As I explained to you, the Trade Council is considered by high Soviet officials to be a very important organization. At the meeting in May, we will have not only a meeting of members but, also, the Directors and the Executive Committee, which is composed of Soviet Ministers, including Alkhimov, Chairman of Gosbank.

As agreed, I will check with you early this week on specific questions I asked of you -- namely, would the President send a message of support for the work of the Council and a message for our May meeting which would indicate that he hopes progress is made in ways to facilitate trade between our two countries?



The Honorable Robert C. McFarlane
Page 2
March 27, 1984

Also, would the President receive Vladimir Sushkov, Chairman of the Soviet side of the Council? Mr. Sushkov and I are Co-Chairmen -- one from the American side and one from the Soviet side. Mr. Sushkov would be available on May 21, 22, 23 or 24.

Is it possible for us to invite Nicholai Baibakov, Deputy Prime Minister of the Soviet Union and Chairman of Gosplan, to the United States? We would make all the necessary arrangements for his visit, but it would not be appropriate to invite him unless we knew that he would be received at the White House.

Nicholai Baibakov is one of the most revered men in the Soviet Union because of the important position he has held for many years as Chairman of Gosplan.

And, lastly, if it is possible to reestablish the Aeroflot flights between New York and Moscow by May 22, this would be most helpful in making a significant signal to the Soviet Union.

If you were to let me know that this might be possible, I would communicate with Vladimir Sushkov and tell him that this is being done because of his request and, as a means of facilitating attendance by the Soviets at the meeting May 22-24. I can assure you this would be a most significant signal to the Soviets.

I am most anxious to be of help to you and to the President in any matter regarding our relationships with the Soviet Union. I do believe our Council might be helpful in creating a dialogue.

Also, I am hopeful that I will have a chance to spend about ten minutes with the President at which time I could give him my feelings about the current situation with the Soviet Union, and some other suggestions on possible signals to them.

Sincerely,

CWV:cee

March 30, 1984

RCM:

Bill Verity called with the following questions

1. Will you prepare a letter from the President to the Trade Council in which the President will say the work of the Council has been very helpful in restoring trade between our two countries?

2. Will the President receive Vice Minister Sushkov, who is co-chairman of the trade council in US on May 21-25?

3. Could we invite Deputy Prime Minister Baibikhov to the United States? If we did, it would mean he would have to be received at the White House.

4. What is the possibility of Aeroflot flights between New York and Moscow being resumed before May 20?

Kay

RECEIVED 30 MAR 84 10

TO

MCFARLANE

FROM VERITY, C WILLIAM

DOCDATE 27 MAR 84

KEYWORDS. USSR

AP

SUSHKOV, VLASIMIR

INTL TRADE

BAIBAKOV, NICHOLAI

MP

SUBJECT. LTR TO MCFARLANE FM ARMCO REQUESTING PRES MSG RE US - USSR TRADE COUNC
22 - 24 MAY REQUEST FOR APPT W/ PRES & OTHER SUBJECTS

ACTION: PREPARE MEMO FOR MCFARLANE

DUE: 05 APR 84 STATUS S FILES

FOR ACTION

FOR CONCURRENCE

FOR INFO

MATLOCK

MCMINN

LENCZOWSKI

TYSON SHULL

KIMMITT HALL

MARTIN

ROBINSON

COMMENTS [] You prepared for the President's sig a ltr to Pearce & Green. I have spoken to
Dodie Livingston's ofc re the Pres msg to the council. From time-to-time they have
sent messages to these meetings, but only if the NSC deems them appropriate, pls
coordinate w/ her ofc (X 2941). Thanks L.

REF#

LOG 8400897

NSCIFID

(LB)

ACTION OFFICER (S)	ASSIGNED	ACTION REQUIRED	DUE	COPIES TO
<i>Wefsbine</i>	<i>4/2</i>	<i>Li Signature</i>	<i>4/7</i>	<i>✓</i>
<i>1</i>	<i>APR 0 4 1984</i>	<i>Mcfarlane ofc etc</i>		<i>jm</i>
DISPATCH <i>✓</i>	<i>4/4</i>	<i>B</i>	W/ATTCH	FILE <i>WH</i> <i>B</i>

THE WHITE HOUSE
WASHINGTON

May 14, 1984

*Chris -
Put on
my calendar*

~~Matlock~~
Trade or Economic

Dear Bill:

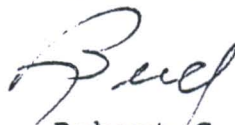
Thank you for your letter of May 3 regarding the possibility of my meeting with you and Deputy Minister Sushkov on May 25. I had hoped that the meeting of the US-USSR Trade and Economic Council could take in a more propitious atmosphere than the one recent Soviet actions have created.

Although my calendar is very crowded May 25, I will be happy to meet with you and Minister Sushkov for about 15 minutes at 12:30 p.m. Jack Matlock will join me and can continue the meeting if any matters remain for discussion after I must leave.

During your meeting in New York, I hope that the American participants will make clear to their Soviet guests the problems which current Soviet intransigence in the political arena create for policy makers who desire to put our trade on a more normal basis.

With warm personal regards,

Sincerely,



Robert C. McFarlane

Mr. C. William Verity, Jr.
Chairman, Executive Committee
Board of Directors
Armco Corporate Offices
703 Curtis Street
Middletown, Ohio 45043

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

May 10, 1984

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

SIGNED

FROM: JACK MATLOCK *JM*

SUBJECT: Letter from Verity Requesting Appointment

Bill Verity has written you requesting an appointment for himself and Soviet Deputy Minister of Foreign Trade Sushkov on May 25. Sushkov will be in the United States at that time in connection with the meeting of the U.S.-USSR Trade and Economic Council in New York. Sushkov will be meeting with Balridge and Ken Dam that day.

I see no compelling reason for you to receive Sushkov, particularly in light of recent Soviet actions. On the other hand, I see no great harm in a meeting, since it would provide an opportunity to reiterate our desire to move relations in a more constructive direction and the fact that current Soviet policy is blocking such movement.

In sum, I believe you should decide the issue primarily in terms of your relationship with Verity. If you want to do him a favor, then you could receive Sushkov and give him a few facts of life. If you prefer not to, perhaps John Poindexter or I could meet with him.

Rob
Robinson and *Mc* concur.Recommendation:

1. If you want to do Verity a favor and your calendar permits, sign the letter at TAB I granting an appointment to Sushkov and Verity.

Approve ☒Disapprove ☐

2. Alternatively, that you sign the letter at TAB II, offering an appointment with John Poindexter or me if Verity desires.

Approve ☐Disapprove ☐

Attachments:

Tab I	Letter to Verity
Tab II	Alternate letter to Verity
Tab III	Incoming letter from Verity

DECLASSIFIED

NLRR F06-114/11 # 11740~~CONFIDENTIAL~~

Declassify on: OADR

BY KML NARA DATE 4/21/11

ARMCO

ARMCO CORPORATE OFFICES

C. WILLIAM VERITY, JR.
Chairman, Executive Committee
Board of Directors

May 3, 1984

The Honorable Robert C. McFarlane
National Security Advisor to the President
The White House
Pennsylvania Avenue
Washington, D. C. 20050

Dear Bud:

I just received the letter that you prepared for President Reagan to the membership meeting of the US-USSR Trade & Economic Council. It is a splendid letter and will be most helpful to us. Thank you very much.

We went back to Deputy Prime Minister Baibakov to tell him that we would welcome a visit from him at the appropriate time. He has replied that he would be interested in coming next year at the time of the planned Soviet Exhibit in the United States. I will be back to you at that time as to whether or not you will want to officially recognize his trip.

Arrangements have now been made for Minister Vladimir Sushkov, Co-Chairman of the US-USSR Trade & Economic Council, to visit Secretary Malcolm Baldrige and Deputy Secretary Ken Damm. He will be visiting the Commerce and State Departments on Friday morning, May 25.

Would it be possible for you to see Minister Sushkov for a few minutes sometime on May 25? Since I was so warmly welcomed at the Kremlin by Prime Minister Tikhonov, it would be most helpful to our relationship if you or the Vice President could welcome Minister Sushkov for just a few minutes. This would be a very helpful signal as far as trade is concerned for, at the moment, one of our problems on the U. S. side is getting the Soviets to think United States instead of Europe or Japan. I will call your office to see if it is possible for you to visit with him for just a few minutes.

I hope your trip to China was a total success. I am sure you found it most interesting and, from all accounts, the President did an outstanding job.

Sincerely,



CWV:ba

MEMORANDUM

NATIONAL SECURITY COUNCIL

ACTION

May 18, 1984

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: JACK F. MATLOCK *JFM*

SUBJECT: U.S.-USSR Trade and Economic Council's Speech

I have a number of problems with Brown's draft speech, but Mark Palmer tells me that State was sent the same draft you were and is working on suggested changes.

RECOMMENDATION

That you authorize Bob Kimmitt or me to ask Commerce to send us a draft as coordinated with State before we review the text in detail.

Approve _____

Disapprove _____

Attachment:

Tab I Mr. Brown's letter and draft speech

cc: Mr. Lenczowski
Mr. McMinn
Ms. Small
Mr. Sestanovich
Mr. Robinson
Mr. Fortier

3989
47

THE DEPUTY SECRETARY OF COMMERCE
WASHINGTON, D.C. 20230

May 16, 1984

Honorable Robert McFarlane
Assistant to the President
for National Security Affairs
The White House
Washington, D.C. 20500

Dear Bud,

Enclosed is a draft of my forthcoming speech to the US-USSR Trade and Economic Council. As I mentioned yesterday, I would value any guidance and suggestions you might have both for the speech and for any broader contribution I might make while I am at the Council's meeting in New York.

With best wishes.

Sincerely,



Clarence J. Brown

Enclosure

CJB/VW/bs

DRAFT

5/16/84

US-USSR TRADE AND ECONOMIC COUNCIL

MAY 24, 1984

MR. VERITY, MR. SUSHKOV, AMBASSADOR DOBRYNIN, DISTINGUISHED MEMBERS OF THE COUNCIL. IT IS A PRIVILEGE FOR ME TO BE WITH YOU TODAY; TO REPRESENT THE UNITED STATES GOVERNMENT AT THIS OCCASION; AND TO TAKE PART IN AN EVENT THAT HOLDS THE GERM OF PROMISE AND POSSIBILITY FOR OUR TWO COUNTRIES.

YOU HAVE BEEN MEETING HERE TO DEVELOP WIDE-RANGING MUTUAL ADVANTAGES FOR OUR NATIONS . . . ADVANTAGES THAT CAN MEAN PROGRESS AND PEACE FOR THE PEOPLES WE REPRESENT.

THIS MEETING . . . THE TRADE AND ECONOMIC COUNCIL'S FIRST FULL MEMBERSHIP MEETING IN THE UNITED STATES IN SEVEN YEARS . . . IS A SINGULAR EVENT. THE COUNCIL PLAYS A UNIQUE ROLE BETWEEN OUR TWO NATIONS . . . INDEED, IN THE WORLD.

THROUGH FAIR AND STORMY WEATHER, THE COUNCIL HAS CARRIED
THE BANNER OF AMERICAN-SOVIET ECONOMIC COOPERATION. IN THE
ABSENCE OF OFFICIAL GOVERNMENTAL MEETINGS ON NON-AGRICULTURAL
TRADE, THE COUNCIL HAS SERVED AS A FORUM FOR COMMERCIAL
DISCUSSIONS ON MANY LEVELS. THESE TALKS ARE ESPECIALLY
// NEEDED AT TIMES WHEN OUR DIFFERENT ECONOMIC AND POLITICAL
SYSTEMS PRODUCE UNCERTAINTY AND TENSION.

WE MEET TODAY AGAINST THE BACKGROUND OF DRAMATIC CHANGE
SWEEPING ACROSS THE EARTH. PROPELLING THIS CHANGE IS THE
DOUBLING EVERY DECADE OF THE WORLD'S BODY OF SCIENTIFIC
KNOWLEDGE. THE TORRENT OF TECHNOLOGY THIS KNOWLEDGE
CREATES IS ALTERING RELATIONSHIPS BETWEEN NATIONS, AND
IT HOLDS BROAD IMPLICATIONS FOR FUTURE US-SOVIET RELATIONS.

THESE NEW TECHNOLOGIES ARE BRINGING OUR NATIONS TO THE VERGE OF THE GREATEST ECONOMIC EXPANSION SINCE ELECTRICITY, CHEMICALS AND AUTOMOBILES CHANGED POWER SOURCES, MATERIALS AND THE TRANSPORTATION OF INDUSTRY A CENTURY AGO. THEY ARE RESTRUCTURING THE PATTERN OF WORLD ECONOMIC PRODUCTION AS SURELY AND FUNDAMENTALLY AS THE CHANGES MADE DURING THE INDUSTRIAL REVOLUTION A CENTURY EARLIER.

WITH THE COMING OF LOW COST COMPUTER-TELECOMMUNICATIONS NETWORKS, ENGINEERS AND SCIENTISTS IN EVERY PART OF THE GLOBE NOW HAVE INSTANT ACCESS TO THE LATEST TECHNOLOGY AND PRODUCTION TECHNIQUES. THE ABILITY OF PEOPLE TO ADAPT TO THESE INFORMATION-BASED ECONOMIC ACTIVITIES IS PLAYING AN INCREASINGLY IMPORTANT ROLE IN NATIONAL ECONOMIES. THE VERY CONCEPT OF AN INDEPENDENT NATIONAL ECONOMY IS CRUMBLING AND TAKING WITH IT OUTDATED ECONOMIC THEORIES.

KNOWLEDGE HAS REPLACED LABOR AND RAW MATERIALS AS THE PRIMARY SOURCE OF WEALTH, THUS ALLOWING NATIONS TO CREATE THEIR OWN COMPARATIVE ADVANTAGE EVEN WHEN NOT GIFTED WITH RAW MATERIALS.

IN THIS VERY WAY JAPAN HAS DISPLACED AMERICA AS THE WORLD'S LEADING AUTOMOBILE MANUFACTURER; THEY HAVE DISPLACED GERMANY AS THE WORLD'S MAJOR CAMERA MAKER; AND THEY HAVE DISPLACED SWITZERLAND AS THE WORLD'S PREMIER WATCH PRODUCER. ON THE BASIS OF SUCH DYNAMISM, JAPAN COULD BECOME THE WORLD'S SECOND LARGEST ECONOMY. NEED I MENTION THAT JAPAN IS LIMITED IN ITS NATURAL RESOURCE BY COMPARISON TO THE U.S. OR THE USSR, AND IT HAS ACCOMPLISHED ITS POSITION IN ONLY ONE GENERATION SINCE ITS ABJECT DEFEAT IN WORLD WAR II.

BUT IT'S NOT JUST JAPAN.

GERMANY IS THE WORLD'S LARGEST EXPORTER OF MANUFACTURED GOODS. HONG KONG IS THE WORLD'S THIRD LARGEST FINANCIAL SUPERMARKET. KOREA BOASTS THE WORLD'S LARGEST SHIPBUILDING YARDS. BRAZIL HAS MOVED INTO THE FRONT RANK OF COMMODITY STEEL PRODUCTION. SINGAPORE IS THE WORLD'S SECOND-LARGEST PRODUCER OF OIL DRILLING RIGS. SOME 15 THIRD WORLD COUNTRIES ALONE HAVE OVER 1,300 FOREIGN MANUFACTURING AND TRADING SUBSIDIARIES.

WHAT THIS MEANS IS THAT THE PROCESS OF ECONOMIC PRODUCTION IS BECOMING GLOBAL. ANY NATION -- EVEN LESSER DEVELOPED COUNTRIES WITH LIMITED RESOURCES -- CAN OVERLEAP MORE DEVELOPED WORLD LEADERS IF POLITICAL AND ECONOMIC RESOURCES ARE WISELY ORGANIZED. NATIONS ARE INCREASINGLY PART OF A WORLDWIDE SYSTEM OF RESEARCH, INVENTION, FINANCING, PRODUCTION, MARKETING AND CONSUMPTION. THUS THE WORLD BANK REPORTS THAT 25 PERCENT OF EVERYTHING PRODUCED IN THE WORLD IS SOLD ACROSS NATIONAL BORDERS.

EACH NATION IS STRUGGLING TO ADJUST TO THIS NEW SITUATION. IN MY OWN COUNTRY, FOR EXAMPLE, 70 PERCENT OF EVERYTHING SOLD TO CONSUMERS COMPETES AGAINST PRODUCTS FROM OTHER NATIONS. THE SHARE OF OUR GROSS NATIONAL PRODUCT DERIVED FROM TRADE HAS DOUBLED IN THE PAST DECADE. WE EXPORT 20 PERCENT OF OUR INDUSTRIAL PRODUCTION AND MORE THAN 40 PERCENT OF OUR FARM PRODUCE. EXPORTS ACCOUNT FOR THE JOBS OF APPROXIMATELY 5 MILLION AMERICANS.

IT IS IN THIS CONTEXT WE VIEW THE REQUIREMENTS OF U.S. TRADE. TRADE IS NO LONGER A SECONDARY ECONOMIC ACTIVITY. IT IS AN INTEGRAL PART OF THE PRODUCTION PROCESS.

AND SO WE SEEK TO EXPAND OUR TRADE RELATIONSHIP WITH ALL NATIONS, INCLUDING WITH THE SOVIET UNION.

THE UNITED STATES GOVERNMENT HAS LONG RECOGNIZED THE
IMPORTANCE OF TRADE BETWEEN OUR TWO COUNTRIES. TRADE
OFFERS OPPORTUNITIES FOR BENEFICIAL COOPERATION.
PRESIDENT REAGAN NOTED RECENTLY THAT PEACEFUL TRADE HELPS
IN THE EFFORT TO DEVELOP CONSTRUCTIVE AMERICAN-SOVIET
RELATIONS.

YET TRADE IS ONLY ONE FACET OF THE TOTAL AMERICAN-SOVIET
RELATIONSHIP . . . A RELATIONSHIP WHICH TOUCHES VIRTUALLY
EVERY AREA OF U.S. INTERNATIONAL CONCERNS.

IN SUCH A COMPLEX RELATIONSHIP, TRADE CANNOT BE SEPARATED
FROM EVERYTHING ELSE.

THIS IS A POINT SOVIET LEADERS HAVE ALSO MADE OVER THE YEARS. EVEN WHEN EXPECTATIONS FOR TRADE BETWEEN OUR TWO COUNTRIES WERE GREATEST, WE EACH RECOGNIZED, IN WRITING, THE RIGHT OF EITHER GOVERNMENT TO TAKE ANY ACTION IT DEEMED NECESSARY FOR THE PROTECTION OF ITS SECURITY INTERESTS.

AS YOU WELL KNOW, WE HAVE EXPORT CONTROLS FOR NATIONAL SECURITY, FOREIGN POLICY, AND SHORT SUPPLY REASONS. BUT OUTSIDE OF EXPORTS PROHIBITED FOR NATIONAL SECURITY REASONS, A LARGE RANGE OF PRODUCTS EXISTS WHICH CAN FREELY BE EXPORTED FROM THE U.S. TO THE SOVIET UNION. WE HAVE JUST ISSUED A BOOKLET WHICH DETAILS SOME OF THE AREAS OF TRADE ACCEPTABLE UNDER OUR REGULATIONS.

EXPORTS AND IMPORTS PROVIDING BENEFITS TO BOTH COUNTRIES COVER A WIDE RANGE OF PRODUCTS. BULLDOZERS AND SUPER DUMP TRUCKS, SOFT DRINK AND BABY FOOD PLANTS, PLATINUM GROUP METALS, FERTILIZERS AND FUELS ARE EXAMPLES WHICH COME TO MIND.

AS TO FUTURE POSSIBILITIES, I COULD THINK OF SALES TO THE USSR OF AGRICULTURAL EQUIPMENT AND PLANT TO MANUFACTURE SUCH EQUIPMENT. THE COMMERCE DEPARTMENT HAS ENCOURAGED THIS TYPE OF TRADE IN SEVERAL WAYS, INCLUDING SUPPORT FOR THE COUNCIL'S "AGRIBUSINESS-USA" AS WELL AS ASSURANCE OF EXTENSION OF EXPORT LICENSES. I AM SURE THAT DURING THIS MEETING YOU HAVE BEEN DISCUSSING MANY NEW IDEAS FOR COOPERATION IN THE FUTURE. WE HOPE THAT THESE WILL TRANSLATE INTO INCREASED TRADE.

PERHAPS IT HAS NOT BEEN AS CLEAR TO AMERICAN AND SOVIET BUSINESS REPRESENTATIVES AS IT MIGHT HAVE BEEN THAT WE ENCOURAGE U.S. FIRMS TO DEVELOP NON-STRATEGIC TRADE WITH THE SOVIET UNION. OUR NEGOTIATION OF AN EXPANDED GRAIN AGREEMENT LAST YEAR MAKES CLEAR OUR POLICY ON AGRICULTURAL TRADE. I HOPE MY PRESENCE HERE PROVIDES REASSURANCE THAT THE U.S. ALSO ENCOURAGES NON-STRATEGIC TRADE IN OTHER AREAS.

WE HAVE ENSURED THE PRESERVATION OF KEY ELEMENTS IN THE BILATERAL ECONOMIC FRAMEWORK. THERE IS A GRAIN AGREEMENT, AN AGRICULTURAL COOPERATION AGREEMENT AND A FISHERIES AGREEMENT. THE JOINT COMMERCIAL COMMISSION REMAINS TO OVERSEE TRADE RELATIONS. RENEWAL OF THE LONG-TERM ECONOMIC, INDUSTRIAL AND TECHNICAL COOPERATION AGREEMENT WILL PROVIDE US WITH A SOLID BASIS FOR IMPROVING THE COMMUNICATION BETWEEN OUR GOVERNMENTS IN THE ECONOMIC SPHERE.

OUR MISSION AT THE DEPARTMENT OF COMMERCE IS BOTH TO PROMOTE EXPORTS AND, AT THE SAME TIME, TO ADMINISTER EXPORT CONTROLS WHERE NECESSARY. THIS IS A DIFFICULT AND, AT TIMES, CONTRADICTIONARY TASK. SUCH A JOB IMPRESSES UPON US THE NEED FOR AS STABLE A WORLD TRADING ENVIRONMENT AS POSSIBLE. THIS IS THE REASON THAT, WHILE WE SEEK AUTHORITY TO ADMINISTER CONTROLS EFFECTIVELY, WE ALSO SUPPORT MEASURES TO PROVIDE A REASONABLE DEGREE OF CONTRACT SANCTITY.

OUR GOVERNMENT IS CURRENTLY CONSIDERING RENEWAL OF THE EXPORT ADMINISTRATION ACT. PRESIDENT REAGAN SUPPORTS INCLUSION IN THE NEW ACT OF A PROVISION ON CONTRACT SANCTITY. THIS PROVISION ACKNOWLEDGES THAT BUSINESS CONTRACTS SHOULD NOT, AS A GENERAL RULE, BE BROKEN FOR REASONS OF FOREIGN POLICY, YET IT PROVIDES THE PRESIDENT WITH THE FLEXIBILITY TO BREAK CONTRACTS UNDER EXCEPTIONAL CIRCUMSTANCES.

THIS WOULD COMPLEMENT THE CONTRACT SANCTITY FOR AGRICULTURAL EXPORTS ALREADY PROVIDED BY THE COMMODITY FUTURES ACT. IT WOULD HELP MANIFEST PRESIDENT REAGAN'S INSISTENCE THAT THE UNITED STATES BE A RELIABLE TRADING PARTNER. OF COURSE, THE CONGRESS IS STILL DELIBERATING THE EXPORT ADMINISTRATION ACT, AND WE HAVE NO WAY OF PREDICTING THE OUTCOME.

LET ME STRESS THAT, IN LOOKING AT THE BROADER SCOPE OF US-SOVIET RELATIONS, NO ONE IS HAPPY ABOUT THEIR CURRENT STATE. THE FUTURE OF MANKIND OBLIGES OUR TWO NATIONS TO PEACEFULLY RESOLVE OUR DIFFERENCES. PRESIDENT REAGAN RECOGNIZED THIS IN HIS SPEECH ON JANUARY 16. "NEITHER WE NOR THE SOVIET UNION," HE SAID, "CAN WISH AWAY THE DIFFERENCES BETWEEN OUR TWO SOCIETIES AND OUR PHILOSOPHIES. BUT WE SHOULD ALWAYS REMEMBER THAT WE DO HAVE COMMON INTERESTS.

AND THE FOREMOST AMONG THEM," THE PRESIDENT CONTINUED,
"IS TO AVOID WAR AND REDUCE THE LEVEL OF ARMS. THERE IS NO
RATIONAL ALTERNATIVE BUT TO STEER A COURSE WHICH I WOULD
CALL CREDIBLE DETERENCE AND PEACEFUL COMPETITION; AND IF WE
DO SO," HE CONCLUDED, "WE MIGHT FIND AREAS IN WHICH WE COULD
ENGAGE IN CONSTRUCTIVE COOPERATION."

THE UNITED STATES IS DETERMINED TO DEAL WITH OUR DIFFERENCES
WITH THE SOVIET UNION PEACEFULLY, THROUGH NEGOTIATIONS.
WE'RE PREPARED TO DISCUSS THE PROBLEMS THAT DIVIDE US AND TO
WORK FOR PRACTICAL, FAIR SOLUTIONS ON A BASIS OF MUTUAL
COMPROMISE. THE UNITED STATES WILL NEVER RETREAT FROM
NEGOTIATIONS. BUT WE INSIST THAT NEGOTIATIONS DEAL WITH
REAL PROBLEMS AND SEEK GENUINE SOLUTIONS. THE TIME FOR
POSTURING BEFORE WORLD AUDIENCES HAS LONG PASSED.

IN CLOSING, I WANT TO EMPHASIZE THAT NEVER HAVE THE PEOPLE OF OUR TWO COUNTRIES SO HOPED FOR PROGRESS TOWARD PEACE AS THEY DO TODAY. THE INTERDEPENDENCE BRED BY TRADE IS INTEGRAL TO THIS PROGRESS, AS PEOPLE ARE LESS LIKELY TO SHOOT AT SOMEONE ELSE IF THEY KNOW THEY WILL HIT THEMSELVES IN THEIR OWN POCKETBOOK. TECHNOLOGY AND TRADE HAVE GIVEN US THE TOOLS LITERALLY TO SHAPE A NEW ERA. AN ERA WHICH CAN FEED, CLOTHE AND HOUSE EVERY MEMBER OF THE HUMAN FAMILY. AN ERA WHERE FEAR OF ANNIHILATION IS A RELIC OF BYGONE TIMES. AN ERA THAT COULD TAKE NATIONS BEYOND HISTORIC RIVALRIES. AN ERA OF FULFILLMENT FOR ALL PEOPLES.

THAT IS THE HEART OF THE TASK FACING OUR TWO COUNTRIES, AND THIS COUNCIL, AS WE SEEK TO EXPAND OUR COMMERCE AND TRADE.

THANK YOU.