

# Ronald Reagan Presidential Library Digital Library Collections

---

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

---

**Collection:** Danzansky, Stephen I.: Files  
**Folder Title:** Soviet Union (Tea and Chocolate) (1)  
**Box:** RAC Box 12

---

To see more digitized collections visit:

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

To see all Ronald Reagan Presidential Library inventories visit:

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

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

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

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

# WITHDRAWAL SHEET

## Ronald Reagan Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
1. memo	from Colin Powell to George Shultz, Jim Baker, Bill Verity and William Webster re: import of Soviet tea and chocolate (1p)	7/27/88	<del>P-1</del> B1
2. memo	from C. Powell to the President re: Soviet tea and chocolate imports (4pp)	7/26/88	<del>P-1, P-5</del> B1
3. memo	from J. Baker to the president re: violations of slave-labor law (5pp)	7/25/88	<del>P-5</del> B3/B7
4. letter	from G. Shultz to C. Powell re: convict labor (2pp)	7/4/88	<del>P-1, P-5</del> B1
<del>5. letter</del> 90	<del>from B. Verity to C. Powell re: Soviet tea and candy (1p)</del>	<del>7/15/88</del>	<del>P-5</del> open
6. memo	from S. Danzansky and Nelson Ledsky to C. Powell re: re: Soviet tea and chocolate (1p)	7/26/88	<del>P-1, P-5</del> B1
<del>7. letter</del> 91	<del>from J. Baker to C. Powell re: convict labor imports (1p)</del>	<del>7/25/88</del>	<del>P-5</del> open
8. memo	from Danzansky and Ledsky to C. Powell re: Soviet tea and chocolate (1p)	7/25/88	<del>P-1, P-5</del> B1
9. memo	from C. Powell to the President re: Soviet tea and chocolate (3pp)	n.d.	<del>P-1, P-5</del> B1
10. memo	to G. Shultz, J. Baker and W. Webster re: import of Soviet tea and chocolate (1p)	n.d.	<del>P-1</del> B1
11. memo	from S. Danzansky and N. Ledsky to C. Powell (3pp)	7/21/88	<del>P-1, P-5</del> B1
<del>12. letter</del> 92	<del>from J. Baker to G. Shultz and C. Powell re: Soviet forced labor (1p, partial)</del>	<del>7/1/88</del>	<del>P-5</del> open
13. letter	from John Whitehead to C. Powell re: Soviet tea and chocolate (2pp)	7/6/88	<del>P-1, P-5</del> B1
COLLECTION:  DANZANSKY, STEPHEN I.: Files			db
FILE FOLDER:  Soviet Union (Tea and Chocolate)			RAC Box 12 Box 91819 11/16/94

(1 of 3)

### RESTRICTION CODES

#### Presidential Records Act - [44 U.S.C. 2204(a)]

- P-1 National security classified information [(a)(1) of the PRA].
- P-2 Relating to appointment to Federal office [(a)(2) of the PRA].
- P-3 Release would violate a Federal statute [(a)(3) of the PRA].
- P-4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA].
- P-5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA].
- P-6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA].

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

- F-2 Release could disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA].
- F-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA].
- F-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA].
- F-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.

Tea & Choc  
Danzansky

## RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 1 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.





# WASHFAX RECEIPT

THE WHITE HOUSE

# C

~~CONFIDENTIAL~~

MESSAGE NO. \_\_\_\_\_ CLASSIFICATION \_\_\_\_\_ PAGES 1

FROM PAUL S. STEVENS 456-2224 \_\_\_\_\_  
(NAME) (EXTENSION) (ROOM NUMBER)

MESSAGE DESCRIPTION TEA AND CHOCOLATE

LOG: 4961

<u>TO (AGENCY)</u>	<u>DELIVER TO:</u>	<u>DEPT/ROOM NO.</u>	<u>EXTENSION</u>
<u>STATE</u>	<u>MELVYN LEVITSKY</u>	<u>EXEC SEC</u>	_____
<u>TREASURY</u>	<u>ROBERT B. ZOELICK</u>	<u>EXEC SEC</u>	_____
<u>COMMERCE</u>	<u>DONALD A. DANNER</u>	<u>CHIEF OF STAFF</u>	_____
<u>CIA</u>	<u>H. LAWRENCE SANDALL</u>	<u>EXEC SEC</u>	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

REMARKS

## URGENT

PRESERVATION COPY

UNCLASSIFIED UPON REMOVAL  
OF CLASSIFIED ENCLOSURE(S)

MSM  
4/1/98

Tea & choc  
Panzasky

## RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 2 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.

Tea & Choc  
Danzasly

## RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 3 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.





U.S. Department of Justice

Civil Division

Office of the Assistant Attorney General

Washington, D.C. 20530

April 25, 1988

Honorable Mark Sullivan III  
General Counsel  
Department of the Treasury  
Washington, D.C. 20220

Dear Mark:

Your letter of April 20, 1988, requested our views on the likely effect of new evidence concerning the production of tea and chocolate in the Soviet Union in the enforcement of 19 U.S.C. § 1307 (1982).

As explained in your letter, in the second stage of the enforcement process under that statute, an importer must provide satisfactory evidence to the Customs Service that the products it wishes to import do not come within the ambit of section 1307. If the Customs Service determines that this evidence is not sufficient, the importer may file a protest and, upon denial of the protest, file a civil action in the Court of International Trade. It is likely that this action would be resolved by means of a de novo proceeding.

As any litigator would tell you, it is extremely difficult in the abstract to predict the probabilities of a successful defense. Obviously, the nature and the strength of the evidence possessed by the plaintiff-importer in the particular case are usually not known until after the civil action is instituted and discovery has been conducted.

Having said that, however, I want to stress that the plaintiff-importer would bear the burden of proof. Moreover, it is clear that the new evidence submitted with your letter is much more probative than the evidence previously available. Although the policy decision to invoke the first stage of section 1307's process is for the Department of the Treasury, I want to assure you that the Department of Justice is perfectly willing, and



- 2 -

indeed eager, to defend challenges to your efforts to prohibit the importation of goods made with convict, forced or indentured labor.

Sincerely yours,

A handwritten signature in dark ink, appearing to be 'JRB', written over the typed name.

John R. Bolton  
Assistant Attorney General

Tea & Choc  
Danzansky

## RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 4-1 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.



THE SECRETARY OF COMMERCE  
Washington, D.C. 20230

JUL 15 1988

5262

Honorable Colin Powell  
Assistant to the President for  
National Security Affairs  
Washington, DC 20503

Dear Colin:

I understand Secretary Baker is considering action to stop imports of tea and certain candy from the Soviet Union because of some information indicating they may have been made with convict labor. I also understand that you will be talking with Secretary Shultz on this topic next week and thought our opinion on the subject might be helpful to you.

It goes without saying that Section 307 of the Trade Act of 1930, which prohibits imports of products made with forced labor, should be enforced.

As we are in the midst of intensive efforts to improve our trade relations with the Soviets, it seems to me equally true that such trade action be taken only after we are quite sure of the current facts. It is also important that the same procedures be followed for imports from the Soviet Union as would be followed in investigating allegations related to other countries. This includes any "de minimus" or other standards that would apply to other countries.

We hope there will be a chance for further airing of the subject before action is taken. I hope that you will add my concerns to those of others in ensuring fair and careful action in enforcing this provision of our trade laws.

I plan to share my concerns also with Secretary Baker upon his return.

Sincerely,

*Lice*

Secretary of Commerce

*Using such old information  
to push this kind of an effort will  
be misunderstood and counterproductive.*

FOR OFFICIAL USE ONLY

## RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 6 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.





THE SECRETARY OF THE TREASURY  
WASHINGTON

tea + chocolate

5446

July 25, 1988

Dear Colin:

As I indicated to you in my letter of July 7, and recommended to George in our conversations, I remain of the view that the best approach to the issue of convict labor imports is for Treasury to issue the prohibitory Federal Register notice without Presidential involvement.

However, if you decide to submit this issue to the President, I would appreciate it if you forwarded my enclosed memorandum. I believe it clearly sets out the issue as I see it, the evidence, our record of restraint, Congress' involvement, and my view of my law enforcement obligations.

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

James A. Baker, III

The Honorable Colin L. Powell  
Assistant to the President for  
National Security Affairs  
The White House  
Washington, D.C. 20500

Enclosure

Tea & Choc  
Danzansky

## RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 18-11 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.



THE SECRETARY OF THE TREASURY  
WASHINGTON

July 1, 1988

Dear George and Colin:

In line with our past conversations on Soviet forced labor, I'm enclosing a copy of the Federal Register notice that I intend to publish in the near future. The notice states that Customs will deny entry of Soviet tea and chocolate unless importers demonstrate that convict labor has not made the merchandise.

It's my carefully considered judgment that I'm compelled to invoke this legal prohibition because of the accumulated evidence, a summary of which I already have shared with you. Indeed, we asked officials at the Justice Department to reexamine our evidence, and they strongly endorsed the release of this notice.

In my view, the provision in this year's Continuing Resolution -- which bars any funding for an activity that prohibits enforcement of this law -- further circumscribes any discretion you may contend that I have. Moreover, we continue to receive avid inquiries from Congress about our follow-through.

As you both know, I haven't acted before now out of sensitivity to your concerns. But I don't believe I can or should delay this action. As I've mentioned to you, George, I think the best way to minimize some of your concerns is for me to execute my responsibility through the prompt, simple, and direct release of this notice.

Sincerely,

James A. Baker, III

The Honorable George P. Shultz  
Secretary of State  
Department of State  
Washington, D.C. 20520

The Honorable Colin L. Powell  
Assistant to the President for  
National Security Affairs  
The White House  
Washington, D.C. 20500

Enclosure

**DEPARTMENT OF THE TREASURY  
UNITED STATES CUSTOMS SERVICE**

**19 CFR Part 12**

**(T.D. 88- )**

**WITHHOLDING OF RELEASE OF MERCHANDISE  
PRODUCED, MINED, OR MANUFACTURED IN THE SOVIET UNION  
----- BY CONVICT LABOR -----**

**AGENCY: U.S. Customs Service, Department of the Treasury.**

**ACTION: Notice of Withholding of Release of Merchandise.**

**SUMMARY: This document advises that the Secretary of the Treasury has approved a finding by the Commissioner of Customs that available information reasonably indicates that certain classes of merchandise are being or are likely to be imported into the United States from the Soviet Union that are mined, produced, or manufactured wholly or in part by convict labor. Because the importation of such merchandise is prohibited by Section 307 of the Tariff Act of 1930, the release from Customs custody for importation of any such merchandise is**



hereby withheld, pursuant to 19 CFR 12.42. Importers of merchandise withheld from entry under this notice may file proof of admissability with the Customs Service pursuant to 19 CFR 12.43.

DATE: This withholding is effective [DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

FOR FURTHER INFORMATION CONTACT: Dennis M. O'Connell, Director, Office of Trade and Tariff Affairs, Room 4004, Office of the Assistant Secretary (Enforcement), Department of the Treasury, 1500 Pennsylvania Avenue, N.W. Washington, D.C. 20220, 566-8435.

#### BACKGROUND

Section 307 of the Tariff Act of 1930 (19 U.S.C. 1307), provides, in pertinent part, that "[a]ll goods, wares, articles, and merchandise mined, produced, or manufactured wholly or in part in any foreign country by convict labor or/and forced labor or/and indentured labor under penal sanctions shall not be entitled to entry at any of the ports of the United States, and the importation thereof is hereby prohibited, and the Secretary of the Treasury is authorized and directed to prescribe such regulations as may be necessary for the enforcement of this provision."

Based upon 19 U.S.C. 1307, Section 12.42 of the Customs regulations (19 CFR 12.42), sets forth a procedure for the Commissioner of Customs to make a finding that an article is being, or is likely to be, imported into the United States which is being produced, whether by mining, manufacture, or other means, in any foreign locality with the use of convict labor, forced labor, or indentured labor under penal sanctions.

Paragraph (f) of 19 CFR 12.42 provides that if the Commissioner determines that merchandise within the purview of 19 U.S.C. 1307 is being, or is likely to be, imported, he will, with the approval of the Secretary of the Treasury, publish a finding to that effect in a weekly issue of the Customs Bulletin and in the Federal Register. Articles in that class of merchandise will be denied entry, but importers may establish by satisfactory evidence that specific articles in that class were not mined, manufactured, or produced with the type of prohibited labor stated in the exclusion notice. 19 CFR 12.42(g), 12.43.

Pursuant to 19 CFR 12.42, the Commissioner has caused an investigation to be made as to whether certain merchandise is being or is likely to be imported into the United States from the Soviet Union which comes within the purview of 19 U.S.C. 1307. Based upon information produced by an investigation of

certain importations of tea and chocolate products from the Soviet Union, the Secretary has approved the publication of the following findings made by the Commissioner.

#### FINDINGS

Pursuant to 19 CFR 12.42(f), it is hereby determined that certain articles from the Soviet Union are either being, or are likely to be, imported into the United States, which are being produced, whether by mining, manufacture, or other means, with the use of convict labor.

Accordingly, the release from Customs custody for consumption or withdrawal from warehouse for consumption of the following articles from the Soviet Union henceforth shall be withheld:

Article	Tariff Schedule Item Number (19 U.S.C. 1202)
---------	---

---

TEA

160.50

CHOCOLATE

157.10 (Manufactured at  
Babayevskaya)



Based upon this finding, Customs officers shall withhold release of any of these articles from the Soviet Union pending instructions as to whether they may be released otherwise than for exportation or disposed of in accordance with Customs Regulations, 19 CFR 12.42 et seq.

This withholding shall remain in force until revoked.

Approved:

---

JAMES A. BAKER, III

SECRETARY OF THE TREASURY

---

DATE



Tea & Choc.  
Ruhzansky

## RONALD W. REAGAN LIBRARY

THIS FORM MARKS THE FILE LOCATION OF ITEM NUMBER 13 LISTED ON THE  
WITHDRAWAL SHEET AT THE FRONT OF THIS FOLDER.



~~CONFIDENTIAL~~

NATIONAL SECURITY COUNCIL

TIME STAMP ~~UNCLASSIFIED~~ EXECUTIVE SECRETARIAT STAFFING DOCUMENT

OF CLASSIFIED ENCLOSURE(S)

4/11/68

SYSTEM LOG NUMBER:

4961

82 JUL 6 5:11  
ACTION OFFICER:

DOE

7/8

☐ Prepare Memo For President

☐ Prepare Memo Stevens to Peterson / Murr

☒ Prepare Memo For Powell/Negraponte

☐ Appropriate Action

☐ Prepare Memo

to

CONCURRENCES/COMMENTS\*

PHONE\* to action officer at ext.

3622

FYI

☐ Andricos

☐ Batjer

☐ Brooks

☐ Burns

☐ Childress

☐ Cobb

☐ Cockell

☐ Cohen

☐ Collins

☐ Curtin

☐ Danzansky

☐ Dean

☐ Deljak

☐ Donley

☐ Douglass

☐ Ernarth

☐ Farrar

☐ Flower

☐ Fortier

☐ Frazier

FYI

☐ Grimes

☐ Helser

☐ Henhoeffer

☐ Herbst

☐ Jameson

☐ Kelly, B.

☐ Kelly, J.

☐ Kimberling

☒ Ledsky

☐ Levin

☐ Lewis

☐ Linhard

☐ Manley

☐ McCue

☐ McHamare

☐ Melby

☐ Miskel

☐ Oakley

☐ Paul

☐ Perina

FYI

☐ Popadiuk

☐ Porter

☐ Reger

☐ Rodman

☐ Rosenberg

☐ Ross

☐ Rostow

☐ Saunders

☐ Scharfen

☐ Seiber

☐ Snider

☐ Sorzano

☐ Steiner

☐ Tahir-Kheli

☐ Tice

☐ Tillmar

☐ Tobey

INFORMATION

☒ Stevens

☒ Powell (advance)

☒ Perito

☒ Negraponte (advance)

☒ Secretariat

COMMENTS

CRW:4898

CONFIDENTIAL

Logged By

Return to Secretariat





THE SECRETARY OF COMMERCE  
Washington, D.C. 20230

JUL 15 1988

5262

Honorable Colin Powell  
Assistant to the President for  
National Security Affairs  
Washington, DC 20503

Dear Colin:

I understand Secretary Baker is considering action to stop imports of tea and certain candy from the Soviet Union because of some information indicating they may have been made with convict labor. I also understand that you will be talking with Secretary Shultz on this topic next week and thought our opinion on the subject might be helpful to you.

It goes without saying that Section 307 of the Trade Act of 1930, which prohibits imports of products made with forced labor, should be enforced.

As we are in the midst of intensive efforts to improve our trade relations with the Soviets, it seems to me equally true that such trade action be taken only after we are quite sure of the current facts. It is also important that the same procedures be followed for imports from the Soviet Union as would be followed in investigating allegations related to other countries. This includes any "de minimus" or other standards that would apply to other countries.

We hope there will be a chance for further airing of the subject before action is taken. I hope that you will add my concerns to those of others in ensuring fair and careful action in enforcing this provision of our trade laws.

I plan to share my concerns also with Secretary Baker upon his return.

Sincerely,

*Lice*

Secretary of Commerce

*Using such old information  
to push this kind of an effort will  
be misunderstood and counterproductive.*

FOR OFFICIAL USE ONLY