

DECLASSIFIED

~~SECRET~~SYSTEM II
91354

THE WHITE HOUSE

WASHINGTON

January 4, 1985

~~SECRET~~NATIONAL SECURITY DECISION
DIRECTIVE NUMBER 155U.S.-SOVIET ECONOMIC AND COMMERCIAL RELATIONS (U)

In May 1984, I approved the renewal for 10 years of the U.S.-USSR Long-Term Agreement for Economic, Industrial and Technical Cooperation. I also approved reinstating, under Article III of the agreement, periodic meetings of a bilateral economic working group of experts to exchange information and forecasts of basic economic, industrial and commercial trends. As the working group meetings on January 8-10, 1985 in Moscow will be the first meetings of their kind in six years, it is important to have a unified Administration position on what these meetings are designed to accomplish and the policy framework in which they are taking place. (C)

I view the objectives of these working group meetings to be as follows:

- o To review the status of overall U.S.-Soviet economic and commercial relations.
- o To discuss present obstacles to our trade relations in an effort to identify areas in which mutually beneficial non-strategic trade could be expanded in conformity with present export control policies.
- o To help determine if there are sufficient grounds for a meeting of the U.S.-USSR Joint Commercial Commission. (S)

I have received a report through the SIG-IEP on proposed U.S. positions on five issues likely to be raised by the Soviets. These issues are: the ban on Soviet furskins, a Cuban nickel certification arrangement, aeroflot landing rights, port access regulations, and the bilateral protocol tax treaty. (S)

After reviewing this report, I have decided that the U.S. delegation to Moscow should:

- o Indicate to the Soviets a willingness to discuss options with the U.S. Congress to lift the furskins ban if the Soviets are prepared to improve business conditions and prospects for U.S. firms.
- o Reiterate a recent Treasury offer to resolve the Cuban nickel certification issue.
- o Indicate a U.S. willingness to begin discussion of civil aviation matters, but only after receiving a favorable Soviet response to U.S.-Japan proposals on North Pacific

~~SECRET~~~~SECRET~~

COPY 1 OF 15

safety measures, and with the understanding that any restoration of Aeroflot service would have to be part of a package offering a true balance of concessions for U.S. carriers.

- o Respond to any Soviet inquiry on port access procedures by informing them of our willingness to discuss this question in our traditional maritime framework. The Soviets should be told such discussions would have to encompass U.S. maritime industry interests.)
- o Indicate to the Soviets a U.S. willingness to move forward on the unsigned 1981 tax protocol, but noting that changes may have to be made. (S)

On the issue of U.S. energy equipment sales to the USSR, we must maintain the delicate balance between expanding such sales by U.S. firms and preserving our security-minded allied consensus on the strategic aspects of East-West economic relations outlined in NSDD-66. My concern is reinforced by potential slippage in the timely development of the Sleipner and Troll gas fields. If a commitment to the accelerated development of these projects is not made soon, the Soviet Union would be provided with the opportunity to further expand its deliveries of natural gas to Western Europe thereby potentially undermining the May 1983 IEA Agreement. To avoid sending inconsistent signals to the allies and the USSR, U.S. oil and gas equipment sales should not be an area in which the U.S. should agree to an active program of trade expansion pending further policy clarification by me. (S)

I also approve using these working group meetings in Moscow to express our serious concerns about Soviet human rights abuses and emigration policy. We must make it clear to the Soviets that their continued poor performance in these areas will have a serious negative effect on any effort to establish a more constructive bilateral relationship, including our economic and commercial relations. (S)

At the conclusion of the meetings in Moscow, the State Department should brief the allies concerning what transpired during these meetings to avoid the possibility of their misinterpreting these bilateral trade talks in a way harmful to U.S. interests in COCOM and other strategic trade areas. The SIG-IEP shall continue to serve as the Cabinet-level body to integrate and review the various components of U.S.-Soviet economic and commercial relations. The SIG-IEP should also coordinate recommendations to me concerning the advisability of a meeting of the Joint Commercial Commission. (S)

Ronald Reagan