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WITHDRAWAL SHEET

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Collection Name MATLOCK, JACK: FILES

Withdrawer

JET 4/4/2005

File Folder MATLOCK CHRON APRIL 1985 (1/6)

FOIA

F06-114/2

Box Number 8

YARHI-MILO

810

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
7001	TALKING POINTS	SATURDAY BREAKFAST RE BALDRIGE VISIT TO MOSCOW <i>R 11/21/2007 F06-114/2</i>	3	ND	B1
7003	TALKING POINTS	SAME TEXT AS DOC #7001 <i>R 11/21/2007 F06-114/2</i>	3	ND	B1
7006	MEMO	MATLOCK TO MCFARLANE <i>R 11/21/2007 F06-114/2</i>	1	4/1/1985	B1
7017	MEMO	PLATT TO MCFARLANE RE PROPOSAL FOR U.S.-USSR JOINT DEVELOPMENT OF OIL RESOURCES IN THE NAVARIN BASIN <i>R 11/21/2007 F06-114/2</i>	9	3/30/1985	B1
7008	MEMO	KIMMITT TO PLATT RE U.S.-USSR FISHING RELATIONSHIP <i>R 11/21/2007 F06-114/2</i>	1	4/1/1985	B1
7009	MEMO	LEVINE TO MCFARLANE RE U.S.-USSR FISHING RELATIONSHIP <i>R 3/27/2012 M266/1</i>	1	3/20/1985	B1
7019	MEMO	PLATT TO MCFARLANE RE U.S.-USSR FISHING RELATIONSHIP <i>R 11/21/2007 F06-114/2</i>	2	2/16/1985	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]

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
7011	MEMO	MATLOCK TO MCFARLANE R 11/21/2007 F06-114/2 DOCUMENT PENDING REVIEW IN ACCORDANCE WITH E.O. 13233	2	4/2/1985	B1
7021	MEMO	PRIORITIES/OPPORTUNITIES FOR 1985 U.S.- USSR RELATIONS R 11/21/2007 F06-114/2	3	3/28/1985	B1
7014	MEMO	MATLOCK TO MCFARLANE RE MEETING WITH AMBASSADOR HARTMAN R 11/21/2007 F06-114/2	3	4/18/1985	B1
7016	MEMO	MATLOCK TO MCFARLANE RE STATE PAPER ON U.S.-USSR RELATIONS R 11/21/2007 F06-114/2 DOCUMENT PENDING REVIEW IN ACCORDANCE WITH E.O. 13233	2	4/2/1985	B1
7023	MEMO	SAME TEXT AS DOC #7021 R 11/21/2007 F06-114/2	3	3/28/1985	B1

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Chrom 1

TALKING POINTS FOR SATURDAY BREAKFAST

Baldrige Visit to Moscow

-- The first question we should address is whether, in light of the Soviet handling of the Nicholson killing, the meeting should be postponed. What are your views?

-- [In commenting, note as appropriate, pros and cons attached, then:] Though emotionally I frankly would like to delay the JCC meeting, I believe a delay would not serve our long-term interests, and actually would diminish the potential leverage these trade issues provide us in managing the overall U.S.-Soviet relationship.

-- However, I think it important for Mac to make clear that any improvement of the trade atmosphere beyond the very limited issues in the position he takes with him will be dependent on an improved political atmosphere. He should make the point that the Soviet reaction to the Nicholson shooting has damaged the atmosphere, and -- privately -- let the Soviets know that we are looking for improvements in the human rights situation before moving on any of the larger issues they are interested in.

-- If the meeting is held on schedule, the question will arise as to whether Mac should carry a substantive letter from the President, to present in case he gets an appointment with Gorbachev. Are there any views on this?

[If there is a consensus for proceeding with the meeting:]

-- I'll take this up with the President, and believe he will agree.

[If there are divided views:]

-- I'll let the President know how you feel about this and will let you know early next week what he decided.

~~SECRET~~

Declassify on: OADR

DECLASSIFIED
NLS F06-114/2#7001
BY h0j NARA, DATE 11/21/07

~~SECRET~~

OPTIONS RE BALDRIGE VISIT

1. Ask for delay in JCC Meeting to show displeasure with the Soviet handling of the Nicholson killing.

PRO: a. Would convey our view that the Soviet reaction is totally unsatisfactory.
b. Would make clear to the Soviets that their behavior can affect unrelated areas of importance to them.

CON: a. Would seem inconsistent with a policy of trying to expand communication.
b. Would undermine effort to use Soviet desire for better trade relations to achieve goals in other areas (e.g., human rights).
c. Would be interpreted by some as backing off stated long-term policy for short-term reasons.
d. Would offend some influential U.S. business circles, including strong supporters of the President.
e. Not likely to encourage a Soviet effort to avoid such incidents in the future.

2. Hold meeting as scheduled, but use occasion to point out the damage that the Soviet handling of the Nicholson killing has done to bilateral relations, and stress the point that substantial improvements in our trading relationship will be dependent on an improvement in political relations.

PRO: a. Appropriate means of retaliating for Nicholson are available in more directly related areas (restrictions on Soviets, possible PNG action, letter from President, etc.)

b. The obverse of the "cons" noted under Option 1.

CON: Will leave impression with some that we have not reacted with sufficient vigor to the Nicholson tragedy and affront.

~~SECRET~~

Declassify on: OADR

~~SECRET~~

GIFFEN "MESSAGE" TO MATLOCK

Jim Giffen, President of the U.S.-USSR Trade and Economic Council, called me to say that his Soviet contacts had indicated that Gorbachev would respond positively to the request for a Baldrige meeting if one of the following three conditions are met:

1. The JCC Meeting makes progress on a "major" issue (see below);
2. Baldrige has a "substantive" letter from the President;
or
3. The U.S. proposes a "major" project of economic cooperation.

As for the "major" issues in Soviet eyes, the following were named:

1. Contract sanctity;
2. MFN; and
3. Support for energy-related projects.

Matlock told Giffen that we would take note of this, but that he was certain that we would make no decisions on the basis of whether it would foster a meeting with Gorbachev. Such a meeting would be welcome, but the decision is entirely up to the Soviets; we would certainly not pay a price for one.

~~SECRET~~

Declassify on: OADR

~~SECRET~~

File:
Baldrige Visit 4

TALKING POINTS FOR SATURDAY BREAKFAST

Baldrige Visit to Moscow

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~~SECRET~~

Declassify on: OADR

DECLASSIFIED

NLS F06-114/2 #7003

BY LDJ NARA DATE 11/21/07

~~SECRET~~

OPTIONS RE BALDRIGE VISIT

1. Ask for delay in JCC Meeting to show displeasure with the Soviet handling of the Nicholson killing.

PRO: a. Would convey our view that the Soviet reaction is totally unsatisfactory.
b. Would make clear to the Soviets that their behavior can affect unrelated areas of importance to them.

CON: a. Would seem inconsistent with a policy of trying to expand communication.
b. Would undermine effort to use Soviet desire for better trade relations to achieve goals in other areas (e.g., human rights).
c. Would be interpreted by some as backing off stated long-term policy for short-term reasons.
d. Would offend some influential U.S. business circles, including strong supporters of the President.
e. Not likely to encourage a Soviet effort to avoid such incidents in the future.

2. Hold meeting as scheduled, but use occasion to point out the damage that the Soviet handling of the Nicholson killing has done to bilateral relations, and stress the point that substantial improvements in our trading relationship will be dependent on an improvement in political relations.

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Declassify on: OADR

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Declassify on: OADR

MEMORANDUM

NATIONAL SECURITY COUNCIL

✓ ~~W. H. Lock~~
2604 JM-C

~~SECRET~~

NOTED
April 11, 1985

INFORMATION

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: JACK F. MATLOCK *JFM*

SUBJECT: Proposal for U.S.-Soviet Joint Development of Oil Resources in the Navarin Basin

State has forwarded a report (Tab I) on a detailed interagency evaluation of a suggestion by Mr. Michel J. Halbouty that the U.S. propose to the Soviet Union joint exploitation of the Navarin Basin hydrocarbon deposits.

Mr. Halbouty had approached the Vice President with his idea, and the interagency evaluation was undertaken at the Vice President's request.

All agencies concluded that it would not be in the U.S. interest to act on Mr. Halbouty's proposal. This conclusion is based on a number of economic, political, legal and technological considerations. Ken Dam has written Mr. Halbouty to inform him of this judgment, but it is possible that Mr. Halbouty will continue to interest senior members of the Administration in his idea.

I believe that the interagency judgment of this idea is sound and that Ken Dam's letter to Halbouty was appropriate.

DM Martin, *Rob* Robinson and *Sest* Sestanovich concur.

Attachments:

Tab I Platt-McFarlane Memorandum with Attachments

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Declassify on: OADR

DECLASSIFIED
NLS F06-114/2-7006
BY LDS NARA DATE 11/21/07

**SECRET**

Washington, D.C. 20520

March 30, 1985

MEMORANDUM FOR MR. ROBERT C. MCFARLANE
THE WHITE HOUSESUBJECT: Proposal for U.S.-Soviet Joint Development of Oil
Resources in the Navarin Basin

Attached is a study responding to a proposal by Michel J. Halbouty to jointly develop certain hydrocarbon resources with the Soviets in that part of the Navarin Basin area of the Bering Sea which is currently under dispute by both countries. Mr. Halbouty has argued that that such a project would serve as an outstanding example of U.S.-Soviet cooperation, and could make an important contribution to the cause of world peace.

We, and the other four agencies that have reviewed Mr. Halbouty's proposal (Commerce, Energy, Interior and Defense), have serious problems with it. We have concluded that it would undercut our efforts to avoid allied overdependence on the U.S.S.R. as an energy source, would make the Soviets less interested in settling our maritime boundary dispute, and would be an inappropriate, one-sided gesture given the current state of U.S.-Soviet relations.

As was agreed in a March 8 interagency meeting called to discuss these proposals and chaired by Jack Matlock, Deputy Secretary Dam has sent the enclosed letter to Mr. Halbouty informing him of the Administration's problems with his proposal. We understand that Halbouty plans to be in Washington during the week of April 1 and expect that he will appeal our finding to Vice-President Bush and possibly to the President as well. Talking points for their possible use are attached to our study.

Nicholas Platt
for Nicholas Platt
Executive Secretary

Attachments:

1. Evaluation of Halbouty Proposal
2. Dam-Halbouty letter

SECRET

DECL:OADR

DECLASSIFIED
NLS Feb-114/2# 7067
BY LOS NARA DATE 11/21/07

~~SECRET~~

Evaluation of a Proposal for Joint U.S.-Soviet Development of
Off-Shore Oil Resources in the Navarin Basin Area of the
Bering Sea

We have examined the proposal of Mr. Michael Halbouty for joint U.S.-Soviet development of oil resources in the Navarin Basin area. Mr. Halbouty has recommended that a special area in the disputed part of the Bering Sea between the U.S. and Soviet interpretations of the 1867 Convention line ceding Alaska to the U.S. be designated a neutral zone (see attached map) and that we propose to the Soviets that petroleum resources in this zone be jointly developed and shared between us. He believes strongly that such a joint project would serve as an outstanding example of U.S.-Soviet cooperation, and would make an important contribution to improved mutual understanding and the cause of world peace.

In considering the feasibility of this proposal we believe it is necessary to take into account our overall approach to relations with the Soviet Union as well as specific aspects of this policy. Among the specific aspects which have been considered are the proposal's consistency with the U.S. approach to Soviet energy development, whether the proposal would help or hinder our efforts to resolve our maritime boundary dispute, the consistency of the proposal with international law, and the advantages and disadvantages to the U.S. flowing from such a proposal at this time.

When looking at the proposal in terms of our overall relations with the Soviets, we believe it is useful to keep in mind that we are engaged in a long-term strategic competition with the U.S.S.R. This global competition with the Soviets takes place across military, economic, ideological, and diplomatic dimensions. The key to managing the U.S.-Soviet relationship is to have an overall, cohesive, global strategy that brings into play all of these elements. The goal of such a strategy is to create incentives for the Soviets to show restraint and to seek cooperative approaches in our mutual interest.

Consistency with U.S. Policy on Soviet Energy Development

Status of the Soviet Energy Sector

The Soviet Union today produces more oil and gas than any other country in the world. In 1984, Soviet production of crude oil was 12.23 million b/d compared to 1983's record output of 12.32 million b/d. Total Soviet production of natural

gas was 20.7 trillion cubic feet in 1984, compared to 18.9 trillion cubic feet produced in 1983. Soviet oil and gas exports, including those to Western Europe, reflect its immense energy production capacity as well as pressing need for foreign exchange. Soviet oil exports have grown from 1.9 million b/d in 1970 to 3,590 million b/d in 1984. Soviet oil exports to Western Europe have shown a concomitant increase - up from .7 million b/d in 1973 to 1.5 million b/d in 1984. Soviet gas exports have shown an even more dramatic increase - up from 53.8 million cubic meters/day in 1975 to 172.6 million cubic meters/day in 1983. Exports to Western Europe are a sizable proportion of Soviet gas exports, having risen from 22.7 million cubic meters/day in 1975 to 78.4 million cubic meters/day in 1983.

We expect, however, that Soviet energy production, particularly of oil, will be under pressure during the second half of the decade. Oil production has continued to fall during the first two months of 1985. Soviet energy output and energy mix in the 1986-1990 period will depend largely on the level of investment and on the priorities the leadership establishes within the energy sector. From the information released so far about the USSR's Long-Term Energy Program, it appears that the leadership has accepted a plateau in oil output during the second half of the 1980's and is willing to commit the resources necessary to ensure an adequate level of energy production. The program calls for continued high levels of investment through the year 2000 to maintain oil production as high as possible while rapidly increasing gas extraction, further development of nuclear power, and greater energy efficiency through conservation. Energy development costs, however, will increase as the Soviets turn to more remote areas and more difficult geological structures to maintain production. These continued high costs have possible implications not only for overall economic growth, but also for military programs.

Soviet willingness to pay for rapidly increasing costs of energy development - particularly oil - in order to cover domestic and export requirements is reflected in the increasing share of total investment allocated to the energy sector. In the past, the USSR has held down energy's share of total investment by meeting the needs of the high priority items in the sector at the expense of others, but this strategy is no longer possible since investment costs are increasing in all areas of energy production.

Oil and gas exports account for approximately 80% of all Soviet hard-currency exports, estimated at \$18-19 billion of about \$24 billion in total hard currency earnings in 1983. Soviet earnings from energy exports will, however, be under pressure because of falling domestic oil production and declining world energy prices. The key for the USSR in being

able to offset a continued soft world oil pricing environment will be its ability to maintain high levels of crude oil to the West and increase natural gas exports.

The picture with regard to natural gas is much brighter than for oil. Soviet gas reserves are the largest in the world and their expanding pipeline network will make increased amounts available for export. Natural gas production has increased at a brisk pace and has exceeded plan targets for the last three years. Soft energy prices will, of course, affect gas as well as oil. Furthermore, it is questionable whether the Soviets will be able to export sufficient quantities of gas to make up completely for the expected decline in hard currency oil deliveries.

U.S. Policy toward Soviet Energy Development

In part because of our concerns over energy security in Western Europe, the Administration has adopted a policy of not encouraging development of Soviet energy resources. We have sought, in cooperation with our NATO allies and other countries, to ensure that Western Europe does not have an undue reliance on Soviet energy because of the potential unreliability of this source. We have strongly encouraged our allies in Western Europe to take steps to ensure the development of indigenous resources, particularly in the North Sea and the Norwegian Sea, in an effort to avoid overdependence on Soviet sources. The vulnerability problem is particularly acute in regard to imports of natural gas because of the inherent inflexibility of pipeline systems.

Our interest in not encouraging development of the Soviet energy sector is reflected in U.S. export control policy -- we generally approve licenses for exploration and production equipment but deny commodities multilaterally controlled by COCOM as well as equipment for the manufacture of oil and gas exploration or production equipment. The general policy is to deny license applications for oil and gas exploration and production related technical data and high technology items - primarily sophisticated computers capable of processing seismic data. These controls reflect full interagency consideration of the potential benefits to the Soviets of such equipment and technology while recognizing the availability of comparable equipment from other Western suppliers. Our reservations on the question of Soviet energy development have led to a policy of not extending official USG support to trade promotion activities involving oil and gas equipment in the USSR.

Proposing joint development of the Navarin Basin to the Soviets would be totally at odds with the Administration's

policy of restraint with respect to Soviet energy development. Our allies in Western Europe and Japan could view such a project as a sign that our concerns regarding their potential overdependence on Soviet energy had abated. It would, at a minimum, undercut our efforts to persuade them to develop alternative sources of energy and, in the case of Japan, to forego development of the Sakhalin oil and gas deposits. It would also probably encourage the Europeans to propose similar joint development projects, especially in the Barents Sea, where Norway and the USSR have an outstanding boundary dispute.

Consistency with our Political Strategy towards the USSR

A key principle in our relations with the Soviet Union is that of reciprocity. It would be contrary to this principle for the United States to make a one-sided political gesture given the over-all state of our bilateral relationship. While we are prepared to pursue with the Soviet Union a dialogue based on a search for mutually beneficial approaches to the problems facing us, we do not seek agreement for its own sake. The Soviets have done little to warrant a one-sided, goodwill gesture from us and based on past experience would be likely to regard this as a sign of weakness on our part. We must keep in mind that the Soviets are now in their fifth year in Afghanistan. Internal repression continues to rise as emigration numbers fall. Although we have begun arms control negotiations, which we hope will eventually result in a more stable relationship, we must guard against the buildup of unrealistic expectations which the Soviets will surely seek to manipulate.

The proposal for a joint development project in the Navarin Basin would be an essentially one-sided gesture on our part. Off-shore oil exploration is an area in which Soviet technology lags badly and in which U.S. firms are leaders. Although the USSR has achieved its present status as the world's leading producer of crude oil and natural gas largely through the use of domestically manufactured equipment, its dependence on imports of Western equipment and technology will probably increase as exploration and development shift to deeper and more complex deposits. Exploration of Arctic offshore developments in the Barents and Kara Seas will require large amounts of Western equipment and technology as would the Navarin Basin. The CIA has stated that the Soviets will probably continue to pursue approaches other than outright purchases for acquiring Western technology. The Soviets regularly collect information on Western-developed technology and equipment through legal and illegal means. They also use joint-development projects such as the Sakhalin offshore exploration and development agreement with Japan to obtain Western know-how and equipment.

Maritime Boundary Implications

Given the disparity in our technologies and the advanced stage of US hydrocarbon development plans in the Bering Sea (the Soviets have none of which we are aware), the Soviets would reap immediate benefits from a joint development arrangement. The Soviets would stand to benefit economically, politically, and if the arrangement called for shared technology, from technology transfer. If the arrangement is not part of an overall boundary settlement, it could reduce or eliminate Soviet incentive to settle the boundary position, despite efforts to avoid that result. The only likely tangible benefit to the U.S. in that event would be the development of that portion of the disputed area covered by the joint activity. This would leave us open to charges of giving benefits to the Soviets in areas now claimed by the U.S. without achieving the desirable certainty of an overall boundary resolution.

In some of the examples cited below, joint development arrangements have been part of maritime boundary settlements. It is possible that a joint resource development arrangement ultimately could be incorporated into the boundary negotiating package and might even be used as an incentive to the Soviets to reach our agreement, if proposed at the right time. We should caution, however, that since the Soviets have claimed two maritime areas on the U.S. side of the 1867 Convention Line, such a proposal might not be sufficient to prompt the Soviets to accept our 1983 proposal (to resolve the boundary on the basis of a common depiction of the 1867 Convention Line that would split equally the difference between the U.S. and Soviet depictions of the Convention Line).

If we were to try and use the promise of joint resources development as a carrot in our maritime boundary discussions timing and other tactical considerations would have to be considered beforehand. Given that the Soviets have already told Halbouty that joint development would not be possible because of the boundary, our tabling of such a proposal could give the Soviets a mistaken impression that the USG is extremely eager to reach agreement and result in a hardening of their position. Finally, we would also have to revise substantially the current USG policy on Soviet energy development before a joint development proposal could be made.

International Law: Precedents

There are many complex legal issues involved in establishing joint development arrangements, including the strong likelihood possibility that domestic laws on oil leasing would have to be amended. International law, however, poses no absolute bar to joint development as such. The more prominent examples of joint development arrangements, summarized below, may be classified

14

into three categories: (1) resource sharing, (2) revenue and resource sharing, and (3) condominiums. The majority of these arrangements do not involve joint "ownership" of the resource or joint exploitation, but rather revenue or resource sharing. (An arrangement sharing only revenues could serve to ease concern on technology transfer.)

Resource sharing. Czechoslovakia and Austria in 1960 concluded an agreement to share a common oil deposit. Each country is entitled to a share of total production in proportion to the amount of reserves in its territory in 1962. Each country separately exploits the deposit in its own territory, subject to oversight and allocation by a joint commission.

Netherlands and the FRG agreed in 1962 to share equally the petroleum and gas extracted from an estuary claimed by both countries. Each exercises jurisdiction on its side of a preliminary dividing line, established pending resolution of the boundary dispute. The concessionaires of each cooperate on calculation of reserves, output, revenue sharing, risk bonuses and dispute settlement.

Revenue and resource sharing. Japan and Korea in 1974 negotiated two agreements. The first demarcated their continental shelf boundary; the second established a joint development zone (comprising about 20 million acres) south of the terminus of the continental shelf boundary. The latter agreement essentially divides the resource and the costs of exploration. It creates nine subzones, each subject to separate sets of regulations set by the concessionaires of both countries. These regulations provide for designation of an operator for each subzone, sharing resources and expenses, handling sole risk operations and settling disputes. The agreement was ratified in May 1978, and exploration has begun in the 20.5 million acre joint development area. Great Britain and Norway in 1976 concluded an agreement to share the Frigg Field natural gas reserves in the North Sea, in an area that straddles their maritime boundary. Norway is entitled to 60% of the production and Great Britain gets 40%, subject to adjustment for changing conditions. Licensees are to cooperate on development and the selection of a single unit operator. Each side exercises jurisdiction on its side of the boundary. There are extensive provisions for conservation, access, taxation and matters of common concern.

Condominiums. Saudi Arabia has concluded two condominium-like arrangements. In 1965, it established a neutral zone with Kuwait to share oil production in a 2500 square mile land and sea area that is essentially a condominium administered by both. Revenues from production are shared equally.

In 1974, Saudi Arabia concluded an agreement with Sudan to share mineral resources in the Red Sea. They share sovereign rights, and have expressly committed to protect and defend the resource against third parties.

Abu Dhabi and Qatar in 1969 concluded a maritime boundary agreement, which established sharing arrangements of the al-Bundug field in the Persian Gulf. The Parties purport to exercise joint sovereign rights in the field. They share royalties, profits and fees.

Conclusion

We have reviewed with the Departments of Interior, Defense, Energy, and Commerce, the proposal for possible joint development, including the establishment of a neutral zone, in one or more areas in the Navarin Basin. We have concluded that implementation of such proposals would not be appropriate at this time. Before we could recommend such a venture, several conditions would need to be satisfied. First, we would need to see a substantial improvement in U.S.-Soviet bilateral relations. If this relationship improves, we would expect to see a number of areas in which mutually beneficial U.S.-Soviet cooperation might be increased. In this context, a politically symbolic gesture on the part of the United States in regard to the establishment of joint development or a neutral zone might be appropriate. Secondly, any such political gesture should be made in a context in which the U.S. received commensurate benefits, such as part of an advantageous resolution of our maritime boundary. Finally, we would need to develop a situation in which our concerns over energy security in Western Europe were alleviated by the development of reliable sources of energy other than the Soviet Union.

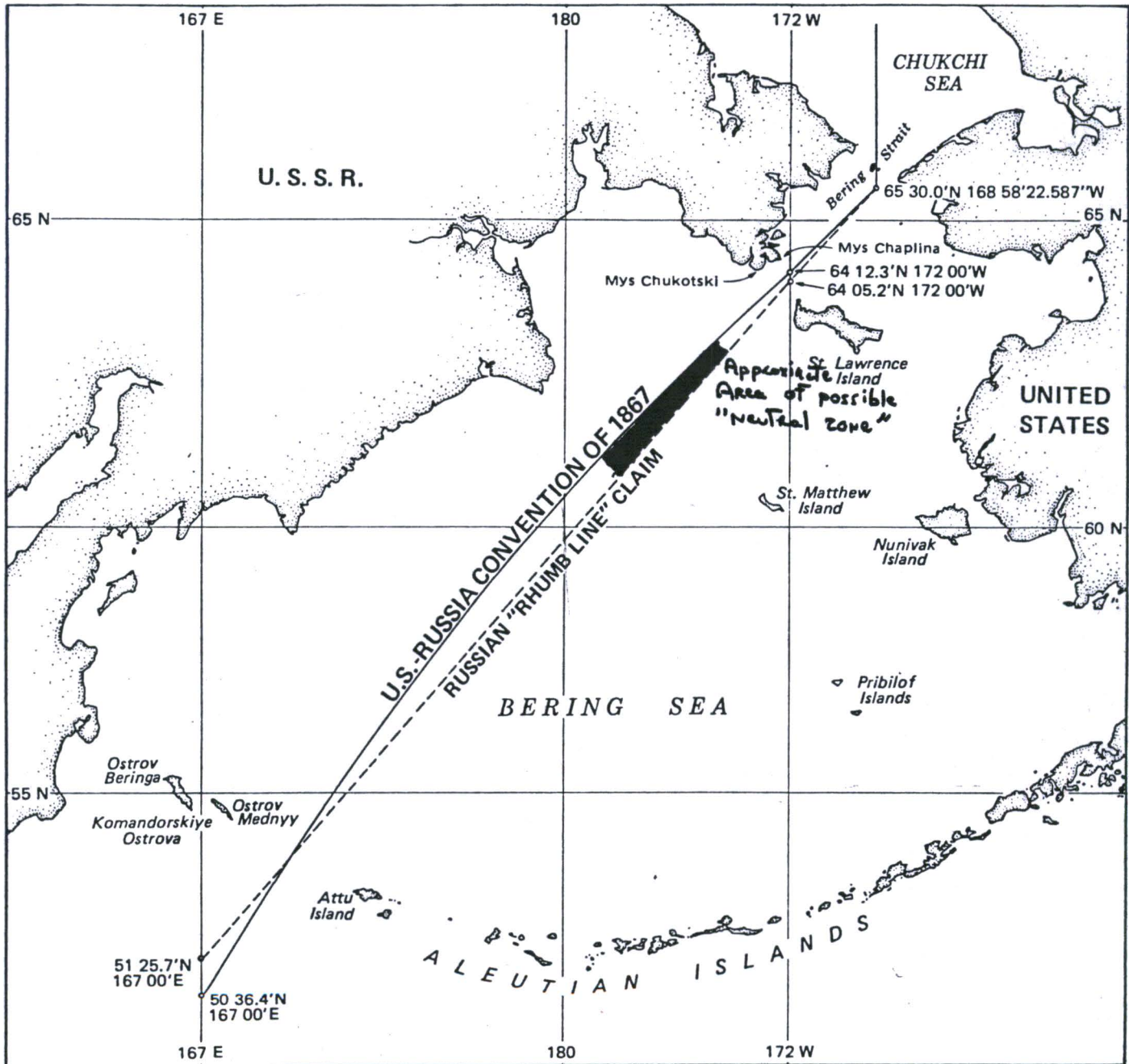
Interior dissents from parts of the above conclusion on the grounds that it does not see joint U.S.-Soviet development activity in the Navarin Basin being in the U.S. interest in any foreseeable circumstances.

Enclosures:

- A: Maps of Navarin Basin Area
- B: Possible Talking Points

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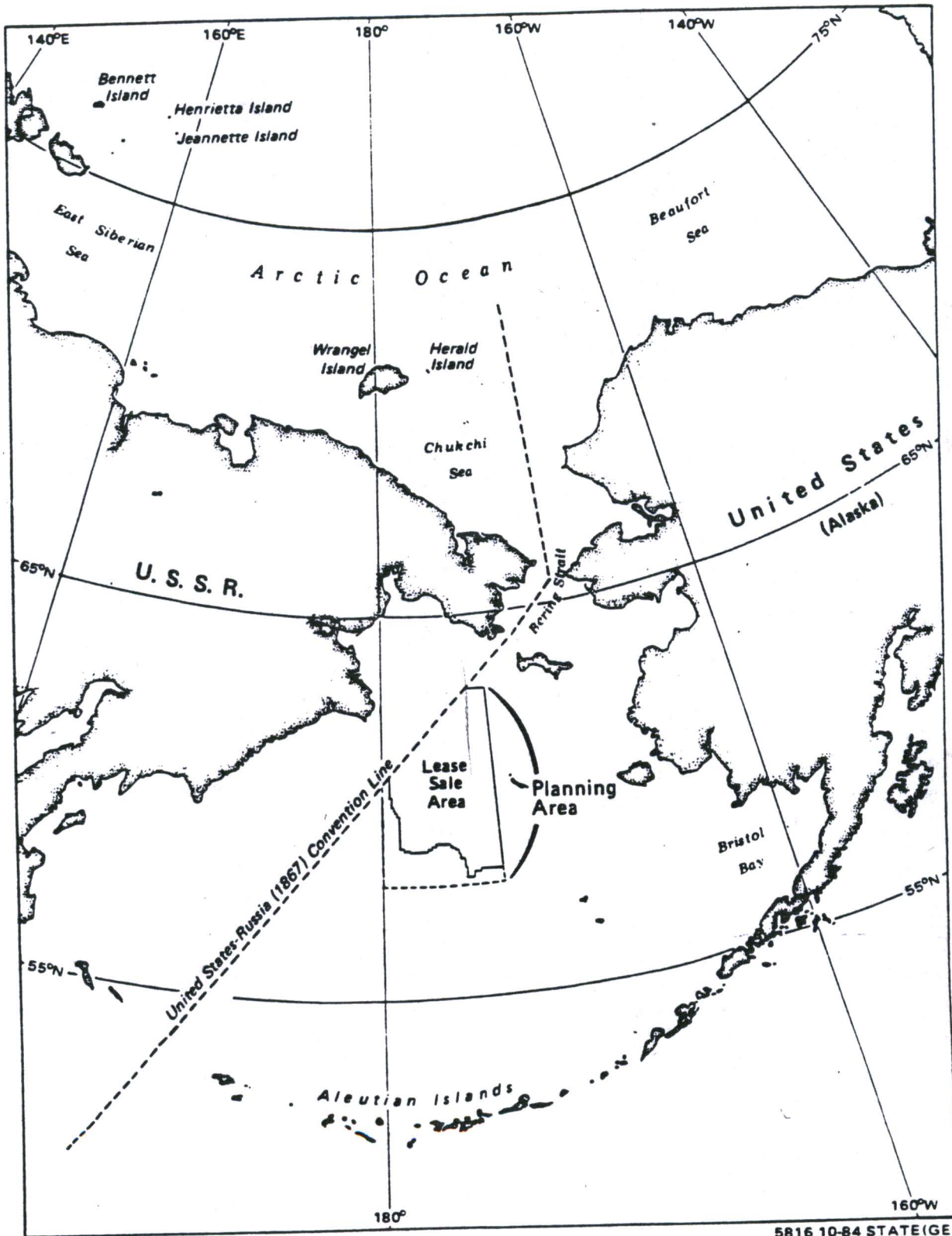
10



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Possible Talking Points:

--Given overall state of U.S.-Soviet relations and U.S. policy regarding Soviet energy development, joint development arrangement proposal from us would not be appropriate now or to our advantage.

--This initiative would be totally at odds with our approach to Soviet energy development in which we encourage our allies to develop their own or other resources to avoid overdependence on Soviet energy.

--Suddenly changing this policy would be a signal to our allies that our concerns regarding overdependence had evaporated and would undercut our efforts to get them to develop alternative sources.

--The Soviets have done little to warrant what would be one-sided, goodwill gesture from us and could regard this as sign of weakness on our part. Soviets have not moderated basic policies; their troops remain in Afghanistan, they maintain intense repression domestically and continue their military build-up.

--Although we have begun arms control negotiations, which we hope will result in more stable relationship, we must guard against creating unrealistic expectations which Soviets will seek to manipulate.

--Proposing joint development prior to overall settlement of the U.S.-Soviet maritime boundary question would reduce Soviet interest in boundary agreement and further complicate that problem.

--For the above reasons do not believe that pursuit of your proposals at this time would be helpful to the President's policy vis-à-vis the Soviets.

19

THE DEPUTY SECRETARY OF STATE
WASHINGTON

Dear Mr. Halbouty:

We have reviewed with members of the National Security Council and concerned agencies the proposal for possible joint development with the Soviet Union, including potential joint ownership, of one or more areas in the Navarin Basin which you presented to Department officials in January at the suggestion of the Vice President.

We appreciate your bringing this proposal to our attention. While it is an interesting idea, we cannot now give encouragement or endorsement to a U.S.-Soviet joint energy development scheme in the Navarin Basin. This proposal would be in direct conflict with our present policy regarding Soviet energy development where we have strongly favored the exploitation of energy reserves outside the Soviet Union to reduce the possibility of allied overdependence on Soviet energy. It could also raise potential complications for our outer continental shelf program and would be inappropriate in light of our differences with the U.S.S.R. over our maritime boundary in the Bering Sea. Taking into account all of these considerations, as well as the current overall state of U.S.-Soviet relations, we do not believe that it would be in our national interest to see the idea of joint development further pursued at this time.

Sincerely,

Kenneth W. Dam

Mr. Michel T. Halbouty
Chairman of the Board,
Michel T. Halbouty Energy Co.,
c/o Capitol Hilton Hotel
Washington, D.C.

REFERRAL

DATE: 08 APR 85

MEMORANDUM FOR: DONALD GREGG

20

OFFICE OF THE VICE PRESIDENT

DOCUMENT DESCRIPTION:

TO: MCFARLANE

SOURCE: PLATT, N

DATE. 30 MAR 85

KEYWORDS: USSR

OIL

HALBOUTY, MICHEL J

AP

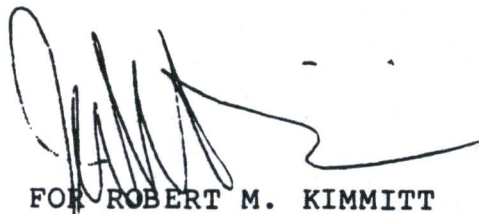
AVP

SUBJ: PROPOSAL FOR US SOVIET JOINT DEVELOPMENT OF OIL RESOURCES IN NAVARIN

REQUIRED ACTION. FOR INFORMATION

DUE DATE:

COMMENTS:



FOR ROBERT M. KIMMITT

EXECUTIVE SECRETARY

National Security Council
The White House

120
21

System # 5

Package # 2604

AP

1082

	SEQUENCE TO	HAS SEEN	DISPOSITION
Bob Pearson	<u>1</u>	<u>P</u>	
Bob Kimmitt	<u>2</u>	<u>K</u>	
John Poindexter	<u>3</u>	<u>[Signature]</u>	
Paul Thompson			
Wilma Hall			
Bud McFarlane			
Bob Kimmitt <i>LMP</i>	<u>4</u>	<u>P</u>	
NSC Secretariat	<u>5</u>	<u>8 AP: 1985</u>	<u>A copy to Greg's file</u>
Situation Room			<u>IMP note</u>

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

cc: VP Meese Regan Deaver Other _____

COMMENTS Should be seen by: _____
(Date/Time)

*Please send a copy of this to
Don Gregg or Greg [unclear]
J*

*NSC/S
pls send copy to
Don Gregg
KMS*

~~CONFIDENTIAL~~

1311

22

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 1, 1985

~~CONFIDENTIAL~~

Chron
Matter

MEMORANDUM FOR NICHOLAS PLATT
Executive Secretary
Department of State

SUBJECT: US-USSR Fishing Relationship (U)

Concerning the Department's memo of February 16, we are in full agreement with the benefits of resuming negotiations with the USSR concerning the reciprocal GIFA fishing agreements. We are concerned, however, as to the timing of these negotiations, as the USSR continues its whaling activities. (C)

Before such fishing negotiations commence, it is important that the Soviet authorities understand clearly what the impact on any GIFA reached would be if they are not in conformity with IWC regulations. Our willingness to negotiate mutually beneficial GIFAs should be made clear to the USSR, but it should also be clear that US law would mandate us to restrain severely the USSR's catch, if it were found to be involved in whaling contrary to the IWC regulations. To avoid difficult complications in our fishing relationship with the Soviet Union developing at a later date, it is important at this critical juncture, before we begin fishing negotiations, that we fully understand the status of its whaling activities--both now and in the future. If the Soviet Union indicates a lack of willingness to come into line with the IWC regulations, we should reassess the advisability of proceeding with the fishing negotiations. (C)

Please keep the NSC advised on this matter as you continue to coordinate with the Department of Commerce. (U)

Robert M. Kimmitt
Robert M. Kimmitt
Executive Secretary

cc: Mrs. Helen Robbins
Executive Assistant to the Secretary
Department of Commerce

~~CONFIDENTIAL~~
Declassify on: OADR

~~CONFIDENTIAL~~

DECLASSIFIED
NLS F06-114/2 #7008
LOT NARA DATE 11/21/07

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~CONFIDENTIAL~~

March 20, 1985

ACTION

SIGNED

MEMORANDUM FOR ROBERT C. McFARLANE

FROM: RICHARD LEVINE *RL*

SUBJECT: U.S.-USSR Fishing Relationship

State last month wrote seeking your concurrence to negotiate a new fishing agreement with the USSR wherein our fishermen would gain access to their waters in exchange for the USSR having access to fisheries in our waters. Such fishing rights negotiations were broken off at the time of the Soviet invasion of Afghanistan.

What appears to be a simple matter of restarting fishing access negotiations--which could yield great benefits to U.S. fishing interests--is gravely complicated by Soviet whaling. As has recently been the case with Japan, if a nation does not cease its whaling activities, U.S. law requires that their fishing catch (in U.S. waters) be cut back 50 percent. This is done after the Secretary of Commerce certifies the country to be in violation of the International Whaling Commission (IWC) limits. After receiving the State memo requesting a resumption of the U.S.-USSR fishing relationship, it became clear that the USSR may indeed be in violation of the IWC regulations and might have to be certified as such by the Secretary of Commerce. After talks with both Jim Malone and Ed Derwinski, both agree that gaining a new fishing agreement now with the Soviets, before the status of its whaling policy is known, could lead to great problems for us later--for we could be bound by law to cut back the Soviet's fishing take. Although Secretary of State Shultz, according to Malone, has already brought the whaling issue up with Dobrynin, Jack Matlock and I agree that we need more information concerning the Soviet position on the fishing agreement and future whaling activities before the talks should resume. The memo back to State explains this position.

RECOMMENDATION

That Robert Kimmitt sign the attached memo to Nicholas Platt.

Approve *[Signature]* Disapprove _____

Messrs. Matlock, Stark, Wright and Sestonovich concur. *[Signature]*

Attachments

- TAB I Memo to Platt
- TAB II Incoming from State

DECLASSIFIED

NLRR M266 #7009

~~CONFIDENTIAL~~

Declassify on: OADR

BY KML NARA DATE 3/27/12



United States Department of State 1311

Washington, D.C. 20520 24

February 16, 1985

~~CONFIDENTIAL~~

MEMORANDUM FOR MR. ROBERT C. McFARLANE
THE WHITE HOUSE

SUBJECT: US-USSR Fishing Relationship

We plan to propose to the Soviets that we begin talks this spring on renegotiating the current Governing International Fishing Agreement (GIFA) to bring it into conformity with US fishing policy and US law as reflected in the Magnuson Fishery Conservation and Management Act. In addition, we plan to use this opportunity to negotiate access for US fishermen to the Soviet 200-mile zone, for Soviet fish, especially king crab.

We believe that this is an appropriate time to begin discussions with the Soviets on these issues. Last summer, we extended the existing GIFA until December 1985. In addition, we granted the Soviets a directed allocation of 50,000 MT off the US west coast. This year's allocation to the Soviets off the west coast may reach as high as 70,000 MT. (To date, about 12,000 MT have been allocated to the Soviets.) In addition, the Soviets are pursuing with US fisheries interests the possibility of an additional joint venture off the east coast.

Soviet whaling activities could complicate these negotiations. The USSR has objected to International Whaling Commission (IWC) regulations, which limit Antarctic whaling for this current season and call for an end to all commercial whaling beginning next season. If the USSR exceeds current limits or refuses to accept the overall cessation, the Secretary of Commerce is required under US fisheries legislation to determine whether such actions diminish the effectiveness of the IWC regime and, if so, to apply fisheries sanctions. We have identified this potential problem to the Soviets both in Moscow and in Washington. At the same time, we believe that we should proceed with our discussions to renegotiate the GIFA and negotiate a reverse GIFA. Hopefully, our willingness to proceed in this area will serve as an additional incentive to the Soviets to conform to internationally agreed standards in the whaling area, and we should continue to draw this linkage to their attention.

While the Soviet and Polish GIFAs are the only existing agreements which do not explicitly reflect US fishing policy as reflected in the Magnuson Act, we have in effect carried out this policy by requiring cooperation with US fishermen in return for access to US marine resources. The formalization of this

~~CONFIDENTIAL~~
DECL: OADR

DECLASSIFIED

NLS F06-114/Z # 7019

LOT NARA DATE 11/21/07

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~~CONFIDENTIAL~~

- 2 -

policy in a new GIFA, however, has been strongly urged by key members of Congress. We have agreed already to begin negotiations with the Poles on a new GIFA in early 1985.

Preliminary exchanges on a reverse GIFA to gain access to Soviet waters for US fishermen were broken off after the Soviet invasion of Afghanistan. The interest of the US fishing community in obtaining such access has intensified, however, because US stocks of Alaskan king crab are severely depleted, causing financial hardship to the Alaskan fishing industry. Both Senator Stevens of Alaska and Congressman Breaux, Chairman of the House Merchant Marine and Fisheries Subcommittee, as well as other congressmen, have been pushing for negotiation of access to Soviet marine resources for US fishermen. In addition, we have discussed renegotiation of the GIFA as well as negotiation of a reverse GIFA with the Department of Commerce, and they support this objective.

We would like your concurrence in taking this step. Should you concur, we would proceed to develop specific negotiating instructions with the Department of Commerce and in consultation with congressional and other interests involved. We intend to link renegotiation of our GIFA to US access to Soviet resources because of the possibility of obtaining significant reciprocal benefits in the Soviet zone of major interest to segments of the US fishing industry.

Nicholas Platt
for Nicholas Platt
Executive Secretary

~~CONFIDENTIAL~~

MSG FROM: NSJMP --CPUA TO: Jack Matlock
To: Jack Matlock

+04/29/85 10:40:40

-- EYES ONLY-- ~~SECRET~~ --

NOTE FROM: JOHN POINDEXTER

SUBJECT: Meeting with Z.

Bud thinks that is a good idea. Go ahead with your plans.

DECLASSIFIED
White House Guidelines, August 28, 1997
By CS NARA, Date 6/18/02

Chron 2/2/85 28

JACK MATROCK

Eyes Only

~~Secret~~

Sensitive

UNCLASSIFIED BY [REDACTED]
ON [REDACTED]

CSJ 6/14/06

PRESERVATION COPY

National Security Council
The White House

29
M



System # _____
Package # _____

	SEQUENCE TO	HAS SEEN	DISPOSITION
Paul Thompson			
Bob Kimmitt			
John Poindexter	1	Send me with hurs.	
Tom Shull			
Wilma Hall			
Bud McFarlane	2	m	A
Bob Kimmitt			back
NSC Secretariat			
Situation Room	3	J	

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

cc: VP Meese Baker Deaver Other _____

COMMENTS Should be seen by: _____
(Date/Time)

Bud,
I totally agree with Jack. He is working on a paper listing the issues we should be considering. I hope George hasn't discussed this with President yet.

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET/SENSITIVE/EYES ONLY~~

April 2, 1985

INFORMATION

MEMORANDUM FOR ROBERT C. MCFARLANE

THROUGH: JOHN M. POINDEXTER

FROM: JACK MATLOCK *[Signature]*

SUBJECT: State Paper on U.S.-Soviet Relations

I have looked over the paper Rick Burt gave you. It seems to be very thin, almost totally devoid of substance, mistaken in some particulars, and in sum totally inadequate for a fruitful meeting with the President.

Although the paper does identify some of the principal problems we face in our public diplomacy and alliance management, and lists some occasions which can be useful in dealing with them, it does not even identify, ^{6b} ~~must~~ less discuss, the hard substantive decisions facing us.

On the tactical side, the implication is that our immediate task is to arrange for a summit. This is an important issue, and it is desirable to have one this year, but the way the paper would have us go about it is not the best way. We must avoid strengthening the impression (which we have unfortunately already given), that the President is desperate for a summit meeting. The focus of the tactical suggestions unfortunately have just this effect. The likely Soviet reaction is to try to wait us out in order to find out how much we will pay for one. This can only delay arrangements for a productive summit, since I assume that the President is not willing to pay a price for one.

For this reason, I think it important that, from now on, we play it cool in our diplomatic contacts with the Soviets. Gorbachev kept the ball in his court in his letter, and we should calmly leave it there until he decides to come to grips with the issue. Meanwhile, we should talk substance, in accord with our own agenda -- not with the avowed aim of preparing for a summit, but on the merits of the issues themselves.

The second tactical flaw in the scenario is its handling of the question of a Presidential channel. I believe it would be a mistake to "take the initiative to use Dobrynin." Have we not learned the dangers of that particular one-way street?

~~SECRET/SENSITIVE/EYES ONLY~~

DECLASSIFIED
NLS F06-114/2#7011
BY HST NARA, DATE 11/21/07

This is not to say that we do not need some sort of "Presidential channel." We do. But to be of real use, several conditions must be met. First, we must be clear in our own minds what we want to say, and the channel will be of no utility if what we say is simply a replay of what we say elsewhere. Second, it should be reciprocal, providing us with approximately the same level and quality of access to Soviet decision makers as we grant them. Third, if we really want to explore innovative ideas without worrying about premature leaks, it should be so structured as to be publicly deniable, in case the Soviets are tempted at some point to spread a distorted version of the communications to our allies. What the President, Shultz or Bud tell Dobrynin does not meet that criterion, and this would inevitably hamper real candor, particularly in the early stages.

The other points in the "game plan" are so self-evident that I wonder why discussion with the President is considered useful. If we are to lay out a "schedule for progress" with Dobrynin, then what should be discussed is the content of that schedule. The mode of doing so is a secondary question, and I would think that letting Hartman do it with Gromyko (in advance of the Vienna meeting in May) should be seriously considered. If we are going to deal with Gromyko, then it is better to do so directly to the extent we can.

In sum, I believe that we should all go back to the drawing board before we take the President's time.



United States Department of State
*Assistant Secretary of State
for European and Canadian Affairs*

March 28, 1985

Bud:

Here is the memo we discussed on US-Soviet relations for the rest of 1985. It's part of a larger package for the Secretary to use with the President. He particularly asked for your views. Please let me know when you are ready to discuss.

Rick

Richard Burt

Priorities/Opportunities for 1985

-- This year we see ferment and diplomatic movement in a number of areas. This is very much a product of the strengthened US position in the world, and it presents us with opportunities in 1985 to shape events in accordance with our goals. We have tried to develop a game plan that sketches out how we will want to handle these issues over the rest of the year, including initiatives we may want to take and problems that are likely to confront us.

-- The obvious major issues are US-Soviet relations, Central America, the Middle East, and Southern Africa.

US-Soviet Relations/Arms Control

-- Gorbachev is bound to be more active and more formidable than his predecessors. He will present a superficial image of flexibility, as part of an aggressive strategy of wooing our allies and the Chinese while possibly confronting us boldly in Afghanistan/Pakistan, the Middle East, and even Central America. He may at the same time be willing to engage us and meet with you before the end of the year.

-- We need a firm and imaginative strategy of our own to protect our interests whatever course Gorbachev selects. Indeed, an effective US strategy can influence his basic decisions:

- o We should make clear our willingness to deal constructively.
- o We should make equally clear that we are prepared to resist Soviet challenges.

-- Our strategic objective should be to get across two messages to Gorbachev:

First, Gorbachev needs to hear loud and clear early on about the need for him to assert political control over their military and the overall Soviet tendency to use force. Whether it's their propensity to shoot first and ask questions later as with Major Nicholson and KAL, or their escalation of military action and supplies in Afghanistan, Nicaragua and elsewhere over this past year, they need to understand that greater restraint is required. In some respects, their handling of Major Nicholson's case is a test case for Gorbachev's willingness to work with us.

Second, Gorbachev must understand that we will not play ball with any effort just to improve style and atmospherics. There must be concrete progress across the four areas on our agenda: arms control, regional restraint, human rights and bilateral cooperation. We've got to keep Western expectations under control for this to succeed.

-- The key to our success will be to maintain a solid base here and to keep the Alliance solidly together. We will need to be nimble in the negotiations -- having defensible positions always on the table -- in order to maintain this domestic and allied solidarity.

-- Our game plan would be the following:

- o We should take the initiative to use Dobrynin as a Presidential channel to Gorbachev, perhaps meeting with him in a White House setting.
- o We should lay out for Dobrynin a schedule for progress over the coming year, aiming at a well-prepared summit.
- o We will continue our all-out effort in the Congress to maintain support for the MX, SDI, and overall defense spending.
- o Your trip to Europe in May will be a crucial event in Alliance management. We will have to blunt European concerns over SDI and the key may be how constructive and credible we appear to be in INF and START, the other two fora in Geneva. We want Bonn (and the NATO meetings that will follow in June) to be a powerful display of Western solidarity.
- o I will see Gromyko in Vienna in mid-May. If the Soviets have shown a willingness to engage us by then, we could use this to begin preparing for a summit.
- o At the end of July is the 10th anniversary of CSCE in Helsinki. Gromyko probed Hartman on the level at which we will attend -- perhaps indicating they are considering this as a summit venue. This isn't ideal for us. Alternatively, if

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~~SECRET/SENSITIVE~~

-3-

all foreign ministers go to Helsinki -- which I hope they won't -- Gromyko and I will be there.

- o The Soviets also may see the UNGA in September (and the 40th anniversary of the UN in October) as the right context for Gorbachev to come to the U.S. to meet with you. Or they may send Gromyko, and you may want to meet with him yourself to do preparatory work.
- o Other events: Ottawa Human Rights Experts meeting (May 7); Baldrige visit to Moscow (May 20-21); decision point in our interim restraints/no-undercut policy re Trident sea trials (summer/fall): Decisions to be made in light of circumstances; opportunities to keep the pressure on the Soviets.

-- Wild card: (Mid-summer:) Possible guilty verdict in Antonov papal assassination trial.

~~SECRET/SENSITIVE~~

MEMORANDUM

NATIONAL SECURITY COUNCIL

Matter

April 2, 1985

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

THROUGH: ROBERT M. KIMMITT

FROM: JACK MATLOCK *JM*

SUBJECT: Ambassador Hartman Appointment Request

Art Hartman will be in town on consultation April 15-19, and I believe it would be useful for him to have a brief meeting with the President and to meet with you.

Bill Martin *RM* concurs.

Recommendations

1. That you authorize the Scheduling Request at TAB I.

Approve *RCM* Disapprove

2. That you schedule an appointment with Hartman (preferably before or after his meeting with the President).

Approve *RCM* Disapprove
Date and Time: _____

Attachments:

Tab I - Schedule Request

WASHINGTON

SCHEDULE PROPOSAL

TO: FREDERICK J. RYAN, Director
Presidential Appointments and Scheduling

FROM: ROBERT M. KIMMITT

REQUEST: Meeting with Ambassador Hartman

PURPOSE: To review recent developments in U.S.-Soviet Relations.

BACKGROUND: Ambassador Hartman will be in Washington April 15-19, and this will provide an opportunity for the President to hear his views on current developments in Moscow and provide any instructions he may have for contacts with Soviet officials.

PREVIOUS PARTICIPATION: Ambassador Hartman met with the President during his earlier visits to Washington.

DATE & TIME: April 16, 18 or 19
DURATION: 30 minutes

LOCATION: Oval Office

PARTICIPANTS: The President
The Vice President
Secretary Shultz
Mr. McFarlane
Ambassador Hartman
Jack F. Matlock

OUTLINE OF EVENTS: The President greets Ambassador Hartman, solicits his views on the current situation in Moscow, and discusses the issues as appropriate.

REMARKS REQUIRED: None

MEDIA COVERAGE: None; White House Staff Photographer

RECOMMENDED BY: Robert C. McFarlane

OPPOSED BY: None

PROJECT OFFICER: Robert M. Kimmitt/Jack F. Matlock

Wallace 38
JM-C

THE WHITE HOUSE
WASHINGTON

4/16/85

5:00

MEMORANDUM

TO: ROBERT MCFARLANE
FROM: FREDERICK J. RYAN, JR. *FJR*
SUBJECT: APPROVED PRESIDENTIAL ACTIVITY

MEETING: with Ambassador Hartman

DATE: April 19, 1985

TIME: 1:00 pm

DURATION: 30 minutes

LOCATION: Oval Office

REMARKS REQUIRED: Talking points to be covered in briefing paper

MEDIA COVERAGE: Coordinate with Press Office

FIRST LADY PARTICIPATION: No

NOTE: PROJECT OFFICER, SEE ATTACHED CHECKLIST

- | | | | |
|-----|-----------------|-------------------|------------|
| cc: | K. Barun | A. Kingon | R. Kimmitt |
| | P. Buchanan | C. McCain | |
| | D. Chew | B. Oglesby | |
| | T. Dawson | E. Rollins | |
| | R. Deprospero | J. Rosebush | |
| | B. Elliott | R. Scouten | |
| | D. Fischer | B. Shaddix | |
| | M. Friedersdorf | W. Sittmann | |
| | C. Fuller | L. Speakes | |
| | W. Henkel | WHCA Audio/Visual | |
| | E. Hickey | WHCA Operations | |
| | J. Hirshberg | Nell Yates | |
| | G. Hodges | | |

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JFH02
JH-C ✓

MEMORANDUM

3115

NATIONAL SECURITY COUNCIL

~~SECRET~~

April 18, 1985

INFORMATION

MEMORANDUM FOR ROBERT C. MCFARLANE

FROM: JACK MATLOCK *JM*
SUBJECT: Your Meeting with Ambassador Hartman
April 18, 1985, 4:30 P.M.

Art considers his meeting with you as preparatory to his meeting with the President tomorrow. He has indicated to me that, in addition, he wants to discuss the following topics:

- The telephone call you made to him a couple of weeks ago;
- His recommendations regarding replacement of some Soviet local employees at the Embassy with Americans;
- The situation facing us in arms control negotiations.

Regarding the second topic, you should be aware that Hartman has opposed the proposals by PFIAB and others to replace Soviet employees at the Embassy with Americans. I have not yet had the opportunity to discuss the matter in detail with him, but I believe that he exaggerates the difficulties of arranging for the replacement, over time, of a large number of the Soviets. I would recommend, therefore, that you make clear to him the desirability, if practical means can be found, to move toward the greater utilization of Americans in these positions at the Embassy.

You may also wish to have Art fill you in on his impressions of Gorbachev as a person, and get his views on the best tactical approach for us to follow for the next year or so.

~~SECRET~~
Declassify on: OADR

DECLASSIFIED
MLS F06-114/2#7014
BY LOT NARA DATE 11/21/07

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3002

Matlock

THE WHITE HOUSE
WASHINGTON

April 18, 1985

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

RR

MEETING WITH AMBASSADOR ARTHUR W. HARTMAN

DATE: April 19, 1985
LOCATION: Oval Office
TIME: 1:00 p.m. - 1:30 p.m.
FROM: ROBERT C. McFARLANE

WJ

I. PURPOSE:

To review recent developments in U.S.-Soviet relations.

II. BACKGROUND:

Will provide an opportunity to hear his views on current developments in Moscow and any instructions he may have for contacts with Soviet officials.

III. PARTICIPANTS

The President
The Vice President
Secretary Shultz
Mr. Donald T. Regan
Mr. Michael K. Deaver (at his discretion)
Mr. McFarlane
Ambassador Hartman
Jack F. Matlock

IV. PRESS PLAN

None; staff photographer.

V. SEQUENCE OF EVENTS

Greet Hartman and initiate discussion of U.S. Soviet relations.

Prepared by:
Jack F. Matlock

Attachment
Tab A Talking Points (CONFIDENTIAL)

cc Vice President
Don Regan
Mike Deaver
Bob Sims

UNCLASSIFIED
WITH CONFIDENTIAL ATTACHMENT

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)
5/11/85

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

3002

41

TALKING POINTS

- Glad to see you back. How's the atmosphere in Moscow?
- Do you think Gorbachev will be able or willing to change Soviet policies?
- What do you make of their "moratorium" proposal? Is it anything more than playing to the galleries?
- Is there any way we can encourage them to get serious on reducing offensive weapons? Of, course, we won't give up SDI, and they must know this.
- Do you think Gorbachev is going to be willing to meet me here?
- Appreciate the fine job you and your staff are doing. I know it's tough there. Please let your people know I appreciate their fine work.

~~CONFIDENTIAL~~

Declassify on: OADR

~~CONFIDENTIAL~~

MTG WITH AMB HARTMAN, APRIL 19, 1:00 PM

-- GLAD TO SEE YOU BACK. HOW'S THE ATMOSPHERE IN MOSCOW?

-- DO YOU THINK GORBACHEV WILL BE ABLE OR WILLING TO CHANGE SOVIET POLICIES?

-- WHAT DO YOU MAKE OF THEIR "MORATORIUM" PROPOSAL? IS IT ANYTHING MORE THAN PLAYING TO THE GALLERIES?

2

-- IS THERE ANY WAY WE CAN ENCOURAGE THEM TO GET SERIOUS ON REDUCING OFFENSIVE WEAPONS? OF COURSE, WE WON'T GIVE UP SDI, AND THEY MUST KNOW THIS.

-- DO YOU THINK GORBACHEV IS GOING TO BE WILLING TO MEET ME HERE?

-- APPRECIATE THE FINE JOB YOU AND YOUR STAFF ARE DOING. I KNOW IT'S TOUGH THERE. PLEASE LET YOUR PEOPLE KNOW I APPRECIATE THEIR FINE WORK.

MEMORANDUM

NATIONAL SECURITY COUNCIL

April 15, 1985

UNCLASSIFIED
WITH CLASSIFIED ATTACHMENT

ACTION

MEMORANDUM FOR ROBERT C. MCFARLANE

SIGNED

FROM: JACK F. MATLOCK *JFM*

SUBJECT: Meeting Memorandum for Ambassador Hartman

Attached at Tab I and Tab A are the Meeting Memorandum and Talking Points for the President's meeting with Ambassador Hartman.

Bill Martin concurs.

RECOMMENDATION

That you approve the Meeting Memorandum at Tab I and the Talking Points at Tab A.

Approve *Y*

Disapprove _____

Attachments:

- Tab I Meeting Memorandum
- Tab A Talking Points (CONFIDENTIAL)
- Tab II Clearance List

UNCLASSIFIED
WITH CLASSIFIED ATTACHMENT

UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)
AS 2/1/05

44

REQUEST FOR APPOINTMENTS

To: Officer-in-charge
Appointments Center
Room 060, OEOB

Please admit the following appointments on April 19, 19 85

for THE PRESIDENT of _____:
(NAME OF PERSON TO BE VISITED) (AGENCY)

The Vice President
Secretary George Shultz
Mr. Ronald T. Regan
Mr. Michael K. Deaver (at his discretion)
Mr. Robert C. McFarlane
Ambassador Arthur W. Hartman
Ambassador Jack F. Matlock

MEETING LOCATION

Building WHITE HOUSE-WEST WING

Requested by JACK F. MATLOCK

Room No. OVAl OFFICE

Room No. 368 Telephone X5112

Time of Meeting 1:00 PM

Date of request April 15, 1985

Additions and/or changes made by telephone should be limited to five (5) names or less.

APPOINTMENTS CENTER: SIG/OEOB - 395-6046 or WHITE HOUSE - 456-6742

THE WHITE HOUSE

WASHINGTON

4/16/85

45

MEMORANDUM

TO: ROBERT MCFARLANE
FROM: FREDERICK J. RYAN, JR. *FJR*
SUBJECT: APPROVED PRESIDENTIAL ACTIVITY

MEETING: with Ambassador Hartman

DATE: April 19, 1985

TIME: 1:00 pm

DURATION: 30 minutes

LOCATION: Oval Office

REMARKS REQUIRED: Talking points to be covered in briefing paper

MEDIA COVERAGE: Coordinate with Press Office

FIRST LADY PARTICIPATION: No

NOTE: PROJECT OFFICER, SEE ATTACHED CHECKLIST

cc: K. Barun
P. Buchanan
D. Chew
T. Dawson
R. Deprospero
B. Elliott
D. Fischer
M. Friedersdorf
C. Fuller
W. Henkel
E. Hickey
J. Hirshberg
G. Hodges
A. Kingon
C. McCain
B. Oglesby
E. Rollins
J. Rosebush
R. Scouten
B. Shaddix
W. Sittmann
L. Speakes
WHCA Audio/Visual
WHCA Operations
Nell Yates
R. Kimmitt

VIA LDX

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JM-C
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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

April 16, 1985

~~Mattok~~

MEMORANDUM FOR MR. NICHOLAS PLATT
Executive Secretary
Department of State

SUBJECT: Meeting with Ambassdor Arthur A. Hartman, Friday,
April 19, 1985

Ambassador Hartman's meeting with the President has been scheduled for Friday, April 19 at 1:00 p.m. for 30 minutes in the Oval Office. Please notify us whether the Secretary intends to accompany him.

Robert M. Kimmitt
Robert M. Kimmitt
Executive Secretary

NATIONAL SECURITY COUNCIL

April 15, 1985

ACTION

MEMORANDUM FOR ROBERT M. KIMMITT

SIGNED

FROM: JACK F. MATLOCK *JFM*

SUBJECT: Meeting with Ambassador Hartman

Attached at Tab I is a memorandum to Mr. Nicholas Platt informing him of Ambassador Hartman's appointment with the President.

RECOMMENDATION

That you sign the memorandum to Mr. Platt.

Approve K Disapprove

Attachment:

Tab I Kimmitt-Platt Memorandum

THE WHITE HOUSE
WASHINGTON

48-346

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Patrol

~~Eye~~ Daily

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OF CLASSIFIED ENCLOSURES

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Pomb. Matlock, 3/28/41
7:30 AM

Eyes only to you
for comment from
Adm. Poindexter

Rosie

MEMORANDUM

NATIONAL SECURITY COUNCIL

~~SECRET/SENSITIVE/EYES ONLY~~

April 2, 1985

INFORMATION

MEMORANDUM FOR ROBERT C. MCFARLANE

THROUGH: JOHN M. POINDEXTER

FROM: JACK MATLOCK

SUBJECT: State Paper on U.S.-Soviet Relations

I have looked over the paper Rick Burt gave you. It seems to be very thin, almost totally devoid of substance, mistaken in some particulars, and in sum totally inadequate for a fruitful meeting with the President.

Although the paper does identify some of the principal problems we face in our public diplomacy and alliance management, and lists some occasions which can be useful in dealing with them, it does not even identify, must less discuss, the hard substantive decisions facing us.

On the tactical side, the implication is that our immediate task is to arrange for a summit. This is an important issue, and it is desirable to have one this year, but the way the paper would have us go about it is not the best way. We must avoid strengthening the impression (which we have unfortunately already given), that the President is desperate for a summit meeting. The focus of the tactical suggestions unfortunately have just this effect. The likely Soviet reaction is to try to wait us out in order to find out how much we will pay for one. This can only delay arrangements for a productive summit, since I assume that the President is not willing to pay a price for one.

For this reason, I think it important that, from now on, we play it cool in our diplomatic contacts with the Soviets. Gorbachev kept the ball in his court in his letter, and we should calmly leave it there until he decides to come to grips with the issue. Meanwhile, we should talk substance, in accord with our own agenda -- not with the avowed aim of preparing for a summit, but on the merits of the issues themselves.

The second tactical flaw in the scenario is its handling of the question of a Presidential channel. I believe it would be a mistake to "take the initiative to use Dobrynin." Have we not learned the dangers of that particular one-way street?

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~~SECRET/SENSITIVE/EYES ONLY~~

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This is not to say that we do not need some sort of "Presidential channel." We do. But to be of real use, several conditions must be met. First, we must be clear in our own minds what we want to say, and the channel will be of no utility if what we say is simply a replay of what we say elsewhere. Second, it should be reciprocal, providing us with approximately the same level and quality of access to Soviet decision makers as we grant them. Third, if we really want to explore innovative ideas without worrying about premature leaks, it should be so structured as to be publicly deniable, in case the Soviets are tempted at some point to spread a distorted version of the communications to our allies. What the President, Shultz or Bud tell Dobrynin does not meet that criterion, and this would inevitably hamper real candor, particularly in the early stages.

The other points in the "game plan" are so self-evident that I wonder why discussion with the President is considered useful. If we are to lay out a "schedule for progress" with Dobrynin, then what should be discussed is the content of that schedule. The mode of doing so is a secondary question, and I would think that letting Hartman do it with Gromyko (in advance of the Vienna meeting in May) should be seriously considered. If we are going to deal with Gromyko, then it is better to do so directly to the extent we can.

In sum, I believe that we should all go back to the drawing board before we take the President's time.

Priorities/Opportunities for 1985

-- This year we see ferment and diplomatic movement in a number of areas. This is very much a product of the strengthened US position in the world, and it presents us with opportunities in 1985 to shape events in accordance with our goals. We have tried to develop a game plan that sketches out how we will want to handle these issues over the rest of the year, including initiatives we may want to take and problems that are likely to confront us.

-- The obvious major issues are US-Soviet relations, Central America, the Middle East, and Southern Africa.

US-Soviet Relations/Arms Control

-- Gorbachev is bound to be more active and more formidable than his predecessors. He will present a superficial image of flexibility, as part of an aggressive strategy of wooing our allies and the Chinese while possibly confronting us boldly in Afghanistan/Pakistan, the Middle East, and even Central America. He may at the same time be willing to engage us and meet with you before the end of the year.

-- We need a firm and imaginative strategy of our own to protect our interests whatever course Gorbachev selects. Indeed, an effective US strategy can influence his basic decisions:

- o We should make clear our willingness to deal constructively.
- o We should make equally clear that we are prepared to resist Soviet challenges.

-- Our strategic objective should be to get across two messages to Gorbachev:

First, Gorbachev needs to hear loud and clear early on about the need for him to assert political control over their military and the overall Soviet tendency to use force. Whether it's their propensity to shoot first and ask questions later as with Major Nicholson and KAL, or their escalation of military action and supplies in Afghanistan, Nicaragua and elsewhere over this past year, they need to understand that greater restraint is required. In some respects, their handling of Major Nicholson's case is a test case for Gorbachev's willingness to work with us.

Second, Gorbachev must understand that we will not play ball with any effort just to improve style and atmospherics. There must be concrete progress across the four areas on our agenda: arms control, regional restraint, human rights and bilateral cooperation. We've got to keep Western expectations under control for this to succeed.

-- The key to our success will be to maintain a solid base here and to keep the Alliance solidly together. We will need to be nimble in the negotiations -- having defensible positions always on the table -- in order to maintain this domestic and allied solidarity.

-- Our game plan would be the following:

- o We should take the initiative to use Dobrynin as a Presidential channel to Gorbachev, perhaps meeting with him in a White House setting.
- o We should lay out for Dobrynin a schedule for progress over the coming year, aiming at a well-prepared summit.
- o We will continue our all-out effort in the Congress to maintain support for the MX, SDI, and overall defense spending.
- o Your trip to Europe in May will be a crucial event in Alliance management. We will have to blunt European concerns over SDI and the key may be how constructive and credible we appear to be in INF and START, the other two fora in Geneva. We want Bonn (and the NATO meetings that will follow in June) to be a powerful display of Western solidarity.
- o I will see Gromyko in Vienna in mid-May. If the Soviets have shown a willingness to engage us by then, we could use this to begin preparing for a summit.
- o At the end of July is the 10th anniversary of CSCE in Helsinki. Gromyko probed Hartman on the level at which we will attend -- perhaps indicating they are considering this as a summit venue. This isn't ideal for us. Alternatively, if

all foreign ministers go to Helsinki -- which I hope they won't -- Gromyko and I will be there.

- o The Soviets also may see the UNGA in September (and the 40th anniversary of the UN in October) as the right context for Gorbachev to come to the U.S. to meet with you. Or they may send Gromyko, and you may want to meet with him yourself to do preparatory work.
- o Other events: Ottawa Human Rights Experts meeting (May 7); Baldrige visit to Moscow (May 20-21); decision point in our interim restraints/no-undercut policy re Trident sea trials (summer/fall): Decisions to be made in light of circumstances; opportunities to keep the pressure on the Soviets.

-- Wild card: (Mid-summer:) Possible guilty verdict in Antonov papal assassination trial.



United States Department of State
Assistant Secretary of State
for European and Canadian Affairs

March 28, 1985

Bud:

Here is the memo we discussed on US-Soviet relations for the rest of 1985. It's part of a larger package for the Secretary to use with the President. He particularly asked for your views. Please let me know when you are ready to discuss.

Rick

Richard Burt