

MINUTES

SENIOR INTERDEPARTMENTAL GROUP ON INTERNATIONAL ECONOMIC POLICY

September 9, 1982

2:00 p.m.

Indian Treaty Room, OEOB

Attendees

Treasury

Secretary Regan (Chairman)  
Marc Leland  
Peter Wallison

Office of Vice President

Admiral Daniel Murphy  
Donald Gregg

State

James Buckley  
Robert Morris

USTR

Ambassador Brock  
John Ray  
Dennis Whitfield

Defense

Secretary Weinberger  
Fred Ikle

CEA

Martin Feldstein  
Paul Krugman

Agriculture

Secretary Block

OMB

Fred Khedouri  
Steve Farrar

Commerce

Secretary Baldrige  
Lionel Olmer  
Sherman Unger

White House

Robert C. McFarlane

Justice

William French Smith  
Jonathan Rose

OPD

Ed Harper

CIA

William J. Casey  
Maurice Ernst

NSC

Norman Bailey  
Henry Nau  
Roger Robinson

The Chairman introduced the sole agenda item, the oil and gas equipment and technology export sanctions on the Soviet Union.

There may be a meeting at foreign minister level with the Europeans. Counsellor Buckley stated that the four areas that were being developed for eventual discussion were: (1) key categories of oil and gas equipment to be jointly embargoed in future; (2) credit restraint; (3) strengthening of COCOM procedures; and (4) development of secure energy sources.

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By CS

date 11/08/05

SECRET

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Secretary Baldrige reported on the situation with reference to penalties imposed on European companies as a result of violation of our sanctions. The denial orders will cover only oil and gas equipment, services and technology. Dresser and Creusot are bringing legal actions to block the denial orders. The effect of the sanctions ranges from \$75 million to \$600 million over three years.

In response to a question, Mr. Baldrige stated that Q's and A's would be provided and also suggested that the measures be referred to as preventive rather than punitive.

Secretary Weinberger then reported on his contacts with European leaders. [REDACTED] 1.4b

[REDACTED] We should make the point about the sanctity of the contracts our companies signed with their licensees and also see where we may be able to assign supply contracts to affected European companies.

Ambassador Brock reported on his conversations with representatives of eight European countries. Many European governments are now advising their companies not to use U.S. technology. The Europeans don't want any meeting which will be publicized. The French don't want to meet at all for the time being. They don't think we understand the impact of our measures in Europe and are convinced we are engaging in economic warfare.

All agreed that the negotiating positions must be presented as enhancing or strengthening measures and under no circumstances as the President "caving in."

Secretary Baldrige read the statement he proposed to make to the press at his press conference that afternoon.

A discussion ensued over the reason for sanctions and the public presentation of those reasons.

The Chairman instructed that papers be circulated for an IG-IEP meeting on negotiating positions, followed by a SIG-IEP meeting September 16 to approve them for referral to the NSC.