

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

NSC/Soukors to Smith 09/06/2002

By AKC Date 06/27/07

THE WHITE HOUSE

WASHINGTON

May 2, 1973

~~CONFIDENTIAL~~

National Security Decision Memorandum 212
Council on International Economic Policy Decision Memorandum 17

TO: The Secretary of State

SUBJECT: Economic Policies for the Eastern
European Countries

The President has considered the recommendations of the NSSM 163/
CIEPSM 24 study and decided that the following general guidelines be
observed in negotiations with the countries of Eastern Europe:

-- With regard to the East European countries generally, progress
in the economic area should be made contingent on satisfactory political
conduct on international issues involving our interests and on a demon-
strated willingness to solve outstanding bilateral political problems.

-- In economic negotiations with those Eastern European countries
not now benefitting from MFN, no commitments on MFN authority
should be made until authorized by the President. This should not,
however, preclude initiation at an appropriate time of negotiations on
commercial and economic problems of interest to us.

-- No legislation authorizing PL-480 agricultural sales for additional
Eastern European countries will be sought at this time.

Within these guidelines, the following steps should be taken:

1. Expedite conclusion of consular conventions with Czechoslovakia
and Bulgaria, aiming to ensure the fullest possible protection for U.S.
citizens in those countries.
2. Continue to urge Romania, Hungary, Czechoslovakia, and Bulgaria
to initiate promptly or to conclude negotiations on U.S. claims for
nationalized property and defaulted bonds. Where appropriate, satisfactory
settlement of these issues should be made a prerequisite for authorization
of Export-Import Bank facilities.

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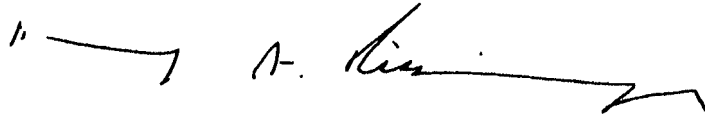
3. Initiate negotiations on a cultural and scientific exchange agreement with Hungary. After conclusion of an agreement, proceed, if appropriate, to similar negotiations with Czechoslovakia and then at a later date with Bulgaria. In these agreements particular care should be taken to ensure that an equitable balance exists between the United States and its partner in the scientific and technological exchanges planned.

4. Begin negotiation of a commercial agreement with Romania. When they are completed or well advanced, negotiations may begin with Hungary. Equivalent timing in relation to Hungary should be governing for commercial negotiations with Czechoslovakia and in relation to Czechoslovakia for negotiations with Bulgaria. Commercial agreements involving the extension of MFN will not be concluded until there is a satisfactory settlement on U. S. claims for defaulted bonds.

5. Submit recommendations at an early date on the substance and timing of negotiations with Czechoslovakia on a package of financial issues, including claims, blocked accounts, and the return of Czechoslovak gold.

6. Submit separate recommendations on the GDR when negotiations on the establishment of relations have begun.

7. On appropriate occasions, give public indication of our readiness to negotiate resumption of diplomatic relations with Albania.



Henry A. Kissinger



Peter M. Flanigan

cc: The Secretary of the Treasury
The Secretary of Defense
The Secretary of Agriculture
The Secretary of Commerce
The Director of Central Intelligence
The Special Representative for Trade Negotiations
The Chairman, JCS