

DECLASSIFIED

E.O. 12958, as amended, Sect 3.5

NSC/Soubers to Smith 09/06/2002

By 492 Date 02/14/07

THE WHITE HOUSE

WASHINGTON

July 20, 1972

National Security Decision Memorandum 181

Council on International Economic Policy Decision Memorandum #10

TO: THE SECRETARY OF COMMERCE

SUBJECT: Commercial Commission Negotiations and Related
Matters

Based on the President's meeting with the Secretary of Commerce in San Clemente, the papers of the Backstop Group, and other related documents, the President has made the following decisions:

-- The Secretary of Commerce, as Chairman of the US side of the US-USSR Commercial Commission, while in Moscow in addition to directing negotiations on subjects within the terms of reference of the Commission should coordinate US positions on other economic issues, including those which will be negotiated concurrently by representatives of other agencies. Specifically, this includes lend-lease and shipping negotiations, and presentation of our positions regarding taxes and possible extension of Export-Import Bank credit.

-- The delegation is authorized to negotiate a trade agreement on the basis of the draft discussed by the ad hoc CIEP group on July 17 with changes then agreed, with Article 11 deleted from the text of the agreement.

-- A shipping agreement is a high priority objective, with the issue of the freight rate differential to be settled in such a way as to minimize the current and future subsidy burden on the US, with a three-year renegotiation clause as a minimum.

-- The delegation should encourage the Soviets to join the Universal Copyright Convention. An offer to negotiate a tax treaty may be used as an incentive for the Soviets to do so. You should not offer to negotiate a bilateral copyright agreement.

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-- On the question of arbitration, you should attempt to reach agreement as per Article 10 of the Trade Agreement but not enter into at this time any agreement regarding establishment of a bilateral arbitration panel and procedure with the USSR.

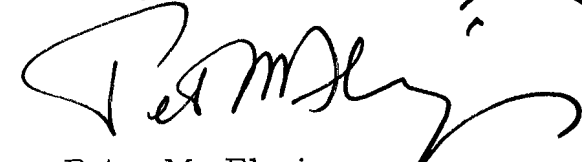
-- With respect to business facilities as per Article 9 of the Trade Agreement, you may offer reciprocal diplomatic immunity for a limited number of Soviet and American trade officials and their acts ad referendum pending further study of the consequent legal status of Soviet officials operating in the US and their powers to conduct commercial dealings.

-- Were the Soviets to offer a satisfactory lend-lease settlement, you could separately, by letter, assure them of the President's willingness at the earliest appropriate moment -- bearing in mind Congressional considerations -- to seek authorization from the Congress for the granting of MFN treatment to the Soviet Union.

-- If it is not possible to break the link between the Soviets beginning new lend-lease payments and entry into effect of MFN, we should attempt to maximize the front-loading of pipeline payments with only non-pipeline payments triggered by entry into force of MFN.

-- The delegation should submit daily progress reports including texts of new proposals made to and by Soviet representatives.


Henry A. Kissinger


Peter M. Flanigan

Copies to: The Secretary of State
 The Secretary of Treasury