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THE WHITE HOUSE  
WASHINGTON

May 29, 1981

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MEMORANDUM FOR THE HONORABLE CASPAR W. WEINBERGER  
The Secretary of Defense

SUBJECT: Our Strategy for Dealing with the Siberian  
Pipeline

You will be interested in the subject of this memorandum  
and for that reason I attach a copy for your private informa-  
tion. I am also sending a copy to Fred Ikle.

Richard V. Allen  
Assistant to the President  
for National Security Affairs

USSR 09/1/31

Attachment

My memo to Secretary Haig

cc: THE HONORABLE FRED C. IKLE  
Under Secretary of Defense for Policy

Office of the Secretary of Defense  
Chief, RDD, ESD, WHIS + 5 USC 552  
Date: 17 FEB 2018 Authority: EO 13526  
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Reason: \_\_\_\_\_  
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See Ref Cont No. T-14538

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MEMORANDUM FOR THE HONORABLE ALEXANDER M. HAIG, JR.  
THE SECRETARY OF STATE

SUBJECT: Our Strategy for Dealing with the Siberian  
Pipeline

I am concerned that we do not appear to be devoting the required attention to developing a position on the Siberian Pipeline and a strategy for dealing with our allies on this matter, both of which I believe should be resolved prior to the July Ottawa Economic Summit.

Clearly, the pipeline project is not dead and, absent a Soviet intervention in Poland or some other massive Soviet political move, is likely to be consummated later this year. The pipeline -- the largest single East-West trade transaction ever conceived and the largest single potential threat to Western economic security -- dwarfs any other export control or East-West trade policy issue on the horizon.

As you know, substantial preparatory work has been done toward advancing, at the Ottawa Summit, the concept of "economic security" which you discussed with our allies at the NATO ministerial. However, concepts are of little value unless translated into specific action. There is an urgent and overwhelming need to apply the economic security concept to the pipeline and to translate the concept into specific actions that will protect western security. The Summit can provide a timely opportunity for the President to discuss the pipeline project with other allied leaders and to apply his persuasive powers to the matter.

Further, it will be difficult to delay much longer some highly visible U.S. licensing decisions perceived to be associated with the pipeline; e.g., the Caterpillar pipelayer license request. Because of the size and visibility of the pipeline project and U.S. concerns about it, these decisions will tend in no small measure to set our export control policy on energy technology and equipment for the Soviet Union, rather than decisions on individual pipeline license applications being governed solely by broader, more general policy determinations.

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There is thus an urgent requirement for a clear, carefully thought out policy on the Siberian Pipeline, both so that we may put the pipeline in its proper context in Summit discussions of the concept of economic security and as a determinant in our broader export control policy. This broad policy determination will then have to be translated into a strategy to be implemented at every appropriate opportunity, including the Summit.

Although I know that there has been some success in heightening allied awareness of the problems of an increased energy dependency on the U.S.S.R., I am not confident that we have fully explored our options in further minimizing the dangers of this transaction. For example, the April 30 IG paper, "The West Siberian Pipeline," does not seem to me to cover several issues that need to be examined.

While the paper specifies two broad options available to the U.S. ("Signal U.S. disapproval of the project," or "implicit approval, but continue to address the allies on the Strategic implications of the project") it lacks the detailed analysis essential on a matter of this importance. For example, in examining the option of "signalling disapproval," U.S. ability to block the project is treated essentially in three sentences, with little supporting detail or analysis:

"Regardless of the response by the potential gas recipients, we could seek agreement to block the project from two important equipment suppliers U.K. (compressors) and Japan (pipe). Their concurrence could substantially impede the project."

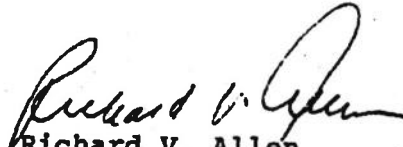
Similarly, under the option of acquiescing to the pipeline, but continuing to address its Strategic implications, there is little development of just what actions the U.S. might undertake and what the prospects of success are if we do so.

Thus, it would appear there is not only inadequate basis for a selection between the two options posed, but also an inadequate information and analysis base for implementing either option.

A discussion with you of this topic and how we should proceed to formulate and implement a strategy would be welcome. In the meantime, the attachment provides examples of some of the questions that I think need to be examined.

FOR THE PRESIDENT:

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Date: FEB 12 2018

  
Richard V. Allen  
Assistant to the President  
for National Security Affairs