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MEMORANDUM

NATIONAL SECURITY COUNCIL

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ACTION

November 27, 1981

MEMORANDUM FOR RICHARD V. ALLEN

DECLASSIFIED / RELEASED

FROM:

ALLEN J. LENZ *ajl*

NLS M1285 #14

SUBJECT:

Presidential Decision on Oil/Gas

BY Amj, NARA, DATE 11/27/04

Attached, per your request, is a set of papers which I believe will allow the President to make an informed decision on the oil/gas issue. You will want to consider the following in forwarding it to the President:

- o Weinberger has decided not to oppose the IH harvester thresher technology sale. Commerce is preparing a press release. I have suggested that it may be useful to advise our Allies before the announcement here, which appears to me to have no urgency. ✓
- o The package includes the State memo transmitted on a Bremer to Allen memo on November 25. ✓

The State submission -- an advocacy piece -- is infinitely better than their earlier drafts and is useful. However, while there is some overlap between the NSC and State papers, our broader paper is still essential to answer the questions the President has raised.

- o There is no DOD paper. There has been more than ample opportunity for them to submit one. I see no reason to further await or solicit a DOD paper.
- o You will want to carefully review the first paragraph of page 2 of your memo to the President, which suggests he may want to focus his analysis on Option IV, the new State revision of Option IV, and the NSC Staff added Option V. All of us on the staff who have worked on this issue (Pipes, Rentschler, Blair, Stearman, Nau, Myer, Shoemaker, Bailey and me) feel that, at this stage of the game, Options I through III are not viable and that the choice must be among IV, IV-A and V. If you agree, I believe you will make the President's job easier and add to your own credibility on this issue by so stating in your memo to him.

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Review on November 27, 1987

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- o Dick Pipes would prefer Option V, but allows that he could "live with" IV-A.
- o If the President does reach a decision based on this paper, he will want to think about how he will tell the victorious and defeated protagonists (preferably in private sessions) and we will want to carefully think through the decision directive and any public statements that are to be made.

RECOMMENDATION

That you sign the memo to the President at Tab i.

Approve _____ Disapprove _____

Attachments

Tab i Memo to the President
Tab I Option Selection Paper
Tab II NSC Prepared Paper
A Impact of COCOM and US Embargoes of Petroleum
Equipment and Exports (Prepared by CIA)
B Political and Economic Costs of Allied and
U.S. Oil and Gas Controls (Prepared by NSC Staff)
C Possible Allied Responses to U.S. Strategy on
the Yamal Pipeline (Prepared by CIA)
D Policy Options Paper (Prepared by State for
July NSC Meetings)
Tab III State Prepared Paper

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