

~~TOP SECRET~~

NATIONAL SECURITY COUNCIL MEETING

Thursday, January 21, 1982

TIME AND PLACE: 4:05-4:25 p.m.
The Cabinet Room

SUBJECT: Libya

PARTICIPANTS

The President
The Vice President

STATE

Secretary Alexander M. Haig, Jr.

TREASURY

Secretary Donald T. Regan

OSD

Secretary Caspar W. Weinberger
Deputy Secretary Frank C. Carlucci

JUSTICE

Attorney General William French Smith

COMMERCE

Secretary Malcolm H. Baldrige

ENERGY

Secretary James B. Edwards

CIA

William J. Casey

USUN

Ambassador Jeane J. Kirkpatrick

JCS

General David C. Jones
Lt. General Paul F. Gorman

THE VICE PRESIDENT'S OFFICE

Admiral Daniel J. Murphy

WHITE HOUSE

Edwin Meese, III
James A. Baker, III
Michael K. Deaver
William P. Clark
Robert C. McFarlane
James W. Nance
Janet Colson
John H. Poindexter

NSC

Raymond Tanter

DECLASSIFIED IN PART

NLS M05-016 # 19159

By Lot, NARA, Date 12/21/05

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Cl. & Extended by: William P. Clark

MINUTES OF MEETING

There were two items on the agenda -- Law of the Sea and U.S. Policy toward Libya. These minutes concern Libya.

Judge Clark. Mr. President, on December 8, 1981, you ordered three steps to be taken. The purpose of today's meeting is to provide you with an update on where things stand. No decisions are required. Unless someone feels a need for an urgent decision to be made, we will consider this an information rather than a decision making meeting. Judge Clark turned to the Secretary of State and to the former Deputy Assistant to the President for National Security Affairs Admiral James W. Nance for comment. The Secretary yielded to Admiral Nance.

Admiral Nance. Mr. President, in your December 10, 1981 decision you directed a special task force be set up co-chaired by the White House and the State Department. The goals of this task force are as follows: (1) to keep track of the implementation of your Libyan decisions; and (2) recommend additional options to you.

In the December 10 decision you directed the following steps be taken:

1. The Secretary of State should send a private demarche to Libya reemphasizing an October warning concerning its plotting of terrorist actions against U.S. citizens or facilities.

On December 10, a Belgium intermediary informed the U.S. that Libya denied the accusations in the demarche, challenged the U.S. to prove the charges, and suggested there may be elements working in the background to poison U.S.-Libyan relations. CIA believes the US demarche had an intimidating effect on Qadhafi.

2. The Secretary of State should request in the name of the President that U.S. corporations with American citizens in Libya and U.S. corporations that trade with Libya make a voluntary withdrawal of those Americans and minimize sales and purchases to and from Libya.

There were thirty-five firms involved. Fifteen firms have withdrawn their people. The remaining 20 firms have had significant reductions. At present, 400 U.S. business personnel and dependents of 1,200 remain. By February 1 it will be down to 100. You should know, however, that 300 or so American citizens unconnected with US corporations probably will remain in any event.

3. The Secretary of State shall invalidate U.S. passports for travel to Libya. This was done by the Department of State on December 11.

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3. The Secretary of State shall invalidate U.S. passports for travel to Libya. This was done by the Department of State on December 11.

4. During the withdrawal of Americans and in the context of Libyan terrorist planning against U.S. targets, the Secretary of the Treasury shall initiate and coordinate preparations for:

- a. U.S. embargo of imports of Libyan oil.
- b. U.S. embargo of exports to Libya.

Treasury has drafted the Executive Orders for your signature in order to implement an embargo of imports and/or exports.

5.



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6. The Secretary of Defense in coordination with the Secretary of State shall assure that military measures be proportional to provocation under international law, military feasibility, collateral damage, and political implications. This has been done with U.S. responses being at seven levels ranging from no visible military action and a clandestine pre-position of forces up to a declaration of war.

E. O. 12958
As Amended
Sec. 1.4(d)

Regarding developments since December 10, Admiral Nance said that the U.S. has received indications that Colonel Qadhafi would like for relations to improve but some analysts take this with a grain of salt. An envoy has claimed that Colonel Qadhafi has cancelled all terrorist and assassination operations, but this has not been substantiated. Also, there have been recent coup attempts against Colonel Qadhafi, suggesting that he may not be able to survive.

Mr. Casey interjected a comment in support of Mr. Nance's doubts about the unsubstantiated reports that Colonel Qadhafi had in fact cancelled his terrorist hit squads. Mr. Casey added that even if the terrorists had been called off, they could resume at any time.

Admiral Nance responded by referring to the irrational mental state of Colonel Qadhafi as making it difficult to anticipate his moves. Admiral Nance then resumed his presentation and said that the Soviets appear cautious. Their actions are limited to propaganda attacks. In addition, Saudi Arabia and Libya reestablished diplomatic relations, but Colonel Qadhafi has openly criticized the Saudis since then. On the other hand, there is no evidence of Libyan forces returning to Chad. There is some sensitivity in the use of economic sanctions although a soft international oil market has caused Tripoli problems. Also, the French have reestablished relations with Libya.

Admiral Nance closed his presentation with a list of next steps that are being undertaken by the Libya Task Force:

- 1) An evaluation is being made of possible Soviet responses to U.S. military actions. This paper will include possible U.S. counter-moves. The Libya Task Force has completed the study.
- 2) A revalidation of U.S. political and economic measures is being coordinated. The State Department has the lead on this issue.
- 3) A proposal for additional options is being developed. State has the lead.
- 4) U.S. objectives regarding Libya are being coordinated and reassessed. For example, one new objective could be to attempt to undermine Libya's stability. State has the lead.
- 5) An evaluation of Middle East regional risks and benefits of U.S. military action is being made. CIA has the lead.

Finally, we are preparing for a decision making meeting on February 4, 1982. In this respect, the Libya Task Force will provide a road map of choices for the President. The interagency process has worked very well concerning Libya. In this respect, Admiral Nance expressed his appreciation for the high quality work of the Departments and Agencies.

Secretary Haig said that he also was pleased with the interagency planning. The effects of U.S. actions have been favorable. He expressed the belief that Colonel Qadhafi was behind the assassination of the American defense official in Paris in mid-January 1982. Also, Colonel Qadhafi is fearful of a Soviet attempt to overthrow him since his East German bodyguard unexpectedly pulled back during an attempt on his life. Secretary Haig anticipated that the February NSC meeting probably will recommend a cut off of US oil imports from Libya, trade restrictions, and even a Gulf of Sidra-type exercise. Such an exercise could be varied from the one conducted in August of 1981. However another military exercise is conducted, it could be a very useful signal to show US resolve.

Secretary Weinberger said that the Gulf of Sidra exercise was a legitimate exercise that had the unintended result of a military confrontation. The U.S. succeeded there partly due to chance and also because Libya sent up inferior aircraft to challenge US planes. If the goal were to flaunt or to provoke Libya and it decided to make a serious challenge, the risks would have to be weighed carefully before a decision is made. There is, however, a window of opportunity approaching that would make a challenge to Libya feasible. Soon there will be three carrier battle groups in the Mediterranean Sea. This is a temporary situation and may not be repeated again soon.

With respect to Colonel Qadhafi's intentions, Secretary Weinberger expressed doubt that Colonel Qadhafi's temporary change in behavior indicated any fundamental alteration of intention. In any event, a promise to stop plotting the assassination of U.S. officials is not enough. Finally, the withdrawal of American citizens has begun to worry Colonel Qadhafi.

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Mr. Casey said that even if the terrorist hit squads had been called off, they could resume their activities in short order. He then turned to twin problems facing Colonel Qadhafi--internal unrest in Libya and the challenge of a competing external leadership. Given such indications as the increase in hostile radio broadcasts beamed at Libya, for example, destabilization may be a fairly promising option. That is, given the fact that Libya is already on the road toward instability, an attempt to accelerate its slide may be feasible.

E. O. 12958
 As Amended
 Sec. 1.4(c)

Secretary Haig referred to a newspaper report of January 21, 1982 concerning trucks from Oshkosh, Wisconsin. They were sold to Libya during the Carter Administration. These trucks have been converted into tank transporters. Heavy duty trucks ostensibly for agriculture were transformed into military vehicles by Libya. President Mubarak of Egypt told Mr. Haig about this conversion during his January 1982 visit to Cairo.

The President said that he initially leaned toward trying to persuade Colonel Qadhafi to change his ways through promises of good relations with the U.S. After today's presentation, however, the President remarked that he now leaned toward sterner measures to address the Libyan threat.

Judge Clark closed the meeting with a reminder of the sensitive nature of the discussion and a request that participants treat the information accordingly.

The meeting ended at 4:25 p.m.