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Collection Name EXECUTIVE SECRETARIAT, NSC: MEETING FILE

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CAS 1/18/2005

File Folder NSC 00039 04 FEBRUARY 1982 [POLAND, LIBYA, EXPORT CONTROLS, OIL, GAS] (2/7)

FOIA

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
2547	MEMO	KATHY TO THE RECORD R 9/19/2006	1	2/4/1982	B1
2548	DISTRIBUTION RECORD	RE NSC MEETING PAR 6/6/2006 PAR UPHELD 6/11/2013 M325/1	1	2/3/1982	B1 B3
2549	AGENDA	FOR NSC MEETING R 8/21/2013 M325/1	1	2/4/1982	B1
2550	AGENDA	SAME TEXT AS 2549 R 8/21/2013 M325/1	1	2/4/1982	B1
2551	SUMMARY	OF PAPER RE LIBYA R 6/6/2006	6	2/3/1982	B1
2552	PAPER	RE SIBERIAN PIPELINE D 6/6/2006	19	2/3/1983	B1 B3
2553	SUMMARY	OF PAPERS RE EXTRATERRITORIAL EXTENSION OF EXPORT CONTROLS R 6/6/2006	2	ND	B1
2554	MEMO	DON REGAN TO WILLIAM CLARK RE ECONOMIC SANCTIONS R 7/18/2008 NLRRF00-002 DOCUMENT PENDING REVIEW IN ACCORDANCE WITH E.O. 13233	3	2/3/1982	B1
2555	OUTLINE	RE DISCUSSION PAPER FOR NSC MEETING R 6/6/2006	1	ND	B1

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ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
2556	DISCUSSION PAPER	FOR NSC MEETING RE NEXT STEPS	23	ND	B1

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AGENDA

National Security Council Meeting
3:30-5:30 p.m.
Thursday
February 4, 1982

I. LIBYA

- A. Introduction of Issue on Next Steps - Bill Clark
- B. Intelligence Update - Bill Casey
- C. Background on Next Steps - Al Haig
- D. Discussion of Next Steps
- E. Decision on Next Steps

II. POLAND

- A. Introduction of Issue on Scope of Sanctions - Bill Clark
- B. Intelligence Update - Bill Casey
- C. Background on Further Sanctions - Al Haig
- D. Commerce Requirements - Mac Baldrige
- E. Discussion of Scope and Further Sanctions

(Break up into NSPG in Oval Office)

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NLRR MID-325/1# 2549
BY RW NARA DATE 8/21/13

AGENDA

National Security Council Meeting
3:30-5:30 p.m.
Thursday
February 4, 1982

I. LIBYA

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(Break up into NSPG in Oval Office)

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NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

February 3, 1982

MEMORANDUM FOR MS. NANCY BEARG DYKE
Assistant to the Vice President for
National Security Affairs

MR. L. PAUL BREMER III
Executive Secretary
Department of State

MR. DAVID PICKFORD
Executive Secretary
Department of the Treasury

LIEUTENANT COLONEL ROBERT T. MEEHAN
Assistant for Interagency Matters
Office of the Secretary of Defense

MR. F. HENRY HABICHT
Special Assistant to the Attorney General

MS. JEAN JONES
Director, Executive Secretariat
Department of Commerce

MR. WILLIAM VITALE
Executive Secretary
Department of Energy

MR. THOMAS B. CORMACK
Executive Secretary
Central Intelligence Agency

MR. DENNIS WHITFIELD
Executive Assistant to the United States
Trade Representative

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White House Guidelines, August 28, 1997

By C-5 NARA, Date 12/4/05

MS. JACKIE TILLMAN
Executive Assistant to the United States
Representative to the United Nations

COLONEL CHARLES F. STEBBINS
Executive Assistant to the
Chairman, Joint Chiefs of Staff

SUBJECT: National Security Council Meeting, Thursday,
February 4, 1982

Attached are the agenda and additional papers for the NSC meeting
tomorrow, February 4, 1982, 3:30-5:30 p.m., the Cabinet Room. (e)

Michael O. Wheeler
Michael O. Wheeler
Staff Secretary

SECRET

Review February 3, 1988

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___ Adm. Poindexter	___ Mr. Gregg	___ Mr. O'Leary	___ Col. Wheeler
___ Mr. Bailey	___ Mr. Gubin	___ Mr. Pipes	___ NSC Secretariat
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___ Cmdr. Blair	___ Mr. Kemp	___ Mr. Rentschler	___ Admin. Office
___ Ms. Colson	___ Maj. Kimmitt	___ Col. Russell	___
___ Mr. De Graffenreid	___ Mr. Kraemer	___ Maj. Shoemaker	___
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Subject: NSC MTG-4 February Libya/Poland

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NATIONAL SECURITY COUNCIL

February 4, 1982

MEMORANDUM FOR RECORD

The Attorney General's Legal Counsel* for Intelligence Matters called to relay the AG's concern that certain issues discussed at today's NSC meeting pertaining to Libya involved certain legalities that the AG should address.

The AG was not invited to the portion of the meeting which addressed Libya nor did he receive copies of the background material for that section.

It is requested that the AG receive all papers received for that meeting and be invited to any future meetings on this subject.

Kathy

*Helen Lorton???

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NLRR E2000-002 *2547

BY CN NARA DATE 9/19/06

February 3, 1982
NSC Staff Summary of State Paper
for February 4, 1982 NSC Meeting
NEXT STEPS ON LIBYA

INTRODUCTION

Two December NSC meetings on Libya focused on the broad pattern of Libyan activity threatening to the US and on the specific Libyan threat to assassinate key US officials here or abroad. A status report on actions ordered by the President on December 10, 1981 was given at the NSC meeting of January 21, 1982.

The basic decisions before the February 4, 1982 NSC meeting concern whether to revalidate and then activate the next steps toward Libya discussed in December regarding the broad and long lasting Libyan threat rather than the proximate threat of terrorist hit squads. Revalidation involves inter alia giving approval to the contingency planning that focuses on the short term assassination threat as well as the broader Libyan threat in light of changed circumstances in Libya, the region, and in the world.

The primary issues to be decided now are whether and when to embargo imports of Libyan oil; to embargo US exports to Libya; to undertake additional measures against Libya, such as transaction controls, selective export controls, and export licensing requirements. Also, the February 4 meeting will consider the advisability and appropriate timing of another US naval exercise in the Gulf of Sidra.

CURRENT LIBYAN BEHAVIOR

Libyan support of international terrorism and subversion of regimes friendly to the US continue. The assassination threat against US officials may be viewed from the perspective of the broad pattern of Libyan support of international terrorism and subversion in the Middle East, Africa, and in Central America.

US OBJECTIVES

Objectives in December were limited, i.e., 1) to deter attacks against US targets; 2) to ensure the safety of Americans in Libya so that future US freedom of action would be greater.

Objectives in February are broader, i.e., 1) to pressure or coerce Libya to cease such policies as international terrorism and subversion of regimes friendly to the US; and 2) to isolate Libya in the world community and to drive a wedge between Libya and Arab regimes friendly to the US.

An important first step, now that the Americans have been withdrawn, is to remove the inconsistency between US political and economic policies toward Libya. Implementation of the economic measures

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BY LST DATE 6/6/06

under consideration here (the oil embargo, an embargo of exports to Libya, and a ban on commercial transactions by U.S. firms within Libya) will prevent continuation of the current cycle whereby U.S. oil income and production expertise plus the export of U.S. technology translate into Libyan income. This income is then used to purchase advanced Soviet weaponry and to spread terrorism and subversion in the region, in Europe through indirect funding of terrorists there, and, most recently, reaching to the United States itself.

CHANGES SINCE DECEMBER 10, 1981

Poland

Since the US has asked the allies to take economic sanctions against Poland and the USSR, even unilateral American sanctions against Libya may increase the strains within the alliance. Europeans resent unilateral attempts to control the final disposition of American exports or to control US subsidiaries overseas -- extraterritorial enforcement of U.S. embargoes. The U.S. currently imposes export controls on over 20 countries, which the Europeans think is excessive. Also, the Soviets might use U.S. actions against Libya as a means of diverting attention from Poland and as a way of dividing the U.S. from the allies. Imposition of a U.S. import embargo against Libya would not strain American ties with the allies. Even a unilateral export ban could cause strains to the degree that the U.S. applies it to American subsidiaries overseas and to the control of reexports.

The U.S. faces a dilemma here: in order to be effective to the maximum degree from an economic standpoint, the prohibition against exports to Libya would have to include provisions preventing reexport of U.S. origin products and prohibitions against alternative supply of proscribed items by U.S. subsidiaries and licensees operating in third countries. Such a policy would place an economic burden on the allies and incur political costs within the alliance. The recommended solution to this dilemma is one which squares the American intention to make a strong symbolic political statement that the United States has decided to conduct its own policy in a way that isolates Qadhafi on the one hand with a prohibition of normal U.S.-Libyan commercial relations on the other hand. The US should welcome Allied support but ought not pressure them to do so. Therefore, the U.S. could explicitly exclude extraterritorial application from the regulations designed to institute the export controls being considered in this policy review.

U.S.-Libyan Relations

Libya claims to want improved relations with the U.S.; to have cancelled terrorist operations; and to dismantle terrorist camps, but these claims have not been confirmed. Colonel Qadhafi appears

to be disconcerted and threatened by U.S. actions yet is not prepared to abandon his goals, though on the basis of firm U.S. resolve he may be willing to modify temporarily some of his more extreme methods. The private U.S. demarche increased Colonel Qadhafi's perception of threat, while the public confrontation in the Gulf of Sidra enhanced his tendency for bravado.

The World Oil Market

The economic effects of a unilateral boycott of Libyan oil on either the US or Libya remain negligible as was the case in December. Free world demand will continue to decline, and OPEC will continue to underproduce as a whole, thus minimizing the effects of a US boycott.

Relations with Regional States

Israel's application of its laws to the Golan and the US veto of sanctions against Israel in the UN have enhanced cooperation between Arab states friendly to the US such as Saudi Arabia and those that are unfriendly such as Libya. Iran's successes in the war against Iraq and Iran's assertiveness in the Gulf provide an incentive for the Arab states to close ranks. The net effect of regional developments is to increase somewhat the political costs in the region of further US actions against Libya.

Soviet Posture

Soviet propaganda has ridiculed U.S. action towards Libya and suggested that Soviet support for Qadhafi has had a sobering impact on the U.S. Nothing has occurred, however, to suggest that Moscow's basically cautious posture has changed. Preoccupation with the Polish crisis may make the Soviets less inclined to get actively involved in defending Libya, although they will continue to use the US confrontation with Libya to increase their presence there.

US Public Opinion

As a response to reports of Libyan hit squads, there would be considerable public support for an American oil boycott. There is strong opposition to US military action without a Libyan attack on US nationals or facilities.

REVALIDATION OF OIL EMBARGO AND EXPORT BAN

In light of U.S. objectives toward Libya and an awareness of the changes that have occurred in the international environment since December, the U.S. should activate and confirm the further economic measures for which the President directed the Secretary of the Treasury to initiate and coordinate preparations, that is: termination of U.S. oil imports from Libya and prohibition of U.S. exports of equipment and technology to Libya.

TOP SECRET

The discussion of a ban on Libyan oil contained in the NSC paper of December 8 continues to be valid. World oil supplies are expected to remain more than adequate to meet demand through 1982 barring unforeseen political disruptions. An embargo on US oil imports from Libya would have a minimal economic impact but would be a political statement putting Libya on notice of US resolve. The impact of a unilateral US oil boycott on the allies would be minimal because it will not affect specific allied economic concerns.

The legal authority for an oil embargo would be the International Economic Emergency Powers Act (IEEPA), and a draft Executive Order has been prepared on this basis. IEEPA gives the President broad discretionary authority to respond to "any unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency" with respect to that threat. Thus, the President must find that there is an "unusual and extraordinary threat." These are words of judgment. Courts will be extremely loathe to question a reasoned decision by the President that the statutory standard has been met.

The statutory standard could be satisfied by the circumstances of U.S. relations with Libya. Libyan adventurism and support for terrorism can quite reasonably be characterized as an "unusual and extraordinary threat" to U.S. national security and foreign policy. The statute, however, requires consultations with Congress in every possible case before invoking IEEPA.

The December 8 analysis of an embargo on exports to Libya remains valid. U.S. exports through November 1981, mostly of machinery and transportation equipment, amounted to \$772 million.*

The political issues surrounding an embargo on Libya have become somewhat more sensitive than before because of the Polish crisis. The allies have criticized the extraterritorial implications of our new export controls on oil and gas technology to the Soviet Union. A new U.S. economic sanctions program against Libya, although unilateral, would raise concerns about extraterritorial application to make the embargo effective. These could add to Alliance strains and could weaken allied willingness to cooperate in economic actions against the USSR. It should be noted, however, that we can minimize conflicts with our allies by designing this option to explicitly forego extraterritorial application.

*Treasury believes this paper to understate the negative economic effects on U.S. business of an export embargo and may communicate its views to the President in a separate memorandum.

~~TOP SECRET~~

ADDITIONAL MEASURES

Transaction Controls

IEEPA permits the President to prohibit U.S. citizens and firms from engaging in commercial transactions in Libya and with Libyans, on foreign policy grounds. Such as application of IEEPA could be undertaken in conjunction with the oil embargo and an embargo of exports or with the oil embargo alone.

Selective Export Controls

Should a decision be made not to have a total embargo or to implement transaction controls, steps could be taken to control selected exports. At present, export controls now in effect do not allow the U.S. to deny dual use technology, including computers, communications equipment, and aircraft ground equipment, destined to the Libyan government.

Export Licensing Requirements

An additional option, also in lieu of an export embargo, would be to require licensing of all items for export to Libya. A general licensing requirement could be announced as a measure to monitor exports to Libya and to provide the Administration with the authority to deny any item which could be used by Libya to support its terrorist or military activities.

Responding to Libyan Provocations

The JCS have reconfirmed that the courses of action presented in the paper for the NSC meeting of January 21, 1982 remain feasible. Soviet, regional, and allied reactions to the use of American force in response to a Libyan provocation will vary according to the nature of the Libyan attack. An attack that is unquestionably Libyan and that is extreme would result in minimal support for Libya; if the US reaction is disproportionate to the Libyan provocation, e.g., high civilian casualties, Libya would receive more support. A failed US military action would raise the costs of cooperating with the US for Arab states most willing to do so such as Egypt and Oman.

Continuing Libyan Threats in the Region could be addressed by:

1) providing greater assistance to local states threatened by Libya; 2) increasing US military presence in the area; 3) expanding military and intelligence cooperation with regional governments; and 4) engaging in joint contingency planning, at least in Egypt.

Regarding increased assistance, the allies could be asked to provide more economic assistance rather than requesting that they cooperate in a US sanctions program against Libya. An

enhanced US military presence includes a return to semi-annual exercises in the Gulf of Sidra; an increase in Special Forces, Airborne, Marine, Navy, and Tactical Air exercises, some jointly with friendly local states. Expanded security cooperation could include agreeing to an Egyptian proposal for a Regional Training Center in Egypt; initiation of military unit exchanges with regional states; as well as enhanced intelligence collection and more sharing of the product with friendly states in the region. Since the Mubarak government in Egypt seeks no military confrontation with Libya, joint US-Egypt contingency planning is less relevant than it was during the era of President Sadat. Nevertheless, the US must remain in a position to respond to Egyptian requests for joint contingency planning.

CONGRESSIONAL AND PUBLIC AFFAIRS STRATEGY

There should be a public affairs and Congressional strategy that prepares the ground for the announcement of new measures directed at Libya. The announcement should be formulated so that it reflects a balanced and well-rounded approach, rather than a set of random negative sanctions.

In preparing for the announcement of the initial decisions on Libya, there are two constraints -- time and the fear of leaks. These constraints could cause harm to American citizens in Libya and inhibit the Administration from engaging in a serious dialogue with the Congress prior to action. There are two distinct phases of consultation.

The first phase would be educational and designed to give key members a sense of involvement in our decision process and -- thereby -- a stake in the outcome. The second phase would, then, consist of standard, courtesy calls a day or so before the actual announcement of new measures.

TIMING

Except for the Gulf of Sidra exercise, the military measures are all either in various stages of implementation or are planned on a contingency basis.

Crucial decisions will have to be made regarding the timing of the economic steps. The oil embargo and export controls, if decided upon, could be implemented simultaneously for maximum impact and to demonstrate that the U.S. is ending "business as usual" with Libya. The same can be said if transaction controls are added to this list. Alternatively, there could be a phased program: oil embargo now, export embargo later, transaction controls still later.

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Summary of Commerce and State Department
Papers on the Extraterritorial Extension of Export Controls

I. Subsidiaries

Commerce Position

Applying the controls to foreign subsidiaries would significantly increase our chances of delaying or blocking the pipeline. It would also blunt criticism by the press and the AFL-CIO. The application of controls to foreign subsidiaries is necessary if the USG is to stop compressor sales. It may be possible to get voluntary allied cooperation to prevent sales of relevant equipment. Voluntary compliance should be discussed before action is taken.

Our allies would object strongly to such an application of controls and the move would cause harm to U.S. businesses in several ways: (1) Subsidiaries of U.S. firms would lose around \$200 million annually over the next 2-3 years in signed or projected contracts; (2) foreign businesses would have greater incentives to seek non-U.S. suppliers in an effort to avoid U.S. export controls; (3) U.S. corporations may find acquisition of West European firms less attractive, as host countries become reluctant to extend national treatment to U.S. subsidiaries; and (4) Dresser Industries' French subsidiary may be nationalized.

The Export Administration Act can be interpreted to authorize application of the controls to foreign subsidiaries. Such authority has been exercised only once, when it provided grounds for blocking delivery of foreign-manufactured Levi's uniforms for Moscow Olympics participants. Consideration of this issue should involve not only the likely diplomatic protests and the non-cooperation of foreign courts, but also the use by foreign governments of statutes that would block U.S. enforcement actions. As demonstrated in the 1965 Fruehauf case in France, a foreign government has the power to interfere with a claim of U.S. jurisdiction by having a receiver appointed to end "U.S. control" of a given subsidiary.

State Position

The French and others deny our legal right to regulate subsidiaries, viewing such regulation as an affront to their economic interests and sovereignty. France, the home of the only subsidiary (Dresser Industries, France) holding a substantial pipeline contract, has been especially sensitive about extraterritoriality. In the 1960s, French courts took over operation of a U.S. firm's subsidiary to prevent it from complying with the U.S. embargo against China.

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Review February 1, 1988

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Even a successful extraterritorial application of U.S. controls in this case would affect only 21 of the 125 compressors needed for the pipeline.

Extraterritorial application of the controls would (1) render less likely allied cooperation in an effective sanctions program, (2) invite renewed French action to thwart our controls, (3) invite further heavy foreign regulation of U.S. investment around the world, and (4) place the affected subsidiary between conflicting U.S. and French policies, laws, and requirements.

II. Licensees

Commerce Position

No precedent exists for the application of controls to foreign-made products based on U.S. technology that was transferred before the date (in this case, December 30, 1981) on which the controls were announced. The allies argue that we should include only products based on U.S. technology transferred after December 30, 1981, and that covering earlier technology amounts to improper retroactive application of U.S. law.

There is a very high risk that an attempt to exert "retroactive" control would not be sustained if challenged in U.S. courts. Furthermore, foreign countries could block U.S. enforcement of such controls. Such an application of controls to licensees would, however, if successful, provide the USG with significant leverage to delay or block the pipeline.

State Position

The USG has authority to control products based on U.S. technology transferred after December 31, 1981. Regarding products based on technology transferred before that date, however, it is highly questionable whether we have such authority.

The purpose of such controls would be to reach all firms that use G.E. technology to manufacture pipeline equipment. The controls would cripple, among others, a certain British firm. According to information from G.E., however, the controls would not affect the ability of Rolls Royce, a competitor of that certain British firm, to manufacture a different type of turbine as a substitute.

Applying the controls to licensees would (1) ensure that the British would not cooperate in controlling Rolls Royce exports, and (2) harm U.S. trade, as foreign firms would minimize purchases of U.S. technology.

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SYSTEM II
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THE SECRETARY OF THE TREASURY
WASHINGTON

February 3, 1982

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by ON NARADATE 7/18/88

MEMORANDUM FOR THE HONORABLE
WILLIAM P. CLARK, JR.
ASSISTANT TO THE PRESIDENT
FOR NATIONAL SECURITY AFFAIRS

FROM: DONALD T. REGAN

SUBJECT: Economic Sanctions Against Libya

I have grave concerns about the proposed course of action that is set out in the NSC discussion paper on Libya. The paper is written as if the only cost of imposing economic sanctions against Libya is friction with our European allies. On the contrary, there are real and substantial economic costs which will be borne by the United States.

Cost of an Embargo of U.S. Exports to Libya

The NSC discussion paper concludes that a unilateral U.S. export embargo would have little adverse impact on Libya, and would result in the substitution of U.S. exports to Libya by goods and services from other sources. Even though such an embargo could be implemented under the authority of the Export Administration Act, this might engender new demands for further actions which would require the invocation of the International Emergency Economic Powers Act (IEEPA) -- which the authority the NSC paper appears to favor.

For example, the initial USG action will likely provoke a Libyan reaction, which could include:

- (1) pressure on U.S. firms to divest their Libyan holdings at below market prices;
- (2) a "call" of standby letters of credit; and/or
- (3) expropriation of U.S. owned assets in Libya.

We have no leverage to respond to these actions except by "blocking" payment of standby letters of credit or freezing Libyan assets in the U.S. pursuant to authorities under the IEEPA. The invocation of such emergency powers will undoubtedly generate political pressures to escalate the breadth and scope of our sanctions -- in particular, to involve foreign subsidiaries of U.S. firms in the embargo through the extraterritorial application of IEEPA.

DERIVATIVE CLASS BY Charles Schatz
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- 2 -

More importantly, the use of IEEPA will invoke the memory of the Iranian sanctions and asset freeze, and send a very troubling signal to world financial markets. We are still paying a heavy price for those measures -- the growth of deposits in the United States by surplus countries has slowed considerably over the past two years. If we again interfere with financial flows for political purposes, we may experience a more permanent shift in financial resources away from U.S. institutions. The impact on Libya would be insignificant compared to the aggregate costs to U.S. interests that could result from such resource transfers by other countries, particularly the surplus OPEC nations.

Furthermore, a clear precedent would be emerging that the United States was willing to tamper with financial markets as a tool of foreign policy. There would be uncertainty over in what circumstances we would invoke IEEPA in the future, and this would in turn have a chilling effect on both portfolio and direct investment in the United States. Although funds would eventually flow to the United States because of the fungibility of money in world financial markets, the uncertainty and added instability of the market would increase the cost (via higher interest rates) of financing -- and would increase in particular the burden of the U.S. debt. This is especially troubling in view of the crucial importance of increased investment to the success of our economic program.

I should note that an embargo of U.S. exports will likely lead to the most drastic economic sanctions we can impose against Libya unilaterally. Once we use this club, we limit our flexibility to react to Libyan provocations (short of resorting to military measures). And once the Libyans find out that an embargo will not hurt them very much, they may be convinced that they can act aggressively without fear of punitive USG actions. Thus, we believe that the threat of an embargo is more imposing than the actual implementation of sanctions.

An Alternative Approach

In light of the above arguments, I believe that we should adopt a measured, "step-by-step" approach to economic sanctions against Libya. Instead of letting them have both barrels, we should start with a U.S. embargo of oil imports. If we maintain the restriction only at the U.S. border and do not try to inhibit the activities of U.S. firms abroad, the sanction will engender minimal cost (to both the United States and Libya) and little friction with our allies, but will still convey an important foreign policy signal.

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Starting only with an oil embargo will likely be seen as a more credible and reasonable approach to a problem which, from the viewpoint of our European and Middle Eastern allies, is of secondary importance. This restriction could be imposed pursuant to the authority under the Trade Expansion Act, thus avoiding the dangerous pitfalls of using IEEPA. Such authority could be challenged in the courts, however, because of the tenuous grounds of a determination that Libyan oil imports (which account currently for only 3% of U.S. imports) constitute a threat to our national security. In any event, we will have bought time to gauge the Libyan reaction and that of our allies before we move on to more drastic steps.

If Libya causes further problems, we can then still go to the brink and embargo U.S. exports -- possibly under the Export Administration Act authority in order to avoid the more egregious effects on the integrity of our financial markets which the use of IEEPA would engender. For the present, however, because of the severe economic cost such a move would entail for the U.S. interests, I strongly recommend that we defer action on a unilateral embargo of U.S. exports to Libya.

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Charles Schott
X 2/2/88
NSC Document

SECRETARIAT STAFF
(S/S-S)

TO: Bud McFarlane

DATE: 2/3

S/S
S/S-O
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TM

DIR
MGMT ANALYST
NSC REP.
CORRESP.

SUBJECT: Libya Discussion Paper

REMARKS:

This is an advance. A perfect copy will be sent within 2 hours under the usual Bremer-Clark.

Regards -

Tain Dmyl

DIRECTOR
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DISCUSSION PAPER FOR FEBRUARY 4 NSC MEETING:
NEXT STEPS ON LIBYA

- I. INTRODUCTION
- II. CURRENT LIBYAN BEHAVIOR
- III. US OBJECTIVES
- IV. CHANGES IN INTERNATIONAL ENVIRONMENT SINCE DECEMBER 10 DECISIONS
 - A. Poland
 - B. US-Libyan Relations
 - C. World Oil Market
 - D. Relations with Regional States
 - E. Soviet Posture
 - F. Public Opinion
- V. REVALIDATION OF OIL EMBARGO AND EXPORT BAN
 - Embargo of US Oil Imports from Libya (Item 4a of NSDD 16)
 - Legal Authority for Embargo
 - Embargo of US Exports to Libya (Item 4b of NSDD 16)
 - Issue of Prior Withdrawal of US Citizens
- VI. ADDITIONAL MEASURES
 - A. Transaction Controls
 - B. Selective Export Controls
 - C. Export Licensing Requirements
 - D. Diplomatic Initiatives to Close Libyan Peoples' Bureaus in Other Countries.
- VII. MILITARY AND SECURITY MEASURES
 - A. Responding to Direct Libyan Attacks Against US Targets
 - B. Dealing with Continuing Libyan Threats in the Region
 - 1. Assistance
 - 2. Increased Presence
 - 3. Expanded Cooperation
 - 4. Contingency Planning
- VIII. CONGRESSIONAL AND PUBLIC AFFAIRS STRATEGY
- IX. TIMING
- X. ECONOMIC AND SECURITY POLICY TOWARD LIBYA: SUMMARY DECISION SHEET

APPENDIX: Tab A--IMPLEMENTATION OF DECEMBER 10 STEPS

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