

Ronald Reagan Presidential Library Digital Library Collections

This is a PDF of a folder from our textual collections.

Collection: North, Oliver: Files
Folder Title: Terrorist Targets: Libya (9)
Box: 48

To see more digitized collections visit:
<https://reaganlibrary.gov/archives/digital-library>

To see all Ronald Reagan Presidential Library inventories visit:
<https://reaganlibrary.gov/document-collection>

Contact a reference archivist at: reagan.library@nara.gov

Citation Guidelines: <https://reaganlibrary.gov/citing>

National Archives Catalogue: <https://catalog.archives.gov/>

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name NORTH, OLIVER: FILES

Withdrawer

SMF 11/16/2010

File Folder TERRORIST TARGETS: LIBYA (9)

FOIA

F95-023/9

Box Number 48

WILLS

17

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions	
100637	MEMO	STARK ET AL TO POINDEXTER RE NSPG MEETING <i>R 9/14/2017 M1089/1</i>	1	1/4/1986	B1	
100638	MEMO	RE NSPG MEETING (DUPLICATE OF 100629)	2	ND	B1	B3
100639	AGENDA	NSPG MEETING RE LIBYA (DUPLICATE OF 100630)	1	1/6/1986	B1	B3
100640	PAPER	ACTING AGAINST LIBYAN SUPPORT OF INTERNATIONAL TERRORISM (DUPLICATE OF 100631)	4	ND	B1	B3
100641	TALKING POINTS	FOR MEETING <i>R 9/14/2017 M1089/1</i>	2	ND	B1	
100642	TALKING POINTS	FOR POINDEXTER'S USE IN MEETING (DUPLICATE OF 10633)	2	ND	B1	B3
100643	STATEMENT	DRAFT STATEMENT RE LIBYA <i>R 4/24/2017 M1089/1</i>	2	ND	B1	
100644	MEMO	DRAFT PLATT TO POINDEXTER RE ECONOMIC SANCTIONS AGAINST LIBYA <i>R 4/24/2017 M1089/1</i>	2	ND	B1	

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name NORTH, OLIVER: FILES

Withdrawer

SMF 11/16/2010

File Folder TERRORIST TARGETS: LIBYA (9)

FOIA

F95-023/9

Box Number 48

WILLS

17

ID	Doc Type	Document Description	No of Pages	Doc Date	Restrictions
100645	EXECUTIVE ORDER	DRAFT EXECUTIVE ORDER RE PROHIBITING TRADE AND CERTAIN TRANSACTIONS INVOLVING LIBYA <i>R 4/24/2017 M1089/1</i>	4	ND	B1
100646	PAPER	ANALYSIS OF PROPOSED EXECUTIVE ORDER <i>R 4/24/2017 M1089/1</i>	5	ND	B1
100667	MEMO	PLATT TO POINDEXTER RE SECOND TIER SANCTIONS <i>R 4/24/2017 M1089/1</i>	1	ND	B1
100669	PAPER	RE SANCTIONS	4	ND	B1
100673	PAPER	RE BACKGROUND PAPER ON APPROACHES TO EUROPEAN GOVERNMENTS <i>R 4/24/2017 M1089/1</i>	2	ND	B1
100677	OUTLINE	SUMMARY OF OPTIONS <i>R 4/24/2017 M1089/1</i>	3	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

ROUTING

To	Name and Address	Date	Initials
1	John Poindexter		
2			
3			
4			
5			
6			

X	ACTION	FILE
	APPROVAL	INFORMATION
	COMMENT	PREPARE REPLY
	CONCURRENCE	RECOMMENDATION
	DIRECT REPLY	RETURN
	DISPATCH	SIGNATURE

REMARKS:

Stark (#2) Radzimski (#8)
 North (#3)
 Teicher (#4)
 Covey (#5)
 McDaniel (#6)
 Morton (#7)

~~TOP SECRET~~~~TOP SECRET~~*Stark*UNCLASSIFIED UPON REMOVAL
OF CLASSIFIED ENCLOSURE(S)*Amf 11/16/8*NSC/ICS CONTROL NO. 40010COPY NO. 2 OF 8

HANDLE VIA SYSTEM IV CHANNEL ONLY

NSC INTELLIGENCE DOCUMENT

Warning Notice

Intelligence Sources and Methods Involved

NATIONAL SECURITY INFORMATION

Unauthorized Disclosure Subject to Criminal Sanctions

~~TOP SECRET~~~~TOP SECRET~~

~~TOP SECRET~~

NATIONAL SECURITY COUNCIL
WASHINGTON, D.C. 20506

SYSTEM IV
NSC-ICS-40010

100637

January 4, 1986

~~TOP SECRET~~

ACTION

MEMORANDUM FOR JOHN M. POINDEXTER

FROM: JAMES R. STARK *A*
OLIVER L. NORTH *W*
HOWARD TEICHER *UPT*
JOCK COVEY *W*
ROD MCDANIEL *W*
ELAINE MORTON *EH*

SUBJECT: NSPG Meeting, January 6, 1986, 11:00 - 12:00,
White House Situation Room, re: Acting Against
Libyan Support for International Terrorism

The President has called for an NSPG meeting at 11:00 on Monday, January 6 to decide on U.S. measures in response to the terrorist attacks at the Rome and Vienna airports and the more general problem of Libyan support for international terrorism.

Attached at Tab I is a meeting memorandum for the President with supporting tabs for his use at the meeting. You should attach the Military Actions paper prepared by Secretary Weinberger (Tab C). No copies of this document have been reproduced.

Talking points for your use during the NSPG are at Tab II.

RECOMMENDATION:

That you sign the memorandum to the President at Tab I.

Approve _____

Disapprove _____

Attachments

- Tab I - Poindexter Memo to the President
 - Tab A - Agenda
 - Tab B - NSC Strategy Paper
 - Tab C - Military Actions Paper from Secretary Weinberger
 - Tab D - Talking Points
- Tab II - Talking Points

~~TOP SECRET~~

Declassify on: OADR

~~TOP SECRET~~

DECLASSIFIED

NLRR MID 89 # 100637
BY *fw* NARA DATE *9/19/17*

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

North, Oliver: Files

Withdrawer

SMF 11/16/2010

File Folder

TERRORIST TARGETS: LIBYA (9)

FOIA

F95-023/9

WILLS

Box Number

48

17

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
100638	MEMO RE NSPG MEETING (DUPLICATE OF 100629)	2	ND	B1 B3

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

North, Oliver: Files

Withdrawer

SMF 11/16/2010

File Folder

TERRORIST TARGETS: LIBYA (9)

FOIA

F95-023/9

WILLS

Box Number

48

17

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
100639	AGENDA	1	1/6/1986	B1
	NSPG MEETING RE LIBYA (DUPLICATE OF 100630)			B3

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

North, Oliver: Files

Withdrawer

SMF 11/16/2010

File Folder

TERRORIST TARGETS: LIBYA (9)

FOIA

F95-023/9

WILLS

Box Number

48

17

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
100640 PAPER	ACTING AGAINST LIBYAN SUPPORT OF INTERNATIONAL TERRORISM (DUPLICATE OF 100631)	4	ND	B1 B3

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

~~TOP SECRET~~

9
100641

~~TOP SECRET~~

TALKING POINTS

- We must immediately implement stringent, comprehensive economic and political sanctions against Libya. Neither America nor the West at large can afford to contribute resources which enable Qadhafi to support international terrorism.
- Every effort should be made to convince our Western allies to work with us to isolate Qadhafi economically and politically. But if they will not cooperate, the U.S. will act alone.
- In considering the military options, I am distressed that after the billions of dollars we have spent on developing sophisticated high technology weapon systems like Stealth and cruise missiles, we seem to be unwilling to employ any of these systems in this instance.
- It is imperative that we consider the use of these types of systems so that we can impose a high price on terrorists without putting U.S. forces unduly at risk.

~~TOP SECRET~~

Declassify on: OADR

~~TOP SECRET~~

DECLASSIFIED

NLRR M1089 # 1DD/p41
BY RW NARA DATE 9/14/17

~~TOP SECRET~~

2

- A key component of the integrated strategy is military strikes against discreet targets in Libya one week from now. This delay should provide ample time for Western personnel to leave Libya and for our European allies to decide to cooperate with us.

- I cannot overemphasize my anger and dismay over last week's leaks regarding military options. There must be no leaks. The lives of American servicemen, our citizens in Libya, and the success of our entire policy depend on absolute secrecy and press discipline.

~~TOP SECRET~~

~~TOP SECRET~~

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

North, Oliver: Files

Withdrawer

SMF 11/16/2010

File Folder

TERRORIST TARGETS: LIBYA (9)

FOIA

F95-023/9

WILLS

Box Number

48

17

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
100642	TALKING POINTS FOR POINDEXTER'S USE IN MEETING (DUPLICATE OF 10633)	2	ND	B1 B3

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

WASHFAX RECEIPT
DEPARTMENT OF STATE

B

S/S #

UNCLASSIFIED
OF CLASSIFIED

Conf 11/16/10

MESSAGE NO. 004036 CLASSIFICATION CONF No. Pages 2

FROM: S/S-a (Officer name) (Office symbol) (Extension) (Room number)

MESSAGE DESCRIPTION second version President statement
with Armacost clearance

TO: (Agency)

DELIVER TO:

Extension

Room No.

WHSR

NSC: R Pearson

Covey

Per

JP

Pearson

Fortier

Teicher

FOR: CLEARANCE ☐ INFORMATION ☐ PER REQUEST ☐ COMMENT ☐

REMARKS:

S/S Officer: Rick H van Houten

~~Overrides~~

Overrides previous LDX State
4035

100643

SECRET/SENSITIVE

Draft Presidential Statement

On December 27, terrorists attacked Rome and Vienna International Airports - the latest in a series of atrocities which have shocked the conscience of a world grown accustomed to the horrors of terrorism. It is clear that the responsibility for these latest attacks lies squarely at the feet of the terrorist known as Abu Nidal. The number of his victims increased by nineteen; among them five innocent Americans including an eleven year old girl.

We continue to pursue terrorists like Abu Nidal and Abu Abbas, who was responsible for the Achille Lauro attack. But we are also convinced that these elusive murderers would not be able to carry out their activities without the asylum and support provided by regimes such as Colonel Qadhafi's in Libya.

His involvement in terrorism is well-documented and long-standing. The atrocities at Rome and Vienna are only the latest in a series of brutal acts of terrorism committed with Qadhafi's backing. We have said that the world community should make it clear to Qadhafi that he must pay a price for his support and encouragement of terrorism. The United States has already taken a series of unilateral steps to curtail most direct trade between our two countries. We have encouraged our friends, particularly in Europe, to do likewise.

In the wake of this latest evidence of Libya's violation of the norms of civilized behavior and scorn for the opinion of the world, it is clear these steps have not been enough. More dramatic actions are needed to demonstrate that the United States is prepared to further restrict Qadhafi's ability to sponsor terrorism.

Accordingly, I signed this evening an executive order stating that the policies and actions of the Government of Libya constitute an unusual and extraordinary threat to the national security and foreign policy of the United States, and have declared a national emergency to deal with that threat. Congress has been notified of this decision.

SECRET/SENSITIVE

DECLASSIFIED

NLRR M1089#100643
BY kw NARA DATE 7/24/11

14
~~SECRET/SENSITIVE~~

-2-

Under the authority vested in me by the Constitution and laws of the United States, I have taken measures to end virtually all direct economic activities between the United States or U.S. nationals and Libya. These measures, which take effect immediately, impose a total ban on direct import and export trade with Libya, except for humanitarian purposes. They ban all service contracts with Libya and prohibit all other transactions with Libya or in which Libya has an interest by U.S. nationals and U.S. persons, including travel other than that needed for speedy departure of our citizens from Libya or journalistic activity.

We hope these latest measures will prompt Qadhafi to curtail his support for acts of terrorism. But we cannot realistically expect that our actions by themselves will achieve that result. Yet, Qadhafi must clearly understand one central and basic message - America and Americans should not and will not do business with Qadhafi's Libya. A leader who characterizes indiscriminate murder of innocent civilians as "heroic actions" deserves to be treated as a pariah in the world community. We call on our friends in Western Europe and elsewhere to join with us in isolating Qadhafi.

We strongly urge all Americans in Libya to leave immediately. The Government of Libya should understand that it is fully responsible for the welfare of those Americans still in Libya, and that it will be held accountable for any attempt to harm them or restrict their freedom to depart.

I would emphasize that our differences are with Colonel Qadhafi and his regime, not the people of Libya. We have taken these steps after much reflection, and in full awareness of the economic consequences which the United States stands to incur as a result. Civilized nations cannot continue to tolerate, in the name of economic gain and self-interest, the murder of innocent citizens. For our part, we must be prepared to take all steps necessary to end this terrible scourge of Libyan-supported terrorism. We will not fail in our determination. Thank you.

~~SECRET/SENSITIVE~~

Probable Questions for the President

- Our Allies say they won't cooperate -- what are you going to do about that?
- Others will fill in behind us -- aren't you just exporting more American jobs and profits overseas?
- This is in response to Rome and Vienna, right? Where is your proof Libya was solely responsible?
- How can you expect this limited American sacrifice to have any meaningful impact on world terrorism?
- How are you going to protect our Americans now in Libya from retaliation?
- Are you trying to contribute to the overthrow of Qadhafi?
- Does this mean that you have ruled out a military response?

ECONOMIC SANCTIONS

Considerations for media treatment

For full political and economic impact, important that President make the announcement himself. In doing so, he will set the tone of subsequent public debate. Cannot do much more than that, since this is exceedingly complex issue. Need to establish boundaries to President's discussion -- he will be most effective at the rhetorical level -- and provide simple way to turn the media over to the experts for the rest of the story.

Proposed Division of labor:

- Announcement of Sanctions: President (Tuesday evening Press Conference)
- Backgrounder on details of Sanctions, implementation, impact, etc: either Abe Sofaer (who put the package together) or Bob Kimmitt (who will be responsible for implementing it) or both (Tuesday evening, in the White House Press Briefing Room, immediately following the Press Conference).
- From that point on, State and Treasury would be prepared to respond to questions about implementation, e.g. how we intend to deal with our allies, impact on US economy and commerce, etc. BLACKOUT on military options would be carefully -- ostentatiously -- maintained.
- From Wednesday morning through Sunday, a few key spokesmen would be made available to the Press (some balance has to be struck between explaining the impact of the sanctions and letting it seem as if sanctions are the best and only thing we could do; best will probably be simply to respond to requests case-by-case): Shultz, Whitehead, Armacost, Baker, Kimmitt.

(Likely questions for the President attached)



DRAFT

~~SECRET~~

180644

MEMORANDUM FOR VADM JOHN M. POINDEXTER
THE WHITE HOUSE

SUBJECT: Imposition of Economic Sanctions Against Libya Under the International Emergency Economic Powers Act and Related Measures

I am transmitting at Tab 1, for consideration at the NSPG now scheduled for Monday, January 6, a draft Executive Order invoking the President's authority under the International Emergency Economic Powers Act (IEEPA) and at Tab 2, a section-by-section analysis describing the Order's provisions.

The draft Order finds that the policies and actions in support of international terrorism by the Government of Libya constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and declares a national emergency pursuant to IEEPA to deal with that threat. The Order is designed to (1) have maximum political impact, (2) reduce sharply or terminate the remaining American presence in Libya and (3) minimize criticism from our allies and encourage their support.

The Iran hostage crisis and Nicaragua provide precedent for invoking IEEPA. The draft Executive Order and detailed implementing regulations (being prepared by State and Treasury to be transmitted separately) would impose the following economic sanctions against Libya:

- a total ban on direct export and import trade with Libya, except for food and medicine and donations of clothing intended to relieve human suffering;
- a ban on service contracts (present and future) in Libya;
- prohibition of all other transactions with Libya or in which Libya has an interest by U.S. nationals and persons in the United States, including travel-related transactions other than those incident to speedy departure from Libya or for journalistic activity;

DECLASSIFIED

NLRR M089 #100644

~~SECRET~~BY RW NARA DATE 4/24/17

~~SECRET~~

-2-

- a freeze on property in the United States of the Government of Libya; and

- clarification that MFN under the Trade Expansion Act of 1962 and Trade Act of 1974 is inapplicable to Libya.

These measures are designed to achieve maximum impact on direct trade and transactions with Libya by U.S. nationals without imposing controversial extraterritorial controls on trade and transactions by third country nationals. If necessary, the Order could be amended at a later date to prohibit additional transactions.

Under IEEPA, Congress must be consulted in advance of issuance of the Executive Order, if possible, and a report must be submitted to Congress immediately upon issuance. Since Congress is out of session, calls to available leadership would suffice. An attempt should be made, prior to the Order's issuance, to discuss it with at least the leadership of both Houses, and the Chairmen and Ranking Minority Members of the Foreign Affairs Committees, the Trade and Economic Subcommittees of the House Foreign Affairs Committee, and the Senate Banking Committee.

Nicholas Platt
Executive Secretary

Attachments:

- Tab 1 - Draft Executive Order.
- Tab 2 - Section-by-Section Analysis.

~~SECRET~~

~~SECRET~~

EXECUTIVE ORDER

100645

PROHIBITING TRADE AND CERTAIN TRANSACTIONS INVOLVING LIBYA

By the authority vested in me by the Constitution and laws of the United States of America, including the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.), the National Emergencies Act (50 U.S.C. 1601 et seq.), sections 504 and 505 of the International Security and Development Cooperation Act of 1985, and section 301 of title 3 of the United States Code,

I, RONALD REAGAN, President of the United States of America, find that the policies and actions of the Government of Libya constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and hereby declare a national emergency to deal with that threat.

I hereby order:

Section 1. The following are prohibited except to the extent provided in regulations which may hereafter be issued pursuant to this order:

(a) Any transaction in or relating to property in the United States in which the Government of Libya, including its instrumentalities, owned or controlled entities, or persons acting on its behalf, has any interest of any nature whatsoever;

(b) The import into the United States of any goods or services of Libyan origin, other than publications and materials imported for news publication or news broadcast dissemination;

~~SECRET~~

DECLASSIFIED

NLRR M1089 #1006245
BY hw NARA DATE 4/24/17

~~SECRET~~

-2-

(c) The export to Libya of any goods, technology (including technical data or other information) or services from the United States, except publications and donations of articles intended to relieve human suffering, such as food, clothing, medicine and medical supplies intended strictly for medical purposes;

(d) The provision of transportation services to or from Libya by any U.S. person or any vessel or aircraft of United States registration, or the provision of transportation services to or from the United States by any Libyan person or any vessel or aircraft of Libyan registration;

(e) The engaging by any U.S. person in any service contract in support of an industrial or other commercial or governmental project in Libya, or in any transaction with any non-U.S. person directly related to the performance of any such service contract except for contracts concerned with medical care;

(f) The grant or extension of credits or loans or the transfer of anything of value, except Libyan property held abroad prior to the effective date of this Order, by any U.S. person to the Government of Libya, its instrumentalities and controlled entities, or to any Libyan national or entity owned or controlled, directly or indirectly, by Libya or Libyan nationals;

~~SECRET~~

~~SECRET~~

-3-

(g) Any transaction by a U.S. person relating to travel by any U.S. citizen to Libya or to activities by any U.S. citizen within Libya after the date of this order, other than transactions necessary to effect any U.S. person's departure from Libya within ____ days of this Order, or travel for journalistic activity by persons regularly employed in such capacity by a newsgathering organization; and

(h) Any transaction by any United States person which evades or avoids, or has the purpose of evading or avoiding, any of the prohibitions set forth in this order.

For purposes of this section, any "United States person" means any United States citizen, permanent resident alien, juridical person organized under the laws of the United States or any person in the United States.

Section 2. In light of the prohibition in section 1(b) of this Order, Section 251 of the Trade Expansion Act of 1962 as amended (19 U.S.C. 1881), and Section 126 of the Trade Act of 1974 (19 U.S.C. 2136) will have no effect with respect to Libya.

Section 3. The prohibitions set forth in section 2(b), (c) (d) and (e) shall apply as of 12:01 a.m. Eastern Daylight time, _____, 1986. The remainder of the prohibitions of this Order are effective immediately. Except to the extent hereafter provided by regulations, all the prohibitions of this

~~SECRET~~

~~SECRET~~

-4-

Order shall take effect as indicated notwithstanding any contracts entered into before the date of this Order.

Section 4. The Secretary of the Treasury is delegated and authorized to employ all powers granted to me by the International Emergency Economic Powers Act, 50. U.S.C. 1701 et seq., to carry out the purposes of this order. The Secretary may redelegate any of these functions to other officers and agencies of the Federal Government. All agencies of the United States Government are directed to take all appropriate measures within their authority to carry out the purposes of this order, including the suspension or termination of licenses or other authorizations.

This Order shall be transmitted to the Congress and published in the Federal Register.

~~SECRET~~

~~SECRET~~

ANALYSIS OF PROPOSED EXECUTIVE ORDER

Overall Impact

Our current exports of approximately \$300 million per year consist primarily of machinery and transportation equipment, manufactured goods for industrial uses and foodstuffs, all of which are available to Libya from non-U.S. sources. We already deny licenses for export of most national security controlled items; for goods or technical data which could contribute directly to the Ras Lanuf petrochemical complex; for aircraft, large off-road vehicles and parts because of the high risk of diversion by Libya for military activities; and for oil and gas technology and equipment not available from third-country sources. On the import side, we recently expanded our 1982 ban on Libyan crude oil to include import of Libyan refined petroleum products. Our remaining imports of just under \$5 million per year consist mainly of alcohols and related products.

The Order would reach this remaining trade, including the large volume of trade in services contracts, with the exception of third-country trade with Libya controlled by U.S. based multinationals. It should also result in the sharp reduction or withdrawal of the remaining American business presence in Libya by banning business transactions motivating travel and transactions for travel to or activities in Libya. The Order also freezes Libyan assets in the United States. Unlike the Iranian situation, where Iranian assets in the United States were greater than U.S. assets in Iran, U.S. business assets in Libya are estimated at about \$450 million (book value), while Libyan assets in this country are estimated at about \$200 million. Action under the Order will probably result in reciprocal restrictions on U.S. business assets in Libya, or outright seizure.

Violations of the Order are subject to civil penalties not to exceed \$10,000 and criminal penalties of not more than \$50,000 and imprisonment for not more than 10 years or both.

Section by Section Analysis

Paragraph One

Although all the actions in the Order may be taken under the International Emergency Economic Powers Act, the Order also is expressly based upon the President's constitutional authority and on the new export and import sanction authorities provided by the International Security and Development Cooperation Act.

~~SECRET~~

DECLASSIFIED

NLRR M10289 #100646
BY RW NARA DATE 4/24/17

~~SECRET~~

Paragraph Two

The Order finds that the policies and actions in support of international terrorism by the Government of Libya constitute an unusual and extraordinary threat to the national security and foreign policy of the United States and declares a national emergency pursuant to IEEPA to deal with that threat. Invoking two of the three possible grounds provided under IEEPA -- threat to the national security and foreign policy -- follows the Nicaragua precedent. The earlier Iran emergency additionally invoked a threat to the U.S. economy.

Section 1(a)

This section would block all assets in the United States of the Libyan government and its controlled entities. This would not block Libyan deposits in overseas branches of U.S. banks, since such reach of the Iran regulations provoked difficult lawsuits abroad and conflict with the host governments. Assets would be unblocked by license as appropriate to allow the operations of the Libyan UN Mission and other activities we are required or choose to permit. This asset freeze is restricted to government assets to mitigate the serious damage to investor confidence that asset freezes tend to cause.

Section 1(b)

This provides the import element of the Order's comprehensive direct trade ban. Prohibition of import of goods of Libyan origin might reach some trade of Libyan commodities through third countries, as would Section 1(h), which deals with evasion. In some instances, such as Libyan origin petroleum products mixed in European tank farms and included in subsequent reshipment, strict enforcement cannot be realistically contemplated without unacceptably burdening the international trading system. We contemplate that enforcement will be handled as it is under the present import ban on such products. The exception for news material follows the Iran precedent.

Section 1(c)

This provides the export element of the Order's comprehensive direct trade ban. Like the Nicaragua order, but unlike typical earlier controls, this ban will not reach re-exports of U.S. origin goods from third countries if those goods "come to rest", are incorporated in third country products as components or are substantially transformed abroad. This avoids the extraterritoriality problems of U.S. controls over the export of a foreign manufactured product because of a small amount of U.S. componentry. The Order would not, however, supercede the existing system of export controls

~~SECRET~~

~~SECRET~~

-3-

on Libya already in place, e.g., relating to national security controlled items or oil and gas technology, which remain subject to the regular re-export control system of the Export Administration Act. The Order's ban on exports to Libya does not apply to donations of food and medicine and clothing intended to relieve human suffering, in light of the corresponding limitation on the President's authority to do so under IEEPA. This limitation can be removed if militarily required.

Section 1(d)

This provision follows the Iran precedent and is intended to supplement the export and import ban.

Section 1(e)

This section bans service contracts in Libya, such as oil field operation contracts and major construction engineering and management. It deals with one of the major elements of U.S.-Libya trade remaining and a principal source of U.S. citizen presence in Libya. It will also ban U.S. nationals from participating in service contracts of third country companies in Libya.

Section 1(f)

This section imposes a comprehensive freeze on financial transactions benefitting the Libyan government or in which Libya has an interest as well as transactions benefitting Libyan nationals. It is not intended to reach transactions such as withdrawal of Libyan deposits from foreign branches of U.S. banks, ordinary transactions by Libyan students living in the U.S., proper transactions by the Libyan U.N. Mission, donations permitted in accordance with section 1(c), and medical services contracts permitted under 1(e). Regulations will assure that it is administered consistently with this purpose.

Section 1(g)

This section bans transactions for travel to Libya. Under U.S. law, the U.S. cannot directly compel U.S. nationals to cease travel to, through, or in Libya. Nor can we threaten prosecution for the travel itself. Although we can bar the economic activity necessary for travel, and prosecute for violations (subject to difficulties of proof), some Americans may nevertheless remain in Libya either because Qaddhafi may prevent their departure or because they may decide to defy a transaction ban. Nevertheless, this ban, together with the ban

~~SECRET~~

~~SECRET~~

on the business activities motivating much of the U.S. citizen presence in Libya and further tightening of passport controls should, along with strong Presidential statements, substantially reduce the American presence there. The section makes the exception for journalism which has become our standard practice and was made under the IEEPA controls for Iran during the hostage crisis.

Section 1(h)

This is drawn from the Iran precedent and is intended to facilitate enforcement of the basic prohibitions.

"United States person"

In order to avoid the acute problems arising under other U.S. controls which have applied to "any person subject to the jurisdiction of the United States", a term usually defined in U.S. regulations to include foreign companies owned or controlled by U.S. nationals, this Order is drafted to apply its principal prohibitions to "U.S. persons", who are defined to include, in addition to U.S. citizens and permanent resident aliens, only those companies and other legal entities which are organized under U.S. law and thus generally recognized by our allies as being subject to U.S. regulation in their overseas activities.

Section 2

Although the MFN tariff treatment automatically granted by U.S. statutes to most countries is meaningless when imports themselves are barred, Section 2 will remove the political issue of Libya theoretically remaining entitled to MFN. The Order does not expressly terminate the theoretical Libyan entitlement to avoid unnecessary departure from our tradition of not withdrawing MFN tariff treatment as a foreign policy sanction.

Section 3

This section allows a transitional period for the export, import, and service contract bans to enter into effect. This will avoid the problems of shipments already en route and provide service organizations and their personnel a brief time to organize their departures. Although the trade ban would apply to pre-existing contracts generally, provision for appropriate exception is provided in order to deal with unusual or hardship cases, where to do so would not undermine the purpose of the control.

~~SECRET~~

~~SECRET~~

Section 4

This section makes the standard delegation of IEEPA authorities to the Secretary of the Treasury. The Secretary implements these controls in close cooperation with the Secretary of State.

Congress

The Order states that it is to be transmitted to Congress. In addition, IEEPA requires that, wherever possible, the President consult with the Congress prior to using IEEPA authorities. He is also required to report immediately to Congress when he uses them. Both these obligations can readily be satisfied, and the need to act is particularly strong where the result may reduce the number of Americans exposed to Libyan actions.

~~SECRET~~



United States Department of State

Washington, D.C. 20520

~~SECRET~~ /SENSITIVE

100667

MEMORANDUM FOR VADM JOHN M. POINDEXTER
THE WHITE HOUSE

SUBJECT: Proposals for a Second Tier of Sanctions and
Controls against Libya

There are attached a number of proposals for consideration at the NSPG now scheduled for Monday, January 6, relating to additional or supplementary measures to protect Americans against reprisals, and reduce Libyan ability to conduct terrorism in this country or overseas. Comments on the advantages and disadvantages follow each of the proposals. If the NSPG approves these for further exploration, we will undertake coordination with the implementing agencies.

DRAFT

Nicholas Platt
Executive Secretary

Attachment:
as stated

~~SECRET~~ /SENSITIVE
DECL: OADR

DECLASSIFIED

NLRR MUD89 #100667
BY RW NARA DATE 4/24/17

WITHDRAWAL SHEET

Ronald Reagan Library

Collection Name

North, Oliver: Files

Withdrawer

SMF 11/16/2010

File Folder

TERRORIST TARGETS: LIBYA (9)

FOIA

F95-023/9

WILLS

Box Number

48

17

<i>ID</i>	<i>Document Type</i> <i>Document Description</i>	<i>No of</i> <i>pages</i>	<i>Doc Date</i>	<i>Restric-</i> <i>tions</i>
100669 PAPER	RE SANCTIONS	4	ND	B1

The above documents were not referred for declassification review at time of processing

Freedom of Information Act - [5 U.S.C. 552(b)]

B-1 National security classified information [(b)(1) of the FOIA]

B-2 Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]

B-3 Release would violate a Federal statute [(b)(3) of the FOIA]

B-4 Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]

B-6 Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]

B-7 Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]

B-8 Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]

B-9 Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

DRAFT

LIBYA: CONGRESSIONAL/PRESS POINTS TO MAKE

--The attacks on the Rome and Vienna airports, as well as other recent terrorist incidents, were carried out by individuals clearly linked to Libya.

--The leader of the group responsible for these outrages, Abu Nidal, is based in Libya, he has conducted training activities in that country, and Libyan diplomatic missions have given logistical assistance to those involved in terrorist assaults. Qadhafi's news agency has gone so far as to term the latest mass murder a "heroic act", even though his spokesmen more recently and cynically have denounced the incidents.

--For over a decade, Libyan agents, and terrorist groups based in Libya, have carried out acts of terrorism and murder in the Middle East, Europe, and the United States. Qadhafi has sponsored repeated subversion and violence against his neighbors. He is a major arms supplier to Iran, and his troops remain in Chad, a major factor in the continuing turmoil in that poor land.

--For too long other nations have declined to join us in using economic, diplomatic, and other pressures to curb Qadhafi's appetite for terrorism and military aggression.

--But, it has become apparent that going along with terrorism is not "good business":

European and Middle Eastern tourism has lost over one billion dollars this year alone;

Countries in the region are spending millions if not billions in added security costs; and,

They will probably never know the full extent of foregone investment opportunities lost as a result of terrorism.

--The Rome and Vienna events of December 27 -- ending a year of horrible terrorist incidents -- have shocked decent men and women around the world. It is time to channel this outrage and shock into action, not out of a sense of revenge, but to deter further terrorist attacks.

--The best way to achieve the coordinated response we seek is to demonstrate that we, ourselves, have taken all possible action to isolate the Qadhafi regime and bring home to that regime the fact that support for terrorism is not cost free.

-- It is for this reason that we seek to close all remaining loopholes in U.S. trade and commercial relations with Libya. We hope our example will encourage others to take similar action. Regardless of the economic loss, the U.S. will not do business with Qadhafi's regime.

31
DRAFT

~~SECRET~~

Background Paper on Approaches to European Governments

100673

The recent upsurge in Middle East terrorism in Western Europe and its political and economic impact, plus the growing awareness of the Libya/Abu Nidal terrorist role, have begun to generate momentum in Europe for firmer internal actions and closer cooperation with the United States. In time, they should bring the Western Europeans to take tougher actions against Libya, beginning with political and security related measures. However, at present the European reaction has been negative, marked by great nervousness to talk of U.S. economic and military actions. (The FRG and France have publicly opposed economic sanctions; Italy has formally invoked the right to clear all non-NATO flights in or out of Sigonella; the UK has reminded us of our obligation to consult them on use of F-111s based in England.) If we do not move carefully, we can produce a backlash which would tend to isolate the U.S. and harm our broader interests. But if we do not demonstrate determination and strong leadership, the Europeans will not move against Libya.

Europe remains vulnerable in its relationships with Libya. With the application of unilateral U.S. sanctions in 1981, Western European involvement in trade, investment, and the furnishing of key technicians to Libya became more important. Trade is significant. Over 75% of Libya's foreign trade is with OECD countries. Italy is now Libya's most important trading partner, followed by the FRG and other European nations. Tens of thousands of Europeans work in Libya and the revenue and the safety of these people is a primary concern of European governments. European countries are also energy-dependent on Libya to varying degrees, although with reserve stocks and an oil glut, this is less of a problem now than previously. Libya has invested extensively in Europe and has the potential to unsettle financial markets. Qadhafi has played skillfully on European vulnerabilities, using threats against Europeans in Libya, and occasionally holding them hostage (FRG, UK and Italy have all had this experience) -- to cynically remind the Europeans that they must put up with his use of terrorism and subversion.

~~SECRET~~

DECLASSIFIED

NLRR M1089 #100673
BY RW NARA DATE 7/24/17

30
~~SECRET~~

-2-

Europeans, as a matter of principle, wish to avoid economic sanctions. The British have reminded us of their failed sanctions in Rhodesia. Our own experiences in Poland, Afghanistan and Rhodesia have been dissatisfying. The bitter dispute with the U.S. over the Soviet oil pipeline also remains explicit in European memories. To have credibility, we should prepare carefully by first making a maximum effort with U.S. firms to pull the remaining U.S. technicians out of Libya and be clear on what precisely what we want the Europeans to do. Even so, progress will be slow and difficult.

European views of U.S. military actions are equally negative. They do not believe Qadhafi can be deterred in this way, they worry about the safety of their citizens in Libya, they fear that Libya will fall further under Soviet influence, and they worry lest there be Libyan/terrorist retaliation against themselves for real or imagined cooperation with the U.S. European apprehensions are redoubled when they consider that Israeli actions could be, or could appear to be, in conjunction with those of the U.S. Key allies such as the UK and FRG might tacitly accede to our use of military force, preferably not involving their bases. Italy is more exposed to both terrorism and Libyan pressures, and its accession will be more difficult. France will probably be ambivalent, their apprehension over Qadhafi's activities in Black Africa contrasting with their position of independence from the U.S.

Europeans are probably most willing now to take actions of a political or security nature, since they are most directly related to Libya's support of terrorism. Such measures might include restrictions on Libyan diplomats and other officials, more careful screening of all private Libyans, restrictions on the size and use of Libyan diplomatic missions and stepped-up intelligence operations against the Libyans. Over the longer term, we should press the Europeans for limitation on Libya's civil aviation, beginning with more careful screening of aircraft, and hindering Libya's ability to export petroleum.

~~SECRET~~
DECL:OADR

23
100677

~~TOP SECRET~~

SUMMARY OF OPTIONS

DECLASSIFIED

NLRR MID89 #100677

BY RW NARA DATE 4/2/07

OPTION 1: Economic and Political Sanctions

- Full U.S. unilateral implementation of IEEPA.
 - Total trade ban
 - Mandatory transaction controls
 - Criminal penalties for U.S. businesses and personnel
- Before announcement, seek Allied (e.g. U.K., Canada, Italy, France, Japan, Korea) agreement to:
 - implementation of comparable economic sanctions;
 - at a minimum, insist Allies not replace U.S./business and technical personnel; and
 - imply cost for non-responsiveness.
- Diplomatic and public affairs campaign to isolate Libya, e.g. closure of People's Bureaus.
- Reserve the right to act militarily.

Pros

- Demonstrates seriousness of U.S. purpose
- Increases prospects for Allied economic sanctions
- Reduces likelihood of Allied criticism of precipitate U.S. action
- Promotes international cooperation against terror
- Conditions environment for future military action
- Imposes economic cost on Libyan people and may generate unrest

Cons

- May reveal Alliance disunity
- Given public posture, economic sanctions alone signal lack of resolve to wage war on terrorism
- Terrorism not necessarily affected by lost revenues
- Qadhafi can exploit to solidify domestic position

~~TOP SECRET~~

21

~~TOP SECRET~~

OPTION 2: Simultaneous Economic Sanctions and Limited Military Strikes

- Economic and political measures described in Option 1.
- Coincident to announcement of economic/political sanctions, launch limited military strikes against key Libyan targets associated with terrorism and Qadhafi's power base.
- Some prior consultation with Allies on economic measures prior to announcement/military strike.

Pros

- Much greater demonstration of U.S. seriousness and willingness to confront Qadhafi.
- Helps convince Europeans their citizens are in danger and should be withdrawn.
- Demonstrates vulnerability of Libyan security structure.
- Forces Qadhafi to react to U.S. and creates opportunities for more decisive future action.

Cons

- Shifts onus of escalation to U.S. without inflicting serious damage on terrorist infrastructure.
- Increases threat to U.S. and Allied personnel/facilities/interests.
- Likely to promote greater external and internal short-term support for Qadhafi.
- May cause us to miss opportunity to get Allies committed to economic option.

~~TOP SECRET~~

Declassify on: OADR

~~TOP SECRET~~

~~TOP SECRET~~

~~TOP SECRET~~

OPTION 3: Economic Sanctions Followed by Limited Military Strikes

- Economic/political sanctions as in Option 1.
- Two-week pause after announcement to implement economic sanctions and to deceive Libya on military option.
- Limited military strike as described in Option 2.
- Consult with Allies prior to economic sanctions.

Pros

- Demonstrates U.S. seriousness while preserving maximum flexibility.
- Provides time for departure of Western workers from Libya.
- Increases prospects for European cooperation in economic measures (as compared to Option 2).
- Throws Qadhafi off balance; lowers his guard.

Cons

- Greater likelihood of erosion of U.S. resolve to use military force.
- Lack of immediate military response may embolden Qadhafi.
- Provides time for Libya to improve defenses and alliance relationships.

④

Italians \$2.3B } oil
West German 1.9B }

~~TOP SECRET~~

Declassify on: OADR

~~TOP SECRET~~

Chronology of Press Reports,
U.S. Actions Against Libya
Sunday, 29 December 1985 - Friday, 3 January 1985

29 December

- Pentagon officials continued to monitor events today. The aircraft carrier USS Coral Sea, part of the Sixth Fleet, remained anchored in Naples rather than steaming toward trouble spots in the Mediterranean as it has in other crises, officials said. (WPost)
- A senior Administration official, explaining the rationale of those urging U.S. military reprisal, said it is less important to punish the terrorists responsible for the attack than the countries that harbor and train them, such as Syria, Libya and Iran. (WPost)

31 December

- In addition to [diplomatic and economic] pressures, Reagan is reported to have authorized covert CIA actions aimed at undermining the Libyan regime. (WPost)
- White House spokesman Speakes said that although military options were always a possibility, he could not say whether they were under consideration. (NYTimes)
- A high Administration official said tonight that President Regan was awaiting delivery of a list of military options prepared by the Pentagon. The officials said, however, that it was unclear if the options involved direct military action against Libya or were more general. (NYTimes)
- [The officials] did not rule out American military intelligence support for allies in the region. Such support has been offered after previous Middle East terrorist incidents. (NYTimes)

1 January

- In Washington today, Defense Department officials continued to review possible retaliatory targets in Libya with the idea of making a recommendation to Reagan later this week about the advisability of a bombing strike, according to Pentagon officials. (WPost)
- Defense Department officials have prepared a list requested by the White House of military strikes that could be made against Libya for its role in last week's terrorist attacks. (WTimes, NYTimes)

- Pentagon officials declined to comment on the preparation of contingency plans...[but] said there was no preparation under way of U.S. forces for any actions against Libya. (WTimes)
- Administration sources, who spoke on the condition they not be identified, said an option paper of possible military responses was being prepared and scheduled to go to the President yesterday. (WTimes)
- Administration sources challenged [a report on Libyan Sa-5s, saying] U.S. intelligence shows none of the missiles are operational, or are being manned by Soviets. Estimates indicate the missiles will not be operational for another five or six months. (WTimes)

3 January

- The call for increased measures against Libya came as the U.S. aircraft carrier Coral Sea ended a holiday stop in Naples to cruise the central Mediterranean close to the Gulf of Sidra and the Libyan coast. (WTimes)
- The Pentagon refused to comment on televised reports last night that U.S. forces in the Med have been built up and that a Soviet intelligence ship is providing information on U.S. movements to Soviet advisers in Libya. (WTimes)
- ✓ - [The President's rejection of a threat by Qadhaffi] came as his military advisers sifted through a Defense Department contingency list of bombing targets in Libya ranging from a government facility to antiaircraft sites, which could be reached by Navy and Air Force carrier planes and fighter bombers based in Britain. (WPost)
- Fearing an attack, Libya sent its ships to sea yesterday and dispersed its aircraft around the country, U.S. officials disclosed last night. (WPost)
- The contingency list...is intended to pinpoint targets against which the President could retaliate without killing innocent civilians, according to informed sources. (WPost)
- [JCS] have recommended against attacking targets not directly linked to terrorists from Abu Nidal's group. (WPost)

- The military contingency planning has looked at the use of FA18 bombers on the carrier USS Coral Sea, scheduled to leave Naples early today; F-111 fighter bombers in Britain and B-52 bombers based in the U.S., officials said. (WPost)
- The B-52s were considered an option earlier in the week, in part because Libya would not have known they were coming, whereas the U.S. would have tipped its hand if it had ordered the Coral Sea to cut short its port call. But now that the Coral Sea is leaving Naples on schedule, its bombers and the F-111s in Britain have emerged as the favored military option if Reagan should order a military strike. (WPost)
- A senior State Department official said no no thought was being given to joint military action with Israel against Libya because the U.S. did not want to seem in collusion with Israel against an Arab country. (NYTimes)