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THE DIRECTOR OF CENTRAL INTELLIGENCE

WASHINGTON, D.C. 20505

National Intelligence Council

DDI 811-82
31 January 1982

MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: Chairman, National Intelligence Council

FROM: Charles E. Waterman
National Intelligence Officer for NESAs

SUBJECT: Revalidation of Libyan Planning

1. Attached is a composite paper put together by State/SP designed to revalidate or reconsider previous NSC decisions regarding policy on Libya. We have concurred in the substance of the paper, as it fairly adequately presents the current situation regarding Libyan terrorism, and outlines the prospective costs to us of proceeding with economic or military sanctions. A Libyan Task Force meeting will consider the paper on the afternoon of 1 February, and a NSC meeting (principals only) is scheduled for 4 February.

2. The paper recommends the following decisions be taken, with which we did not concur or non-concur as they are policy and not intelligence matters:

- a. A ban on imports of Libyan petroleum, and either concurrently or later a full or partial export ban, be implemented without further Libyan provocation.
- b. Various military options proposed by the JCS be adopted after a Libyan terrorist action, with due regard for the degree to which Libyan responsibility is ambiguous.

3. I have no problem with the latter, but personally recommend a CIA position against the automatic imposition of economic sanctions be taken at the NSC and perhaps initially in the Task Force. Reasons follow:

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- a. All concerned acknowledge the proposed economic measures are essentially devoid of serious impact on Libya. The study concedes this fact, and then justifies doing it on grounds of morality and to stop US funding of Libyan terrorism. This reasoning is at least consistent and perhaps emotionally satisfying; but in my judgment not a basis on which to take actions without beneficial impact.
- b. The study then justifies the proposed actions as designed to "end Libyan support for terrorism, inhibit Libya from undermining governments friendly to the US, and to influence Libya to stop assassination efforts." These happy results will not flow from automatic economic sanctions, and represent a logical disconnect in the report.
- c. On the more practical side, any economic sanctions we impose will take some toll in relations with the West Europeans and moderate Arabs. While this study accurately presents this toll as relatively minimal, ineffective actions of this type will not enhance our standing with these states on other issues of importance (i.e. Polish-related sanctions on the Soviets, Palestinian autonomy talks, etc.).

4. CIA's psychological assessment of Qadhafi clearly states he responds best to discreet pressure, and feels compelled to render a belligerent response when publicly challenged. Lip service is given this analysis in the study, but its policy recommendations ignore it.

5. I recommend a position on the policy issue which would include the following:

- a. No automatic implementation of economic measures without further provocation.



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- He must permanently cease international terrorist support directly or indirectly.
- He must cease destabilization of Sudan and Somalia.
- If he does not cease such activity, he faces escalating hostility from us of all varieties.

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- c. Deliberate commencement by CIA of internal destabilizing activity designed to be psychologically threatening to Qadhafi.

6. In essence, I believe he must quietly, and perhaps on more than one occasion, be informed of our minimum conditions, and results monitored over a period of several months. Internal destabilizing activity, in the face of continuing unacceptable activity, would be more effective with Qadhafi than the proposed overt economic measures, which frankly will appear like impotent bluster.

7. I would appreciate guidance on what position to assume, if any, at the 1 February Task Force meeting.

[Redacted Signature Box]

For Charles E. Waterman

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Revalidation Paper

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