August 8, 1988

INFORMATION

MEMORANDUM FOR COLIN L. POWELL

FROM: ROBERT B. OAKLEY

SUBJECT: Libyan Threat

Over the past several months Libya's potential threat to peace and stability in Africa and the Mediterranean has again assumed alarming proportions - the more so since Libya's neighbors (including Egypt and Chad as well as Morocco and Tunisia), and the Europeans are interested in improving relations and enjoying greater economic interchange with Libya rather than paying attention to the threat.

Libya's support for terrorism, as best we can judge, has again increased to dangerous levels - but its apparent surrogates Abu Nidal and the Japanese Red Army have not been linked to Libya by anything other than circumstantial evidence. As was the case in 1985, before our decision to bomb and the subsequent EC decision to take seriously the intelligence at hand, it is difficult for us to change the policies and national interest priorities of other governments on such a basis. The economic sanctions implemented in 1986 by the Europeans and Canadians have gradually disappeared, particularly those affecting the oil industry. There is beginning to be a loosening of controls on arms exports, particularly that which can be described as dual use.

A still more dangerous Libyan threat is the reported start-up of chemical-warfare production at the major Rabta facility, and a related capability of making chemical warheads for bombs and artillery shells. This will give Libya both a military and politico-psychological edge over stronger neighbors such as Egypt, Algeria and Morocco and an even greater advantage over Chad. It will also increase Libya's self-confidence, possibly leading to bolder activities of a conventional military or terrorist nature (and the possible use of CW in these activities), with less fear of reprisal given the "super-weapon" syndrome resulting from Iraq's successful use of CW against Iran.
SECRET

Given this situation, the US should assess the possibilities available and their feasibility in unilateral or multilateral action to deter Qadhafi and increase European, African awareness of Libya's increasing threat - without leaving ourselves open to changes of disinformation or hype, and without enhancing Qadhafi's reputation as a major regional threat, able to confront (and intimidate) the U.S. and others. Barry and I will call sometime in the next week a small meeting of key officials from CIA, DOD/JCS and State to look at the range of available actions and come up with ideas consideration.

EM

Barry Kelly and Eric Melby concur.