White House:

Barry Kelly

Donald T. Regan Frank C. Carlucci

Colin L. Powell

Marlin Fitzwater

National Security Council:

NATIONAL SECURITY COUNCIL WASHINGTON, D.C. 20506

TOP SECRET

February 24, 1987, 11:00 a.m. - 12:00 p.m., Situation Room

SUBJECT: Terrorism

PARTICIPANTS:

The President

The Vice President

The Vice President's Office: Craig Fuller

State:
John Whitehead
L. Paul Bremer

Treasury:
James Baker

OSD: Caspar Weinberger Richard Armitage

Justice: Edwin Meese, III

OMB: James Miller

CIA:
Robert M. Gates

JCS:

Admiral William Crowe Lt. General John H. Moellering

Minutes

The President opened the meeting by making the following points:

Policy laid out by Vice President's Task Force remains valid. Purpose of this meeting is to make sure we are all together on implementation.

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By NARA, Date 12/

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- Experience has taught us there is no clear, easy solution to this problem. Dealing with it requires patience, restraint and flexibility. While there may be instances in which a military response will work, the terrorists are becoming more sophisticated and the targets for such a response are disappearing.
- The best approach to a terrorist incident is to prevent its occurrence. This means emphasis on good intelligence, international coordination, and a controlled approach to public handling of terrorist incidents.
- The more the media is given an opportunity to hype terrorism, the more likely we are to have future incidents. (TS)

The President then asked the Vice President if there were any additional comments he would like to make. (425)

The Vice President said he thought the media might be more responsive to reducing the hype associated with hostage incidents than they were previously. The Vice President also agreed that too much hype on the part of the media makes the situation worse. The Vice President then said he would like to ask Admiral Holloway, who was instrumental in the preparation of the Vice President's Task Force Report on Combatting Terrorism, to come back and review the progress we have made against the recommendations that were in the Vice President's report on terrorism. This would not be a full blown activity involving all the previous participants, but rather a quiet review. (TS)

Attorney General Meese agreed that Admiral Holloway's review of our progress in counterterrorism should be done on a routine basis and not conducted as a new initiative.

The Vice President concluded his comments.

Mr. Carlucci remarked that before furning to the substantive agenda items he wanted to make a few general comments on the mindset associated with the problem of terrorism. Mr. Carlucci said that hostages and the threat of Americans being taken hostage will be with us for a considerable period.

Mr. Carlucci said that terrorism is not our number one priority. Terrorism is primarily a police and intelligence problem rather than a foreign policy problem. In some ways terrorism presents the same kind of problems as does organized crime. It is very hard to bring the power of the US Government to bear on most terrorism situations. In the case of state supported terrorism our policy and procedures are clear. But, in most instances, we will be facing terrorism conducted by small groups whose ties to supporting nations will be unclear and tenuous. Taking hostages and conducting terrorist activities is the only way these small groups have to make war on the US. When we respond with a military reaction, it can play into the hands of the small

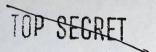
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terrorist organizations. We must find ways to reduce the political value of hostages to the hostage-takers. Mr. Carlucci said he believed, as his personal opinion, the American people were with us on that approach. Mr. Carlucci concluded his introductory remarks by stating that our police and intelligence work was making progress. In Kuwait we have the Dawa 17 still in prison. France has recently arrested four direct action personnel. France has also brought Abdula to trial. Germany has arrested two Hammadi brothers, and Qaddahfi's support to terrorist activities has been reduced.

A discussion followed on the role of the media in covering hostage situations. The President concluded the discussion by stating that the media would have to set up its own standard of ethics.

Mr. Gates provided a current intelligence assessment on terrorism.

- O Terrorist activity ran at about the same level in 1986 as in the preceding year. Some counterterrorist successes and fear of US retribution may have made some terrorists more cautious.
- o The US nevertheless remained a prominent target one-fourth of international terrorist incidents in 1986 involved US interests. US casualties (killed and wounded) were down 40 percent, but would have approached record levels if certain attempted attacks had not been intercepted. The El Al flight out of London last April, target of an attempted bombing, carried approximately 250 Americans.
- o Most US casualties occurred in Western Europe while Latin America was the scene of the highest number of anti-US attacks.
- o Forty percent of the anti-US attacks in 1986 were against US business interests, but some of the most dramatic incidents, or attempted attacks, occurred in public places.
- In 1986 state-sponsored terrorists were responsible for some of the most spectacular attacks.
- International terrorist incidents in Western Europe, particularly those with a Middle Eastern origin, declined significantly in 1986.
- o The Lebanese Armed Revolutionary Faction (LARF) accounted for over one-fourth of the incidents carried out by Middle Eastern groups in Western Europe. The group's bombing campaigns in Paris in the spring and fall of this year, designed to pressure the French government into releasing jailed leader George Abdallah, took some eleven lives.



- The Middle East remained the favorite venue for terrorist attacks, accounting for about half the incidents in 1986. The violence in Lebanon and the lack of effective governmental authority there have transformed the country into an ideal setting for international terrorists to meet, prepare, and from which to stage terrorist operations.
- The Hizballah faction headed by Imad Mugniyah, the group's security chief in Beirut, holds most of the US hostages, although several "groups" claim responsibility. We believe these "groups" are all cover names for Hizballah.
- Two German hostages were taken by the Hammadi family, but are now under the control of Hizballah. The group probably hopes to negotiate his release or at a minimum prevent his extradition to the US.
- O Hizballah, under the names Islamic Jihad and the Revolutionary Justice Organization, claims to hold the French hostages. (TS)

Mr. Gates concluded by stating that:

- In the coming weeks there are several events that could precipitate terrorist attacks against US interests. We are most concerned with the impending trials of a number of imprisoned terrorists:
- o Trial of Muhi al Din Jabirm aka Mutran, a key operative of the Hawari group, which has carried out terrorist operations against US interests could begin in Rome. Mutran was arrested in July 1985 for possession of false documents.
- o Trial of Mohammad Sarham, the surviving Abu Nidal member of the team that attacked the El Al ticket counter in Rome in December 1985 is scheduled to begin in early 1987.
- o Trial of Pan Am 747 hijackers in Karachi is scheduled to begin in about a month. All four hijackers plus Sulaiman al-Turk the Abu Nidal coordinator for the September attack in Karachi will be tried at the same time.
- O LARF leader George Ibrahim Abdallah goes on trial Monday, 23 February, in Paris for complicity in the murders of a US military attache and an Israeli diplomat in 1982, and a 1984 attack on the US Consul General in Strasbourg. Should he be convicted the near term threat to US interests will increase.
- o A decision by Bonn to extradite Muhamad Hammadi, and we do not believe it likely, may prompt Hizballah to launch terrorist operations against US and German interests.
- o A US attempt to rescue the hostages in Lebanon, or even a perception by Hizballah that US military movements presage

a rescue operation, could put our hostages in Lebanon, as well as other US personnel and facilities, at risk.

O Recent reports indicate that our consulate in Vienna may have been cased by Abd al-Salam Zadma, a senior Libyan terrorist official. Zadma has acted as a sort of terrorist "advance man" in the past. (TS)

Mr. Carlucci asked Mr. Gates to discuss the relationship of Iran to Hizballah. Mr. Gates responded that Iran has some influence over Hizballah and provides some funding and support, but Iran does not control the Hizballah organization. Some sensitive intelligence has indicated that Iran has had to negotiate with Hizballah over the release of hostages in the past. (TS)

Deputy Secretary Whitehead reviewed the diplomatic activity by reiterating the basic principles that guide the State Department.

- No concessions to terrorism.
- Isolate the sponsors of state terrorism.
- Cooperate with our friends around the world.
- Locate, apprehend, and convict terrorists. (TS)

Deputy Secretary Whitehead went on to say that considerable progress has been made against terrorism. We have thwarted more than a hundred terrorist incidents. In 1986 our allies imposed some sanctions on Syria and Libya. Now that we are able to watch their activities and states supporting terrorism, they have had to disguise their direct support to terrorist activities. While this makes their efforts more difficult to uncover, and it also acts to reduce the effectiveness of their support to terrorist organizations.

- Deputy Secretary Whitehead also made the following points:
- O We have improved intelligence exchange with our allies.
- o The role of law is asserting itself in the trial and conviction of terrorists.
- o Terrorists are being convicted. They are learning that terrorism does not pay. Muhamad Hammadi's case is a test of our will and validation of our overall policy. We are reducing the pool of potential hostages by the issuance of travel advisories to American citizens and in other cases, like Libya and Beirut, by banning travel to these areas.
- o We are working to reduce the political value of hostages.

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- O The development of military and covert operations to combat terrorism is proceeding.
- o Our policy is good. We need to continue an active effort to maintain pressure on our allies and on terrorist organizations.
- o Our major objective is close cooperation with European police, courts, and intelligence organizations. (FS)

Deputy Secretary Whitehead concluded by saying that the pending Summit 7 conference in Venice will provide us with an opportunity to make another strong statement on terrorism and an opportunity to show our leadership. (TS)

Mr. Carlucci asked Deputy Secretary Whitehead about the activities of the Hostage Control Center. Deputy Secretary Whitehead replied that the Hostage Control Center was operating very effectively. State Department officers were in touch with the hostage families once a week. Immediate information, including rumors, was passed on to the hostage families. Contact with the State Department officers in the Hostage Control Center provide the hostage families with a way to vent their frustrations. (TS)

Mr. Carlucci asked Deputy Secretary Whitehead to see if the Hostage Control Center had a program to educate the hostage families regarding the do's and don'ts of their actions as they relate to the influencing the terrorist organizations who are holding their family members. (TS)

Secretary Weinberger. Military operations in response to terrorist acts can be successful provided that:

- Clear evidence is required to identify and locate the appropriate terrorist organization and installations.
- Reliable intelligence is required to locate the hostages.
 - Target selection must be directly related to terrorism.
- The military strike must do some harm to the terrorists in a meaningful way.
 - Collateral damage must be minimized.
- We must understand the effect of military responses upon the lives of hostages.
- We must understand there may be some loss of US forces in the operations.
 - Military responses must be seen to be effective. (RS)

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Secretary Weinberger concluded by saying there are some targets ready now. There are no especially good targets. Two have been selected for contingency planning, one in Lebanon and one in Iran. Our forces are in a high state of readiness. Two carriers are in the Mediterranean. However, there is no need to race into an immediate retaliatory action. Careful planning is required as in the case of the Libyan action. We must recognize we have other requirements for our forces. Combatting terrorism is not the only mission in the Middle East for our forces. (TS)

Secretary Weinberger stated that the KITTY HAWK would remain in the Indian Ocean and could move to the Mediterranean, if needed. If we had solid information on the location of hostages, we have the necessary forces trained to rescue them. Secretary Weinberger concluded by assuring the President that Defense was keeping all military options open and would be working from well prepared plans. (TS)

Admiral Crowe stated that targets in Lebanon were limited and that a military response was not always an effective option. Our concern over collateral damage limits the targets. Even if the restrictions on collateral damage were reassessed, it would still be difficult to find acceptable targets in the rabbit warrens of Beirut. (TS)

Admiral Crowe also stated we should indicate our willingness to respond and then pick the time to attack that reduces our chances of losses and raises the effectiveness of the military strike. After a terrorist incident, the terrorists often leave their installations during the period that they feel a military response is probable. However, their high state of readiness does not last very long.

Admiral Crowe also noted that for targets in Iran B-52 strikes were also a possibility. (TS)

<u>Secretary Weinberger</u> stated that it was very difficult to get our friends to provide supporting bases for an attack - careful planning is required if a military response is to be effective.

Mr. Carlucci asked Secretary Weinberger to comment on the issue of moving ships as a response to a terrorist situation. (TS)

Secretary Weinberger replied that he did not think ship movements were always an effective bluff. Ships should only be moved in the context of a reaction to a terrorist situation if we intend to use them or if the positioning makes general strategic sense. (NS)

Admiral Crowe added that Syria monitored the movements of our fleet and the positioning of our naval forces in the eastern Mediterranean and this had led to a moderating effect upon Syria.

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Mr. Carlucci asked the Attorney General for his comments. Attorney General Meese said that we must be careful with our language. Our terrorism policy clearly states that we do not make concessions to terrorists, nor do we give in to them, but holding talks with terrorists is consistent with our policy. Recent law enforcement strategy in dealing with hostage situations calls for opening immediate communications with the hostage holders. tactic puts the hostage holders off balance by keeping them uncertain regarding the responses of the law enforcement officials. The Attorney General also stated the US is getting good cooperation from the police forces and the respective Ministries of Interior of our European allies. The intelligence exchanges on terrorists and terrorist organizations have been particularly good. The Attorney General indicated that the increase in cooperation stems from the success of our attack upon Libya. Our Libyan action showed our will to respond to State-sponsored terrorism. The effect of that action has been to act as a prod to our European allies. (TS)

Attorney General Meese discussed the Hammadi extradition case by saying that the normal period for extradition was between two and four months. Department of Justice was looking for ways to streamline the extradition process. Overall, we need to improve our apprehension of terrorists. (TS)

The President commented that he wanted to make clear that anytime US citizens were deprived illegally of their rights, the US Government will do all it can to restore those rights and that all the resources of the US will be used to accomplish that objective. CRET

Mr. Carlucci then asked Mr. Baker for comments. Secretary Baker said that today was the first time he had heard that targets in Iran were being considered for strikes in reaction to terrorist

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As Amended purposes only. Secretary Weinberger said that clear and conclusive evidence would be required before including Iranian targets as a part of a counterterrorist military strike. issue of collateral damage would also apply to Iranian targets. Secretary Weinberger stated that Iranian targets should not be automatically excluded. (PS)

> Secretary Baker said he understood that Iranian targets would not be arbitrarily excluded. But he wanted to raise the question of policy consistency. (TS)

> The President asked Secretary Baker about the status of the money being held in the Hague for Iran by the court. Secretary Baker said that the money had not been released to the Iranians because

the US Government had raised some legal issues. Secretary Baker said our legal case was weak and that at some point the court would release the money to Iran. (TEL)

Mr. Carlucci said that there is no linkage between the money and hostages and that we are being careful to avoid any such linkage.

Attorney General Meese stated that recent information showed that some terrorist organizations have considerable resources and are beginning to put their resources into legitimate investment areas. He further suggested that a thorough study be done of the financial channels and investment mechanisms used by terrorist organizations with the intent of finding ways to cut off their sources of funds. (SS)

Deputy Secretary Whitehead mentioned that on his recent trips to all countries in eastern Europe except the GDR, the president of each country had brought up the question of world terrorism and their interest in working to eliminate terrorist acts. Deputy Secretary Whitehead suggested that we enlist the east European nations and perhaps the USSR itself into our counterterrorism campaign. (TS)

Mr. Carlucci added that the President's Strategy Report condemns USSR support to terrorism and that enlisting the Soviets into a multinational counterterrorism campaign would require some careful study. (NS)

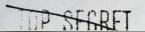
Mr. Gates discussed CIA's clandestine counterterrorist program by
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As Amended counterterrorist infrastructure. (TS)

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The President stated that a successful rescue operation would show would be terrorists that they cannot hide from the US Government no matter how hard they try.

Mr. Carlucci summarized the meeting by stating:

- We have a sound counterterrorist policy.
- Considerable progress has been made in broad areas.
- We will now work to reduce the hype associated with terrorist incidents, particularly those involving hostages.
- Work to devalue the political worth of hostages to the terrorists while maintaining our high concern for the rights and safety of our citizens. (TS)

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WASHINGTON, D.C. 20506

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March 2, 1987

ACTION

MEMORANDUM FOR FRANK C. CARLUCCI

FROM:

BARRY KELLY

SUBJECT:

NSPG Minutes, February 24, 1987

Attached at Tab I for your approval are the minutes of the NSPG meeting held on February 24, 1987, from 11:00 a.m. - 12:00 p.m.

Recommendation

That you approve the NSPG minutes at Tab I.

Approve /

Disapprove

Attachment Tab I

NSPG Minutes, February 24, 1987

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