

DECLASSIFIED  
E.O. 11652, Sec. 5.4

NND 969024  
By S.D.T./USG Date 9/4/98

DECLASSIFIED  
PA/HO Department of State  
E.O. 12958, as amended  
September 6, 2007

AF AFN

REPRODUCED AT THE NATIONAL ARCHIVES



DEPARTMENT OF STATE

9606

Washington, D.C. 20520

7/2/70  
July 2, 1970  
Rec'd in S/S - 7/2/70

TO : The Acting Secretary  
THROUGH: S/S  
FROM : AF - C. Robert Moore *CRM*  
SUBJECT: Circular 175 Authority for Termination of  
Outstanding USG-Libyan Government Agreements -  
ACTION MEMORANDUM

In response to Ambassador Palmer's recommendations for the forthcoming negotiations with the Libyan Government (Tab B), we request Circular 175 authority for Ambassador Palmer to negotiate and terminate, with one exception, all USG-Libyan Government agreements currently in force. Both Governments would reserve their respective legal positions regarding any claims which may have arisen under international law in connection with these agreements prior to their termination.

We believe this course of action desirable for the following reasons: (a) amicable termination of the agreements may provide us with some leverage with the Libyan Government which we believe is anxious to terminate existing agreements, particularly the Wheelus Base, Economic Assistance and MAAG Agreements; (b) wiping the slate clean of agreements negotiated with the former Monarchy shows our willingness to respond to repeated Libyan assertions that such an action is a necessary pre-condition for a new USG-LARG relationship; (c) such a gesture may provide support for those in Libyan Government councils who may be arguing for a continuing relationship with the USG. For this reason an important ingredient in our negotiations is the tentative "post-aid" technical assistance proposals which we authorize Ambassador Palmer to put forward. (We have obtained agreement from AID and the US Geological Survey to make certain proposals.)

DEF 15-4  
DEF 15-2  
J. Palmer - 215

2

Group 3

Downgraded at 12-year intervals;  
not automatically declassified.

AF/N: RS Suddarth / CW Bray : jk

*NAID 969024*  
*By S.D.J./NSG Date 9/4/98*

REPRODUCED AT THE NATIONAL ARCHIVES

Our agreements with Libya, which Ambassador Palmer would be authorized to terminate, fall into four categories:

(1) 1954 Defense Facilities Agreement (TIAS 3107) and supplementary Memoranda of Understanding (TIAS 3607, 4054 and 4620). Ambassador Palmer already has authority to sign this termination.

(2) Economic Assistance Agreement, as amended. (TIAS 3105, 4577.) Although Ambassador Palmer has authority to terminate this agreement, authority is needed to amend his instructions regarding the settlement of financial obligations under this Agreement. We have reached a compromise with Defense which we believe can be satisfactorily put forward to the Libyans, at least through the next negotiating round. Our strategy entails maneuvering the LARG into balancing all the claims which it might have against the USG, including any claim for payment of our obligations under the Economic Assistance Agreement, against a possible claim we will lay on the table for costs (which we are still determining) resulting from the LARG's denial of our effective use of Wheelus AFB after November 19, 1969. The amount of this possible USG claim is, of course, indefinite, for purposes of seeking LARG agreement.

The cable of instructions at Tab A reflects language on the Economic Assistance Agreement which we have worked out with DOD subsequent to your exchange of letters with Mr. Packard.

If our negotiating tactic does not work, it may be necessary for the Department to go back to Defense, on the basis of overriding policy considerations, to persuade the Air Force to discharge its financial obligations under the Economic Assistance Agreement.

(3) Military Assistance Agreement, as amended. (TIAS 3857, 3858.) Ambassador Palmer requires authority to terminate these agreements. The Military Assistance Agreement would be terminated by way of USG waiver of the one year period for the taking effect of LARG notice of termination, rather than by USG agreement to terminate the Agreement. This will result in the continuation in force, under the terms of the Military Assistance Agreement of the provisions

NND 969024  
By S.D.T./V.S.W. Date 9/4/98

relating to restrictions on use and transfer of military equipment furnished under the Agreement. We would also try to obtain privileges and immunities for a small and re-constituted US Military Liaison section. If necessary, however, we believe that we can run a minimal military assistance program without either a MAAG agreement or MAAG personnel. TIAS 3858 relating to the return to the USG of MAP equipment no longer needed by the Libyans cannot be terminated.

(4) Agreements Relating to Economic and Technical Assistance Matters. (TIAS 3382, 3290, 3602, 3810, 4974 and 3480.) Ambassador Palmer requires authority to terminate these agreements. Libya became an "aid-graduate" country in 1965 and several of these agreements are no longer operative. Despite the fact that some provisions of one of the agreements could be theoretically beneficial to future activities of American technical assistance personnel (limited privileges and immunities), on balance we believe it desirable to terminate these agreements for the following reasons: (a) since the LARG has indicated its opposition to their continuation, we believe we would have difficulty in securing LARG cooperation in applying their provisions to any future US-LARG technical assistance projects; (b) we believe the LARG would be receptive at this point only to a pragmatic, ad hoc approach to technical assistance; (c) possible service agencies (USGS and AID) indicate that the termination of these agreements would not affect their current authority to operate in Libya, and that they would be able to negotiate on an ad hoc basis for necessary LARG cooperation.

In sum, cancellation of these economic and technical assistance agreements would have little or no adverse effect on US programs, and we believe it could have important advantages in laying the psychological basis for a new "post-Wheelus" phase in USG-Libyan relations. Our gesture towards a "post-aid" relationship is an important step in responding directly to a Libyan national interest and thus could be helpful to our efforts to protect our substantial interests in the Libyan oil industry.

DECLASSIFIED  
E.O. 12958, Sec. 3.4

DECLASSIFIED  
PA/HO Department of State  
E.O. 12958, as amended  
September 6, 2007

*NND 969024*  
*By SDT/VSW Date 9/4/98*

REPRODUCED AT THE NATIONAL ARCHIVES



The attached cable (Tab A) would authorize Ambassador Palmer to proceed along the foregoing lines. Final authority to sign the termination Notes and any related understandings will be subject to approval by the Assistant Secretary for African Affairs, with appropriate concurrence of DOD and L, of an Agreed Minute which Ambassador Palmer will submit during the negotiations. The termination notes have been cleared by DOD and L.

RECOMMENDATION:

That you sign the attached cable (Tab A).

*Del sent 7/2/70*

*1:50 p*

*11-2-70 11:50 AM 2 JUL 1970*

Attachments:

- Tab A - Telegram of Instructions
- Tab B - Tripoli 1370
- Tab C - Memorandum of Law

Clearance:

- AF/N - Mr. Blake *per CWB*
- L - Mr. Salans *(draft) jk*

*RSS CWB*

AF/N:RSSuddarth/CWBray:jk  
7/1/70 x 20723

