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## **NEUTRALIZING QADDAFI: CONTAINING LIBYAN AGGRESSION**

### **INTRODUCTION**

Colonel Muammar Qaddafi's military incursions into Chad and his recent forays into Sudan have finally awakened the U.S. government to its interests in North Africa and to the threat which Libya poses to those interests. Washington has always been concerned over Qaddafi's activities in Western Sahara, North Yemen and Egypt, but the full scope of the Libyan menace was not apparent until the Colonel's Islamic Legion entered the Chadian capital, Ndjamena, in November 1980.

Unconfirmed reports now state that Libyan forces are being withdrawn from Chad. However, this withdrawal should not be interpreted as a signal for Washington to relax. Qaddafi still poses a serious threat to Sudan, regardless of the military situation in Chad. Sudan and Libya share a 125-mile border and Libya's classic subversive techniques do not necessarily require physical propinquity. Sudan is in a precarious economic and political condition and could easily fall victim to a determined Libyan effort to undermine the state. Since Qaddafi has, on several occasions, announced his intention of overthrowing the Sudanese government of Gaafar Muhammed Numeiri, it seems reasonable to expect that such an effort will be made. Any major outbreak in Sudan would probably be severely detrimental to Western interests since it would lead to the encirclement of Egypt by hostile foreign powers and to the occupation of a vital stretch of Red Sea coast by a pro-Moscow government.

In assessing the nature and extent of the Libyan threat to the interests of the Western powers and their allies, this paper will address four central questions:

1. What is the full breadth and depth of Libyan interference in the private affairs of independent nations?

2. Does Muammar Qaddafi possess a secure home base from which to conduct his aggressive foreign policies?

3. Are Qaddafi's armed forces truly a threat to Libya's neighbors, particularly Egypt and Sudan?

4. What measures should the U.S. and its allies take to contain and counterbalance aggressive Libyan policies?

## LIBYAN FOREIGN POLICY

The breathtaking profusion of Qaddafi's foreign entanglements and the consequent dispersal of his resources probably account for his failure to exercise a greater influence upon world affairs. However, amidst all the confusion of Qaddafi's foreign policy, three broad streams of purpose can be discerned:

1. A desire to make Libya the world's pre-eminent Arab power and, concomitantly, to make Qaddafi primus inter pares among Arab leaders. To achieve this end, Qaddafi must overcome Egypt, the leader of the Arab World from World War II to 1978, and the newly emerged leader, Saudi Arabia. He may also have to confront Iraq, a country with similar ambitions.

2. An intent to expand Libya's population base. Libya is a country with large revenues and few people, hence Qaddafi's dream of an Islamic Saharan Republic. Libyan imperialism within North Africa is designed to supply the Colonel with the manpower he will require to make Libya the great power in the Arab world. The vaunted empire stretching from Casablanca to Cairo (or, in his more enthusiastic moments, Baghdad) will provide Qaddafi with a population commensurate with his revenues which he can then mobilize militarily.

3. A consistent policy aimed at moving south-eastward into the Horn of Africa. This policy encompasses two primary objectives. The first is to obtain control of the western bank of the Red Sea. Should Qaddafi or his surrogate obtain control of Sudan, he and his Ethiopian allies would control most of the west bank of the Red Sea, enabling Ethiopia and its ally, South Yemen, to further tighten their grip on the straits of Bab el Mandeb -- a development made all the more likely by the presence of a Soviet naval base on Ethiopia's Dhalak archipelago.

This strategic position would enable Libya, Ethiopia and South Yemen, which recently signed a triumvirate political-military alliance, to exert increased pressure on Saudi Arabia and its ally, North Yemen.

Saudi Arabia, of late, has been attempting to circumvent the Straits of Hormuz, a dangerous "choke point" on the route of its oil exports. The Saudis have constructed an oil pipeline between the Abqaiq oilfields in eastern Saudi Arabia and the port of

Yanbu on the eastern bank of the Red Sea. This pipeline will eventually be able to carry 3.7 million barrels of oil per day. However, any hostile power controlling the western bank of the Red Sea opposite Yanbu would be in a position to interdict all Red Sea shipping. Hence, Qaddafi is eager to obtain effective control over Sudan's Red Sea coast while the U.S. wishes to construct military facilities at Ras al Banas (see map).

Qaddafi also plans to obtain control over the sources of the Nile. A pro-Libyan government in Sudan could manipulate and divert the waters of both the Blue and the White Nile, particularly if it enjoyed Libyan financial backing and Soviet/East German technical assistance. Diversion of the Nile waters would bring the Egyptian agricultural system to its knees in a very short time and would greatly facilitate Qaddafi's attempts to undermine the pro-Western regime in Cairo. Qaddafi attempted to gain control over the source of the White Nile in Uganda when he allied himself with Idi Amin Dada. Egyptian military and financial assistance to the Tanzanian forces which invaded Uganda and overthrew Amin in 1979 was not entirely altruistic.

Qaddafi has never been an avowed Marxist-Leninist. Nevertheless, his international strategy dovetails remarkably well with Soviet ambitions in the Middle East and North Africa. The Soviet Union is currently seeking to maneuver into a position from which it can interdict the oil supply routes to Western Europe and the United States. This policy will probably necessitate the subversion of the Saudi state and of other U.S. allies along the Red Sea coast. Thus, Soviet strategy coincides dramatically with Qaddafi's ambitions. Moreover, the Soviet Union can use Libya as a valuable staging post for the international terrorist groups which it funds, trains and organizes in its "ideological war" with the West. Shared objectives have gradually drawn Qaddafi and the Kremlin closer together, and it is now rumored that the two parties are about to sign a formal Treaty of Friendship and Cooperation. Such a treaty would probably grant the Soviet Black Sea fleet a Mediterranean base.

#### A CATALOG OF LIBYAN INTERFERENCE

Qaddafi has attempted to subvert at least twenty-eight sovereign states. This section will attempt to list and describe Qaddafi's illicit activities, paying particular attention to primary areas of U.S. interest such as Sudan, Egypt and Chad.

The entire Sahelian region has proved to be a rich hunting ground for Qaddafi. The area is exceptionally poor and, consequently, Libyan funds funnelled to subversive groups have a major impact. Moreover, the populations of most Sahelian states are split ethnically between white, semi-nomadic Arabs and negroid peoples who support themselves from farming and herding. Qaddafi has played upon these ethnic distinctions remorselessly.

Chad. Qaddafi has considered moving southward into Chad for several years. He sent his forces there in 1978 but they were beaten back by the troops of Goukouni Oueddei, the President, and Hissene Habré, the Defense Minister, who were cooperating at that time.

The factional nature of Chadian politics enabled Qaddafi to re-enter Chad in 1980. The government of National Unity had broken up and President Oueddei was fighting a civil war with the private army of Hissene Habré. Oueddei had gained the support of his Vice President, Colonel Kamougue, and Foreign Minister, Ahmat Acyl, both of whom boasted their own private armies. The coalition was broadly successful but was unable to take the capital, Ndjamena, from Habré's forces.

Oueddei was persuaded, probably by Ahmat Acyl, to invite Colonel Qaddafi to assist him to retake the capital. On November 2, Qaddafi and Oueddei met at Faya Largeau and shortly thereafter Libyan tanks and artillery retook Ndjamena. The remnants of Habré's army retreated to Abéche in eastern Chad and built fortified positions.

Oueddei quickly discovered that he had invited the wolf into his parlor. With his forces in Chad and a civil war still raging, Qaddafi was in a position to dictate terms. Thus, shortly after the fall of Ndjamena, Libya annexed the mineral-rich Aozou Strip and the two leaders announced the merger of Libya and Chad. The latter move triggered a storm of protest from members of the Organization of African Unity, obliging Qaddafi to drop the matter in order not to imperil his prospective chairmanship of the OAU in 1982.

The Libyan forces, which were gradually augmented until they numbered between 12,000 and 16,000, then moved eastward. They drove Habré's followers from Abéche and then launched air strikes against the survivors who had fled across the Sudanese border. The threat from Habré's forces had been effectively negated but Qaddafi, nevertheless, refused to withdraw his troops, which had begun to clash with Oueddei's own men. Qaddafi began to swing his support behind Ahmat Acyl, apparently in the hope of installing him in Oueddei's place and thus achieving the desired merger of Chad and Libya.

Oueddei flew to Paris to request French assistance. President Francois Mitterrand refused to intervene militarily but did begin supplying arms to Oueddei's army and providing financial aid to the pan-African peacekeeping forces which the OAU had proposed to set up in Chad. In a last desperate move, Qaddafi ordered his forces to support Ahmat Acyl's move into Ndjamena, probably in order to overthrow Oueddei. Pressure seems to have been brought to bear on Qaddafi, by France and the OAU. Fearing the loss of his position within the organization and possible French military intervention, Qaddafi ordered his troops to withdraw. No reports of actual Libyan withdrawal have been officially confirmed.

Central African Republic. Qaddafi has also demonstrated interest in Chad's southern neighbor. Tripoli, for example, is the world headquarters for the Central African Movement for National Liberation. In July 1981, it claimed responsibility for the bombing of a movie theater in the capital, Bangui, which left four dead and thirty-two injured. The Movement then called for the overthrow of President David Dacko and the removal of the 1,300 French paratroopers stationed in the republic. As the Movement had probably hoped, Dacko reacted by banning all opposition groups and thus polarizing the political situation and broadening the underground opposition to his regime. However, General Andre Kolingba, commander of the Republic's 1,800-man army, forestalled the Movement by taking control of the government in a bloodless coup. He now appears to be intent upon forming a broad coalition government, including some opposition groups, and thus averting Libyan subversion.

Nigeria. On November 26, 1980, the Nigerian Foreign Minister, Ishaya Audu, asserted that Libyan agents were operating within Nigeria's borders, making massive food purchases for the forces in Chad and deliberately engineering local shortages. One week later, the Nigerian government announced that it had discovered that the Libyan envoy to Nigeria had been forming subversive connections with one of the country's opposition groups, the Greater Nigerian People's Party. The Nigerian Defense Minister subsequently voiced his suspicion of Libyan involvement in the riots at Kano in December 1980, which left 1,000 dead. After the fall of Ndjamena, the authorities in Lagos dispatched an army division, an air force squadron and artillery to Borno province to seal off the country's border with Chad. President Shagari then severed all diplomatic relations with Tripoli.

Niger. Colonel Kountche, the head of Niger's military government, seized power in 1974 to forestall Libyan penetration of Niger's armed forces. He has since survived two Libyan-sponsored coups. Undeterred, Qaddafi has begun to stir up trouble among the country's Touareg population, urging them to fight for independence. Touaregs have been recruited and trained by Qaddafi's Islamic Legion. During the past year, two of Niger's French-run uranium mines have been attacked by Touaregs armed with Kalashnikov rifles. Algeria, perturbed by Libyan expansionism, has dispatched a mobile armored division to Niger's border with Libya to prevent Qaddafi from making any direct incursions into the area.

Upper Volta. Qaddafi gave clandestine support to several extreme opposition groups in Upper Volta until November 1980, when Colonel Saye Zerbo, a former foreign minister, took over the government. He suspended the constitution to prevent further Libyan interference.

Ghana. The government of President Hilla Limann has accused Qaddafi of buying over some of the country's opposition groups and of financing Marxist guerrilla units within Ghana. The country broke all diplomatic relations with Tripoli in November 1980.

Senegal and Gambia. Both governments have accused Qaddafi of recruiting young radicals in their countries, of giving them military training in Libya and of supplying arms and financial assistance to local Marxist opposition groups. Both countries cut diplomatic ties with Libya in summer 1980 and have since accused Qaddafi of being involved in the recent abortive coup in Banjul, the capital of Gambia.

Mauritania and Mali. As in Niger, Qaddafi has attempted to win over the Touareg populations of these states, urging them to fight for independence and eventual incorporation into his Islamic Saharan Republic. He has proved a generous supplier of arms to this end.

Western Sahara. Polisario guerrillas are currently contesting Morocco's sovereignty over this potentially wealthy country which Spain ceded to Morocco and Mauritania when it relinquished the last of its African colonies. Qaddafi has become Polisario's primary backer, supplying it with tanks, armored personnel carriers and air-to-ground missiles as well as conventional small arms.

Algeria. Libya is currently involved in a serious border dispute with Algeria, claiming a pocket of Algerian territory which is rich in oil and gas. Qaddafi has attempted to force Conoco to drill in the area but his efforts have so far been repulsed.

Tunisia. At one time, Qaddafi had hoped to incorporate Tunisia into Libya as a first step towards the creation of his Islamic Saharan Republic. An agreement was signed but, apparently, Tunisia had been more attracted by potential Libyan aid than by the projected merger. The two parties quarrelled after a short time and the "union" broke up with considerable acrimony on both sides.

Having failed diplomatically, Qaddafi decided to move directly against the Tunisian state. On January 26, Libyan-trained rebels attacked the Tunisian town of Gafsa. They seized the town's barracks and police headquarters but the populace did not rise to their assistance, as their Libyan instructors had assured them. After a single day of fighting, the government forces crushed the outbreak and restored order.

The captured rebels swore that they had been trained in Libya. They had originally left Tunisia illegally in search of higher paying work in Libya. After crossing the border, they had been apprehended by Libyan security agents and offered the choice of being handed over to Tunisian authorities or being trained as subversives. They opted for training and then were secretly transported to Gafsa.

In the wake of the attack, the French government sent military advisors, transport aircraft and helicopters to Tunis, along with three warships to patrol the Gulf of Gabes. Qaddafi, furious at

the frustration of his plans, contrived a series of anti-French demonstrations. French diplomats asked for police protection but they were ignored and the Tripoli embassy was sacked, as was the consulate in Benghazi.

Sudan. Colonel Qaddafi is no stranger to Sudanese politics, having made at least six attempts to overthrow the country's president, General Gaafar Muhammed Numeiri. The Colonel has found that Sudan's political weaknesses render it particularly susceptible to subversion. The country is the largest in Africa, covering 967,000 square miles. Its populace is ethnically diverse. The twelve northern provinces are populated by 12 million Arabic speaking Moslems who farm, raise cattle or camels. The three southern provinces are inhabited by 4 million blacks who practice animism or Christianity and support themselves by subsistence agriculture. The northwestern Dāfur region, which abuts the Chadian border, is radically disaffected with the central government and has witnessed several major riots.

President Numeiri has sought to counter southern suspicion of northern Sudan and to placate other particularist forces by granting the various provinces increasing autonomy, giving enhanced powers to provincial governors and creating more local people's councils. The departments of health, education and welfare have all been dissolved and their responsibilities shifted to provincial assemblies.

Unfortunately, Sudan is afflicted by all the economic problems common to most African states. Government interference in the food and agriculture sectors has kept prices artificially low and, consequently, has depressed domestic production. Khartoum now sees the error of its ways, but has found the elimination of food subsidies to be politically dangerous. In addition, Sudan pays a rising proportion of its national income for imported oil and is also obliged to care for one million refugees who have fled from war-torn Ethiopia and Chad.

Sudan's economic insecurity makes it ripe for Libyan subversion, while the huge refugee population provides both a cover for Qaddafi's activities and the tinder to set the country alight. Radio broadcasts from Tripoli proclaimed, after the assassination of Anwar Sadat, that Numeiri is "next on the people's death list." Qaddafi has stepped up his support for the Marxist Sudan National Front, a guerrilla group based in Ethiopia. The Sudanese government has already discovered 3,000 Soviet rifles which had been smuggled into Khartoum, probably by Libyan agents hidden among the refugees which enter Sudan from Chad at the rate of 200 per day.

Qaddafi has also been trying to exacerbate the tensions in Dāfur. His planes have been strafing and bombing Sudanese towns and villages along the 1,000 mile border with Chad while large forces, supported by T-55 and T-62 tanks, have massed within 130 miles of the border.

The fact that these Libyan air attacks have been made primarily by propeller craft has been taken as evidence of Qaddafi's disinclination to escalate the situation. Recent reports suggest, however, that he has been restrained by physical rather than political or military considerations. Eastern Chad lacks the macadamized airstrips capable of providing launch and landing facilities for Libya's advanced jet fighters and bombers. Shortly before the announced Libyan withdrawal from Chad, it was discovered that Libyan and East German engineers were building macadam airstrips at Biltine and Abéche, near the Sudanese border, and at Dougia and Largeau in western and northern Chad, respectively. The existence of these airstrips demonstrates that Qaddafi's intentions to Sudan were, and probably still are, decidedly menacing.

Somalia. The Somali Liberation Front, a guerrilla group based in neighboring Ethiopia, currently receives generous supplies of arms and money from Tripoli to assist it in its efforts to overthrow President Siad Barre.

Uganda. Qaddafi supplied ex-Ugandan dictator Idi Amin Dada with arms, troops and personal bodyguards. When Tanzanian forces invaded Uganda in 1979, Qaddafi flew 2,000 Libyan troops to Uganda in Boeing 727's which had been purchased in the U.S. 600 members of this expeditionary force were killed when they encountered a Tanzanian column on the main highway leading into Kampala. The survivors were allowed to fly back to Tripoli.

Egypt. No evidence has yet been unearthed which would directly link Qaddafi and Libya with clandestine Egyptian groups such as the Moslem Brotherhood. Tripoli radio did, however, blatantly "celebrate" Anwar Sadat's assassination and made no secret of its support for the killers. Qaddafi had repeatedly labelled Sadat as the chief enemy of the Islamic peoples, deserving death at an assassin's hand.

Lebanon. Qaddafi is supplying the Palestine Liberation Organization and various Palestinian splinter groups with sophisticated ground-to-air missiles and radar guided anti-aircraft batteries for deployment in Lebanon. In some vital areas he is also providing the personnel to man this equipment.

Saudi Arabia. Qaddafi has repeatedly affirmed his intention of overthrowing the Saudi monarchy, which he believes to be a major barrier to an Islamic revolution. Recently, he threatened to bomb the Saudi oilfields in retaliation for Riyadh's attempts to lower the base price of crude oil.

North Yemen. The National Democratic Front of North Yemen receives the bulk of its military supplies from Libya and South Yemen. The Front, which is based in South Yemen, is dedicated to the destruction of North Yemen's pro-Saudi regime and the realignment of North Yemen with its southern, Marxist neighbor. The recent Treaty of Friendship and Cooperation signed by Libya,



Ethiopia and South Yemen was probably designed to facilitate the subversion of the governments of North Yemen and Somalia.

Oman. Libya is currently funding and supplying arms to the Oman Popular Liberation Front, a clandestine guerrilla group which is attempting to overthrow the Sultanate of Oman.

Malaysia, Indonesia and Thailand. Irredentist guerrilla movements in southern Thailand and northern Sumatra receive military supplies from Tripoli. Qaddafi also sends funds to the Moslem Missionary Association, which is believed to act as a cover organization for revolutionary, fundamentalist groups.

Philippines. The irredentist Moro National Liberation Front has its world headquarters in Tripoli, and obtains the bulk of its arms and training from Libya.

Spain. Basque E.T.A. terrorists receive arms from Libya and are trained in South Yemen at Libyan expense.

Italy. Qaddafi funds the terrorist Red Brigades and is responsible for the murder of Libyan dissidents living in Rome. More recently, he has threatened to bomb U.S. forces stationed in Italy.

Great Britain. Over the past seven years, the provisional wing of the Irish Republican Army received a continuous flow of Libyan arms. In 1973, British Royal Navy vessels operating off the Irish coast apprehended the S.S. Claudia, which was discovered to be carrying five tons of arms from Libya, destined for the I.R.A. The naval authorities also captured Joe Cahill, one of the provisionals' leading lights, who was aboard the vessel.

In London, Libyan assassins have shot and killed an exiled Libyan journalist, Mohammed Ramadan, and an attorney, Mahmoud Abbou Nafa. Libya's chief representative in London, Musa Kusa, then announced the impending assassinations of two more Libyan dissidents. He was promptly expelled from Britain.

## THE NUCLEAR THREAT

A critical element in Libya's foreign policy is its capacity to build and to utilize thermonuclear weapons. Qaddafi has made no secret that he has nuclear ambitions.

Shortly after overthrowing King Idris, Qaddafi began making friendly overtures to Pakistani leader Zulfikar Ali Bhutto. Pakistan then boasted several nuclear facilities and Bhutto, who had nuclear ambitions of his own, was trying to obtain a reprocessing plant from France. Some unofficial understanding was reached, involving the provision of Libyan funds to Pakistan and a quid pro quo transfer of technology to Libya. This exchange ended abruptly in 1978 when President Zia ul-Haq executed Bhutto.

Libyan aid to Pakistan was curtailed and funds were redirected to Bhutto's son, who is leading a clandestine movement against Zia. The movement is currently in Kabul but is expected to move to Tripoli shortly.

Qaddafi then turned his attention to India, despite his supposed pro-Moslem bias. India was awarded huge contracts in Libya for the construction of airports, dams, power transmission lines, railways, steel plants and harbors. One contract for the building of the Tripoli power station involved \$120 million. When Iranian oil supplies were cut off from the world market, Libya offered India 2 million tons of crude at OPEC benchmark prices, despite the fact that world spot market prices were then much higher. Libyan shipments were, however, cut off at 300,000 tons when it became clear that the Indian government had no intention of supplying Qaddafi with either the materials or the technology to build a nuclear bomb.

Once more, Qaddafi turned to Pakistan. A secret agreement was reportedly signed between the two countries in April 1980. Pakistan undertook to assist Libya with uranium enrichment and to supply Libya with an enrichment plant of its own by 1985. In return, Qaddafi committed \$1.5 billion to the Pakistani nuclear program. Qaddafi has already disbursed \$500 million for "yellow-cake" uranium from Niger. Qaddafi is currently pressuring Pakistan to supply him with a complete atomic weapon.

Simultaneously, Qaddafi has attempted to build up Libya's capacity to build its own atomic weapons. The Soviet Union is providing three nuclear facilities, including a three hundred megawatt reactor which would be diverted to produce weapons-grade uranium.

It should be remembered that, should Qaddafi obtain a nuclear weapon, he has the technical ability to launch it. It has been reported that the Orbital Transport and Rocket Company (OTRAG), a West German firm, has agreed to supply Libya with long-range rockets and that Qaddafi has signed a five-year contract with the firm worth \$1,500 million. Israel has every reason to believe that, should Qaddafi obtain a nuclear bomb, it would constitute Qaddafi's primary, and probably immediate, target.

## THE HOME BASE

### The Libyan Oil Industry

Any examination of the Libyan domestic situation must begin at the country's oil wells. Superficially, Libya is not a wealthy country. Some 95 percent of its territory is desert and barren rockland, cultivation being confined to a narrow coastal strip. Lacking other natural resources, Libya depends almost entirely upon its oil revenues for its economic survival. The sale of crude oil provides 99.4 percent of the country's foreign earnings

and finances its domestic development plans, its foreign policies, its military machine and its broad range of imports (which account for approximately 30 percent of GNP). Without oil none of these would be possible. Oil is not simply the mainstay of the Libyan economy, it is its very lifeblood.

During 1980, U.S. and French oil consortia daily pumped approximately 1.5 million barrels of high quality "sweet" crude from the Libyan desert. The low sulphur content of Libyan oil enabled it to command \$41 per barrel, the highest price on the world market. Royalties accruing to the governing People's Congress totalled \$22 billion for the year.

Despite their apparent similarity, Libya cannot be classified in the same economic category as other oil-producing states such as Saudi Arabia and Iraq. Like them, Libya enjoys the fruits of its fossil fuel resources. Unlike them, however, Libya boasts relatively small known reserves. Libyan reserves are currently estimated to be one-eighth those of Saudi Arabia.

This disparity of resources leads to a disparity of interests. Saudi Arabia's huge reserves and its major financial investments in the West oblige it to consider the long-term viability of the world oil market and the stability of the major Western economies. On the other hand, Libya has no similar interest in the long-term future of the world oil market; in fact, it has compelling economic reasons for charging as much for its oil as the world market can bear, regardless of the ultimate consequences. Moreover, Libya has accumulated only \$12 billion in foreign assets, the bulk of its oil revenues having been disbursed on development plans and military hardware. Thus, unlike Saudi Arabia, it has no interest in the well-being of the major Western economies. (International Financial Statistics provided by the IMF, September 1981.)

The disparity of Saudi and Libyan interests has been masked since the 1973 Yom Kippur War by a mutual hatred of Israel. Recently, however, economic factors have begun to override this common political interest.

For several years, the Saudis have used OPEC's annual summit meeting to lobby for a policy of restraint in oil pricing. They did enjoy some successes in checking the excesses of their most extreme opponents, Libya, Algeria and Nigeria, but they consistently failed to achieve their main objective, an absolute reduction of the base price of crude.

This frustration recently led Saudi Arabia to make use of the strongest weapon in its arsenal: its huge oil reserves. Throughout 1981, Saudi Arabia has been deliberately flooding the world market with cheap crude priced at only \$32 per barrel, which it is extracting at the rate of 9 to 10.5 million barrels per day -- 43 percent of regular OPEC output. As a result, the demand for oil from other OPEC members has fallen dramatically and the only alternative open to them is price cutting.

Few oil producers have been so badly mauled by Saudi policy as Libya. Before Riyadh cut prices and stepped up output, the Libyan government demanded \$41 per barrel for its oil, as compared to the OPEC average price of \$35 per barrel. Libyan crude, of course, is of exceptionally high quality, but Qaddafi has also been known as one of the leaders of the cartel's price "hawks." In the face of Saudi policy, demand for Libyan oil has dropped by almost two-thirds. In 1980, international oil companies were extracting 1.5 million barrels per day from Libya. Cheap Saudi crude has now reduced that demand to 600,000 barrels per day. The companies complain that they are losing money on Libyan oil but Colonel Qaddafi has so far refused to countenance any appreciable price cut. He has offered a \$1.50 per barrel discount, but the major oil companies are demanding an additional \$4 to \$5 per barrel in cuts. Matters have been made worse for Libya by Nigeria's recent decision to cut the price of its own high quality, low sulphur crude to \$34.50 per barrel.

Saudi Arabia has now raised its prices by \$2 per barrel and has agreed to some cutbacks in production in return for price cuts by other OPEC members. These measures do not satisfy Colonel Qaddafi. His efforts to bully oil companies into pumping more Libyan crude while paying \$39.50 per barrel have failed dismally and may prove economically disastrous. Libyan oil revenues totalled \$22 billion in 1980; in 1981 they are projected to reach only \$7 billion. Under normal circumstances, an oil-producing nation of only 3 million people could ride out the present drop in sales with ease, living off its financial reserves while pressuring Saudi Arabia to alter its course more drastically. However, like Nigeria, Libya has overextended itself drastically, banking on the continuance of high oil prices and high western demand. Qaddafi has already pledged to carry out a \$70 billion five-year domestic development plan and a major expansion of the Libyan armed forces while pursuing ambitious and costly foreign adventures. The Colonel's recent speeches have dwelled upon the need for belt tightening and restraint in the Libyan economy. This policy will not, however, be easy to implement. Qaddafi has, to date, sought to placate domestic opposition to his more radical policies by guaranteeing the broad distribution of heavily-subsidized, expensive Western consumer goods. Many Libyans have been willing to tolerate the Colonel's excesses while the flow of consumer goods lasted. Such tolerance may disappear, however, should the fount of wealth dry up.

These economic changes within Libya may prove to be the most significant developments in North African/Middle Eastern politics since Anwar Sadat's 1977 journey to Jerusalem. Libya has never been a military power worthy of consideration and Saudi policy is now depriving Qaddafi of the one weapon which has allowed him to exercise influence over North African and Middle Eastern politics -- money.

Deprived of money, Qaddafi may well be obliged to trim his support for subversive groups and military programs. Conversely,

he may adopt an even more hostile attitude towards Saudi Arabia, seeking to topple the government which has created his troubles.

### Libyan Domestic Politics

Qaddafi came to power in 1969 when he and a group of young army officers overthrew the Libyan monarchy while King Idris was in Turkey. Qaddafi and his fellow officers subsequently directed the country's affairs through the "Revolutionary Command Council."

Qaddafi abolished this council in 1977 and embarked on a long series of political, social and economic reforms. He claims to have transformed Libya into a true Islamic revolutionary republic. In 1977, the country was made subject to "direct people's power." All legislative and executive decisions were to be made in local town and village meetings known as "People's Congresses." These congresses return delegates to a General People's Congress which meets in Tripoli to direct national affairs.

The democratic appearance of Libyan government belies the reality of the political situation. Colonel Qaddafi maintains absolute control over all organs of government through the use of "revolutionary committees." According to Qaddafi's political testament, his "Green Book," these committees are to "lead" the local and central congresses to "the right way." Should a participant in the popular congresses speak out against Qaddafi's policies, he can be dealt with by the committees under the guise of "practicing revolutionary violence against the enemies of the revolution." The committees, "the storming tools of the revolution," constitute the central authority which Qaddafi theoretically has dissolved.

Qaddafi and his committees have implemented a series of development plans and reforms designed to initiate an Islamic cultural revolution. The Colonel's "Green Book" projects the construction of a revolutionary state which will witness the abolition of both property and money. The revolutionary committees have already taken one step in this direction by declaring that all property belongs to those who use it. Overnight, Libyan cab drivers became the owners of their vehicles and apartment renters became apartment owners. No compensation was offered to the original owners.

In March 1981, Qaddafi struck another blow against Libya's small middle class when he withdrew the trading licenses of all shops and stores dealing in clothing, electrical goods, shoes and household appliances. He subsequently announced that all private business will be abolished by the end of the year. In the future, Libyans will be obliged to purchase all their needs at the state-owned supermarkets which are being constructed in every urban center.

These policies have spawned major problems. The transfer of rental accommodation to its occupants has devastated the domestic housing market, leaving many unable to find shelter in the cities. The state supermarkets lack an organized distribution network and, consequently, bottlenecks and shortages are commonplace. Customers hoard goods which are subject to erratic supply and thus exacerbate the situation.

These problems are, however, merely superficial manifestations of a much deeper economic malaise. Qaddafi has vastly overcommitted the contracting Libyan economy to huge arms purchases, broad international aid and a \$22 billion development program. Oil revenues simply cannot match these outlays, particularly in the light of declining production. Moreover, even if Qaddafi did have the necessary funds for his projects, Libya lacks the bureaucratic infrastructure necessary to implement them. Qaddafi's frequent blows at the Libyan middle class and his purges of the ranks of government have left the country bereft of skilled administrators. Simultaneously, Qaddafi's random domestic distribution of Libya's oil wealth has deprived the country of large segments of its blue collar workforce. Qaddafi traditionally has distributed benefits and consumer goods throughout Libyan society at heavily subsidized rates, seeking thereby to "buy off" potential opposition to his more radical policies. This policy has also had the result of depriving most Libyans of the impetus to work, to the point where 60 percent of Libya's workforce is now foreign. This provides a major drain on the Libyan economy and places it at the mercy of its neighbors. Domestic problems may mount enormously when the effect of declining oil production begins to bite and the country can no longer afford either its huge foreign workforce or large imports of expensive consumer goods.

Meanwhile, Qaddafi's attempts to expand the Libyan armed forces are causing immediate problems. Until recently, Libya had an army of only 42,000 men. Qaddafi has now resolved that Libya's ground forces should rival Egypt's 320,000-man army. This is truly a massive undertaking for a country with a population of only 3 million, 1.25 million of whom are under 15 years of age. (Also, it should be remembered that half of the remainder are female.)

In the past year, Qaddafi expanded his army to 55,000 through ruthless conscription and pressganging. Young Libyans have been rounded up in airports, soccer stadiums and parking lots and conscripted for up to twelve years in the army. Even young men who have been sent abroad to study are drafted immediately upon their return. With so many men in uniform, dependence upon foreign workers and managers is increased.

Qaddafi's policies are provoking considerable domestic discontent. Young men have fought with soldiers trying to press them into the army and the rate of desertion is reported to be high. Trouble has broken out on several university campuses, where students have beaten up Qaddafi supporters. Consequently, the revolutionary committees are trying to move campuses from the

major cities, such as Tripoli and Benghazi, to towns such as Tobruk, distant from the major population centers.

Some army officers have made direct moves against the Colonel's person. In August 1980, the commander of the Tobruk garrison almost succeeded in taking control of the town just before Qaddafi was to land at the airport where he would, presumably, have been seized. In May 1981, Qaddafi's East German security police discovered that certain senior army officers had arranged to have Qaddafi's plane shot down by missiles as he returned from Moscow. This attempted coup led to the immediate arrest of over 300 people and, reportedly, a rash of summary executions. Given Qaddafi's ruthless suppression of all internal dissent and his virtual elimination of political activity outside his revolutionary committees, it is most likely that any further coup attempts will continue to come from the army.

#### Human Rights within Libya

Whether or not Qaddafi's regime is truly threatened, the Colonel certainly perceives it to be so. 3,000 Libyans were arrested for political reasons in 1980 alone. Both the State Department's Bureau of Human Rights and Amnesty International report that the victims of the Libyan security services are frequently tortured. Some have been tortured to death while others were officially "liquidated."

Possibly the most disturbing aspect of Qaddafi's various human rights abuses is his zealous rooting out of all exiled opponents of his regime. Exiled Libyan dissidents are not numerous and, more important, they are not united. It is, therefore, a measure of Qaddafi's sense of insecurity that, in February 1980, he persuaded the Third Conference of the Revolutionary Councils to adopt a resolution calling upon the revolutionary committees to liquidate "all elements that hinder the revolution." Specifically, the resolution stated, in somewhat garbled language, that:

Physical liquidation becomes the final stage in the revolutionary struggle in its final conclusion, if by that stage the breakdown of the economic, political and social structures of the committee forces had not been complete.

Two months later, Qaddafi invoked this resolution when he called upon all Libyan exiles to heed his "final warning" and return home or be "liquidated." In the months following, at least eleven Libyan dissidents living in Europe were killed by Libyan assassins. The attempted murder of a young Libyan studying in Colorado did a great deal to bring U.S.-Libyan relations to their present nadir.

## THE FUTURE COURSE OF U.S. POLICY TOWARD LIBYA

Clearly, Qaddafi's regime is a major threat to the safety of U.S. allies in North Africa and the Middle East. It is, in fact, a threat to the stability of the whole region. However, as this examination has revealed, Qaddafi's Libya has notable weak points. The current Administration in Washington should now concentrate upon drawing up a cohesive Libya policy which seeks to take advantage of all of these economic, military and political weaknesses.

### Economic

The State Department and the National Security Council should give serious consideration to placing a U.S. embargo on all Libyan petroleum and all petroleum products extracted from Libyan sources. Clearly, such an embargo would be most effective if it were multilateral. However, even if the U.S. cannot persuade its allies to follow its example, it is necessary that the Administration demonstrate its determination to back up its anti-terrorist and anti-Qaddafi rhetoric with substantive action.

U.S. oil companies should seek to replace Libyan oil by expanding production elsewhere. Thus, a unilateral embargo of Libyan crude would have the effect of restricting the market for Libyan oil and thus would drive down the price of Libyan crude even further, causing Qaddafi increased economic difficulties.

The loss of Libyan oil could easily be offset by stepping up extraction in Nigeria. In August 1981, Nigeria was pumping only 640,000 barrels of high quality crude per day, compared with an average of 2 million barrels in 1980. Libya currently supplies the West with 600,000 barrels per day. Purchasers of Libyan crude could turn to Nigeria for new supplies once an embargo was declared. In doing so they would be restricting the scope of Qaddafi's aggressive foreign policies and assisting a developing country in a time of economic difficulty. (Figures from African Business, November 1981, No. 39.)

The administration of President Shahu Shagari has already demonstrated its concern over Libyan expansionism, so it will probably prove eager to take a course of action which, simultaneously, will weaken Qaddafi while strengthening the Nigerian economy. On the other hand, should President Shagari decide not to assist the U.S. so overtly, other producers of light crude such as Great Britain, Norway and Algeria will be eager to step into the gap left by Libya.

It is, however, vital that the State Department should consult closely with Saudi Arabia, Nigeria and other oil-producing countries before the implementation of an oil embargo. It must be made clear to these governments that the U.S. is acting against Libya because of Qaddafi's interventionist foreign policies, not because of his aggressive role within OPEC. Thus, potential support for Qaddafi will be minimized.



It will also be necessary to withdraw all U.S. companies and their employees from Libya. At the moment Washington's policy options are decidedly limited by the presence of 2,000 U.S. citizens on Libyan soil. Qaddafi could easily seize these persons and use them to blackmail the U.S. The State Department is currently trying to persuade U.S. oil companies to abandon their Libyan operations and is issuing strict advice to all travellers and residents in Libya. They are being warned of the dangers of the present situation and urged to cancel all trips to Libya or to return to the U.S., whichever case applies.

The major oil companies involved in Libya, with the exception of Exxon, appear reluctant to follow the Administration's advice. Some of the companies are currently blackmailing Washington by keeping their personnel in Libya and thus forcing the government into inaction out of regard for the safety of U.S. citizens. The Department of Justice should now devote major efforts to exploring the legal right of the President to order U.S. companies and their personnel out of Libya in such a way that the relevant executive order will stand up to challenge in the courts. Exxon has demonstrated that withdrawal is possible and, evidently, economically feasible.

The Agency for International Development and other dispensors of U.S. economic assistance should pay particular attention to the needs of Libya's potential victims, Egypt, Sudan, and Niger. These countries must be strengthened economically if they are to continue to defend themselves from the danger of Libyan subversion and assault.

### Military

The Reagan Administration should build up the military capability of Libya's most vulnerable victims. These countries will not be free to tackle their economic problems until they have the military capability to stand up to interference from Tripoli. Critics of the Administration's present aid package to Sudan have attacked its provisions for military aid, asserting that Sudan's primary problems are economic and that aid, therefore, should be primarily economic. This approach deliberately ignores the short-term aspects of Sudan's problems. Sudan and its neighbors face an immediate, direct military threat; unless they have the capability to repulse that threat, they will never have the opportunity to address their economic problems. No number of irrigation projects will halt Qaddafi's tanks. Moreover, no major Sudanese economic renaissance can be expected quickly, but only such a renaissance will suffice to provide the country with the economic latitude to resettle its one million refugees and thus deprive Qaddafi of the tinder with which to set the Sudanese nation alight. Qaddafi's imperialistic foreign policy has made the need for self-defense a grim reality, even in the poorest of countries.

Within the military context, U.S. policymakers should consider the possibility of open warfare between Egypt and Libya. Egypt's large population, its strategic position in the Middle East and its leadership of the Arab world since the days of Nasser make it Qaddafi's primary target and thus the danger of war is always imminent.

In the event of such an outbreak, the U.S. should be prepared to supply Cairo with a steady flow of spare parts. Direct intervention would be both undesirable and unnecessary. The value of the Libyan arsenal and the fighting capability of its troops have been grossly overemphasized. There is every reason to believe that Qaddafi's forces would fare badly at the hands of the much larger and more experienced Egyptian army. Should the Soviet Union intervene to save Qaddafi from a humiliating defeat, the Egyptian forces could withdraw from their forward positions within Libya and leave the already overextended Soviets with the task of maintaining their hapless client.

### Political

Several commentators have suggested that the U.S. should take direct action against Qaddafi himself. Such a course is grossly ill-advised. The assassination of Qaddafi would probably provoke a violent and widespread anti-U.S. reaction, even among those states which steadfastly oppose him. Moreover, there is no guarantee that Qaddafi's successor would be any more amenable toward the West or moderate in his foreign policies.

The U.S. and its allies could, however, consider turning Qaddafi's tactics against him. They can promote and assist internal dissent within Libya while protecting Qaddafi's opponents who are living in exile. Thus, the frustrated elements of Libyan society, which will probably expand as the economic situation deteriorates and conscription continues, will be afforded a channel through which to express their dissatisfaction.

Washington can also weaken Libya militarily. Both U.S. and Pakistani technicians have helped to fly and to maintain sophisticated Soviet aircraft deployed in Chad by Libya. Qaddafi would have been unable to utilize these weapons without their assistance. The Administration and the Congress must now move to deprive Qaddafi of the military expertise provided by U.S. nationals.

### CONCLUSION

Qaddafi has transformed Libya into the primary destabilizing force in North Africa and the Middle East. The security of this entire region will remain in doubt so long as the Colonel and his revolutionary committees are free to pursue their foreign policies unhindered by the United States or Western Europe. In particular, Egypt, Sudan and Saudi Arabia can expect to encounter a rising tide of Libyan-funded subversive movements.

The aggressive trend of Libyan foreign policy need not be allowed to continue. Libya's economic future looks bleak. Economic action by the U.S. and its allies at this stage could do a great deal to deprive Qaddafi of the necessary funds for his foreign adventures. Should the West European powers prove reluctant to move against Qaddafi, a unilateral U.S. embargo of Libyan oil would have a markedly deleterious effect upon Qaddafi's political and economic position.

Washington cannot shirk legislative and economic action against Libya at this point. Appeals to pragmatism and practicality, at this stage, would simply leave the U.S. open to charges of hypocrisy, of being unwilling to match its rhetoric with substantive action. Failure to act would also demonstrate to our allies that the U.S. ultimately is unwilling to protect them from Qaddafi's menace.

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