



THE COUNSELOR
DEPARTMENT OF STATE
WASHINGTON

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Dear Chuck,

I just spent an hour with Henry Schuler, a former foreign service officer now in business, who spent a long time in Libya. He seemed to me a very thoughtful man (of course he agreed with me on most issues).

Attached is a draft of an article he is submitting to SAIS soon. It's very good reading when you have time.

If ever, we get this paper to the NSC, I hope the meeting will open with an intelligence briefing from the Director. It is my judgment that the downsides of going the way I suggested in my remarks at our last meeting are really quite small in terms our security interests. It seems to me that that judgment is borne out by intelligence assessments.

Warm Regards

Sincerely

A handwritten signature in cursive script, appearing to read "Bob", written in dark ink.

Robert C. McFarlane

State Dept. review completed

A POLICY FOR DEALING WITH LIBYA

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Preliminary evidence linking the assassins of President Anwar Sadat to a Moslem extremist group called "Al Jihad" has rekindled debate about the best way to frustrate Colonel Muammar Qaddafi's deadly ambitions. Although Cairo and Washington did not choose to republicize Al Jihad's Libyan connection in the immediate aftermath of the assassination, journalists in both capitals have been reporting for several years that Libya was providing funds, arms and training to that organization in its "holy war" against the late Egyptian President. The debate about meeting the Qaddafi threat has been thrust repeatedly upon policy-makers by over a decade of Libyan attacks on America's security interests, strategic relationships and diplomatic initiatives all around the world, but the issue has never been debated to a conclusion so American policy has been marked by indecision and inaction.

The principal barrier to conclusive deliberations lies in the refusal by many area experts to attribute much historical relevance or regional significance to Libya or its aggressive leader. Those who subscribe to this conventional wisdom cannot defend his tactics but neither do they attribute much importance to them because they do not take seriously his repeatedly proclaimed strategic

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goals. At first glance, those goals certainly do appear excessively ambitious at home and abroad. Qaddafi's domestic policy seeks a total transformation of Libyan society by mixing conservative religious fundamentalism with the radical political and economic innovation of his Green Book. His goals in foreign affairs are even more startling, including establishing an Islamic state across the Sahara, championing anti-colonialism as the leader of the Organization of African Unity, leading a world-wide Pan-Islamic and Pan-Arab revival and reducing American influence throughout the region. Faced with that challenging agenda, many analysts doubt both the degree of Qaddafi's commitment and also the amount of popular Libyan support for his goals. Starting from that perspective, those so-called experts inevitably conclude that it is only a question of time before he "mellows" or is rejected without outside pressure, so they counsel that he be ignored and even accommodated instead of singled-out and confronted. As a result, the policy discussions are side-tracked before they reach the fundamental question of how to frustrate Qaddafi's ambitions.

The inconclusive results of the debate and the lack of a definitive policy choice have led to a decade of American vacillation, with the "accommodators" reviving

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their quest for a modus vivendi every time there is a lull after some especially egregious violation of the norms of international behavior has temporarily pushed the "confronters" to the fore. This vacillation has disheartened our friends in the region, discredited our efforts to secure European support, emboldened the Soviet Union and prompted Qaddafi to continue probing the limits of our irresolution.

We cannot afford further indecision and inaction, for Qaddafi has proclaimed his intention to fuel the flame of open insurgency and to fan the spark of discontent throughout Africa and the Middle East....Morocco, Tunisia, Chad, Niger, Mali, Senegal, Gambia, Egypt, Sudan, Somalia, Oman and the Yemen Arab Republic (North Yemen)....to name only those which are presently at the top of his priority list without venturing further afield to Europe, the Americas and the Far East. Some would belittle the significance of a changed orientation in several of those countries, but no one would deny that many of them lie perilously close to the energy heartland where efforts to create radical and hostile regimes would almost certainly lead to a superpower confrontation. Therefore, if we are to avoid drifting into a perilous conflict, we must move toward a coherent Libya policy by reexamining the

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preliminary question of Qaddafi's significance and relevance as well as the fundamental question of how best to deal with the menace which he poses.

I. An Historical Appraisal of Qaddafi's Goals

It may well be that much of the tendency to underestimate Qaddafi and Libya can be attributed to the fact that neither fits into any of the neat niches in which journalists, scholars and bureaucrats practice their professions. Although Libya is part of the African Continent, it is assigned to that smaller group of specialists who devote their lives to that culturally and racially distinct group of countries lying north of the Sahara. But even on the North African coast, Libya does not fit into the Maghreb or Arab West where Morocco, Algeria and Tunisia are characterized by French and Berber influences which are absent in Libya. Similarly, although the bedouin tribes which dominate Cyrenaica and Tripolitania are the purest Arabs outside the Arabian Peninsula, Libya does not fall into the domain of experts who study the Mashriq or Arab East because they are physically separated by non-Arab Egypt with its totally distinct culture and history. As for Qaddafi, he fits the conventional niches even less well than his country.

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Analysts have never even been able to agree whether the events of September 1st were a coup d'etat or a revolution, and journalists have variously characterized his philosophy as both "leftist" and "rightist."

Failing to find, in Libya or Qaddafi, the characteristics which establish importance in their areas of analysis, it would appear that too many experts simply conclude that it is unnecessary to do anything more than wait until Qaddafi abandons his "Quixotic adventures" or until the Libyan people recognize that he is a "transient anachronism" who has outlived his moment. Before accepting those policy implications, we would do well to consider Qaddafi's strategic goals in the Libyan context in which he has evolved and continues to operate.

Qaddafi's Emphasis Upon the Revival of Islamic Fundamentalism

Colonel Qaddafi has cast himself as the champion of Islamic revival since the earliest days of his rule....almost a decade before so-called Islamic Fundamentalism became fashionable among the youth of Iran, Egypt, Tunisia and throughout the Moslem world. Because of the pervasive nature of Islam, its revival provided a

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virtual manifesto for Qaddafi. Moral rescue meant ridding Libya of all vestiges of the monarchical regime because it had come to be riddled with corruption and degeneracy. Spiritual regeneration called for the suppression of all foreign influences as well as the imposition of prohibition, the banning of pork, the censorship of Western films and the closing of Christian churches. Economic resurgence required wresting control of the Libyan oil industry from the foreign companies which had been granted legally binding concessions by the old regime. And finally, political reunification was perhaps the most important aspect of the Islamic revival for Qaddafi, because elimination of "colonial boundaries" and removal of "imperial remnants" (a code-word for Israel) would enable Qaddafi to play a role far beyond the borders of this country of only two million people.

To be sure, Qaddafi's Islamic revival was ambitious, but his quest for identity and legitimacy had deep roots in Libya. In fact, the origins of the Libyan state lay in an early 19th Century religious revival which had led, ironically, to the creation of the very Sanussi monarchy which Qaddafi eventually overthrew. Although that first Libyan revival began in the 1830's, its founder Mohammed Ibn Ali al-Sanussi (subsequently called the Grand

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Sanussi), had strikingly similar motivations - resentment of foreign intrusion epitomized by the French occupation of his native Algeria in 1830; disgust with the corruption, despotism and dependence upon foreign advisors which characterized the dying days of the pirate regime of the Karamanlis in Tripoli; concern that a once driven people had lost all incentive to work or initiate and accepted a subsistence existence; and awareness that a Moslem could be at home anywhere in the Dar es Salam or House of Believers which preceded the establishment of colonial boundaries. Proof of this last point is provided by the fact that the Grand Sanussi was born in Algeria; founded his Sanusiyah religious order in the Hijaz as the counterpart to the Wahhabi order in the Nejd; and then moved his headquarters to Cyrenaica where it ultimately came to direct an order with three million adherents and some 150 lodges ranging from Senegal in the south to Turkey in the north, from Morocco in the west to the Dutch East Indies in the east.

Clearly, then, the birth of a secular or political movement out of a spiritual or religious revival is not a new phenomenon in Libya....or elsewhere in the Moslem world.

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Qaddafi's Efforts to Impose Philosophical,
Political and Economic Innovations

Those who have predicted the imminent collapse of Qaddafi....for over a decade(!)....contend that it is far easier to gain power under the banner of Islamic revival than it is to hold onto power in a fractious society. They have long predicted that the unsophisticated Libyan people would eventually balk at the pretentious theorizing of Qaddafi's Green Book or Third International Theory, his nationalization of the shops and rental properties and his substitution of "peoples committees" for embassies, cabinet departments and other Western notions of organized government. Perhaps, but, like the Grand Sanussi who established a power base which lasted until its original precepts were abandoned 125 years later, Qaddafi has demonstrated an acute and instinctive awareness of Libya's substantially bedouin society.

Bedouin leadership is based upon highly personal traits - what sophisticated analysts would label charisma - even though the average bedouin might not always seek to emulate those traits. Individuals are respected and even feared but they are never considered superior. Nor may they adopt a life style which sets them apart, for wealth

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is considered a sort of tribal asset. As long as an individual possesses that charisma and resists the temptation to set himself apart, the bedouin will follow him and recognize his philosophy....in distinctly that sequence, for it is men who matter, not institutions or doctrines. Qaddafi may have some esoteric ideas; but he is still the Brother-Colonel who lives a spartan life and periodically returns to a tent in the great Sirte Desert.

No one would deny that Qaddafi's socialist measures have alienated the small shop keepers and landlords, but the bulk of the bedouin view wealth as a sort of tribal asset which should be distributed on the basis of need or merit. Similarly, Qaddafi's departure from the form of organized government is not alien to tribal society which is based upon a diffusion of authority to a multiplicity of segments, units and sub-units so that there is essentially no government and no corporate body. Indeed, decisions arise out of the circumstances rather than out of any formalized process.

In view of these elements of bedouin society, we might do well to view Qaddafi's program - unusual by Western standards - as one of adaptation rather than innovation.

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Qaddafi's Design for a Pan-Saharan Islamic State

Although Qaddafi may appear Quixotic in his declared intention to establish an Islamic state across all of Saharan Africa, it is certainly not a new "fantasy," for it was also the goal of the Grand Sanussi's son and successor, Sayyid Mahdi, before the turn of the century. Because of an accident of geography which places Tripoli 250 miles further south than Tunis or Algiers, Libya has always served as the gateway for overland travel from the Mediterranean into central Africa. Therefore, it was natural for Sayyid Mahdi - or Muammar Qaddafi - to see a Pan Saharan nation as the initial step towards a new Islamic state which would transcend political boundaries like the Imamate of old. To facilitate this development, Sayyid Mahdi moved the headquarters of the Sanusiyah first to the Kufra Oasis deep in the Cyrenaican desert and then, in 1899, to Qiru in the (French) Sudan. With the help of some 25,000 foot soldiers and 1,500 horsemen, the Sanusiyah gained control over all of the central Sahara, including the Kingdom of Chad as well as those of Ennedi and Waddai. This nascent Saharan state flourished under Sanussi direction for several decades until the French colonial army prevailed while the Libyans were preoccupied with the Italians on the coast.

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Clearly Qaddafi's Saharan ambitions possess sufficient historic and geographic relevance to limit any major degree of popular Libyan revulsion over his military adventures....so long as they are not disastrous.

Qaddafi's Credentials as an Anti-Colonialist

Some analysts espouse the mistaken view that Libya did not have to fight for its independence in the sense that the Algerians and other North Africans did, and that, therefore, the Libyan people lack personal commitment to Qaddafi's anti-colonialism. To be sure, Libya was handed its independence by the UN in 1952, but if we are willing to extend our historic perspective back 70 years, we find that Libyans fought one of the last, longest and bloodiest colonial wars which began with an Italian invasion in September 1911. The Ottoman Caliph promptly declared a jihād or Moslem holy war against this infidel invasion, and the bedouin, especially of Cyrenaica, rallied to serve as mujahidden or fighters for the faith under the leadership of Ahmed Shariif al-Sanussi, Sayyid Mahdi's successor as leader of the Sanusiyah.

There was a brief respite after World War I while the Italian government grappled with the Wilsonian principles

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of its war-time ally, but that came to an end with the Fascist March on Rome in 1922. Thereafter, the guerilla war was fought with all the bitter zeal of a conflict between religions, civilizations and cultures, for Mussolini saw the extension of fascist civilization to "the fourth shore of our sea....[as] not only a territorial, military and mercantile expression but a spiritual and moral one as well." When the poorly-armed mujahidden of Ahmed Shariif and, later, Umar Mukhtar, could not be subdued by the "search-and-destroy missions" and "free fire zones" which were later to become so familiar to Americans fighting another guerilla war, the Italians resorted to brutality. Some 80,000 bedouin were herded into desert internment camps. Wells were poisoned or filled with cement. The Sanussi lodges were closed, their property seized and their shaikhs exiled to the island of Ustica. A "tribunale volante" flew from place to place ordering summary executions for engaging in any contact with the rebels. On occasion, execution took the form of a shove from an airplane circling the village of a convicted rebel. Planes attacked the rebel encampments, annihilating vast numbers of noncombattants and herds with bombs, mustard gas and machine guns, forcing the remnants into the desert to face starvation and thirst. Still, small bands of mujahidden fought on until 1931 when Umar

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Mukhtar was wounded in battle and hanged at Suluq before some 20,000 sullen bedouin shaikhs and town notables who had been assembled to observe the final triumph of Italian might. Although the Italians proclaimed the restoration of Pax Romana, Mussolini confided to his diary that "Cirenaica verde di piante" had become "rossa di sangue" after 20 years of warfare.

Clearly then, the Libyan bedouin have as much right as any African people to wave the banner of anti-colonialism, and Qaddafi's own grandfather was, in fact, killed fighting the Italians.

Qaddafi's Claim to Leadership of the Pan-Islamic
and Pan-Arabic Movements

If Qaddafi's claim to leadership of a Pan-Saharan state strikes African specialists as Quixotic, his claim to leadership of an even wider pan-Islamic or pan-Arabic movement strikes Middle Eastern experts as down-right crazy. Those who have devoted their careers to the states of the Fertile Crescent, the Nile Valley, the Arabian Peninsula and Anatolia, cannot imagine a Cyrenaican bedouin taking seriously the ambition to lead these historically important people. But like their African counter-parts they ignore Libyan history.

As a result of his leadership of the jihad against Italian occupation, another Cyrenaican bedouin, Ahmed Shariif, became the personal embodiment of the Pan-Islamic movement which was stirring around the world in the early years of the Twentieth Century. His bedouin were, after all, the only Moslems still resisting European domination at the outbreak of World War I so they became the surrogates for previously subjugated people throughout Asia and Africa. Their resistance took on heroic dimensions, for at one point a hand full of mujahidden were fighting over 100,000 troops of 3 Great Powers: Italy on the coast, France in the south and Britain on the Egyptian border.

Eventually, the weight of superior force prevailed. Goaded into overextending his forces and betrayed by his cousin Sayyid Idris (later Libya's first and only King), Ahmed Shariif had to be stealthily evacuated from the Gulf of Sidra aboard a German U-boat in September 1918. But he went to Turkey in triumph, not in humiliation, for he was the symbol of resurgent Islam's renewed struggle against European domination. During the remaining 15 years of his life, this provincial Cyrenaican played a role far beyond his native land. He rallied the Arab and Kurdish minorities to the support of Mustafa Kemal Attaturk in

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Turkey; he was invited to lead a revitalized Caliphate; he presided over the first Pan-Islamic Conference at Sivas in Turkey; he was designated King of Iraq by that Conference although Britain imposed its own Hashemite candidate; he was expelled by the French from Damascus for attempting to reunify Syria with Turkey; and he served as a key advisor to King Ibn Saud and as mediator of the incessant quarrels among the shaikhs of the Arabian Peninsula. In 1933 he died at Medina in the Hijaz where his grandfather had founded the Sanusiyah a century earlier.

One need not equate Muammar Qaddafi with Ahmed Shariif to recognize that a Moslem could indeed be at home anywhere in Dar es Salaam and that leadership could come from unlikely places....as it did at the very birth of Islam!

Qaddafi's Collaboration with the Soviet Union

There is yet a final element of Qaddafi's current posture which carries with it an historical dimension....his relationship to the Soviet Union. Let it be clear at the outset that Qaddafi is not a communist and not a witting Soviet surrogate. But he is no less useful to the USSR, for he has adopted the ancient strategy that

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"my enemy's enemy is my friend" in order to reduce American influence in the region. There is ample evidence of this relationship which has been expanding steadily even during periods when the United States has attempted to reach a modus vivendi with Libya. Stockpiles of technologically advanced Soviet military equipment which far exceed Libya's capacity to maintain or operate. Thousands of military advisors, technicians and even operating personnel from various Warsaw Pact nations and Cuba. Extension of airfield runways to handle the Soviet Backfire bomber which is not in Libya's inventory but has been flown in from Crimean bases on a trial basis. Installation of a dozen Soviet SS12 Scaleboard missiles which are capable of carrying megaton nuclear warheads and of reaching the southern flank of the NATO alliance. Creation of military alliance with the surrogate Soviet states of Ethiopia and the Peoples Democratic Republic of Yemen (Aden or South Yemen).

Many analysts deprecate the implications of these links because they question the strategic or geopolitical importance of Libya to the Soviet Union. Once again an understanding of history is instructive. When the Allies met at Potsdam in July 1945, Stalin stunned Churchill and Truman with a demand for control over the Italian colony

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of Tripolitania as war reparations for damage inflicted by 10 Italian divisions in Russia. According to Molotov's explanation, "The Soviet Union should take the place that is due it and therefore should have bases in the Mediterranean...." Although the demand was couched in terms of a mere trusteeship and the traditional Russian desire for warm water ports to the south, Secretary of State Byrnes recognized that "the Soviets' interest in this territory was primarily military." With the Second World War only just concluded, the Western powers knew that control of the coast between Tripoli and Tobruk provided the base of a triangle which could successfully interdict passage between the Atlantic and the Eastern Mediterranean. Therefore, they employed every available strategem to deny that geopolitical prize to the Soviet Union. Their efforts were successful for 25 years, but continued failure to confront Qaddafi while the United States still maintains its military edge in the Mediterranean only permits the Soviets more time to consolidate their position.

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The point of establishing Qaddafi's historic relevance and Libya's regional significance is not to glorify or justify Qaddafi's ambitions. Much less is it intended to imply that he will succeed in attaining his many strategic

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goals. Rather, it is designed to demonstrate that Qaddafi is, in fact, fully committed and enjoys the instinctive support of a significant portion of the Libyan people, especially that large proportion of the society which became adults during the Qaddafi era. Therefore, we cannot accept the conventional wisdom that we should ignore him until he modifies his ambitions or is replaced by a less ambitious leader. This is simply not going to happen unless significant outside resistance or pressure diverts Qaddafi or the Libyan people from those ambitions.

II. An Assessment of the Policy Options

Having squarely addressed the preliminary question which has diverted previous deliberations for a decade, the policy options can be presented in three straightforward choices. Firstly, should we attempt to accommodate Qaddafi's tactics and ambitions or should we confront them with firm resistance? Secondly, should confrontation be limited to passive measures designed to enhance the capability of target countries to resist Qaddafi or should they extend to active measures designed to reduce Qaddafi's capability to attack? And thirdly, what sort of active confrontation measures are required?

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Accommodation or Confrontation?

Some will argue that posing the second choice in this fashion presupposes ready rejection of the accommodation option. That is precisely the intention, for no American effort at accommodation has brought Qaddafi to the bargaining table since September 1, 1969 when he seized power. Those analysts who argue that we should try the accommodation option simply betray the fact that they have only had time to focus on Libya for the past year or so because they ignore a decade of American initiatives to reach an accommodation or modus vivendi. None has worked not the 1978 relaxation of U.S. export barriers for non-military goods. Not the 1980 cancellation of naval exercises which were held in other disputed waters elsewhere around the world. Not turning the other cheek in the face of charges that Libya had used its diplomatic pouch to smuggle into Khartoum the weapons which were used to murder two American diplomatic hostages in 1973. Not Secretary of State Vance's profession to Libya's UN Ambassador of an American desire to improve relations. Not President Carter's willingness to receive the Libyan representative in the Oval Office. Not a decade of accepting oil policy demands which were expressly designed to destroy agreements painstakingly negotiated with

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moderate regimes of the Arabian Peninsula. Not even warning Qaddafi of dissent among members of his first Cabinet who were less autocratic and more favorably disposed toward the United States. In fact, each effort to improve relations has been rewarded with another outrage or another non-negotiable demand.

General
Fact
in the
Arab
World

Those die-hard accommodators who contend that the United States has not tried hard enough would do well to consider the example of France, for Paris certainly left no stone unturned in attempting to accommodate Qaddafi. Less than six months after he seized power, France agreed to sell Libya 130 of its highly regarded Mirage fighter-bombers, arguing that failure to accommodate his arms needs would only drive him into the embrace of the Russians (an argument whose insidiousness is only exceeded by its survivability since it is still made today even after the Soviets have already provided a mighty bear hug.) French exporters and oil companies quickly capitalized on this opening with vastly expanded trade and technology exchange. Nothing would stand in the way of a typical Gallie modus vivendi. When Libya sent the Mirages to Egypt during the 1973 war, Paris ignored the violation of an express prohibition in the original sales contract. When Libya began its subversive activities in the Sahara,

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long an important French sphere of influence, Paris looked the other way. When uranium belonging to a French company in Senegal was diverted to Libya for its weapons program, France failed to protest. When Secretary Kissinger convened the Washington Conference in February 1974 to develop a consumer nation response to the OPEC price increases which were placed by Libya, Paris refused to cooperate and instead received Libya's Prime Minister for a five day visit which led to more arms exports, more trade and the sale of a nuclear power plant. And, of course, Paris had early changed its Middle Eastern policy to satisfy the most hard-line Arab states.

Was France rewarded for all of these extraordinary efforts to reach accommodation with Qaddafi even at the expense of relations with the United States? Only if one takes a rather masochistic view of rewards. In January 1980, Libya sponsored an armed-insurrection against Tunisian President Bourguiba, France's closest Ally in the Arab world. The next month, mobs incited by false Libyan government radio broadcasts, destroyed the French Embassy in Tripoli. In March of that same year, Libyan backed rebels revived the civil war in Chad which ultimately forced the French to withdraw from their strategic base and led to occupation by Libyan troops. Since then Paris

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has been moving away from accommodation. Nor is the French experience unique, for the policies of Britain, Italy and West Germany have fared no better.

It seems clear, in summary, that Qaddafi views accommodation as a one-way street on which he moves at will while everyone else gets out of his way. Since the available evidence offers little hope that accommodation will prompt Qaddafi to moderate his policies, we are forced to defend ourselves by moving forward, however reluctantly, to a policy which directly confronts those ambitions and tactics.

Passive Confrontation or Active Confrontation?

Even after we have been forced to adopt the confrontation option, we must decide whether Qaddafi's aggressive ambitions can be successfully frustrated simply by enhancing the ability of his many targets to defend themselves or whether measures to reduce his ability to attack are also required. Let it be clear throughout this discussion that both of these options are entirely defensive in nature, being prompted by Libyan aggression.

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The magnitude of frustrating Qaddafi's ambitions from the muzzle end of the weapon is dramatized by the world-wide scope of his subversive contributions, ranging from the Philippines to El Salvador, from the Canary Islands to Thailand. But the undertaking is difficult and massive enough even if we limit our discussion to the targets in Africa and the Middle East, for it requires an across-the-board strengthening of their internal security, military, economic and political defenses, when any one of those tasks would be formidable by itself.

After Sadat's assassination, it was revealed that the United States had spent tens of millions on training and technology for his personal security. Given our own record of protecting Presidents, we should not be surprised that it is impossible to shield activist public figures from determined assassins who have access to arms and funds. Some will argue that this merely emphasizes the folly of relying upon a single leader; however, the limitations on our ability to provide internal security assistance extend beyond isolated assassination to full-scale revolution. That became clear when the close cooperation between the CIA and Savak failed to detect the scope of Iranian discontent and subversion.

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Although Qaddafi's threat is not primarily military, a policy of passive confrontation cannot ignore his massive arms build-up. The ability of the United States to provide a quick infusion of superior air capability was undeniably established by the lop-sided dog fight over the Gulf of Sidra and the prompt dispatch of AWACS planes to Egypt. Although less certain, Operation Bright Star II may evidence a capability to airlift a few battalions during an emergency. Despite these costly but limited achievements, there is no substitute for building the defense capability of the target states themselves. That will not be easy, for Libya has used a significant portion of its oil revenues - 40% of which are provided by American consumers - to purchase an estimated \$15 billion worth of Soviet arms. Countering that massive arsenal effectively would require expenditures even beyond the \$4 billion in arms credits already committed to Egypt over five years through fiscal year 1985....at a time when the Reagan Administration is under enormous budget pressures. Other recipients of U.S. arms aid who are already menaced by the Libyan military build-up - Sudan, Tunisia, Morocco, Oman, Somalia, and perhaps even Chad - would increase their shipping lists as well. But arms exports incur political as well as financial costs for the Administration because many legislators favor economic

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over military aid. The Soviets are not required to face this choice, for the Libyans pay in full for their purchases with dollars, thereby permitting the USSR to preposition arms at Libyan - actually American - expense. As in the recent AWACS debate, other American legislators will attack a countervailing arms build-up by uncertain governments as a potential threat to regional peace and to U.S. technological superiority. Here again, the Soviets have no compunction, selling Qaddafi their most advanced weapons, the first Mig 25's and TU 22's available outside the Warsaw Pact; whereas the United States was loathe to sell Egypt its most advanced fighter, the F15 Eagle, even before Sadat's death.

For similar reasons, it is also difficult for the United States to help friendly states to match Libyan's economic progress. In fact, it is impossible for the United States to do so because we are financing both sides of the competition, and in 1980, the last full year, we provided Libya with \$7 billion in oil revenues while providing Egypt with just over \$1 billion in financial aid. And, since the Egyptian program is already our largest commitment anywhere, it is unlikely to be increased significantly. President Sadat hoped that private American investments would provide additional

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development capital under the "open door" policy which he proclaimed in 1974, but that never really materialized even under the political stability which Sadat was seen to provide. Prospects are even less certain now in the aftermath of the assassination.

The last component of an across-the-board enhancement of the defensive capability of target states involves their political vulnerability as supporters of American policy. Some of the critics of proposals to confront Qaddafi contend that greater priority should be given to achieving a negotiated settlement of the Palestinian issue. They contend that more progress on Palestinian autonomy might have saved Sadat, and that an overall settlement would defuse hostility to the United States and its supporters in the region thereby isolating Qaddafi. Although many others dispute the likelihood of any instant panacea, this does not reduce the need for steady progress in solving the issue. But that is hardly an argument for an entirely passive approach to Qaddafi because he is irreconcilably opposed to any negotiated settlement. Put quite simply, there will be no negotiated solution so long as he is in a position to outbid the moderate leaders for mass support; to finance the hard line elements under the PLO umbrella to reject even Prince Fahd's eight point

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plan; and to support terrorist incidents which alienate American public opinion each time it shows some understanding of the Palestinian position. Progress requires time, and time will not be available if Qaddafi is permitted to attack at will.

On the basis of this analysis of America's limited capabilities to enhance simultaneously the internal security, military preparedness, economic development and political vulnerability of the many countries on Qaddafi's target list, it seems undeniable that we look not only at the muzzle end of the weapon of international subversion, but to its breech end as well. In short, we must limit his ability to attack nations which support American interests in the area.

Possible Measures for Limiting Qaddafi's
Offensive Capability

Having determined that passive measures of confrontation are not enough, we can finally turn our attention to a range of active measures which might curb Qaddafi's offensive capability. In reviewing the possibilities, we will start by summarily dismissing several of the more drastic.

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An American-Backed Egyptian Invasion

Although there have been reports that the Reagan Administration, prior to President Sadat's assassination, promised a protective umbrella against Soviet interference in the event of an Egyptian invasion of Libya, there is little to commend that drastic step. Most importantly, it would imperil the safety and liberty of over one thousand American citizens whose presence is encouraged by Qaddafi in part for precisely the reason that it has discouraged Egyptian intervention in the past. Nor is an American rescue operation a viable possibility, for they are scattered all over Libya without adequate communication or transportation. Libya's oil installations would also be jeopardized if, as seems likely, Qaddafi resorted to a version of the scorched earth policy. An Egyptian invasion would also rally the Libyan people, who have long feared the designs of their huge neighbor, and end Qaddafi's isolation from the moderate Arab leaders who are probably more fearful of unleashing the new risk of internecine warfare than they are of accepting the old risk of Libyan subversion. And, finally, it is far from certain that an Egyptian Army which has been subjected to a decade of propaganda and subversion would blindly follow orders to attack Libya.

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In short, there is clearly no need to pursue a military option at this time.

American-Sponsored Subversion

The same considerations which foreclose a military operation also foreclose a clandestine operation, especially in the climate which has prevailed in Washington for a decade.

A Tightened Arms Embargo

Having ruled-out overt and covert force, we can direct our attention to various forms of sanctions which are fully authorized by the United Nations Charter. Perhaps the most obvious is an arms embargo. Although Western arms embargo is significantly blunted by apparent Soviet willingness to sell quantities well beyond Libya's capability to absorb, nevertheless Qaddafi's persistent efforts to purchase U.S. and European arms indicates some dissatisfaction with Soviet quality so the option retains some usefulness. There is in fact greater hope for a meaningful Western embargo now than ever before because the Mitterand government has pledged to refrain from accepting new Libyan orders and may be persuaded to slow

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delivery of spare parts and new arms already in the pipeline. Britain has cooperated in the past; Belgium should be susceptible to persuasion; the current Italian government appears less intimidated by Libya; and the cooperation of Spain - the source of a number of Libyan submarines - should be sought in the negotiations for acceptance by NATO.

While there is hope for a tightened Western embargo of equipment and technology which are undeniably instruments of war, there must also be restrictions on other exports which have a military capability. But there is little hope of securing European cooperation so long as the United States' own embargo is full of holes. Examples abound, for Libya's purchasing agents have unrestricted funds. Although the C130 is subject to a highly touted embargo, Qaddafi has purchased its civilian version, the L100, in the used plane market. Although the U.S. refused to export 400 heavy duty trucks to haul Libyan tanks, they permitted the same company to sell 400 somewhat modified trucks "to haul oil rigs." One of the television networks recently showed a large quantity of trailers on their way to Libya....not what you would call a weapon except that they were designed to be towed by armored personnel carriers. The Libyans have even tried to obtain an

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extremely powerful and versatile new explosive in order "to put out oil well fires"....a valid use for explosives except the quantity was probably more than Red Adair has used in his entire lifetime of fighting fires all over the world.

If U.S. export of ambiguous goods is bad, the export of military technology and training capability is far worse. And yet this is precisely what has happened through the alleged recruiting by Edmond Wilson and Frank Terpil. Some of the human contributions to Qaddafi, eg, bomb making, is blatantly military, but other is more ambiguous. When an American pilot applies for a passport, who is to determine whether he has been recruited to fly for the Libyan National Oil Company or the Libyan Army? Who decides whether an American mechanic is going to Libya to maintain the turbines used to drive water injection pumps or those used to power helicopters? Can an American contractor bid on a contract to build Libyan army barracks? Static defenses? Missile pads?

Failure of the United States to enforce its own embargo renders it impossible to persuade our European allies to do better. Moreover, as was the case when the United States tried very recently to persuade Britain not

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to sell its Airbus, our allies have begun to reply "Come back with your request when you have stopped supplying Qaddafi with the revenues to purchase our exports!"

Imposition of an Oil Embargo

The idea of barring Libyan oil imports from the American market has instant appeal for politicians and policy makers frustrated over financing Qaddafi's aggression to the tune of \$7 billion per year, but it requires careful examination. Those who complain that other oil consumers will not cooperate are less than heroic in their commitment to America's strategic interests and may very well be wrong in their assessment of our allies. With strong leadership, the Reagan Administration might well persuade several European countries to accept risks which are significantly reduced by current market conditions. With Saudi Arabia producing 8.5 million barrels per day and other Gulf producers vying to regain market share, the overall oil supply situation is likely to retain some slack. Libya's oil is, to be sure, especially valuable in a market which puts a premium on low sulfur characteristics and a large gasoline yield, but that describes the American product slate not that of Europe and accounts for the fact that the United States has been buying 40% of Libya's total production in recent

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years. In any event, Europe has access to light sweet crude oil from the British and Norwegian North Seas as well as from Nigeria where the oil currently enjoys a \$1.50 per barrel cost advantage over comparable crude from Libya. Japan is simply too far away to provide a significant alternative market when the Persian/Arab Gulf is so much closer. While it is true that supply conditions may change, it is also possible that other Middle Eastern and African producers can be persuaded to retain current production and pricing policies in order to combat Libyan aggression which is, after all, more of a threat to them than it is to the United States. In addition to denying those massive revenues to Libya, it would make eminent sense to divert them to Nigeria, Africa's largest democracy, which has ample shut-in capacity to meet a Libyan short-fall and desperately needs the revenues for internal development.

Having described a variety of reasons why an oil embargo of Libya would be of little consequence to consumers and might be of benefit to more-deserving producers, there are, nonetheless, legitimate doubts about the wisdom of a United States initiative to impose it. Qaddafi would promptly label an American embargo as "an act of economic aggression." Although the distinction between aggression and retaliation may lie in the eye of

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the beholder, it seems undesirable to provide Qaddafi with any grounds - however spurious - for seizing American hostages; to hand other consumers an excuse for failing to cooperate; to enable oil companies to complain about American "politicization" of the oil trade; or to give producing states reason for making common cause. Besides, American imposition of an embargo could be rendered superfluous if Qaddafi is left to his own inclination to do the same thing.

Withdrawal of All American Citizens

After reviewing the limitations on various policy options for confronting the Qaddafi threat, withdrawal of American personnel seems to provide the ultimate sanction. Not only is it an effective measure in and of itself, but it also strengthens or removes restraints on some of the other options. Moreover, it is a legitimate - even mandatory - step to protect the lives and well being of American citizens from what appears to be a collision course. As such, it is a purely defensive action practiced by all civilized nations, most recently by France which withdrew its citizens from Iran after asylum was granted to Bani Sadr. Although enraged by French acceptance of the deposed Prime Minister, Teheran cooperated in that withdrawal, for it knew world opinion

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would not permit it to do otherwise. Surely the United States has even greater responsibility for withdrawing Americans in a situation which has already led to the downing of two Libyan fighters and talk of invasion.

Withdrawal would probably prompt Qaddafi to declare an embargo, but we have already seen that this is not an unacceptable risk, especially if the initiative does not come from the United States. Even if there is no formal embargo, withdrawal could prompt some companies to follow the Exxon example of relinquishing their interests and might well prompt Qaddafi to nationalize the remainder; however, this rupture of the last vestige of the old concessionary link will end the era when companies with an equity interest are willing to purchase Libyan oil even when it is overpriced relative to other comparable crudes. In addition, denial of American expertise, familiarity with Libyan operations and spare parts would impair Libya's ability to produce oil, thereby limiting the impact of any failure by our allies to join the embargo. Since withdrawal would inevitably lead to a rupture of all commercial relations, it would become much easier to police the American arms embargo and to deny to Europeans an excuse for refusing to cooperate. A total rupture would also remove the concern by oil companies that an

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embargo of oil alone is inequitable and politicizes the oil trade. And, of course, it would bar American money and technology from aiding Qaddafi in winning the economic or diplomatic competition or in achieving his deadly ambitions at the expense of American supporters in the region.

As important as all of these factors are, there is yet another more compelling reason for withdrawing American personnel and thereby severing all commercial links. Because that step is opposed by a number of powerful special interests in the United States, it will send an unmistakable signal that the American people are more repulsed by Libyan based terrorism and subversion than they are enticed by Libyan sourced oil and profits. That signal must be transmitted to Qaddafi - and to erstwhile Qaddafis elsewhere - if the United States and the community of civilized nations is to escape cataclysm in the perilous 1980's!

(This analysis reflects G. Henry M. Schuler's many years in Libya as a Foreign Service Officer, oil company executive and member of the oil industry's negotiating team. A graduate of Princeton (History) and the University of Pennsylvania Law School (International Law), Mr. Schuler is Director for Energy Planning and Development in the Washington National Affairs office of Deloitte Haskins and Sells.)