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ادارة التحليل لشؤون الشرق الاوسط و جنوب آسيا
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Office of Near Eastern and South Asian Analysis
Directorate of Intelligence

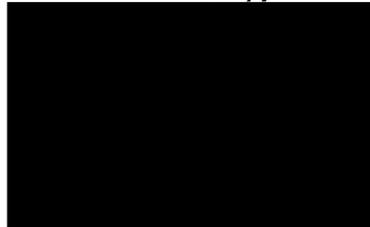
17 May 1986

Captain James Stark
Director
Political-Military Affairs
National Security Council

Dear Captain Stark *Jm*

I thought you would be interested in the attached assessment of Libyan leader Qadhafi's domestic position since the US airstrikes in April. The memorandum addresses the internal political situation as well as the Libyan terrorist threat. As always, your comments are welcome.

Sincerely,



Attachment:



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Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

17 July 1986

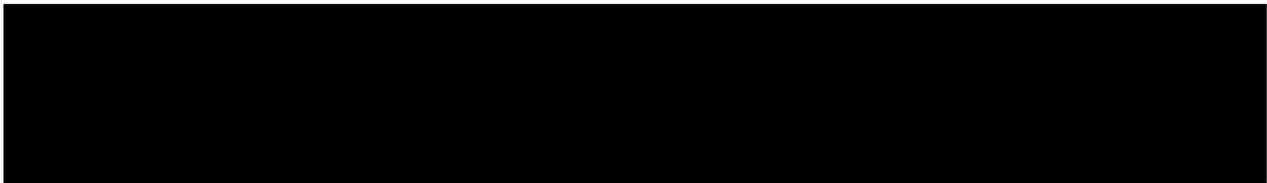
LIBYA: Qadhafi's Political Position Since the Airstrike

Summary

The US strike last April has aggravated Libyan leader Qadhafi's political problems by humiliating the Libyan armed forces and indirectly stimulating closer cooperation between Washington and West European countries. In response, Qadhafi is tightening his personal security, seeking Soviet assistance in strengthening Libyan defense capabilities, promoting diplomatic initiatives to ease Libya's international isolation, and restructuring his terrorist support apparatus to achieve greater deniability. [REDACTED]

None of these measures are likely to significantly improve his prospects for surviving in power. Increased international pressure would further reduce his chances for political survival, which we believe are only slightly better than even through the end of the year. Only in the unlikely event Qadhafi adjusted his radical social and economic policies would he restore confidence in his leadership, even among his closest associates. Any breakdown in the morale and efficiency of the internal security forces--which currently protect him from all but the best-organized and skillfully implemented plots--probably would indicate that his demise is near. [REDACTED]

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Domestic reactions to the US strike confirm the extent to which Qadhafi's political position has eroded over the past several years. [REDACTED] the funeral procession in Tripoli for those killed in the US strike attracted only several thousand marchers out of a local population of about 900,000. [REDACTED] pro-Qadhafi demonstrations since the strike--highly publicized by the Libyan media--have only been stage-managed by his radical supporters and have lacked the spontaneity and enthusiasm of previous ones. [REDACTED]

[REDACTED] popular discontent with Qadhafi--already high--has become more open since the US strike. [REDACTED] Libyans are openly accusing Qadhafi of wasting scarce financial resources on ineffective weaponry. This is in contrast to reporting last year indicating that Qadhafi's pervasive security measures had instilled a sense of fear among Libyans that permitted political discussions only with their most trusted confidants. [REDACTED] anti-Qadhafi leaflets and graffiti recently appeared in Tripoli and Benghazi for the first time this year. The leaflets [REDACTED] blame Qadhafi for Libya's economic difficulties and for pursuing aggressive foreign policies (see appendix A). [REDACTED]

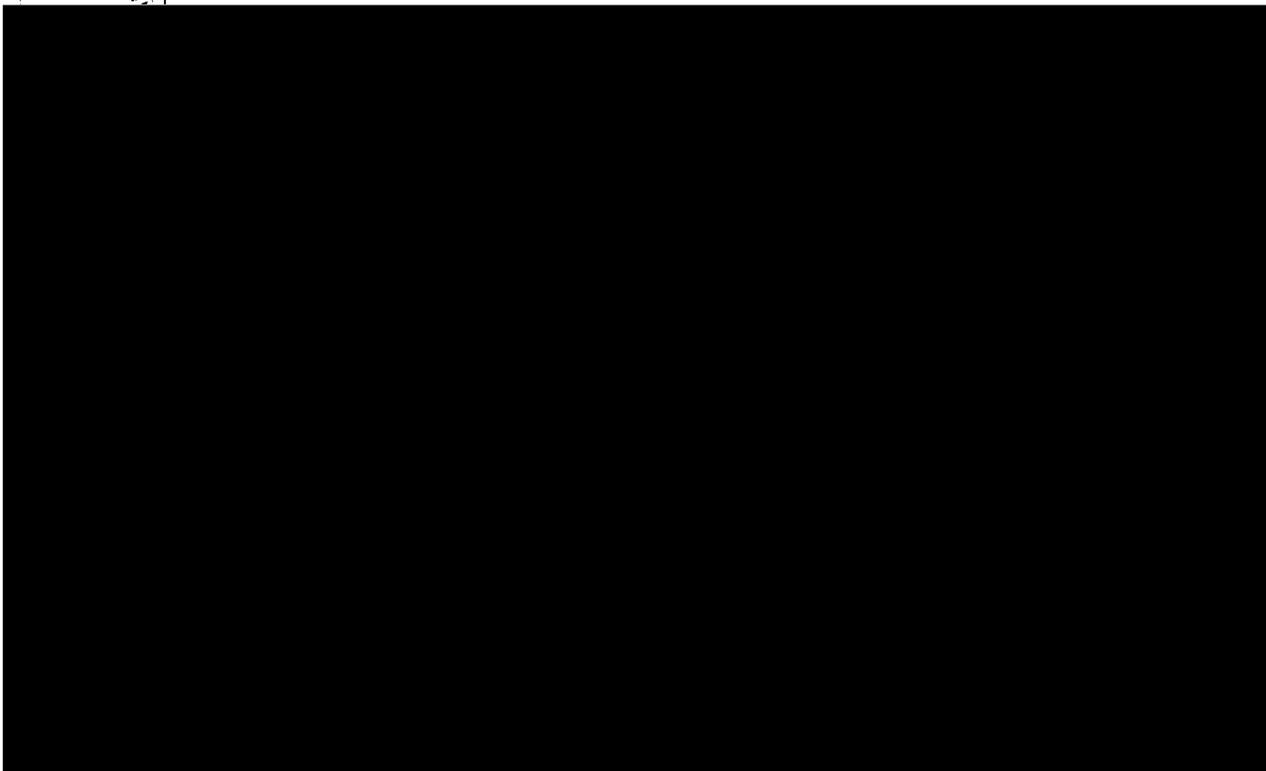
[REDACTED] Libyans are publicly blaming Qadhafi and his aggressive policies for causing the deaths of fellow countrymen during the Gulf of Sidra confrontation last March and the US airstrike last April. [REDACTED] many Libyans hope US pressure will eventually result in Qadhafi's removal. [REDACTED]

[REDACTED]

[REDACTED]

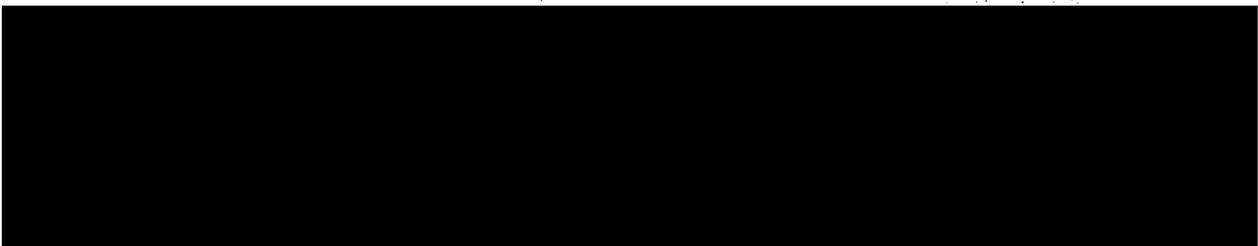
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The Revolutionary Committees' campaign of backstabbing and political intrigue against military officers has been a principal source of military discontent for several years. In 1984, several senior officers were detained but subsequently released, in part because revolutionary committee members blamed them for lax security arrangements which permitted the sabotage of an ammunition depot near Benghazi. Qadhafi's continuing emphasis on creating a popular militia--presumably led by the Revolutionary Committees--as a counterweight to the regular armed forces confirms, in our judgment, the expanded influence of the Revolutionary Committees at the expense of professional officers.



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Qadhafi's Response

The bombing of Qadhafi's residence almost certainly has convinced Qadhafi that Washington will stop at nothing to oust him. As a result, Qadhafi has strengthened his already tight personal security.

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He cancelled his scheduled public appearance on 11 June--a national holiday commemorating the departure of US forces from Libya in 1970--in favor of a televised speech, almost certainly because he feared assassination.

Qadhafi's enhanced personal security is accompanied by renewed attempts to weed out potential plotters.

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Qadhafi's renewed approaches to the Soviets--highlighted by Jallud's visit to Moscow--probably are intended in part to help shore up his domestic position. In our view, the Libyan leader may regard increased Soviet military assistance as essential for undercutting dissent in the officer corps and rebuilding his international prestige. Qadhafi may also believe that giving the appearance of closer ties to Moscow would revive traditional West

[REDACTED]



European concerns that increased pressure on Libya only serves Soviet regional interests by making Tripoli even more dependent on Moscow. [REDACTED]

In addition to personal security Qadhafi's primary concern is undermining Allied cooperation on isolating his regime. The Libyan press is going out of its way to minimize Tripoli's differences with West European governments in an effort to get relations back on track. Qadhafi already has received representatives of an Italian leftist fringe party [REDACTED]

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He subsequently emphasized the "success" of the Italian visit by releasing an Italian fishing boat seized for alleged illegal fishing. At the same time, Qadhafi's carrot and stick approach includes public threats to withhold potentially lucrative commercial contracts unless West European governments curtail cooperation with Washington on policy toward Libya. [REDACTED]

Tripoli may also be trying to undermine Arab reluctance to support Libya in its dispute with Washington. Tripoli has renewed its call to Arab leaders for "practical" steps toward unity. Jallud's recent remarks in Algiers--he emphasized the need to work for Libyan-Algerian unity--suggest that his visit there may have been intended as a first step toward easing Libya's isolation in the Arab world. Unity probably also is behind Qadhafi's willingness to host a recent reconciliation effort involving leaders of North and South Yemen. [REDACTED]

Domestically, Qadhafi is offering symbolic concessions to pragmatists in the Libyan military in an attempt to discourage plotting. [REDACTED]

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[REDACTED] Libyan press indicates that some decisions are now made in the name of the "revolutionary leadership," downplaying Qadhafi's role. The regime is also allowing Free Officers Deputy Chief of Staff Khuwaylidi Al-Humaydi, Inspector General Mustafa Kharubi, and Armed Forces Commander Abu Bakr Yunis a greater public role. For example, Al-Humaydi gave the keynote speech at the funeral for those Libyans killed in the US strike. In addition, the Libyan press publicized Kharubi as the presiding officer at the commissioning ceremony of a new naval vessel recently delivered by the Soviets. Increased press play, however, has not translated into more political clout for the pragmatists, in our view. [REDACTED]



Qadhafi's concerns about the loyalty of the pragmatists probably in part is behind several limited changes in policy, including his decision to temporarily supplement intimidation with a conciliatory approach to weaken Libyan dissidents in exile.

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Qadhafi's new emphasis on Islam may also reflect in part an attempt to appease the officers. Kharubi, in particular, is highly respected in Libya as an especially devout Muslim, [REDACTED] Qadhafi may also hope reinvigorating support for Islam will diffuse lingering popular resentment over the public hanging of students during Ramadan, the Muslim holy month, two years ago. Tripoli reportedly also increased food imports in late May, apparently to coincide with Ramadan.

Prospects

Qadhafi's extensive security precautions probably give him only a slightly better than even chance of staying in power through the end of this year. Increased international pressure would further reduce his chances for survival, in our view. A critical factor in our assessment is the reliability of Qadhafi's security forces. There is no sign that the US strike has weakened the loyalty of the Jamahiriya Guard--his hand-picked coup protection force--or other internal security elements.

There are several factors that would further weaken Qadhafi's hold on power. The one of most immediate concern would be his failure to recover fully from the shock of the US attack. Continuing international isolation and constraints on his activity would further erode Qadhafi's already diminished sense of self-esteem since the strike.

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[REDACTED] Additional US military action, particularly if it focused on attacking Jamahiriya Guard facilities and other symbols of regime support, would encourage potential plotters to try to oust him, in our judgment.

Short of another military strike, a conviction that Qadhafi is losing control could prompt increased infighting among members of his inner circle. We anticipate that such activity would



include tribal supporters of both Qadhafi and Jallud. In our view, Jallud, one of the leading beneficiaries of Qadhafi's radical political and economic policies, would have little interest in taking on Qadhafi directly unless he believed that his position--or life--were in danger. Moreover, Qadhafi probably realizes that removing Jallud could provoke reprisals by Jallud's supporters, divide Libya's radical faction, and remove a political counterweight to the more pragmatic military officers.

Nevertheless, we cannot rule out the possibility that Jallud's efforts to maintain a high profile could result in additional instances where Qadhafi publicly humiliates his senior deputy. At some point, this may provoke Jallud's supporters to use violence against Qadhafi's tribesmen. Qadhafi could respond by attempting to purge Jallud and his supporters, triggering additional tribal conflicts that would sap the already diminished strength of the regime. At a minimum, Jallud's other opponents--especially the pragmatic elements in the armed forces--would be encouraged to continue working against Jallud as Qadhafi's successor.

Qadhafi always has the option of throwing potential plotters off balance by adjusting the domestic political structure. Curtailing the heavyhanded and radical activities of the Revolutionary Committees to supplement the increased prominence he is giving pragmatic military officers exemplifies the type of action Qadhafi could take to buy time for his regime. He could support this reversal in policy by extending his apparent suspension of direct Libyan involvement in terrorist attacks.

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So far, however, Qadhafi has found reasons to avoid making the substantive policy changes required to ensure his political survival over the long term, probably because he believes backtracking on two of his most cherished objectives--creating a radical culture in Libya and achieving political predominance among Third World revolutionaries--is equally risky.

[REDACTED]

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Appendix A

Qadhafi's Economic Woes

Widespread dissatisfaction with the declining standard of living remains at the root of Qadhafi's diminished domestic fortunes. [REDACTED] Libyans are fed up with unprecedented shortages of food and consumer goods. [REDACTED]

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Libyans are using various means to adapt to the economic decline. Hoarding has become a way of life for most and, [REDACTED] a thriving black market has evolved, despite government efforts to suppress such activity. As an indication of the extent of these illegal activities, Qadhafi is making hoarding a political issue to try to deflect blame for economic problems and to weed out what he regards as "counterrevolutionary" elements in Libya. The Libyan leader is publicly claiming that hoarding by "fat cat" entrepreneurs is causing the shortages. [REDACTED]

Behind Libya's inability to recover from its economic downturn are constraints imposed by the continuing soft oil market. Crude oil earnings which provide virtually all of Libya's foreign exchange earnings are projected to total only \$4-5 billion this year compared with a high of \$22 billion in 1981. Although Libyan oil production increased during May and June to 1.3 million barrels per day, [REDACTED]

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[REDACTED] With the US companies leaving, exports could drop off by as much as 200,000 barrels per day, while the Libyans make preparations to market the oil themselves. The financial benefits of increased production, however, have been mitigated by discounts Tripoli has had to offer to obtain buyers. For example, Tripoli has had to discount its crude oil by as much as \$1.50 per barrel below spot prices of \$10 per barrel to sustain increased exports. [REDACTED]



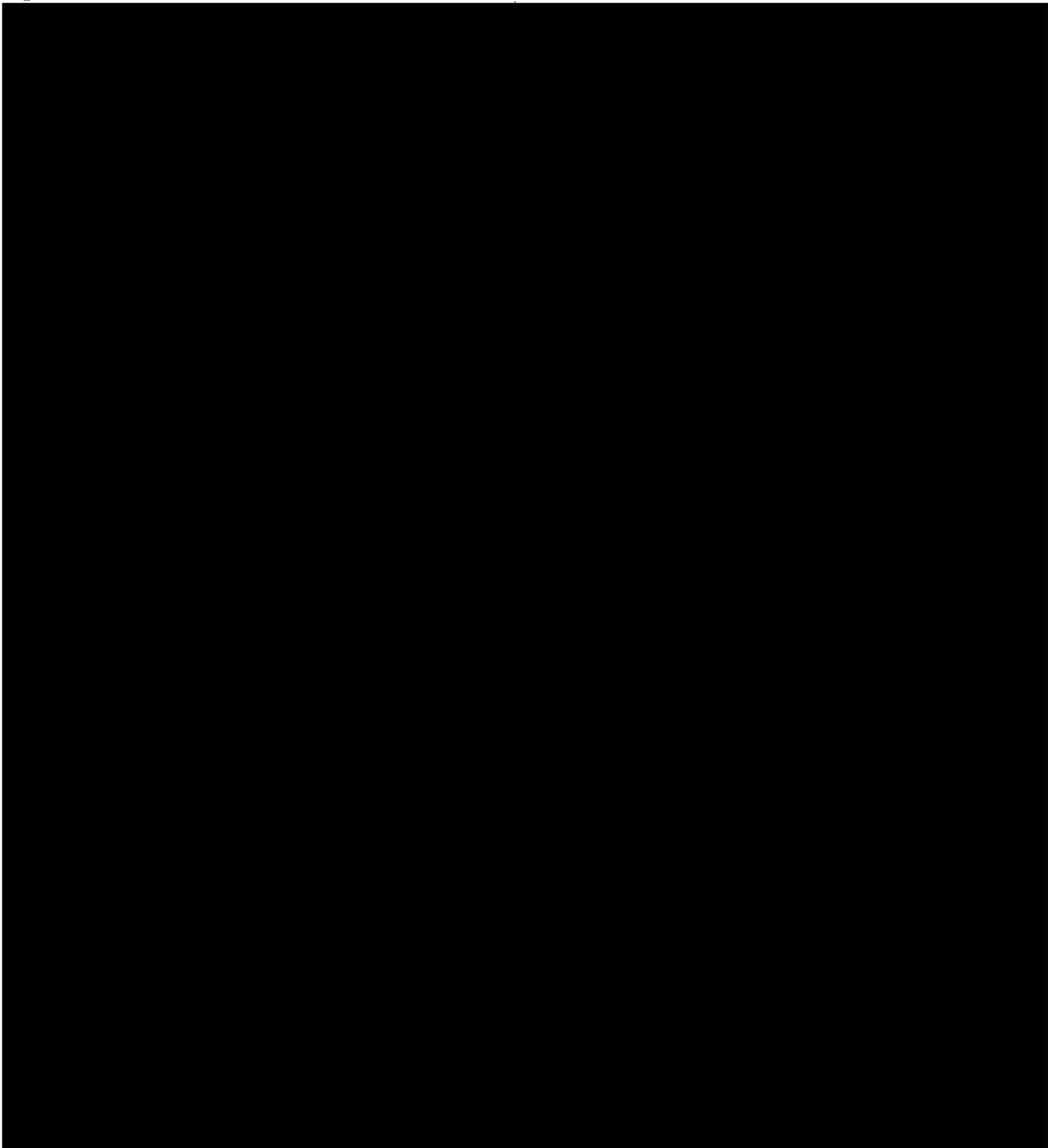
These compelling constraints are causing Libya to impose increasingly harsh austerity measures. [REDACTED]

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[REDACTED] the Libyans are mothballing an aluminum smelter and steel mill, two of Qadhafi's most prestigious development projects. [REDACTED]



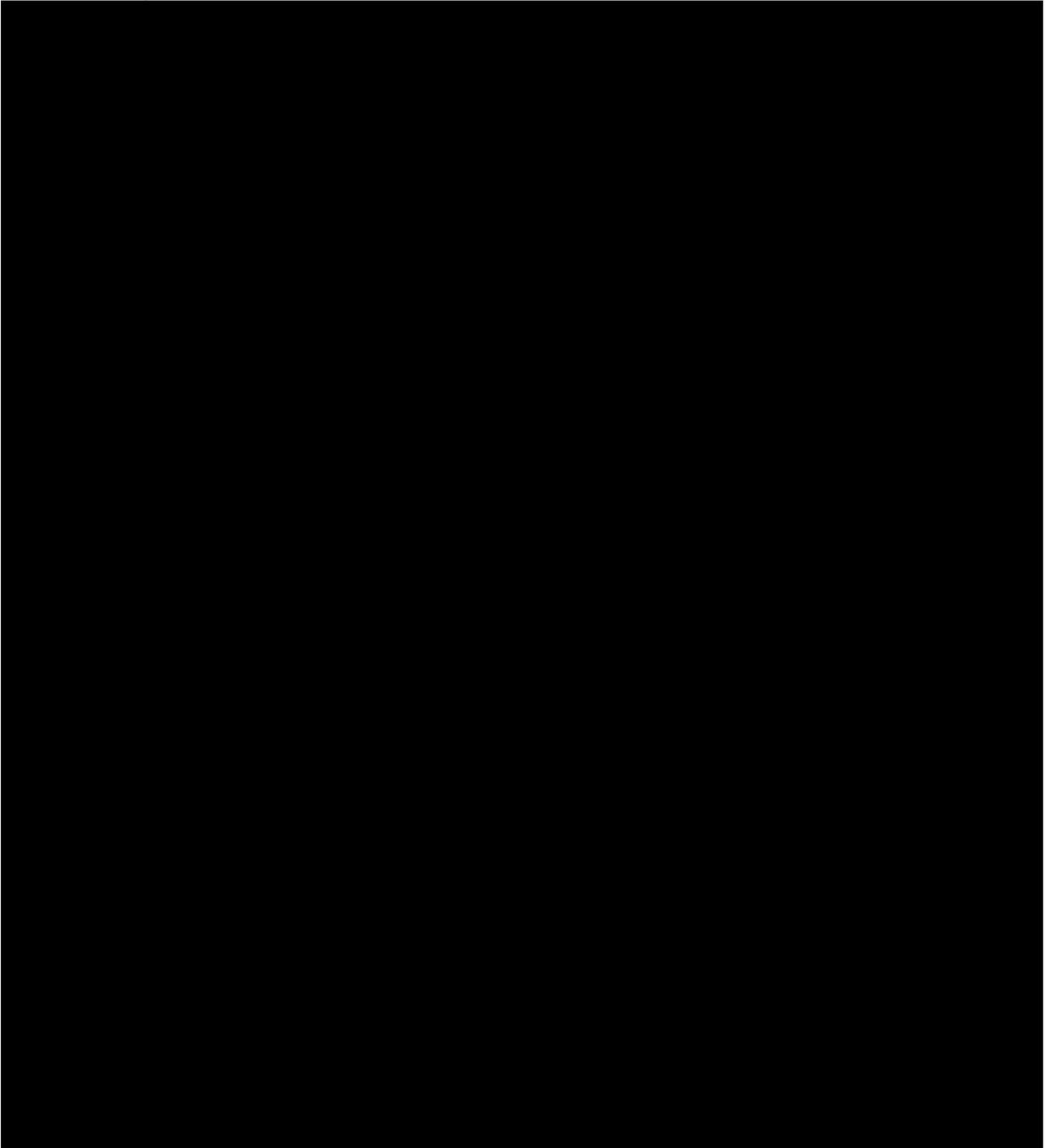
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Appendix C

Prospect for Libyan Terrorism

Qadhafi has largely put terrorist operations on hold since the US airstrike, probably because of Tripoli's uncertainty over US and West European reactions to another Libyan-supported attack.

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There are other reasons for the lull in Libyan terrorist activity. Heightened sensitivity to the Libyan terrorist threat among security forces worldwide has prompted increased vigilance and international cooperation in monitoring suspected Libyan operatives, particularly in Western Europe.

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This effort has been further necessitated by Tripoli's decision to reduce its diplomatic and intelligence presence worldwide to save scarce foreign exchange.

Libyan terrorist capabilities also have been diminished by intensified bureaucratic rivalries since the US strike.

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Despite these temporary tactical difficulties, the underlying considerations motivating Qadhafi's commitment to terrorist violence have not changed. His speeches and actions indicate that he continues to regard himself as a preeminent revolutionary



whose mission includes using violence to subvert US and other Western interests. Moreover, Qadhafi's room to moderate his terrorist tactics is constrained by his continuing dependence on Libya's radical faction as his most reliable source of political support. [REDACTED] Qadhafi recognizes that backtracking on terrorist policies for lengthy periods would undermine the revolutionary fervor of these radicals and possibly even their commitment to the regime. [REDACTED]

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Qadhafi may already be taking steps to reassure the radicals of his continuing commitment to terrorism. The recent killing by masked gunmen of a Libyan exile in Paris linked to former King Idris coincided with the revolutionary committee's symbolic burning of a house in Tripoli formerly occupied by a relative of the deposed monarch. [REDACTED]

Libyan agents reportedly also continue to surveil and plan attacks on US and other targets. Nevertheless, we believe future terrorist attacks sponsored by Qadhafi against US targets will most likely be carried out by surrogate groups in order to disguise the Libyan hand. Tripoli's reliance on surrogates [REDACTED]

[REDACTED] greatly increases the chance of a sudden, successful attack in which the detection of Libyan involvement would be virtually impossible. Qadhafi will probably be less constrained with hiding Libyan involvement and more likely to sanction direct attacks on Libyan exiles and moderate Arab and African targets because of the diminished likelihood of US and Western retaliation. [REDACTED]