

FILE

25X1

SUBJECT: Libyans in Western Europe: Status and Implications
of Personnel Reductions [redacted]

25X1

NESA M#86-20134

DISTRIBUTION:

EXTERNAL:

- 1 - Elaine Morton (NSC)
- 1 - Ronald C. St. Martin (NSC)
- 1 - James Stark (NSC)
- 1 - Michael Ussery (State Department)
- 1 - Morton I, Abramowitz (State Department)
- 1 - Arnold Raphel (State Department)
- 1 - Lt. Gen. Leonard Perroots (Pentagon)
- 1 - Rear Admiral Thomas A. Brooks (Pentagon)
- 1 - Douglas P. Mulholland (Treasury)

INTERNAL:

- 1 - DIR/DCI/DDCI/Exec Staff
- 1 - DDI
- 1 - ADDI
- 1 - NIO/NESA
- 1 - CPAS/ILS
- 6 - CPAS/IMC/CB
- 1 - C/PES
- 1 - NID Staff
- 1 - PDB Staff
- 1 - D/NESA
- 1 - DD/NESA
- 1 - C/PPS/NESA
- 2 - PPS/NESA (One copy to analyst to source [redacted])
- 1 - NESA/IA
- 1 - NESA/PG
- 1 - NESA/SO
- 1 - NESA/AI
- 2 - NESA/AI/M

DATE 8/26/86 FILE

DOC NO NESA M 86-20134

OIR 3

P & PD 1

25X1

DDI/NESA/AI/M/[redacted] 26 August 1986

25X1

[redacted]

25X1

25X1



Central Intelligence Agency



Washington, D.C. 20505

DIRECTORATE OF INTELLIGENCE

26 August 1986

Libyans in Western Europe:
Status and Implications of Personnel Reductions



25X1

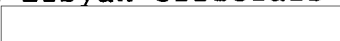
Summary

Libya decided to reduce its official overseas presence in late 1983. The move was prompted by deteriorating economic conditions and a shifting of economic priorities; Tripoli believed personnel reductions at diplomatic establishments abroad would save foreign exchange for costly showcase development projects at a time when declining world oil prices were significantly reducing Libyan revenues.



25X1

Bureaucratic haggling over control of popular overseas assignments delayed implementation of personnel reductions until after the US airstrike last April. Since then, Libyan leader Qadhafi has accelerated implementation of the reduction as a means of covering his embarrassment over the widespread West European crackdown on Libyan officials involved in terrorist activities.



25X1

Nevertheless, personnel withdrawals and expulsions by West European governments--reducing the number of Libyans assigned to People's Bureaus there by two-thirds--have not lessened the Libyan terrorist threat. Tripoli probably is using the personnel shifts to confuse Western intelligence services about the identity of Libyan operatives and to cover its transfer of terrorist support functions from diplomats to agents using nonofficial cover. In some cases, Libya has even

This memorandum was prepared by [redacted] the Maghreb Branch, Arab-Israeli Division, Office of Near Eastern and South Asian Analysis and [redacted] Arab-Israeli Division, Office of Near Eastern and South Asian Analysis. Information as of 22 August was used in its preparation. Questions and comments should be directed to Chief, Arab-Israeli Division [redacted].

25X1

25X1

25X1

NESA M# 86-20134



25X1



25X1

25X1

[Redacted]

attempted to reassign diplomats who previously had been withdrawn. [Redacted]

25X1

* * * * *

Recent reductions in personnel at Libyan diplomatic establishments in Western Europe are part of a program initiated by Tripoli in late 1983 and early 1984 to cut back on official presence worldwide.¹ As early as late 1983 Tripoli was ordering its diplomatic missions to cut back on local hires [Redacted]

25X1

Qadhafi tentatively decided in February 1984 to close over 50 People's Bureaus during the following year. At the same time, the General People's Congress--the legislative body created by Qadhafi in the late 1970s to legitimize his revolution--rubber stamped his decision to reduce the number of Libyans serving abroad, according to press. [Redacted]

25X1

Behind Libya's decision to reduce its diplomatic presence in 1983 was its perception that the People's Bureaus were draining scarce financial and administrative resources [Redacted]

25X1

[Redacted]. We believe that Qadhafi was particularly concerned in late 1983 about financing his costly showcase development project--the \$7 billion Great Man-Made River--at a time when he was facing increasing domestic political and economic difficulties. Qadhafi made the project a centerpiece of 1 September ceremonies commemorating the 16th anniversary of his takeover in Libya. [Redacted]

25X1

[Redacted] Reducing the number of Libyans abroad was only part of a package of budgetary proposals designed to generate revenue for the project [Redacted]

25X1

Libya's increasing economic difficulties since the initial drawdown proposal ensured that the issue would remain at the top of Qadhafi's economic agenda, in our view. Although the Foreign Affairs Secretariat, which operates Libya's diplomatic establishments, spent only 2.6 percent of the Libyan budget last year, the Secretariat's administrative costs almost doubled

¹ Libya has replaced most of its embassies by "People's Bureaus," manned largely by noncareer diplomats, since 1979, as part of a reviewed campaign by Qadhafi to institutionalize his revolution.

[Redacted]

25X1

[Redacted]

25X1

between 1984 and 1985

[Redacted]

25X1

[Redacted] At the same time, constraints imposed by the soft oil market reduced Libyan foreign exchange earnings to only \$11.5 billion compared with a high of \$22 billion in 1981. We project these earnings to fall to about \$5-6 billion this year, primarily because of the continuing decline in world oil prices. [Redacted]

25X1

25X1

Why the Delay?

Until this year Qadhafi hesitated to implement the reductions, probably in part because his decision was complicated by infighting in the Libyan bureaucracy over who would control assignments to the declining number of overseas positions.

[Redacted]

Abd al-Salam

25X1

Turayki--a longtime professional diplomat and Foreign Secretary from 1984 to 1986--argued for the appointment of only career diplomats as a means of minimizing the damage to Libyan interests that could result from egregious actions by the radicals. [Redacted]

25X1

[Redacted] he reportedly was opposed by influential members of the Revolutionary Committees, the radical group that promotes Qadhafi's philosophies of revolution and terrorist policies abroad, who apparently argued that proven revolutionary fervor and loyalty should be the principal qualifications for such assignments. [Redacted]

25X1

25X1

We believe that Qadhafi probably saw merit in both arguments; he almost certainly recognized that staffing the People's Bureaus primarily with inexperienced radicals would risk another debacle such as occurred in London in 1984, when young zealots firing from the People's Bureau killed a British policewoman and precipitated a break in relations. On the other hand, Qadhafi generally regards professional diplomats as untrustworthy and too conservative; as early as 1979 he had begun institutionalizing positions for radicals abroad to ensure and promote revolutionary fervor among People's Bureau staffs. [Redacted]

[Redacted]

25X1

In any event, the result of Qadhafi's indecision was compromise and stalemate at lower levels of the political heirarchy; [Redacted]

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

[Redacted]

25X1

Tripoli apparently only began final preparations for a cutback after ruling out other options for reducing the Secretariat's expenditures. [Redacted] the Foreign Affairs Secretariat began focusing increased attention on personnel reductions again last fall. [Redacted]

25X1

25X1

[Redacted] this action had been preceded by consideration of such cost cutting proposals as paying diplomats in local currencies instead of US dollars, reducing salaries of People's Bureau staffs, and curtailing foreign travel by officials stationed overseas. These proposals, however, met stiff resistance by diplomats overseas and officials in the Secretariat [Redacted]

25X1

25X1

Impact of US-Libya Tensions

25X1

We believe that the US airstrike last April and the subsequent European Community (EC) decision to limit the number and activities of Libyan diplomats in EC countries forced Qadhafi's hand. [Redacted]

25X1

[Redacted]

25X1

[Redacted] Tripoli began recalling nearly all foreign service, diplomatic and staff personnel from posts around the in May 1986. Many personnel, however, have persuaded Tripoli to exempt them from the recall apparently using as justification arguments that their departure would undermine Libya's local foreign policy objectives. [Redacted]

25X1

25X1

The Libyan drawdown apparently is being most fully implemented in Western Europe. [Redacted] the number of Libyan diplomats and staff personnel serving in West European countries has declined by about two-thirds from over 450 to about 150 since the US airstrike--more than any other area. (see Figure 1 and Figure 2) The widespread expulsions of Libyans by West European countries have contributed to the decline. [Redacted]

25X1

25X1

Implications for Libyan Terrorism

In our judgment, disruptions in People's Bureau operations resulting from personnel reductions and expulsions are a factor in Libya's reduced level of terrorist support activity since the

[Redacted]

25X1

[redacted]

25X1

airstrike. Libya has traditionally used its People's Bureaus as support bases for terrorist activities. [redacted]

25X1

[redacted] report confusion in the People's Bureaus over lines of authority and who was effected by the recall. Personnel in at least one location, for example, initially refused to obey instructions from Tripoli to return, thereby precipitating the temporary closure of the People's Bureau [redacted]

25X1

25X1

[redacted] at least some planning for terrorist operations was put on hold because of these difficulties. In addition, the reduced Libyan presence probably simplified surveillance for West European intelligence services, thereby further undermining Libyan capabilities for terrorism. [redacted]

25X1

25X1

Despite these gains, we believe that the disruptive impact of personnel reductions on terrorist operations will only be temporary. Senior Libyan officials responsible for coordinating terrorist operations are already considering alternatives to the People's Bureaus as bases of support for terrorism [redacted]

25X1

[redacted]. Libya's many commercial enterprises in Western Europe--particularly the Libyan Arab Foreign Investment Company (LAFICO) and Libyan Arab Airlines--offer attractive options for coordinating such operations, in our view (see Figure 3 and Figure 4). [redacted]

25X1

25X1

[redacted]

25X1

Placing operatives under student cover is another alternative for Libyan planners, in our view. [redacted]

25X1

[redacted] Libya has large student populations in the United Kingdom, West Germany, Spain, Greece, and Italy. [redacted]

25X1

[redacted] Libyan students in the United Kingdom already have been given intelligence tasks, probably because the UK's breaking relations in 1984 resulted in the closure of the People's Bureau. [redacted]

25X1

25X1

[redacted] Tripoli implemented a program earlier this year for training Libyan students in terrorist operations. [redacted]

25X1

25X1

In addition, Libya is maintaining a reduced intelligence presence in its People's Bureaus, probably for operational reasons and in the belief that Western European countries will eventually relax their tight security. If Tripoli perceived a trend toward diminished West European support for US policy on Libya, it probably would try to step up efforts to rebuild its terrorist and intelligence support network at its diplomatic

[redacted]

25X1

[Redacted]

25X1

25X1

establishments there. [Redacted] Tripoli already is attempting to return some radicals to diplomatic posts they held prior to their withdrawal. [Redacted]

25X1

25X1

A decision to strengthen the terrorist support apparatus in the People's Bureaus would also be influenced by the outcome of infighting in Tripoli between traditional diplomats and radicals favoring terrorism as a political tool. [Redacted]

[Redacted] disputes between revolutionaries and the Foreign Secretariat over the appointment of officials abroad are continuing.

25X1

[Redacted] the radicals are regaining the upperhand after having had their influence reduced in the immediate aftermath of the US airstrike. [Redacted]

25X1

25X1

The posting of additional radicals to People's Bureaus in Western Europe would increase the threat of Libyan-backed terrorism against US personnel and facilities there. On the other hand, the egregious activities of these radicals probably in time would strengthen US arguments in Western Europe for maintaining and even increasing pressure on Qadhafi. [Redacted]

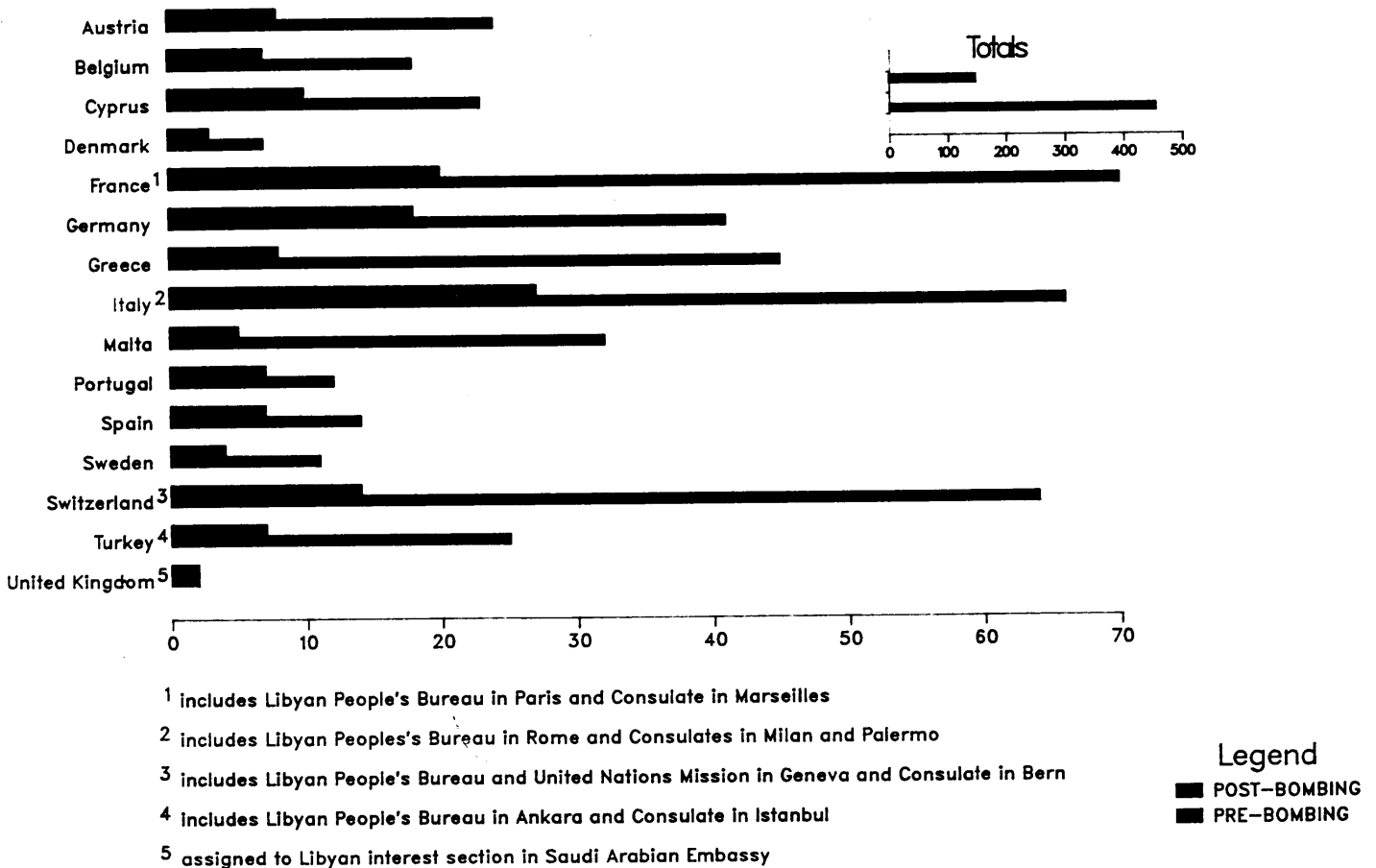
25X1

[Redacted]

25X1

FIGURE 1.

Libya's Declining Diplomatic Presence in West European Countries



Libya's Declining Diplomatic Presence in Western Europe

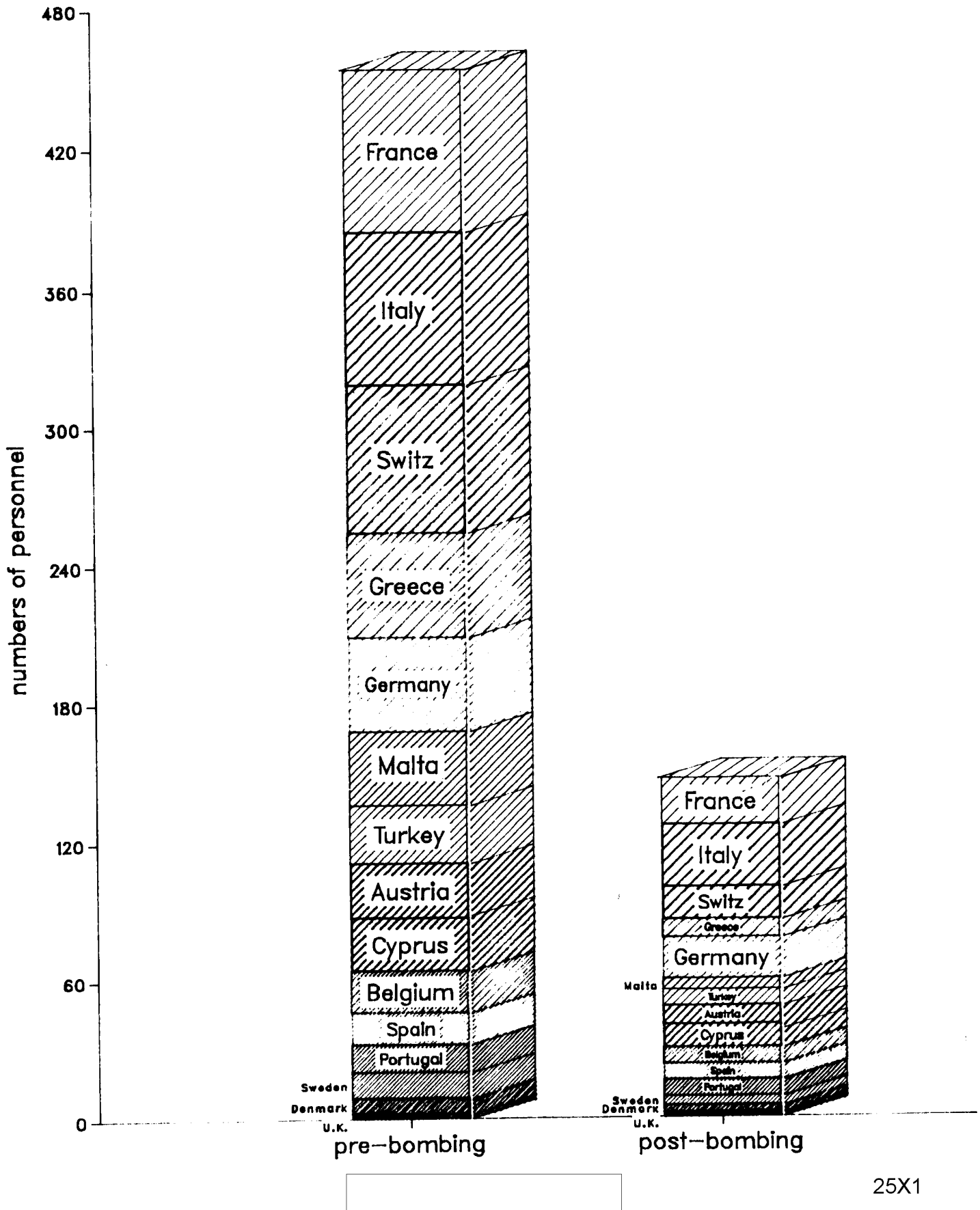


FIGURE 3.

Sanitized Copy Approved for Release 2011/03/24 : CIA-RDP86T01017R000302990001-7

LIBYAN ARAB FOREIGN INVESTMENT Co. AFFILIATES IN WESTERN EUROPE

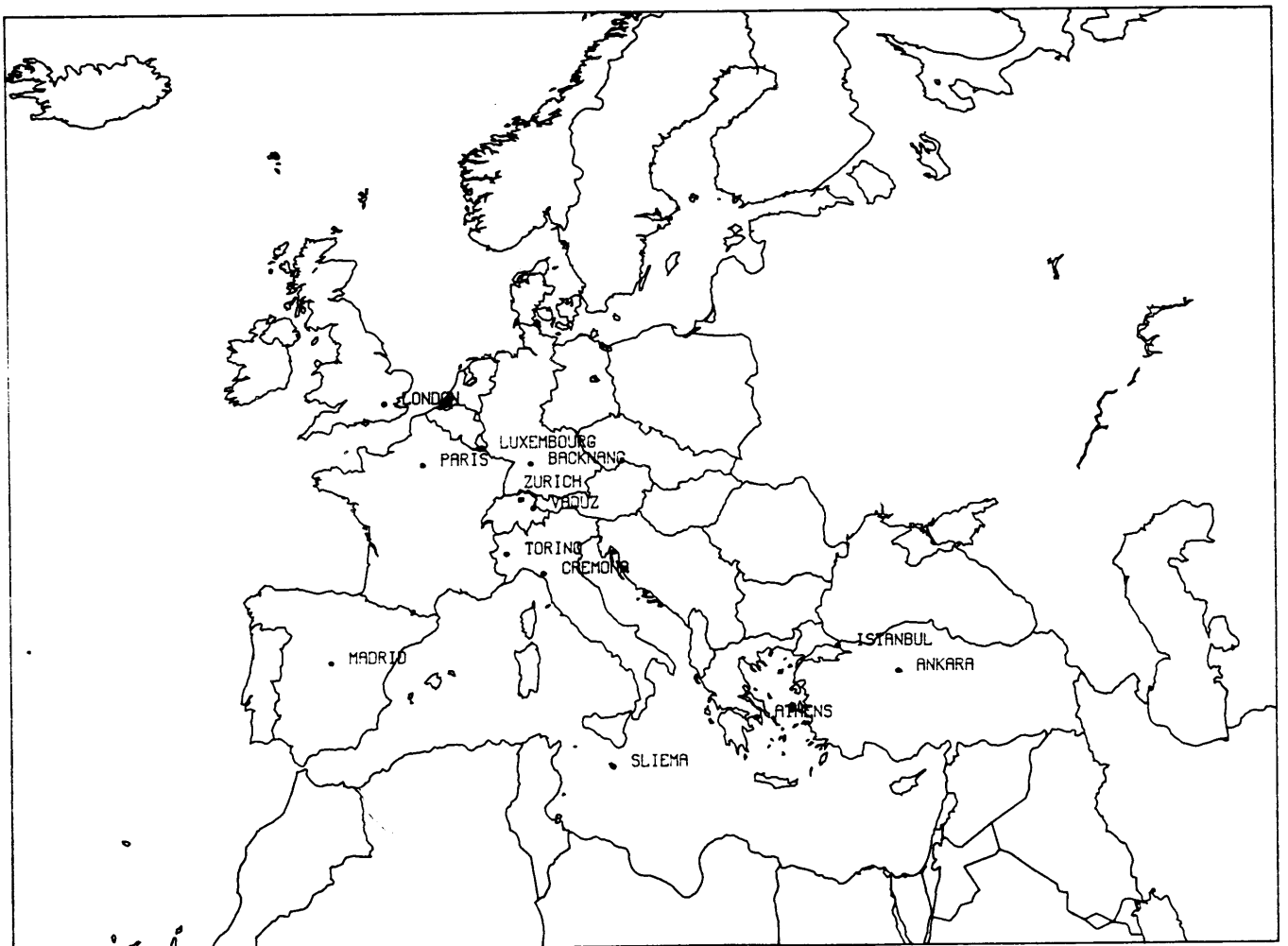


FIGURE 4.

Sanitized Copy Approved for Release 2011/03/24 : CIA-RDP86T01017R000302990001-7

Libyan Arab Airlines Offices in Western Europe

