

# CRS Issue Brief for Congress

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## Libya

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## Libya

### SUMMARY

The United Nations Security Council passed three resolutions that placed sanctions on Libya until Libya surrendered for trial two men suspected of bombing Pan Am flight 103 in 1988 and French flight UTA 772 in 1989. Libya surrendered the two men on April 5, 1999, and the U.N. suspended the sanctions the same day. U.S. sanctions against Libya remain in place.

Libyan-U.S. relations have been plagued by a series of incidents between U.S. and Libyan armed forces, Libyan policies of supporting terrorism, Libya's search for chemical and nuclear weapons, and Libyan meddling in other nations' internal affairs. Al-Qadhafi has proposed bilateral and multilateral unions with his neighbors and several other countries, and envisions himself as carrying on for Egypt's Nasir in unifying the Arab, Islamic, and African worlds.

Libyan leader Muammar al-Qadhafi implemented a form of participatory democracy in Libya, where villages elect Peoples' Congresses, which in turn elect Peoples' Congresses for geographic regions and the central government. In addition, there are Peoples' Congresses representing industries or institutions, such as education, medicine, or broadcasting. Despite the presence and apparent activity of the Peoples' Congresses, it is clear that members of the Revolutionary Command Council, created after the 1969 coup, and their cohort continue to exercise great influence, perhaps dictatorial authority, over Libya.

Libya's economy depends upon oil; current production is running at 1.4 million

barrels per day of high quality crude, most of which is exported to Western Europe.

About 1% of Libya's land is arable, and that soil is poor; Libya imports 75% of its food. The Great Man-made River project, started in 1983 and inaugurated in 1991, pipes Saharan aquifer water to the coastal region to expand the agriculture base. Libya enjoys a favorable balance of trade and payments, and runs a small budget deficit.

Al-Qadhafi has used his military in a 1977 border dispute with Egypt, in 1972 and 1978 attempts to buttress Idi Amin in Uganda, in several attempts to influence events in Chad, and in a token deployment in Lebanon.

### Libya

**Size:** 1.8 million square kilometers (slightly larger than Alaska)

**Population:** 5.6 million, growth rate 3.6% per yr.  
97% Sunni Muslim

76% literacy rate

1 million person labor force (280,000 of whom foreign)

**Economy:**

GDP = \$45.4 billion (2000)

GDP per capita = \$8900 (2000)

GDP growth rate = 6.5% (2000) fluctuates

Inflation rate = 18.5% (2000)

Unemployment rate = 30% (2000)

Imports = \$7.6 billion (2000)

Exports = \$13.9 billion (2000)

Government Budget revenues= \$6.85 bl (2000)

Government Budget expenditures= \$4.4 bl (2000)

Foreign debt = \$4.1 billion (2000, excludes military)

## **MOST RECENT DEVELOPMENTS**

The Bulgarian news agency reported on January 18 that the five nurses convicted of spreading AIDS among Libyan children had filed a claim for compensation for torture against the government of Libya. Two of the nurses said their confessions resulted from torture. The five nurses and a Palestinian doctor were found guilty and sentenced to death in May 2004.

Section 113, Title I, Division J of the FY2005 omnibus appropriations bill (P.L. 108-447, signed on December 8, 2004) allows the Export-Import Bank to provide loans, insurance, credits, and guarantees to Libya providing the President determines that it is in U.S. national security interests to do so. On December 10, President Bush waived some tax restrictions on U.S. companies doing business with Libya.

## **BACKGROUND AND ANALYSIS**

### **U.S. Relations**

The United States did not oppose the 1969 government change in Libya because the Revolutionary Command Council (RCC) was anti-Soviet and reformist. Even the RCC determination to hasten the scheduled British and U.S. departure from Libyan military bases and the RCC pressure on U.S. and other foreign oil companies to concede higher royalties and shared production ownership did not foul U.S.-Libyan relations. But, Libyan-U.S. relations turned sour by 1973, when the United States withdrew its ambassador to protest Libya's support for revolutionary and terror groups. There is speculation that Libyan-U.S. relations could improve in the wake of the December 2003 weapons announcements.

### **Current U.S.-Libyan Issues**

**Reopening Relations.** On February 11, 2004, the United States opened a two-person interest section at the Belgian embassy in Tripoli. The White House announced on February 26, 2004, that the Secretary of State rescinded the ban on using U.S. passports in Libya, that the U.S. Treasury will permit U.S. citizen expenditures inside Libya, that U.S. companies were free to negotiate re-entry into Libyan markets, that Libya was being invited to open a diplomatic interests section in Washington, and that the United States would begin exploring joint humanitarian projects with Libya. On June 28, 2004, the United States and Libya formally opened Liaison Offices in their respective capitals.

On September 20, 2004, President Bush issued an Executive Order that ended the economic sanctions against Libya, allowing air flights between the two countries, permitting Libyan purchases of U.S.-built aircraft, unfreezing approximately \$1 billion in Libyan assets in the United States, and ending other economic sanctions. Libya remains on the terrorism list that precludes transfers of military equipment, weapons, or dual use items. The Libyan-set deadline for paying compensation to the 270 victims of the 1988 Pan Am 103 bombing was set to expire on September 22. Libya had extended the deadline twice in April and July.

The victims' families have received \$8 million each and might receive an additional \$2 million if Libya is removed from the U.S. terrorism list.

**Unconventional or Mass Destruction Weapons.** Beginning in the mid-1970s, Libyan leader Muammar al-Qadhafi stated that the Arabs needed a nuclear weapons capability to match Israel's and, according to reports, tried to buy nuclear weapons or technology from China, India, Pakistan, the Soviet Union, Argentina, and others. The Soviets built a small research reactor in Libya in 1981. In a January 2003 interview, al-Qadhafi said Libya did not need nuclear weapons. It was reported that Libyan forces used chemical weapons against the Chadian forces during the 1986-1987 fighting.<sup>1</sup> In March 1990, the United States and Germany accused Libya of building a chemical weapons center at Rabta, and in February 1993, the United States said Libya was building another chemical weapons plant at Tarhunah.<sup>2</sup> The United States banned the export to Libya of any chemicals or equipment that could be used in the manufacture of weapons.

On December 19, 2003, Libyan Foreign Minister Abd al-Rahman Shalqam announced that Libya was ending its programs intended to produce chemical and nuclear weapons, would dismantle its facilities and all weapons, and would invite international inspectors to verify that the programs were terminated. Libya also said it would join the Chemical Weapons Convention. United Kingdom Prime Minister Tony Blair and U.S. President George Bush followed the Libyan announcement with statements confirming that the three nations had been working together since Libyan representatives had approached British officials during the Pan Am 103 negotiations in March 2003 to reach an agreement on a procedure to dismantle the Libya weapons program. Observers speculated on why Libya took the step: some suggested that Libya wanted to end the economic sanctions that were crippling the Libyan economy and preventing increased oil production. Others suggested that Libya was trying to avoid an invasion and occupation similar to what is happening to Iraq. Some speculated that Libya knew that U.K. and U.S. intelligence services had discovered irrefutable proof of the Libyan program and Libyan leaders wanted to avoid international embarrassment from disclosure. Others suggested that the end of the Saddam Husayn regime in Iraq had ended the Iraqi threat to the region and reduced Libya's need for defensive weapons. Others suggested that al-Qadhafi and other Libyan leaders had realized the futility of armed force and sought peaceful ways. Whatever the reason, Libya invited other nations to follow its example and forswear unconventional weapons.

U.K., U.S., and U.N. Officials secretly had visited Libya for three weeks in October and December 2003, to inspect Libyan sites and documents and interview Libyan scientists. According to press reports, the inspectors said the Libyan nuclear weapons program was "nascent but active."<sup>3</sup> Gary Samore, a nuclear expert at the Institute for International and Strategic Studies, said: "The Libya nuclear program was never considered a serious

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<sup>1</sup> See *Washington Post*, December 23, 1987, or *Christian Science Monitor*, January 5, 1988.

<sup>2</sup> CRS Report 96-849 [out of print], *Libya: Suspected Chemical Weapons Facility at Tarhunah*; please contact the author, Clyde Mark, at 7-7681 for copies.

<sup>3</sup> Slavin, Peter and Walter Pincus, "Libya Made Progress in Nuclear Goal," *Washington Post*, December 21, 2003.

threat.”<sup>4</sup> Most reports suggested that Libya was several years away from a deliverable weapon. The chemical weapons program was described as ten years old. The International Atomic Energy Agency report following a December 2003 inspection said the Libyan nuclear program was “haphazard.” On January 14, 2004, Libya ratified the nuclear test ban treaty and announced that it would join the Chemical Weapons Convention.

**1988 Pan American Airlines Flight 103 Explosion.** On December 21, 1988, a bomb exploded on Pan Am flight 103 en route from London to New York killing all 244 passengers and 15 crew on board and another 11 people in the town of Lockerbie, Scotland. Early suspicions, according to press accounts, fell on the Syrian-based Popular Front for the Liberation of Palestine - General Command or the government of Iran; the latter was suspected of seeking revenge for the U.S. Navy shooting down an Iran Air flight over the Persian Gulf in July 1988. On November 14, 1991, the United States and Scotland indicted 2 Libyans described as intelligence officials for their roles in the bombing. The remains of Swiss timing devices furnished to Libya were the evidence behind the indictments. (See *Middle East Economic Digest*, April 17, 1992.) The two men indicted were Abd al-Baset Ali al-Megrahi and Al-Amin Khalifah Fhimah, both described as Libyan intelligence agents.

**1989 Explosion of UTA 772.** On September 19, 1989, a mid-air explosion killed 171 passengers and crew of the French airline UTA flight 772 over Niger in Africa. On March 10, 1999, a French court found six Libyans guilty in absentia for bombing the DC-10 aircraft. Libya paid a total of \$33 million in compensation to the victim’s families in July 1999. France re-negotiated the settlement in 2003 and received about \$1 million for each victim.

**The Pan Am 103 Trial Preliminaries.** The United States and the United Kingdom rejected 1993 and 1994 Libyan offers to send the two men to the Arab League or a neutral site for trial, such as Egypt, Switzerland, or the Netherlands. In August 1994, Libya accepted a proposal offered by an Edinburgh law professor that the two be tried at the Hague by Scottish judges following Scottish procedures and law. On August 24, 1998, the United Kingdom and the United States, and the families of some victims, accepted the Libyan offer for a trial in the Hague under Scottish law. Libya reconfirmed its agreement on August 26. After extensive negotiations, which at times included Egyptian, Saudi, South African, and other national leaders, U.N. Secretary-General Kofi Annan delivered assurances to Libya on February 17, 1999, that the trial would be limited to the two suspects and would not address the issue of Libyan government involvement, that the two suspects would not be interrogated by British or American authorities, and that the two men, if convicted, would serve their terms in Scottish jails under U.N. monitoring. (The assurances were reported in the press; Secretary-General Annan’s letter was not released to the public until August 25, 2000.) Some people representing the victims apparently believed that the letter proved their contention that the United States, Britain, and Libya struck a deal to limit the trial to the two men, which in turn amounted to granting immunity for the government of Libya.

Libya accepted the assurances, and the two men were transferred to the Netherlands for trial on April 5, 1999. The same day, the United Nations suspended, but did not drop, the

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<sup>4</sup> Slavin, Peter and Glenn Frankel, “Bush and Blair Hail Results of Nine Months of Secret Talks,” *Washington Post*, December 20, 2003.

sanctions against Libya pending Libyan cooperation with the court. The Secretary-General reported on June 30, 1999, that Libya was cooperating but did not recommend permanently dropping the sanctions. On December 9, 1999, the Judge ruled against a defense motion to drop the murder conspiracy charge because the alleged conspiracy did not take place in Scotland. The judge ruled that the conspiracy existed despite national borders. The two defendants pleaded not guilty on February 3, 2000. The judge granted a defense motion to delay the trial and set the trial date for May 3, 2000. On April 25, 2000, the judge denied a prosecution request for delay of several weeks to allow time to investigate the list of 119 witnesses presented by the defense.

***The Trial.*** The trial began on May 3, 2000, before a three judge panel, and no jury. A fourth judge attended in case one judge became incapacitated. Under Scottish law, the judges may find the defendants guilty, not guilty, or not proven, the last a verdict that frees the defendants without declaring them innocent. Camp Zeist, a former U.S. military base south of Amsterdam was declared temporary Scottish territory while the trial was in progress, and 200 Scottish policemen guarded the site. Each of the defendants was represented by counsel, and there were two prosecutors, the Lord Advocate and the Senior Counsel. The trial was conducted in English with Arabic translations for the defendants. The trial was televised to remote locations in Scotland, London, New York, and Washington, where victims families followed the proceedings.

In September 2000, the defense attacked the credibility of prosecution witness Abd al-Majid Giaka, a former Libyan intelligence agent who also worked for the CIA, who claimed that he saw the defendants with explosives and a suitcase at the Malta airport. In mid-October, the prosecution turned over to the defense evidence that reportedly implicated the Popular Front for the Liberation of Palestine-General Command (PFLP-GC) in the Pan Am 103 bombing. The defense, which has maintained since the trial began that the PFLP-GC was behind the bombing, asked for and received a delay in the trial to study the new evidence. On November 20, the prosecution rested its case, after 232 witnesses and 72 days of testimony. The court rejected a defense plea that there was no case to answer on November 28 and recessed the trial until January 2001.

The trial resumed on January 4, 2001, but the defense rested after only three days of testimony and three witnesses. Apparently, the defense believed that the three judges would determine that the prosecution had not presented a convincing case. In the opening argument on January 9, 2001, the prosecution asked that only the murder charge be considered and that the other charges be dropped. The defense began closing arguments on January 11 and completed its arguments on January 18. On January 31, 2001, the three judges declared al-Megrahi guilty, and Fhimah not guilty. Fhimah left the court immediately to return to Libya. After receiving two extensions, al-Megrahi filed an appeal on June 10, 2001, that was accepted by a judge in chambers. The prosecution does not have the right to appeal the Fhimah not guilty verdict.

Al-Megrahi's appeal, heard by a five-judge panel, began in the Netherlands on January 24, 2002. On February 6, 2002, the five judges agreed to hear new witnesses concerning allegations that someone broke into Heathrow Airport prior to Pan Am flight 103 and could have placed a bomb on board the aircraft. On March 14, the five judges rejected the appeal, and Megrahi was transferred to a Scottish prison where he will serve his life sentence. In

early 2003, al-Megrahi launched a second appeal based on an inadequate defense during the trial.

The trial cost about \$80 million, lasted 85 days, recorded over 10,000 pages of testimony, and heard 235 witnesses, only three of whom were called by the defense. The appeals process has cost an additional \$38 million, beginning in January 2001. It is assumed that families of the Pan Am 103 victims will file civil suits against Libya, and that the United States and the United Kingdom will seek compensation for the victims.

**U.N. Resolutions.** The United Nations Security Council has passed three resolutions concerning the Pan Am 103 and UTA 772 bombings. Resolution 731 of January 21, 1992, called upon Libya to extradite the two accused bombers. Resolution 748 of March 31, 1992, imposed some sanctions on Libya, such as a ban on Libyan aircraft flights, until Libya turns the two suspects over to British or U.S. authorities for trial. Resolution 883 of November 11, 1993, bans sales of oil equipment to Libya, and places a limited freeze on Libyan foreign assets.

Libya was able to move most of its foreign assets beyond the reach of the freeze called for in U.N. Resolution 883 during the two month-long debate over the Resolution. (The debate stretched out because Russia was hesitant to apply sanctions; Libya owes Russia about \$4 billion that would be more difficult to collect if tight sanctions were in place.) Also, the United States believed the sanctions would not be effective without a ban on purchasing Libyan oil. European countries, particularly Italy and Germany, rejected an oil embargo because they are more dependent upon light Libyan crude for their refineries. And, it was noted, a ban on oil equipment sales or oil purchases are difficult to enforce, as witnessed by similar sanctions against other countries.

**The Settlement.** According to May 1, 2003, press reports, Libyan Foreign Minister Abd al-Rahman Shalqam accepted responsibility for Libyan employees involved in the Pan Am 103 bombing. The press also reported that Libyan businessmen were collecting a \$2.7 billion fund to pay \$10 million to each of the 270 Pan Am 103 victims. The *Washington Post* reported on August 6, 2003, that Libya would pay the compensation and accept responsibility for the 1988 bombing if the United Nations and the United States dropped their sanctions and if the United States removed Libya from the terror list. The final settlement presented to the United Nations on August 15 called for a payment of \$4 million for each victim when the U.N. sanctions were dropped, another payment of \$4 million to each victim when the U.S. sanctions were dropped, and a final payment of \$2 million when the United States removed Libya from the terrorism list.<sup>5</sup> On April 21, 2004, Libya extended the deadline for the U.S. actions and the payments to the victims families to July 22, 2004, and extended the deadline a second time to September 22. Each victim's family has received \$8 million, thus far.

## Congressional Action

Congress applauded Administration actions against Libya and al-Qadhafi, such as placing Libya on the terrorism list in 1979, launching the air attack against Libya in 1986, or supporting U.N. Security Council Resolutions 731 and 748 in 1992 that applied economic

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<sup>5</sup> See CRS Report RS21601, *Libya: PanAm 103 Settlement*, by Clyde Mark.



sanctions against Libya until Libya extradited the Pan Am 103 suspects. P.L. 97-113, signed on December 29, 1981, condemns Libya for supporting international terrorism (Section 718). P.L. 99-83, signed on August 8, 1985, authorizes the President to prohibit imports from and exports to Libya (Section 504). P.L. 103-87, signed into law on September 30, 1993, listed Libya among the countries denied direct or indirect U.S. assistance or any International Organizations and Programs funds. And, Congress added Libya (Section 11) to H.R. 3107 (similar to S. 1228), which bans U.S. contacts with companies that invest in the Libyan oil industry (August 5, 1996, P.L. 104-172): the Iran-Libya Sanctions Act (ILSA) expired on August 4, 2001, but was extended by P.L. 107-24 of August 3, 2001.

On April 27, 2000, the Senate passed S.Res. 287 stating the sense of the Senate that Libya's refusal to accept responsibility for the Pan Am 103 bombing constitutes a danger to U.S. citizens, that the travel ban should remain in place, and that the President should consult with Congress on policy toward Libya.

## **U.S. Economic Sanctions Against Libya<sup>6</sup>**

Beginning in 1973, the United States introduced a series of over 20 sanctions against Libya that ban a wide variety of economic activities. Among the banned practices are transferring conventional weapons or chemicals that could be used in weapons manufacturing; providing direct or indirect foreign aid or aid to international organizations that might benefit Libya; importing crude or refined Libyan oil and exporting U.S. oil production or refining equipment; engaging in trade, credits, loans, Export-Import Bank transactions, or third country transactions with Libya; and liquidating or transferring Libyan property in the United States. Some of the sanctions were modified over the years; for example, classes of U.S. aircraft were added to the banned export list after Libya used commercial planes to move troops to Uganda. Another modification permitted five U.S. oil companies to negotiate a standstill agreement for their Libyan assets and to arrange for third country subsidiaries to operate their Libyan holdings, and the February 26, 2004, White House announcement permitted U.S. companies to negotiate contracts with Libya.

In addition, the United States led the United Nations effort to impose economic sanctions on Libya until Libya surrendered the two indicted intelligence agents charged with 1988 bombing of Pan Am flight 103 and bombing French UTA flight 772 in 1989.

On April 28, 1999, the United States ended the ban on commercial sales of food and medicines to Libya; humanitarian transfers of food and medicines to Libya were not affected by the commercial ban. (See *Federal Register* vol. 64, no. 147, August 2, 1999, p. 41789.)

President Reagan instituted a travel ban on Libya in 1981, which prohibited using a U.S. passport to travel to Libya, but the ban was dropped on February 26, 2004. On September 20, 2004, President Bush dropped the remaining sanctions on aircraft and aircraft parts, air flights, and access to Libyan assets in the United States. Only the terrorism list ban on transferring weapons remains.

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<sup>6</sup> See CRS Report RL32604, *Libya: Legislative Basis for U.S. Economic Sanctions*, by Dianne Rennack.

## Past Incidents in U.S.-Libyan Relations

**1973 Libyan Territorial Water Claim.** On October 11, 1973, Libya notified the U.S. State Department that the Gulf of Sidra was to be a closed bay and part of Libya's territorial waters. Under international practice the opening across a closed bay can be no more than 24 miles; the Gulf of Sidra opening claimed by Libya was over 300 miles across. Also, under international practice, Libya must have demonstrated continuous and open control over the bay that was recognized and accepted by other nations, conditions not met in the Libyan claim. The United States rejected the Libyan claim on February 11, 1974.

**1979 U.S. Embassy Burned.** On December 2, 1979, a mob, apparently inspired by the Iranian seizure of the U.S. embassy in Teheran the month before, attacked and burned the U.S. embassy in Tripoli; no U.S. citizens were killed or injured. The press reported that Libyan authorities did nothing to stop the mob. The embassy was closed permanently in May 1980, after a series of Libyan assassinations of Libyan dissidents in Europe. The U.S. Ambassador to Libya had been withdrawn in 1973 and not replaced.

**1980 Air Incident.** On September 16, 1980, a Libyan fighter aircraft fired at but missed a U.S. EC-135 reconnaissance plane over the Mediterranean. The United States took no retaliatory action.

**1981 Libyan Diplomatic Mission in Washington.** On May 6, 1981, the United States ordered the Libyan diplomatic mission (called the Libyan People's Bureau rather than embassy) in Washington closed because it was suspected that Libyan diplomatic personnel were involved in a wide range of illegal (or at least undiplomatic) activities, including terrorism and intimidating Libyan dissidents in the United States.

**1981 Air Battle.** On August 19, 1981, 2 Libyan SU-22 aircraft fired an "Atoll" air-to-air missile at 2 U.S. F-14 aircraft from the carrier Nimitz over the Gulf of Sidra. The Atoll missed but the F-14's did not; the U.S. Navy pilots shot down both Libyan aircraft. On October 15, 1981, the United States deployed 2 AWACS planes to Egypt to patrol the Egyptian-Libyan border area.

**1981 Assassination Attempts.** Shortly after the August 1981 aircraft incident, the press reported that Libyan "hit squads" had entered the United States to assassinate President Ronald Reagan. On October 25, 1981, U.S. Ambassador to Italy Maxwell Rabb was withdrawn from his post after U.S. intelligence sources discovered a plot to kidnap or assassinate the Ambassador. In November, someone fired at U.S. Ambassador to France Christian Chapman. Secretary of State Alexander Haig told a congressional committee that he suspected it was Libyans that fired the shots. (An earlier suspected Libyan assassination plan reportedly targeted U.S. Ambassador to Egypt Hermann Eilts in 1977.) Also in November, it was suspected that Libya was responsible for explosives discovered in music speakers for a U.S. embassy sponsored dance in Khartum, Sudan. On December 10, 1981, President Reagan banned U.S. travel to Libya and requested that all U.S. citizens leave Libya to avoid a hostage situation similar to Iran in 1979.

**1983 Air Incident.** On February 1983, the United States despatched 4 AWACS planes to Egypt to watch the Libya-Sudan border and monitor Libyan flights toward Sudan. 2 U.S. Navy F-14 fighters intercepted 2 Libyan fighters over the Gulf of Sidra in June 1983,

but neither side fired shots. In August, President Reagan deployed 2 AWACS planes and 8 F-15 interceptors to defend the AWACS to Sudan to monitor Libyan flights.

**1985 Rome and Vienna Airport Attacks.** On December 27, 1985, 20 civilians, including five U.S. citizens, were killed by simultaneous terrorist attacks at the Rome and Vienna airports. U.S. officials asserted that Libya was involved in the attacks.

**1986 Air and Sea Battle.** The U.S. Navy began a naval exercise on January 23, 1986, in the Mediterranean north of the Gulf of Sidra. (The United States followed accepted international procedures and notified all interested countries, including Libya, of the exercise.) During the week of February 11-15, 1986, Libyan and U.S. aircraft had more than a dozen encounters, although neither side fired shots. On March 24, 1986, Libya fired 6 SA-5 high altitude, long range, slow speed, surface-to-air missiles and 2 SA-2 low altitude, short range, high speed surface-to-air missiles at U.S. aircraft; all missed their targets. A-7 aircraft from U.S. carriers knocked out the SA-5 installations, and repeated the attack 4 hours later after the installation resumed activity. Also, A-6 carrier based aircraft attacked and sank or damaged four small Libyan attack boats that approached the U.S. ships.

**1986 Attack on Libya.** A terrorist bomb killed three people (two of whom were U.S. Army personnel) and wounded 200 (60 of whom were U.S. citizens) in the LaBelle nightclub in Berlin on April 5, 1986. At his April 9 press conference, President Reagan said there was “considerable evidence” that Libya was responsible for the explosion. On April 15, some 100 U.S. aircraft — including U.S.A.F. F-111s from the United Kingdom, carrier based A-6, A-7, F/A-18, and F-14 aircraft, communications, reconnaissance, and electronic warfare aircraft, and refueling tankers — attacked two military complexes, two air bases, and a port in Libya. Libyan sources said 70 people were killed in the attack, including al-Qadhafi’s infant daughter. Two U.S.A.F. officers were killed when their F-111 was shot down. Later on April 15, Libyan patrol boats fired two missiles at a U.S. Navy communications station on the Italian island of Lamedusa, but the missiles fell short and the station suffered no damage. In a message to the nation following the April 15 raid, President Reagan cited, as the justification for the U.S. air raid on Libya, intercepted radio messages between Libya and the Libyan embassy in east Berlin discussing the April 5 Berlin nightclub bombing.

In November 1997, three men (one Libyan, one Lebanese, and one German of Lebanese origin) and two women (both German) went on trial in a Berlin court for the April 1986 nightclub bombing. On April 20, 2000, one Lebanese was quoted as saying that Libyan authorities arranged for the LaBelle bombing in retaliation for the January 1986 air-sea confrontation. A German judge found four of the accused guilty on November 13, 2001, but stated that charges were unproven that Libyan leader al-Qadhafi personally ordered the bombing. On September 3, 2004, Libya and Germany signed an agreement by which Libya will pay \$35 million to the 200 victims of the 1986 Berlin nightclub bombing. Libya made the first \$15 million payment to the German victims on September 30, 2004.

**1989 Air Incident.** Two U.S. Navy F-14 fighters from the carrier John F. Kennedy shot down two Libyan MiG-23 aircraft some 70 miles north of the Libyan coast after the Libyan aircraft displayed what the Department of Defense described as “hostile intent” on January 4, 1989. Libya claimed its two aircraft were on routine patrol and were attacked by the United States. The U.S. claimed the two Libyans continued pursuing the U.S. aircraft despite taking five separate evasive actions.

## **Other Libyan Foreign Relations**

### **AIDS and the Bulgarian Nurses**

A Libyan court found five Bulgarian female nurses and one Palestinian male doctor guilty of infecting 426 Libyan children with AIDS. The six were sentenced to death by firing squad. The May 6, 2004, decision also sentenced one Bulgarian male doctor to four years for black market currency violations and acquitted nine Libyan hospital officials of charges linked to the AIDS infections. The Bulgarians and the Palestinian were arrested in 1999 on charges that they used the children in an AIDS treatment experiment. A French doctor testified at the trial that the children had been infected in 1997, one year before the Bulgarians and the Palestinian arrived in Libya.

### **United States of Africa**

On August 20, 1999, al-Qadhafi proposed that the African nations confederate into a united states of Africa and that the new confederation eliminate their military establishments and focus on development. At the March 28, 2001 Arab summit meeting in Amman, Jordan, al-Qadhafi proposed that the Arab states join the united states of Africa. Al-Qadhafi proposed in late 2002 that the 53 African nations merge, forming one nation with one government, one army, etc. African foreign ministers rejected the proposal at their January 21, 2003 South Africa summit.

### **Central African Republic**

Libyan troops arrived in Bangui on November 5, 2001, to assist CAR armed forces loyal to President Ange-Felix Patasse put down what appeared to be a coup attempt by military commander Gen. Francois Bozize. Libyan armed forces had performed a similar role in May.

### **Chad**

In late 1980, several thousand Libyan troops intervened on the government side in the Chad civil war. In November 1981, the Chad government requested the withdrawal of the 7,000 to 10,000 Libyan troops, to be replaced by peacekeeping forces from the Organization of African Unity. In June 1982, the pro-Libyan Chad government fell to a French supported rival faction, and many of the government officials and forces sought sanctuary in Libya or Libyan-protected territory in northern Chad. In 1983, Libya and France agreed to withdraw their troops from Chad and allow the Chadians to resume control over their own affairs. French forces withdrew in 1984 but Libyan forces did not, retaining control over the northern 40% of the country and adding to Libya's untrustworthy reputation.

In 1986, the former President of Chad announced from his Libyan exile that he was willing to negotiate with the new government, a move that split the Libyan-based rebels (the former government) and led to the house arrest of the former President. In the ensuing fighting, the new Chad government and its rebel faction fought against Libya and its rebel faction. In August 1989 Chad and Libya signed an Algerian-brokered peace accord. In December 1990, the Chad government was overthrown by rebels friendly to Libya. In early 1994, the International Court of Justice decided the Aouzou Strip case in favor of Chad, and

the two countries agreed that Libya would begin withdrawing in May 1994. Under the eyes of a 15-member U.N. Aouzou Strip Observer Group, the Libyans began withdrawing on May 4 and completed the withdrawal on May 30, 1994.

The December 1990 coup freed some 2,000 Libyan prisoners of war but left another 700 Libyans in Chad who reportedly had been training under the auspices of the U.S. Central Intelligence Agency. According to press reports, one-half of the Libyans decided to return to Libya, and the other 350 traveled to Zaire and Kenya before entering the United States where they allegedly continued their military training. (See, for example, John Goshko, U.S. Accepts 350 Former Libyan Soldiers. *Washington Post*, May 18, 1991: A18.)

On January 7, 2002, after three days of al-Qadhafi-led negotiations in Tripoli, the Security Minister of Chad and the leader of the rebels signed a peace agreement to end the civil war.

## Egypt

Despite the 1970 death of al-Qadhafi's hero, Egyptian President Nasir, the Libyan leader pursued a merger of Egypt, Syria, Libya, and Sudan, but the merger never materialized. Al-Qadhafi proposed a separate union of Egypt and Libya in 1973, but the merger fell apart after one month when al-Qadhafi criticized Egypt's conduct in the October 1973 war. Al-Qadhafi did not approve of the Egyptian-Israeli 1975 and 1976 cease-fire agreements, and the increasing bad relations led to border clashes in 1977. Later that same year, Libya denounced Egyptian President Anwar al-Sadat's November trip to Jerusalem and the ensuing 1979 Egyptian-Israeli peace treaty. Egyptian-Libyan relations remained poor until a May 1989 reconciliation between al-Qadhafi and Egyptian President Mubarak reopened their border and re-established normal relations. Egyptian President Mubarak meets periodically with al-Qadhafi to discuss regional affairs.

## Israel

On May 30, 1993, 192 Libyan religious pilgrims, denied air flights to Saudi Arabia for the Haj because of the U.N. air embargo, set off across Egypt in buses bound for al-Aqsa and the Dome of the Rock mosques in Jerusalem. They were welcomed at Rafah on the Egyptian-Gaza boundary by the Israeli Minister of Tourism, and on May 31, 1993, the group prayed at the two Muslim shrines in Jerusalem. A planned tour of Jericho, Bethlehem, Hebron and other religious and historical sites was cut short after a Libyan statement that Jerusalem should be the capital of a Palestinian state infuriated Israelis. The Libyans left Israel on June 2, leaving in their wake rumors that Libya and Israel would establish diplomatic relations and that al-Qadhafi would visit Israel. The visit left the Arab world confused over al-Qadhafi's reasoning.

The Israeli press reported on January 6, 2004, that Libyan and Israeli officials met in Vienna on December 26, 2003, to discuss the possibility of establishing relations.

## Malta

Libya offered economic support to Malta during the 1972 U.K.-Malta negotiations over British bases on the island, and the two signed an economic cooperation agreement in 1984. Libya-Malta relations remain cordial despite a rejected Libyan offer of union and a dispute over territorial waters finally resolved in Libya's favor in 1985 by the International Court of Justice.

## Morocco

Morocco and Libya broke diplomatic relations after the late King Hassan suspected that al-Qadhafi supported the July 1971 coup attempt against the throne. The two nations restored relations, but Libyan recognition of the Polisario claim to sovereignty over Western Sahara led to a new break with Morocco in April 1980. The August 1984 Treaty of Union between Morocco and Libya surprised everyone because it joined the moderate and steadfast King Hassan of Morocco with the radical and mercurial al-Qadhafi. The union began falling apart when Libya signed a 1985 alliance with Iran, and ended in August 1986, when King Hassan abrogated the treaty after al-Qadhafi criticized the King for meeting with Israeli Prime Minister Peres. Al-Qadhafi has criticized Morocco for establishing diplomatic relations with Israel in 1995.

## Sudan

In July 1971, Libya helped restore Sudanese President Numayri to office, and Libya and Sudan enjoyed good relations until Sudan accused Libya of involvement in a series of coup attempts and broke relations. Libya considered an alliance against Egypt and Sudan after Sudan supported the 1978 Camp David agreements. Sudan hosted anti-Qadhafi radio transmitters and Libya provided funds and supplies for anti-Numayri rebels. Following Numayri's ouster in 1985, the new government mended fences with Libya and allowed Libyan forces to operate from Sudan in supporting the Chad rebels. After the 1989 change in Sudan's government, the two countries considered a merger and formed a joint General Peoples' Congress in 1990. But in the early 1990's, Libyan-Sudanese relations became strained over Sudan's support for militant Islamic reformers. In late 1999, Libya supported the al-Bashir governments' emergency regulations intended to stop parliament Speaker al-Turabi from challenging al-Bashir's authority. In November 2004, Libya and the United States agreed to transport emergency supplies across Libya to relieve the suffering in Sudan's war-torn Darfur province.

## Tunisia

In 1970, al-Qadhafi proposed a merger of the two countries, but Tunisian President Habib Bourguiba rejected the proposal. Tunisia and Libya announced a merger in January 1974, but the referendum approving the union was delayed and never held. Al-Qadhafi denied Tunisian government accusations that he was behind the Tunisian rebel raid on Gafsa in January 1980. In February 1980, a mob burned the French embassy in Libya, apparently in response to the French offer to aid Tunisia against a Libyan-sponsored rebellion. By 1982, the two countries were on good terms again and signed a cooperation agreement. The amicable relations lasted only two years, when in 1984 al-Qadhafi accused Tunisia, Sudan,

and the United Kingdom of supporting a rebel attack against his military barracks. In August 1985, Tunisia broke diplomatic relations and expelled 280 Libyans accused of spying, and Libya retaliated by expelling some 30,000 Tunisian workers from Libya. Tunisia and Libya restored diplomatic relations in December 1987, and participated in the June 1988 meetings that led to the Maghrib union. Libya has been critical of Tunisian diplomatic overtures toward Israel since the 1993 Palestinian-Israeli agreement.

## **United Kingdom**

In December 1971, Libya nationalized British Petroleum Company's Libyan operations because the United Kingdom did not stop Iran from seizing the Tunbs islands in the Persian Gulf that were claimed and occupied by the United Arab Emirates. Libya stated that the United Kingdom should have used military force to expel the Iranian invaders. Also in 1971, Libya supported Malta in its negotiations with the United Kingdom over the future of British bases on the Mediterranean island. In March 1984, Libyan agents tried to blow up dissident Libyans in Manchester, U.K. British police on the trail of the bombers surrounded the Libyan embassy in London, and on April 17, 1984, shots fired from inside the embassy killed one British police woman and wounded 11 other people. After more negotiations, Libya withdrew from the embassy on April 27. The United Kingdom joined the United States in supporting U.N. Resolutions 731 and 748 applying economic sanctions against Libya until Libya extradited the suspects in the Pan Am 103 bombing. Eleven British subjects died in the Pan Am 103 crash. Britain and Libya reestablished diplomatic ties on July 7, 1999, following the progress in the Pan Am 103 trial and Libya agreement to cooperate in investigating the 1984 embassy shooting. Prime Minister Blair visited Libya in April 2004.

## **Mediation Efforts**

Al-Qadhafi mediated the cease-fire agreement signed in Sirte on April 18, 1999, between Congo President Laurent Kabila and Ugandan President Museveni that was intended to end the war between the Uganda/Zambia supported Congo rebels and the Kabila government. Libya sent troops and transported Chadian forces to Congo on May 27 to serve in the peacekeeping force that occupied the eastern Congo borders.

Al-Qadhafi has held meetings with the Presidents of Zambia, Eritrea, the Central African Republic, and Chad seeking to end the Congo strife. In early 2000, Libya sent three officers to serve in the U.N. peacekeeping force in the Congo. The Libyan forces were pulled out after one year. Al-Qadhafi mediated a dispute between Sudan and Uganda in May 2001.

Al-Qadhafi mediated a peace agreement between Chad rebel leader Yussuf Togoimi and Chad Security Minister Abd al-Rahman Musa on January 7, 2002.

## Government

The 1951 constitution established a federal system of government with the central authority vested in King Idris I, a Prime Minister and a Council of Ministers, and a bicameral legislature composed of an elected 103 member Chamber of Deputies and a one-half appointed, one-half elected 24 member Senate. The first election was held in February 1952, one month after independence. In 1963, King Idris replaced the Federal system of government with a unitary monarchy that gathered more power to the throne and diminished the authority of the states. The three states of the federal system, Fezzan, Tripolitania, and Cyrenaica, were replaced by 10 governorates.

One of the first acts of the Revolutionary Command Council after the September 1, 1969, coup was to abolish the monarchy and proclaim a republic. In December 1969, the RCC issued a constitutional proclamation that replaced the constitution and confirmed the RCC as the supreme legislative and executive authority in Libya. In 1973, Col. Muammar al-Qadhafi, leader of the RCC, proclaimed a "Popular Revolution" that was intended to involve the people in government through "Peoples' Committees" to take over government agencies and run the country. Peoples' committees were created in geographical areas, such as urban neighborhoods, rural villages, and rural zones beyond the villages, and in institutions, such as broadcasting, hospitals, companies, factories, schools, or universities. Zone, urban area, and village peoples's committees elected municipal and regional peoples' committees, which in turn elected provincial or governorate peoples' committees. By mid-1973, there were 2,000 peoples' committees in Libya. In 1976, al-Qadhafi issued the first volume of the three volume "Green Book" that outlined his vision of the government and economic system for Libya.

On March 2, 1977, al-Qadhafi officially changed the country's name to the Great Socialist Peoples' Libyan Arab Jamahiriya — al-Qadhafi coined the word Jamahiriya to mean "state of the masses" or "peoples' authority." On February 18, 1994, al-Qadhafi announced that Sharia (Islamic) law would be implemented in Libya, but it is not known how the change from secular to religious law has affected the country.

At the March 1, 2000, session of the General Peoples' Congress, al-Qadhafi abolished 12 cabinet secretaries and reassigned their duties to the provincial committees. The Secretaries for foreign affairs, defense, justice, and finance remain under the authority of the centralized General Secretariat. On March 2, 2000, al-Qadhafi told a political rally that Libya needed a "constitutional reference" that would provide for a head of state. Under the existing system, Libya does not have a head of state, and al-Qadhafi carries the unofficial title of "Guide of the Revolution."

## Political Dynamics

The Revolutionary Command Council ruled Libya as dictators for the first four years after the 1969 coup. Much of the tribal and confederation politics present under the monarchy carried over to the new regime. Al-Qadhafi's creation of the Arab Socialist Union (ASU) in 1971, the "Cultural Revolution" and the creation of the people's committees in 1973, his surrendering of all his titles to become the revolutionary leader and guide in 1974, and the appearance of the "Green Book" in 1976, provided the structure for the popular



democracy that al-Qadhafi expected to rule Libya and, eventually, the Arab world. Al-Qadhafi asserted that the ASU, copied from its Egyptian parent, would reflect Egyptian President Nasir's Arab socialism and Arab unity, which would merge with al-Qadhafi's linking of populism, Islam, socialism, and Arab nationalism, to produce perfect social justice in Libya. Al-Qadhafi maintained there was no need for legal protection of freedom of speech because the people would exercise complete freedom of speech in their ASU and Peoples' Committee debates on the issues; everything would be discussed openly in the Peoples' Committees, leaving nothing unsaid that would require another forum with guaranteed freedom of expression.

But, al-Qadhafi was disappointed that the Libyan people did not seize these opportunities to govern themselves and did not demonstrate a proper enthusiasm for the new structure. Also, RCC leaders Abd al-Salam Jallud, Abu Bakr Yunis Jabir, Mustafa Karrubi, and al-Kuwaylidi al-Humaydi Qadhafi continued to operate as they had in 1969, as RCC dictators, often disagreeing among themselves and resorting to the tribal politics of old. Despite the popular democracy structure and the multilayered Peoples' Committees, Libya is governed by the members of the RCC (although the RCC was dissolved officially in 1979).

## **Muammar al-Qadhafi, A Profile**

Muammar al-Qadhafi was born into a humble Arabized Berber nomadic tribe, educated at Muslim schools as a boy, graduated from the Benghazi military academy, studied at Britain's Royal Military Academy at Sandhurst, and led the September 1969 RCC overthrow of the Libyan monarchy as a 27-year-old army captain. Al-Qadhafi remains the most visible member of the RCC and the one most often identified with the regime. He usually is described as Libya's dictator, despite the egalitarian and collegial nature of the RCC and al-Qadhafi's shared leadership responsibilities. Many of his actions are paradoxical to Westerners: on one hand he introduced participatory democracy in Libya, provided for a more equitable distribution of Libya's wealth, espoused family and religious values, has maintained high personal moral standards as a model for Libya, and advocated Arab world unity; but on the other hand, he intervened in the internal affairs of Sudan, Egypt, Chad, Zaire, Tunisia, and other countries, supported terrorist and revolutionary groups, dispatched assassination teams to kill Libyan dissidents, and with his RCC colleagues ran Libya as a private fiefdom despite the democratic facade. At times, he is flamboyant and gregarious, and at other times reclusive and retiring. He promoted himself from Captain to Colonel but shunned the title of President. Rumors circulate periodically that he suffers from and is treated for manic depression, schizophrenia, or narcotics addiction.

## **Economics**

Following the revolution, al-Qadhafi and other Libyan leaders tried to turn Libya into a socialist state with all state-owned, state-run businesses and industries operated through People's Economic Committees. It appears that the experiment failed and that Libya is now privatizing some 60 state-owned companies and turning toward a market economy. Libya continues to depend upon foreign workers for many menial jobs eschewed by Libyans and for high-tech positions where there is a dearth of trained and experienced Libyans.

**Oil.** Commercial oil was discovered in Libya in 1957. In 1970, Libya opened two-year negotiations with its 20 foreign operating companies to negotiate an increase in the posted price upon which its oil revenues were calculated. Previously, oil companies set posted prices, so the Libyan move to negotiate the price, and other concessions won by Libya, such as freight, gravity, and sulfur differentials or training and investment set-asides, established new standards for the industry. The Libyan change coincided with other early 1970s oil industry changes: Indonesia, Venezuela, and Algeria had acquired a share of oil production from their operating companies, and Saudi Arabia was about to embark on a similar course. Oil producing states wanted a share of oil refining and marketing, and training for indigenous oil workers and technicians. The 1970-1971 Libyan negotiating victories also placed Libya in the continuing role as a “price hawk” among other oil producing and exporting nations.

Oil revenue represents one-quarter of Libya’s gross domestic product (\$41 billion in 2002), provides over 90% of Libya’s export earnings (\$11.8 billion in 2002), but employs only 10% of Libya’s workforce. 95% of Libya’s oil is exported to Europe. Libyan oil is “sweet”; that is, high specific gravity and low sulphur (high specific gravity oil refines into larger quantities of high-in-demand light fuels, such as gasoline, kerosene, naphtha, etc., and low amounts of sulphur and other minerals means less refining to remove the impurities). European nations with refineries built to process Libyan sweet crude will not be enthusiastic about joining a boycott of Libyan oil.

The licensing round to open bidding for developing new oil fields scheduled for July 2004 has been delayed. Libya wants to attract \$30 billion in foreign investment to develop Libya’s projected 100 billion barrel reserves. Also, Libya is revising its 1955 hydrocarbons law to reflect the emerging partnerships between Libya and foreign private oil companies.

**Agriculture.** Agriculture employs 20% of the one million person workforce, but produces only 5% of the gross domestic product. Libya imports 75% of its food. 95% of Libya is desert, with only 5% of the land fit for cultivation. Of the total land, only 1% currently is arable, but it is the goal of the government to expand cultivation through irrigation; at present only 10% of the cultivated land is irrigated. Libya’s primary crops are wheat, barley, olives, dates, citrus fruits, and peanuts.

**Water.** To ease the chronic water shortage, al-Qadhafi launched the Great Man-Made River Project in November 1983. The first two stages of the five-stage project are completed. The \$25 billion scheme will carry 6.5 million cubic meters of water from 1,300 deep wells in the Sahara through a 3,500 kilometer long, 13 feet diameter, pipeline system to thousands of model farms along the Mediterranean coast. The first stage, inaugurated in August 1991, was intended to irrigate some 280,000 hectares (700,000 acres). Critics suggest that the project is too expensive for the very limited expected return, may waste ground water assets that could be used more efficiently, and may produce environmental problems. Others claim the project will be economical and efficient.