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OFFICE OF
NATIONAL ESTIMATES

MEMORANDUM

Implications of the Libyan Coup:

Some Initial Thoughts

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16 September 1969

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CENTRAL INTELLIGENCE AGENCY
OFFICE OF NATIONAL ESTIMATES

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MEMORANDUM

SUBJECT: Implications of the Libyan Coup: Some Initial
Thoughts*

The Nature of the New Regime

1. The identity of the rulers of the new Libyan government remains unclear and no authoritative statements of their objectives and priorities have been made. Nonetheless, they appear in control, and continue to show a posture of moderation and caution. Though avowing "socialism", no Libyan leader has mouthed the extremist slogans typical of Arab radicals. To the contrary, such themes as the protection of foreign lives and property, the fulfillment of international obligations, and the elimination of corruption and favoritism at home have been stressed. "Social reform" has been emphasized far more than

* This memorandum was prepared by the Office of National Estimates. It was discussed with representatives of the Office of Current Intelligence and the Office of Economic Research, who are in general agreement with its judgments.

socialism in Libyan broadcasts. In private conversations with US officials, members of the ruling Revolutionary Command Council (RCC) have gone even further, and have given the impression of seeking very close relations with the United States.

2. Such statements may be deliberate dissimulation, designed to reduce any threat of foreign counterrevolutionary intervention. The RCC probably feared US/UK intervention; in such circumstances, conciliatory reassurances made good sense. The UK did put Idris in power and signed a mutual defense agreement with him. At the time of the coup, there were some 1,100 British troops near Tobruq, along with an RAF base close by. In addition there was Wheelus, with some 5,000 American personnel, and the Sixth Fleet was not far away.

3. Whatever the case, the moderate posture of the Libyan regime is probably temporary, though there are no very good grounds for predicting just when or how this stance will change. We base the judgment that it will on the general tendency of Arab politics over the past two decades: other military-dominated revolutionary regimes have tended, almost without exception, to become more leftist and extreme with the passage

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of time. In Egypt's case this has come about under one leader. In Syria and Iraq, it was the result of successive military coups which brought ever more radical regimes to power.

4. Libya could follow either path, or both. It has already declared itself in the Arab revolutionary camp, and will quickly be receiving advice from its new brethren. While the RCC members -- the ultimate power in Libya -- remain shadowy figures, we know that at least some civilian officials of their new government will be highly susceptible to this type of influence. So, in all probability, will be the RCC itself, not wanting its image tarnished by accusations that it is less than sincere or ardent.

The Future of Libyan Politics

5. Beyond this, the coup -- as did the July 1958 one in Iraq -- has probably created a precedent which will not be forgotten. Most observers inside and outside of Libya had long believed that a military takeover was unlikely in Idris' lifetime. The little army of 8,000 (with only 200-300 officers) was greatly outnumbered by the royalist police forces; it lacked that essential instrument of Arab revolution, the tank. The still powerful tribes in Cyrenaica were loyal to the King, who in fact was generally respected by most Libyans. The task of secretly

planning and carrying out a coordinated takeover of the principal population centers separated by hundreds of miles of desert seemed insuperable.

6. But the RCC, with some armored cars, proved it could be done, and this lesson is not likely to be lost on other Libyans in the future. We do not know how many officers -- apparently mostly captains and lieutenants -- are in the RCC, but suspect the group is small enough to maintain secrecy and security and large enough to assure adequate direction and command a coup -- perhaps 50 to 60 people. Nor do we know how cohesive this group is, or how susceptible its members might be to possible Algerian or Egyptian influence and intrigue. In the years ahead, the Libyan army will almost certainly be expanded (the old regime had already embarked on a program which would upgrade its equipment and nearly double its size). In the new and more heated political climate of Libya, small clandestine officer groups of Baathist, Arab Nationalists and the like will appear; over time, some may succeed in seizing power.

Western Military Facilities

7. The US and the UK will likely be in for some sticky times in the years ahead. An overriding theme of the new

government, and of any conceivable successor, is an aggressive and militant anti-Israeli posture, and American support of Israel will cause serious problems. For the moment, the new government has said nothing about Wheelus and the British military facilities in Libya, or made any move against them. As it consolidates its hold on power and seeks to get more and more into the mainstream of Arab nationalism, it will probably do so. It might permit them to remain until the respective treaties expire: for example, it could, under the terms of the Base Rights Agreement, formally give notice to the US in December 1970 that it must be out of Wheelus within a year. But pressures, both internal and external, for earlier removal will be strong, and we would give Wheelus only a 50-50 chance of survival until late 1971 -- and virtually no chance at all of remaining after that. The British, already disliked as the patrons of the old regime, are unlikely to remain all the way to 1973, when their mutual defense pact expires.

Petroleum Policy

8. Relations with the oil companies will be a more complicated matter; in this field, such radical tendencies

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as the new regime may have are likely to be tempered by practical considerations. Idris' government had already initiated negotiations aimed at substantially raising Libya's share of oil revenues. These will of course continue, and Libyan demands may increase. The new regime may follow the course of either of the other two Arab radical oil producers, Iraq or Algeria. The former has left current operations pretty much alone, though it has prevented the US-UK-French owned Iraq Petroleum Company from expanding into new concession areas. The Algerians have been much tougher. Indeed at the time of the June 1967 Arab-Israeli war, they took the extreme step of putting all American companies (which controlled only about 10 percent of total output) under Algerian management and forbade the repatriation of any earnings, an arrangement still in effect. With the French companies, which produce the bulk of Algeria's petroleum, the government has been less harsh, but it has not hesitated to engage in harassment in the quest for more revenue and more output. The new Libyan government is likely to make similar demands on the US and UK companies which produce nearly all the Libyan oil. We doubt, however, that they will be treated as rigorously as American producers have been in Algeria, though such treatment cannot be ruled out, especially in the event of another major Arab-Israeli war.

9. There are some rather persuasive reasons why Libyan oil policy appears more likely to resemble that of Algeria. Like the latter, Libya holds some high cards; its oil comes from west of the Suez Canal and is of a very low sulphur content. Hence, shipping costs to Europe are lower, and so are those of refining; the process of removing sulphur to prevent air pollution is a fairly expensive one. Further, the sheer magnitude of Libyan output, now over three million barrels per day and rapidly climbing, will give the regime strength in dealing with the oil companies. Even the implied threat of a sudden cut-off of these supplies which meet about a quarter of Europe's demand would have disruptive effect -- even though alternative but more expensive -- sources of supply would be available. Thus the Libyan government is in a position to get progressively more demanding with the oil companies. How far and how fast it might go will, of course, depend on how far and how fast the present regime -- or a successor -- moves in a generally radical direction, though in the last analysis the Libyans will not wish to risk losing their oil revenues, on which they are almost completely dependent.

Consequences in the Arab World

10. The institution of the Khartoum subsidies, the maintenance of a united front against Israel, and the ending of Nasser's subversive efforts and hostile propaganda lulled the conservative or moderate Arab governments -- including Libya -- into a false sense of security. We believe that the governments of Kuwait and Saudi Arabia (and Morocco and Tunisia) may -- to varying degrees-- be more susceptible to overthrow than they were before the Libyan coup. There is evidence of substantial popular discontent in each country. Their regimes -- like that of Idris -- are viewed by many of their citizens as too friendly to the US, soft on Israel, corrupt, and unconcerned with the welfare of the ordinary citizen. The lesson that a handful of obscure junior army officers can successfully pull off a coup against a conservative regime in very difficult circumstances will not be lost in these countries.

11. If in the next year or two, one or more of these moderate regimes were overthrown, this would not mean that some new and more effective stage of Arab political unity, under Nasser or anybody else, would be in the offing. For the most part, Arab unity has been a myth, but there has been a fairly

consistent unity amongst revolutionary Arab states on the subject of Israel. It should be remembered that, in the aftermath of the June war, the Arab radicals -- Iraq and Algeria included -- strongly urged using Arab oil as a means of pressuring the US to change its pro-Israeli policies. The refusal of Kuwait, Saudi Arabia, and Libya to join in killed that project. Libya might not be so reluctant again. Were new revolutionary governments to appear in Kuwait and Saudi Arabia, this could mean very difficult times for American oil companies throughout the Arab world. In any event, the Libyan coup represents one more step in a process of polarization in the Middle East, which could see the Arabs all aligned on one side, confronting the US as well as Israel on the other.