
ALI ABDUSSALAM ABDULLA ALI

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Abstract

This thesis examines relations between Libya and the United Kingdom after 1969 when a new government came to power in Tripoli which seemed to pose a direct threat to a number of key British interests. The thesis is grounded on a careful reading of secondary literature which has been integrated into newly available official documents available in the National Archive. The main claim to originality is in the light these documents throw on our understanding of that relationship.

The thesis uses a case study approach which examines specific themes in UK-Libya relations which include arguments over arms sales, the oil economy and the role of oil companies, and relations over the Irish question and the problematic Libyan supply of weapons and support to the IRA in the 1970s. It inevitably touches on relations between both governments and the United States, but that is not a main focus of the study. These areas have been chosen for study because they represent the most significant areas of bargaining and conflict between Libya and the UK in the time period, according to both the secondary literature and press debate at the time and the newly available documentation.

The author has been aware of the limitations of using the National Archives, especially where material has newly arrived for view. These include the scope of official ‘weeding’ before documents are made available to conserve space and to avoid repetition, but also to exclude sensitive material relating to intelligence and cognate
aspects of relations with other governments. These limitations qualify, but do not
undermine, the conclusions drawn.

The main findings of the research refine our existing understanding of Libya-UK
relations, important given that there is only a limited literature on the topic, and that
no previous published work explores them using the National Archives. The archive
material helps one to conclude that Straw’s (2010) argument that the basis of UK-Libya
relations was always ‘strategic interest’ is partly sound but ultimately mistaken. Other
important factors such as trade also mattered, and energy issues were at the same time
‘strategic’ and ‘trade-related’ for both sides. At least as important, mutual
misunderstandings and a certain amount of confusion about the intentions of the other
party (and what they could find negotiable) also shape the relationship, although
strategic interest remains an important factor.

The thesis also reveals for the first time differences in the evaluation of Libyan policy
and intentions at different levels of the UK government, demonstrating that the
bureaucratic politics of the British system of foreign policy making shaped some of the
British responses to Libyan actions. Equally, although the evidence suggests that
Gaddafi dominated Libyan policy making, it is clear that the elite surrounding him also
played some part in policy making and in defining responses to British actions and
announcements. Above all, the thesis demonstrates the complexity of the dynamics of
UK-Libya relations in the time period studied, and that both sides consistently tended
to believe that they had more influence over the other than was in fact the case.
Dedicated To

To my Father and my beloved Mother
To my brothers: Emhemed and Yousif Salhab
To my sisters
To my late brothers: Abdullah and Hassan Salhab
Acknowledgement

First of all, I would like to express my deepest appreciation to Dr Christopher Farrands, Dr Imad El-Anis and Dr Nick Hayes for their guidance, support, and constructive comments which enabled me to complete this thesis.

I would also like to thank staff members at the Nottingham Trent University Boots Library. I owe my deepest gratitude to the people who work in the inter-library loan department. I would like also to extend thanks and appreciation to staff at the British National Archives in Kew, Staff at the Company Records of British Petroleum, and similarly those who work in the Modern Records Centre of Warwick University, and the British Library in London, who were extremely helpful and made material available to finish my thesis. Special mention goes to Jane Bonnell, Liaison Librarian for her support in finding online material through the Nottingham Trent University library system. Also special thanks to my friend Hamid Alahirsh for his help with my thesis proof reading.

I am indebted to the Libyan Government and in particular the Ministry of High Education which has sponsored me throughout the period of my study.

Finally personal thanks go to those individuals who have always shown an interest in my studies and thereby have encouraged me to persevere.
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activities in the Eastern Mediterranean. In return, Libya provided intelligence on
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## Abbreviations

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<thead>
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<th>Abbreviation</th>
<th>Description</th>
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<tbody>
<tr>
<td>AGIP</td>
<td>Azienda Generale Italiana Petroli—General Italian Oil Company</td>
</tr>
<tr>
<td>Arc</td>
<td>Ref archive reference</td>
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<tr>
<td>BAC</td>
<td>British Aircraft Corporation</td>
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<tr>
<td>BP</td>
<td>British Petroleum Company</td>
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<tr>
<td>BPA</td>
<td>British Petroleum Archives</td>
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<tr>
<td>CENTO</td>
<td>Central Eastern Treaty Organization</td>
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<tr>
<td>DEFÉ</td>
<td>Records of the Ministry of Defence</td>
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<tr>
<td>DOPC</td>
<td>Defence and Overseas Policy Committee</td>
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<tr>
<td>DTI</td>
<td>The (UK) Department of Trade and Industry</td>
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<tr>
<td>EEC</td>
<td>European Economic Community</td>
</tr>
<tr>
<td>ELF</td>
<td>Eritrean Liberation Front</td>
</tr>
<tr>
<td>FO</td>
<td>Records of the Foreign Office</td>
</tr>
<tr>
<td>GHQ</td>
<td>The General Head Quarters</td>
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<tr>
<td>GOC</td>
<td>General Officer Commanding</td>
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<tr>
<td>HMG</td>
<td>His or Her Majesty's Government</td>
</tr>
<tr>
<td>ICJ</td>
<td>The International Court of Justice</td>
</tr>
<tr>
<td>IPC</td>
<td>The Iraq Petroleum Company</td>
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<tr>
<td>IRA</td>
<td>Irish Republican Army</td>
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<tr>
<td>KOC</td>
<td>The Kuwait Oil Company</td>
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<tr>
<td>LAF</td>
<td>Libyan Arab Force</td>
</tr>
<tr>
<td>LD</td>
<td>Libyan Dinar</td>
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<tr>
<td>LIAMCO</td>
<td>The Libyan American Oil Company</td>
</tr>
<tr>
<td>MOD</td>
<td>The Ministry of Defence</td>
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<tr>
<td>MPLA</td>
<td>The People's Movement for the Liberation of Angola</td>
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<tr>
<td>NAD</td>
<td>North African Department</td>
</tr>
<tr>
<td>Abbreviation</td>
<td>Full Name</td>
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<tr>
<td>NENAD</td>
<td>Near East and North Africa Department (of the British FCO)</td>
</tr>
<tr>
<td>NJ</td>
<td>Standard Oil Company of New Jersey</td>
</tr>
<tr>
<td>NOC</td>
<td>National Oil Company</td>
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<tr>
<td>OPEC</td>
<td>Organization of Petroleum Exporting Countries</td>
</tr>
<tr>
<td>PAIGC</td>
<td>The African Party for the Independence of Guinea and Cape Verde</td>
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<tr>
<td>PLO</td>
<td>Palestine Liberation Organization</td>
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<tr>
<td>PMAC</td>
<td>Ethiopian Provisional Military Administrative Council</td>
</tr>
<tr>
<td>PREM</td>
<td>Records of the Prime Minister's Office</td>
</tr>
<tr>
<td>RCC</td>
<td>The Libyan Revolutionary Command Council (1969-2011)</td>
</tr>
<tr>
<td>SEATO</td>
<td>South East Asia Treaty Organization</td>
</tr>
<tr>
<td>TNA</td>
<td>The National Archives</td>
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<tr>
<td>TOPCO</td>
<td>Texaco Overseas Petroleum Company</td>
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<tr>
<td>UAE</td>
<td>The United Arab Emirates</td>
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<tr>
<td>UAR</td>
<td>United of Arab Republic</td>
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<tr>
<td>ZANU</td>
<td>Zimbabwe African National Union</td>
</tr>
<tr>
<td>ZAPU</td>
<td>The Zimbabwe African People's Union</td>
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British-Libyan relations go back at least to the mid-1940s, when British and French forces occupied the Italian colony of Libya during the Second World War until the United Nations General Assembly declared Libyan independence in 1951.\(^1\) The first contact was made with Idris al-Senussi, the head of the Senussi movement. Idris agreed to support the United Kingdom and brought the Cyrenaicans to fight alongside the Allies against the Axis powers. Idris had seen this as a chance for Libyan independence from Italy.\(^2\) From 1943 to 1951, Tripolitania and Cyrenaica were under British administration, while the French controlled Fezzan. The United States, United Nations and United Kingdom played a major role in securing Libyan independence.\(^3\) After this, Britain remained extensively engaged in its affairs until 1969. The establishment of a monarchy in Libya was faced with the weakness and poverty of this new state, as well as the growth of revolutionary pan-Arab nationalism during the period of the 1950s and 1960s. This brought an external threat to the newborn country. Thus, Libya was interested in getting support for its economy and protecting the monarchy from any threats.\(^4\) At the same time Britain had a great interest in the Mediterranean. Its main purpose was to prevent the Soviet Union from obtaining a foothold in the region,

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\(^3\) Gifford, P., *Libya: the creation of a client state in: Louis, R., Ends of British Imperialism*.

especially after the fall of King Farouk of Egypt and the coming to power of the revolutionary regime in Egypt in 1952. Therefore, Libya was viewed as an important component in Britain’s strategy of maintaining pro-Western regimes in the region. For all these reasons the interests of the two countries were matched. In 1953 a bilateral Libyan and British alliance was signed providing for military bases in exchange for financial and military assistance from the United Kingdom. Since then, the British government had been involved in extensive economic, and strategic projects, as well as expanding oil output, especially after the discovery of oil in Libya in the mid-1950s. During the 18 years of the monarchy period, Libyan relations with America and the West, and particularly Britain, were good. However, the events of the Arab/Israel conflict in 1964, when Israeli proposed to divert waters from the River Jordan, and the King’s decision not to attend a meeting of Arab States in Cairo and to send the unpopular crown prince instead, resulted in demonstrations and violence in Tripoli and Benghazi against the monarchy and the foreign bases. These events were disturbed the previously good relations between Britain, the US and Libya. The Prime Minster Muhi-Al-Din Al-Fikini was forced to resign, and the new Prime Minister, Mahmoud Al-Muntasir, who acted on the Libyan Parliament’s orders, told Britain and the US that the government would not renew or extend the base agreement. By August 1966 Britain had evacuated its Libyan bases, although small British garrisons remained at several locations in Cyrenaica. Wheelus continued to operate, although withdrawal

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6 Ibid
7 Pargetter, A., Libya The Rise and Fall of Qaddafi, TJ International Ltd, (Great Britain 2012), pp 45-47
discussions were being held with the Americans.\(^8\) In 1969 the monarchy regime was overthrown. Young, nationalist revolutionary rulers took power. From then onwards, relations between Britain, the US and Libya continued to worsen throughout the 1970s. Libyan foreign policy was described as anti-western policy after the 1969 revolution.\(^9\)

This study addresses the British-Libyan relationship and the reasons for the strained relations between the two countries in the 1970s, which is considered to be the period when relations were at their worst. This was because of three main reasons as the previous studies indicate. The first major tensions between the two countries were related to British oil assets in Libya. A negotiation took place between the new Libyan government and the oil companies, including Shell and British Petroleum (BP), to raise the Libyan oil price. However, these negotiations broke down, and Libya nationalised Shell and BP assets in Libya.\(^10\) The second major problem was the Libyan political and strategic shift. Libya was less interested in closer links with the West, particularly Britain, as a result of an ideological shift and deteriorating relations over specific issues that occurred in subsequent years which will be discussed in this thesis. This change resulted in Libya developing links with the Soviet Union.\(^11\) The third major tension

\(^8\) Ibid, pp 45-47
occurred because of Libya’s announcement of its support for the IRA.\textsuperscript{12}

This comprehensive study is important because very little has been written about British-Libyan relations during the 1970s. Through systematic interpretation of existing available documents, and by following the chronology of the changes that occurred during the 1970s, the study offers a new understanding to British-Libyan relations during the period mentioned. Additionally, it offers insight into the factors that were behind the worsening of British-Libyan relations in the 1970s, and corrects misunderstandings in previous studies about these.\textsuperscript{13}

The choice of the chapter structure, which is also the choice of the areas for the thesis to focus, was derived initially from a sense of the overall topic. This was reviewed when most of the secondary reading had been done. It was reviewed again when the author’s supervision team changed. It has then been re-assessed as the documentary evidence emerged. However the author is confident that the choice of main chapter topics has remained the most effective way to discuss the more detailed issues in UK-Libya relations, identifying the sources of dispute and the problems for negotiation (or for negotiation breakdown) effectively. The chapter structure is not determined by the


evidence but by the author. But, even if other possible chapter structures might suggest themselves, the author is fully confident that this particular choice is justified by both the secondary and primary sources, and by the relative salience of the core issues between the two governments in this time period.

**Originality**

There are three main claims to originality. First, the study investigates the causes of British-Libyan tensions, which, as demonstrated in this study, did not happen immediately after the 1969 coup. They started two years later when Libya nationalised BP assets in Libya in December 1971. After that, tension began to rise. Previous studies have ignored the two years from September 1969 to December 1971, which formed the beginning of, and then the increase in, tension in relations between the two countries. The two years are important because they cover the period in which negotiations were held to shape new relations between the two countries after the 1969 change of regime. This has been clearly and significantly addressed in chapter two.

The second point of originality of the thesis lies in a re-examination of the three areas of tension already mentioned in previous studies; it corrects misunderstandings in that body of literature. This is done through chapters three, four and five of the thesis. In other words, the current study provides a new way of analysing the three issues, and looking at them in terms of their effects. The originality comes from the re-examination of these issues in the light of the impact of the failure of negotiations, which has not been done before.
This study contradicts previous studies on the subject of BP asset nationalisation in
Libya. It argues that the nationalisation of BP was a direct result of Libya’s
dissatisfaction with the failure to resolve outstanding issues, and also of Libyan self-
interest. Previous studies indicate that the nationalisation of BP assets was a result of
Libya’s view of Britain’s handing over of United Arab Emirate (UAE) islands to Iran.
Thus, this thesis brings a new understanding to this matter, showing the impact of
outstanding issues on the British-Libyan relationship and correcting the
misunderstanding in the literature.

Chapter four also provides a new analysis and understanding of the clamour and
inconsistency that occurred throughout the 1970s about Libyan-Soviet relations. It also
explains why Libya turned to the Soviet Union rather than to the West, notably Britain,
to obtain arms. Three facts have been claimed in chapter four. Firstly, it clearly shows
that Libya turning to the Soviet Union for arms was not the result of a systematic
strategy, but a consequence of its failure to obtain arms from the West, and in particular
Britain, especially after the failure of negotiations over Chieftain Tanks and an air
defence system. Secondly, it proves that there was magnification of the Libyan-Soviet
rapprochement in the 1970s by both the Egyptian and the Western media. Unpublished
primary materials show that up to 1976 the Libyan-Soviet relationship concentrated
only on the purchase of weapons from the Soviet Union, and there was no major
political or strategic rapprochement, because of political and ideological differences
between the two parties. It was also because Gaddafi’s independence from both
Western and Eastern influences led to a limitation of any Soviet influence over the
Libyan regime, as mentioned in the British documents. In addition, the documents
show that the British government was not greatly concerned that any political rapprochement between the Soviet Union and Libya might lead to strategic cooperation that would harm Western interests in general and Britain in particular, and that there was a magnification by Egypt of the Libyan-Soviet relationship to get as much military assistance as it could from America. These findings refute the statement in several previous studies that there was a high level of Libyan-Soviet cooperation, which led to strained relations between Britain and Libya. Thus, the Libyan-Soviet rapprochement in the 1970s was an adjunct factor rather than as the main reason Anglo-Libyan tensions. Thirdly, Libya’s rapprochement with the Soviet Union after 1976 was a direct result of Gaddafi’s fears about Egypt and the US presence there, and was not mainly directed against British or other Western interests in the region. Thus, it is believed that this brings further originality to the current study. It is also strongly believed that the originality in chapter four centres on an examination of the impact of both the Libyan-Soviet relationship and Libyan foreign policy on British-Libyan relations, which have not been examined in depth before.

Chapter five explores Libyan support for the IRA in a new way, highlighting the impact of outstanding issues on this matter. Despite the limitations of documents available in this regard, it is believed that the work done on this chapter addresses a new understanding of the British-Libyan dispute over the IRA issue.

The third and final point about the originality of this thesis is the wide range of previously un-consulted documents used which bring new knowledge and understanding: the thesis covers the time period for which new British documentation
has become available. In addition, these newly available documents suggest the way Libyan foreign policy shaped British-Libyan relations (discussed in chapter one).

Analysis

British-Libyan relations in the 1970s are divided into two phases: the first phase is when both London and Tripoli tried to find a new basis for the relationship between the two countries after the collapse of the monarchy; the second phase is a product of the failure of the first phase, which escalated the differences and led to an absence of full normalisation of relations between the two countries.

This study focuses around two core areas of analysis. The first area is the nature and development of Anglo-Libyan negotiations from 1970 to 1971 to establish the foundations of a new British-Libyan relationship after 1 September 1969. The study will explore how the relationship was affected by the British review of arms contracts signed with the former monarchy. Concurrently, it will consider the growth of tension between the two countries over the suspension then cancellation of the British contracts. It will also consider why Britain suspended the arms contracts, the Libyans’ view of this, and how it affected relations between the two countries as a whole. Finally, the analysis will include the failure of the two parties to resolve a dispute over the problem of outstanding issues.

The second part of the analysis will include how the failure of the two countries to establish a new framework for their relationship and resolve their outstanding issues affected British-Libyan relations in various aspects. It will analyse how the British use
of arms contracts with the Libyans failed to secure Britain’s interests in Libya, and how this led to Libyan hostility towards British interests and policy in Libya and the region as a whole. The analysis will also continue to examine the impact of the outstanding negotiations collapse in subsequent years (1972-1979) in the particular fields named above.

Despite Britain’s offer of a package deal (March 1971) to resolve outstanding issues that strongly took into account the securing of its interests in Libya, and prevention of penetration of the Soviets in to Libya, the offer was considered too low to satisfy the Libyans. The unresolved outstanding issues during 1970 and 1971 led to the first hostile Libyan action against British interests in Libya. Shell was nationalised in mid-1970 and BP in December 1971. The British government responded by suspending all negotiations over the outstanding issues and withdrew its package offer. During the period from 1972 to late 1974 Libya tried to convince the British to resume negotiations to resolve the outstanding issues, but the British refused until a solution was reached between Libya and BP.

In June 1972, Gaddafi declared that he would support the IRA because he considered them a national liberation movement. This act came when British-Libyan relations were at their worst, and caused serious harm to relations between the two countries. As there are no materials, apart from Gaddafi’s speech in June 1972, that proved he was supporting the IRA, it is more likely that he did this to put pressure on the British to bring them back to the negotiation table to settle the outstanding issues. However, Gaddafi did not succeed in this; on the contrary, the British succeeded in turning the
tables on him, and used the IRA issue to delay resuming negotiations and settling the outstanding questions.

Concurrently, the failure of Libya to obtain weapons from the West, namely Britain and the US, led Libya to turn to the Soviet Union. Throughout the period from 1972 to 1976, Libyan-Soviet relations were totally established on mutual self-interest. Libya wanted arms and the Soviet Union wanted hard currency. Despite ideological affinity never playing any role in Libyan-Soviet relations, this began to change after Gaddafi’s visit to Moscow in December 1976. The Libyan Congress called for a close and strategic cooperation with the Soviet Union. The Libyan shift did not come as a result of the Libyan desire to develop a closer link with the Soviet Union; it came as a consequence of the Libyan fear of the growing US presence in Egypt, which Gaddafi considered a serious threat to him.

**Methodology**

The thesis is a historical study structured in chronological order. The work mainly concentrates on archival work, i.e. collecting data from different archives where the documentation is kept. Data is only selected from those documents that are original and, as far as possible, reliable. An important part of my contribution is to verify or dismiss earlier historical accounts by reviewing newly discovered sources that have been recently released, comparing primary with existing secondary sources. Thus this PhD thesis will be archive-based, relying heavily on the British documents of governmental agencies that throw light on policy-making in both countries. Understanding will come through the systematic interpretation of existing available
documents and by following the chronology of changes that happened throughout the 1970s. Data collection for this study was centred on the National Archives in Kew, which holds governmental and civil service records, and the British Newspaper Archive at the British Library in Colindale. Data also includes international newspaper comments that are available online.

Other primary sources such as the records of former Foreign Secretaries (held at the Churchill Archives Centre, Cambridge) and other published sources (diaries, biographies and autobiographies) were checked. However, no data was collected from the Churchill Archives Centre, as none was found that related to the thesis topic and time period. Company records – for example those of BP – were collected from the Modern Records Centre, University of Warwick. Interviews conducted with Libyan and British politicians on the BBC News Channel were also checked at the BBC National Archives in Reading; but no data was collected from there, as none was found that related to my thesis. An academic trip to Libya for one month as part of my data collection was made. However, it was not possible to access Libyan government documents. Thus, this shortfall was compensated by accessing material more readily available in the United Kingdom. In addition, only recently have Libyan archives from the period in question become available in Tripoli, although these are poorly organized, and it is still not possible to access them, therefore it is not entirely possible to have a full picture of the relationship from both sides. This is a limitation of this thesis, but, once acknowledged, it does not undermine it.
Secondary material, in the form of books and newspaper articles on British-Libyan relations throughout the 1970s, has been exploited. These publications have helped to evaluate the research, particularly on Libyan policy towards Britain and the British attitude towards Libyan hostility at the time.

**Historiography**

The historiography of Anglo-Libyan relations in the 1970s is limited. However quite a number of studies have looked into British-Libyan relations during the 1940s, 1950s and even 1960s. During the periods of the Second World War and the beginning of the Cold War the British government had an increasing interest in North Africa. The Mediterranean area was economically and politically important to Britain. After the opening of the Suez Canal, the Mediterranean became of much greater importance to Britain as part of the shortest sea route to India. Therefore, Britain established itself in Egypt, Sudan and Aden. However, Britain could not go any further in North Africa, as France had established itself in Tunisia and Algeria, and Italy in Libya. This situation changed throughout the period of the Second World War and afterwards. As one of the consequences of the Second World War in North Africa, after the defeat of Italy Libya came under British administration until the United Nations General Assembly declared Libyan independence in 1951. Libya and other nations of North Africa were of great strategic importance to Europe, for they offered a potential land route which would allow Soviet ground forces to out-flank Western defences in Western Europe.

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16 Collins, C., Imperialism and Revolution in Libya
the event of a war, and they offered the possibility of a counter –or a partial counter-
to the great naval power of NATO forces in the region. Thus, America, Britain and France were anxious to have a military presence in Libya, or at least to obtain rights to use Libyan airfields. After that, British interest greatly increased in the Mediterranean in general and in Libya in particular. Libya became more important to Britain, especially after the fall of King Farouk of Egypt and the coming to power of the revolutionary regime in Egypt in 1952. Libya was viewed as an important component in Britain’s strategy of maintaining pro-Western regimes in the Middle East that would counter Arab nationalism and provide forces for use against Arab states where necessary. In addition, most British troops were redeployed to the Al-Adam base in Libya after the evacuation of the British base in Egypt. For all these reasons Libya became the location of an intense conflict for influence between the Soviet Union, the Western powers and President Nasser of Egypt. At the same time, and after its independence, the monarchy in Libya faced the growth of revolutionary pan-Arab nationalism during the 1950s and 1960s. In addition, Libya was one of the world’s poorest countries. It was interested in getting support for its economy and protecting the monarchy from any threats. All of these challenges could be attributed to the fact that the Libyan regime relied on the protection of America and Britain. During the 18 years of the monarchy the relationship between Britain and Libya was good. However, this good relation altered radically after the 1969 Libyan revolution.  

17 Cecil, C. O., the determinants of Libyan foreign policy, Middle East Journal, Vol. 19, No. 1, (1965), pp. 20-34.  
18 Pargeter, A., Anglo-Libyan Relations and the Suez Crisis  
Little detailed work has been undertaken on the aggravation of relations between Libya and Britain and its causes. The primary purpose of this thesis is to redress this omission. Previous studies have mainly focused on how Anglo-Libyan relations formed and evolved through the 1940s, 1950s and 1960s. In addition, the British and American roles in the support and creation of the Libyan Kingdom have been the subject of study and the issue of British and American support in the General Assembly of the United Nations for the independence of Libya: ‘The treaty marked the culmination of a sustained British effort since 1945 to guarantee its strategic rights in the new Kingdom.’ In addition, other studies have shown that Britain had significant interests in Libya in the field of oil exploration, even before independence. Britain began its exploration for oil in Libya in the mid-1940s. By the end of the 1940s the British military administration in Cyrenaica knew about the discovery that British oil companies had made in the western part of Libya. By the late 1950s Libya had become a very important oil producer in Africa so that by ‘1969 Libya had become the fourth petroleum exporter in the world.’ Libyan oil production was reduced during the beginning of the 1970s. So by 1977 Libya became the seventh largest oil producer in

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the world.\textsuperscript{25} ‘Almost all of which was exported declined …, as a result of both the OPEC and Libyan policy of cutting production to influence price’.\textsuperscript{26} This explained the decline of Libya from fourth to seventh in the table of international production.

In addition, the geographical proximity of Libya to Europe gave it great importance in world oil markets and also gave Libya advantages over other Middle Eastern oil-producing nations, making it an attractive oil producer for Europe.\textsuperscript{27}

In September 1969, a new Libyan government was founded by a group of young military officers organised under the leadership of Muammar al-Gaddafi. The new government introduced a very different policy, particularly in terms of its relationship with the West. A small number of studies have tried to follow the stages and causes of change in relations between Libya and Britain in order to explore the complex reasons behind this change.\textsuperscript{28} Libyan foreign policy after the 1969 revolution was seen as constituting a radical change of attitude towards Britain. Gaddafi declared that the Libyan system would be founded upon socialist principles and he refused any kind of Western influence in the region, particularly that of Britain and America. Gaddafi’s Arab and Islamic beliefs also informed his relations with the West.

\textsuperscript{25} USA International Business Publications, \textit{Arab Fund for Economic and Social Development}, Int’l Business Publications, (United States, 2007), p143
\textsuperscript{26} Ibid, P145.
\textsuperscript{27} Cecil, Charles O., \textit{the determinants of Libyan foreign policy}.
The Libyan blend of religion and revolution [...] Islam is at the foundation of Gaddafi’s worldview, mixed in with a heady concoction of secular anti-imperialism. This novel ideology is based on Gaddafi’s vision of himself and country as an original, new, revolutionary order and, according to an official Libyan government publication, as an organic part of the movement of the Third World, struggling for emancipation, progress, and freedom from imperialist domination.  

Gaddafi pressured Britain and America to withdraw its troops from Libya immediately. After the evacuation of British and American bases from Libya, the radical change continued in Libyan foreign policy. Gaddafi supported ‘an eclectic mix of liberation movements from the African National Congress to the Irish Republican Army to Muslim separatist movements in the Philippines’; these acts put him into prolonged conflict with international actors, and in particular Britain and the US. However, Gaddafi unsuccessfully attempted to differentiate between revolutionary violence, which he supported, and terrorism, which he claimed to oppose.

Other studies have reported similar trends: the closure of British bases in 1970 followed by nationalisation of British interests in Libya, especially the oil companies, caused significant damage to the relationship between the two countries. After the evacuation of the British base in Libya in 1970, Libya called for the evacuation of all NATO bases in the Mediterranean region, especially the British military base in Malta. According to the Libyan government, ‘Libya called for conversion of the Mediterranean sea into a neutral (sea of peace).’ These actions were considered by

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Britain and America to be a significant threat to their interests.\textsuperscript{33} The first major tensions between the two states over oil exploitation were to grow almost immediately after the revolution. Most of the oil sector in Libya was dominated by British oil companies. Libya entered into negotiations with all foreign oil companies between 1970 and 1971. Its revised policy was to nationalise the oil and gain domestic control of this vital sector.\textsuperscript{34} The first move against foreign oil companies in Libya came in January 1970, when the new Libyan government claimed that the old price of oil was no longer commensurate with the global market for oil and insisted on raising the oil price. According to the Libyan government, the posted price of Libyan oil had not changed from 1961 until 1970, remaining at $2.23 per barrel. ‘Therefore the companies had to grant an immediate price rise of 30 cents a barrel, a further hike of 10 cents over a five-year period, and an increase in the tax rate.’\textsuperscript{35} From this time onwards there was conflict between the Libyan government and the foreign oil companies. In March 1971 an agreement was finally signed in Tripoli between the Libyan government and the foreign oil companies. $3.32 was the posted price for a barrel for five years until 1975. Tax rates were increased from 50 to 55\% and oil prices rose by 90\%.\textsuperscript{36} The Tripoli Agreement did not last long. Tension rose again between the Libyan government and the oil companies over the posted price before the end of 1971. The Libyan government declared that the depreciation of the United States dollar in relation to other currencies

\textsuperscript{33} Metz, H. C., \textit{Libya}, pp. 230-231.

\textsuperscript{34} Bamberg, J., \textit{British Petroleum and Global Oil 1950-1975}, p. 450.


was no longer suited to the oil prices that had been agreed in the Tripoli Agreement.\(^\text{37}\) The Libyans insisted on raising the posted price by 80 cents per barrel this time and the Libyan government’s share of the additional take was to be another 54 to 63 cents. ‘This led Lord Strathalmond, the chairman of BP, to say that the Western oil industry was becoming a (tax collecting agency) for the producer government.’\(^\text{38}\) Foreign oil companies refused to sign any agreement with Tripoli that would include any rise in the posted price.\(^\text{39}\) By November 1971 the issue of the UAE islands had begun in the Arabian Gulf. After Britain had withdrawn its troops Iran took over the islands. On 7 December 1971 the Libyan government nationalised BP. The Libyans declared this action was a response to Britain’s failure to prevent Iran from occupying the Arab islands, as a number of previous studies indicated. However, this study does not support this argument (see also later discussion here).\(^\text{40}\) This action drove the situation between Britain and Libya from bad to worse. BP was nationalised and replaced by a new Libyan company named the Arabian Gulf Petroleum Company.\(^\text{41}\)

The strained relations between the two countries could also be attributed to political and strategic reasons which came from a change in Libyan foreign policy through the adoption of certain policies unacceptable to the West, particularly Britain and America, such as closer links to the Soviet Union and the increasing role of the Soviet Union in

\(^{38}\) Cooley, J. K., Libyan Sandstorm, pp. 68-69.
\(^{40}\) Cooley, J. K., Libyan Sandstorm, pp. 70-71.
\(^{41}\) Haight, W. G., Libyan Nationalization of British Petroleum Company Assets, International Lawyer
the region through Libya.\textsuperscript{42} Soviet greed in the region of North Africa clearly emerged in the July 1945 Potsdam Conference when the Soviets made an unsuccessful bid for trusteeship over the Libyan province of Tripolitania, the former Italian colony.\textsuperscript{43} However, Gaddafi’s interests were matched with Soviet interests in terms of limiting Western influence.\textsuperscript{44} After they were obliged to withdraw personnel from Egypt in 1972, the Soviet interest in Libya heightened significantly. At the same time, Libya was facing difficulties in getting weapons from the West. Thus, the Libyan-Soviet rapprochement was a natural result of these circumstances. ‘The Soviet-Libyan relationship has been based primarily on mutual self-interest. Libya needed a source of arms… For the Soviet Union, Libya was an important source of hard currency.’\textsuperscript{45} Based on this, ‘Moscow has fed Libya massive quantities of sophisticated arms, military training, technical assistance, and help in repressing its increasingly rebellious people. In return, Gaddafi had extended to Moscow access to Libya’s military infrastructure, oil for energy-hungry Soviet satellites, hard currency, and a staging base for the training of anti-Western terrorists.’\textsuperscript{46} Since then, Libya has been known to the West as a country that works with the Soviet Union against American and British interests in the Middle East and Africa.

Other studies argue that Libyan support of the IRA was one of the main factors in the breakdown of British-Libyan relations. In June 1972 Gaddafi declared his support for

\textsuperscript{42} Ogunbadejo, O., Gaddafi’s North African design; Freedman, R. O., Soviet Policy Toward the Middle East; Cooley, J. K., The Libyan Menace; Collins, C., Imperialism and Revolution in Libya.

\textsuperscript{43} Phillips, J. A., Moscow’s Thriving Libyan Connection, 1984.

\textsuperscript{44} St John, R. B., Redefining the Libyan Revolution: the Changing Ideology of Muammar al-Qaddafi.

\textsuperscript{45} Metz, H. C., \textit{Libya}, p. 244.

\textsuperscript{46} Phillips, J. A., Moscow’s Thriving Libyan Connection.
the IRA, acting as its main financial and military supplier. This was seen from the British side as a terrorist action against Britain and drove the relationship to a high level of tension. However, this does not explain why Libya supported the IRA.\textsuperscript{47} A study by McKittrick and McVea (2001) also reported Gaddafi’s support to the IRA. This study, however, failed to prove this support. The study also showed an obvious limitation of information regarding these matters, and attributed that to the lack of MI5 and MI6 intelligence information.\textsuperscript{48} Gaddafi said he was supporting what he called the Liberation Movement of the Irish Republican Army against British colonialism. This was seen by the British government as interference in its internal affairs and support of a terrorist organisation on British territory. Gaddafi later denied giving any financial or military support to the IRA and said only moral and political support had been given. ‘A senior officer in Scotland Yard’s anti-terrorist squad has commented that Libyan support for the IRA has been very minor indeed. It can be counted in the thousands of pounds, but certainly not in hundreds of thousands and any talk of millions of dollars is ludicrous.’\textsuperscript{49} However, there were many signs that Gaddafi had given financial and military training to IRA recruits in Tripoli. A report by \textit{The Times} showed that the IRA had received one million pounds in aid and military training; Libya denied this. ‘Lord Balniel, Minister of State, said there were indications the IRA may have received military aid and training but the government had no evidence that it was on that scale.’\textsuperscript{50}

\textsuperscript{50} Loyalists and IRA hold talks in Libya, \textit{The Times}. 
Looking ahead: the overall thesis narrative

In each chapter, the thesis explores the details in the documentation before drawing the main threads together in the concluding chapter. But although the following chapters are dominated by detail, it may also be useful for the reader to have a sense of the overarching narrative before it is spelled out, to see the wood from the trees. Therefore, looking ahead to the conclusions once the research was completed, and to signal the main core narrative which emerges from it, the main themes of the thesis which unify it beyond the detail, can be summarised in the following argument. First of all, differences of both interests and perceptions emerge in every chapter. Secondly, the differences within the UK government, and differences at different levels within it, (such as the FCO, Department of Trade and Industry, junior ministers, various foreign secretaries, and full cabinet) reflect bureaucratic politics, variations in experience, and varied overall perspectives on Libya, as well as divisions over the best definition of interests and the best means to achieve them. Thirdly, there were long running disputes between Tripoli and London over both arms sales and arms supplies to Ireland which, although they were not only about misperceptions and mismanagement, clearly did on the evidence result in part from those factors, as well as from hard interests. Furthermore, if there were differences and divisions on the British side, perhaps less surprisingly given the large and complex machinery of foreign policy making there, it is also evident that there were disagreements and changes of mind within the Libyan policy making machinery, notwithstanding the dominant role that President Gaddafi occupied. Gaddafi was not consistent in his own views, and did not communicate (or did not allow his subordinates to communicate) clearly to the other side what he considered core interests and negotiable issues. Thus both sides contributed by their
words and actions, and through the structure of policy processes, to the misperceptions and mis-readings of the other. More succinctly, Anglo-Libyan relations reflect long-term conflicts of real interest including those derived from historical experience and perceptions, but all the same the dynamics of their relationship cannot be explained solely in terms of that legacy or those interests. The role of individuals and bureaucratic structures and bureaucratic disagreements on both sides was a significant factor. Both sides misunderstood and misread the other quite often, and both sides over-estimated their ability to shape the situation or change the thinking of the other.
Summary Structure of Thesis

Chapter one

This chapter explores the impact of the new Libyan foreign policy from 1969 to 1979 on British-Libyan relations. To do this, it considers three main areas of interest for both countries: the Arab-Israeli conflict; the Mediterranean Basin and Africa; how British-Libyan political interests no longer matched each other and the consequences for British-Libyan relations.

Chapter two

This chapter examines the British-Libyan disputes that followed 1969 and their impact on British-Libyan relations. These disputes were largely due to outstanding differences between the two countries as claimed by Libya after 1969. These outstanding matters were based on arms deals that were to be delivered to Libya in December 1969, but were suspended after the change of its regime. In addition, there was a financial dispute relating to the former government. The Gaddafi regime indicated that the British government owed money to the Libyan government for the rent of a British military base in Libya for the period from 1965 to 1970. This chapter also examines the attempts of the two governments to resolve such disputes and establish a new policy that was supposed to replace the previous relations between the British and the monarchy regime. The chapter also argues the failure of Britain and Libya to resolve outstanding problems. It attempts to trace the stages of the growing tension between the two governments: how it started, what the most important points of difference were and how relations deteriorated.
Chapter Three

In this chapter the conclusions in chapter two are developed by defining the later impact of unresolved outstanding problems in British-Libyan relations, namely in relation to the oil fields. The chapter also investigates the Libyan oil policy changes after 1969, why these changes occurred and the impact they had on British-Libyan relations.

Chapter Four

This chapter examines the Libyan-Soviet relationship and its impact on British-Libyan relations during the 1970s. The aim of the chapter is to consider the motives beyond the Libyan government’s gravitation towards the Soviet Union, whether it had reached the stage of a threat to Western interests, namely British interests in the region, how the British government considered the Libyan-Soviet *rapprochement* in the 1970s and whether this put a considerable strain on British-Libyan relations. Moreover, the chapter attempts to investigate whether the Libyan turn towards the Soviets was a natural choice of the new Libyan leadership or whether certain circumstances compelled Libya to adopt this trend.

Chapter Five

This chapter investigates the Libyan-IRA relationship and its impact on British-Libyan relations (1972-1979). It considers two main issues: the British response to Gaddafi’s support for the IRA and Gaddafi’s reasons for supporting the IRA.
Chapter Six

The final chapter provides the general conclusions.

Table: Primary Records and Archives Consulted in This Thesis

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<td>Foreign and Commonwealth Office Archives,</td>
<td>TNA, FCO, for example: FCO 39 /634, FCO 39 /635, FCO 39/1067, FCO 39/1083, FCO 39/1087, FCO 39/1088, FCO 39/1111, FCO 39/638, FCO 39-1067 and FCO 67/432</td>
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<td>British Petroleum company files released through the company archive in the University of Warwick.</td>
<td>BPA, for example: Arc Ref 10991 and Arc Ref 121728</td>
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<td>There are also a number of archives which have been checked for relevant material but which either do not have usable documents or which are not actually open and available for the time period this archive covers e.g. Various diaries and letters available in Churchill College library in Cambridge.</td>
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This table shows a sample of the classes of most commonly documents used in this thesis. Although FC and FCO contain a very large number of repeated papers, they are quite useful papers, supplying very good information, which enables the author to successfully fill gaps in the literature. DEFE papers are also very useful, providing the thesis with excellent information especially regarding arms deals. CAB and PREM files both show limited information regarding Libya and IRA relationship, reflecting the limited number of times when Libyan issues were raised at the highest level. But in some aspects, such as decisions of particular arms transactions, they provide specific data. BPA, Arc Ref is British Petroleum Company archives, which also includes useful records of BP and some other oil companies in conflict with Libya during oil price talks early in the 1970s and the subsequent nationalisation of BP assets in Libya.
The author reviewed a very large number of files from different departments and papers, and decided to focus on some files and ignore the others where they just share or repeat the same material. Also, some do not include data related to the topic of this thesis. These files are as follows: FCO Records of the Foreign and Commonwealth Office, FO Records of the Foreign Office, T Records of HM Treasury, BT Records of the Board of Trade, CJ Records of the Northern Ireland Office, OD Records of the Department of Technical Co-operation, and of successive Overseas Development bodies, Records of BPA, Arc Ref.

This chapter has set out the context of the thesis, summarizing its main arguments and explaining its structure. It has also offers a brief view of the historical context (very brief because rigid space demands preclude a more developed account of the background). It summarises the case study methods used and the documentation consulted in this historical thesis, and it touches on some of the limitations of these sources and how they limit but do not invalidate conclusions that can then be drawn. The final conclusions in the last chapter return to and review these arguments and sources.
Chapter One: 1969: Libyan regime change and its new policy orientation

This chapter explores the political changes that occurred in Libyan foreign policy after Gaddafi came to power. It discusses the factors that influenced Gaddafi’s foreign policy. This is to understand the nature of these trends and how they affected the relationship of Libya with Britain. These trends are: Gaddafi being affected by the ideologies of Gamal Abdel Nasser; Arab Unity/Arab nationalism; the Arab-Israeli conflict; and Gaddafi's ambitions to be a global leader. This chapter will also discuss how Gaddafi’s foreign policy affected the Libyan relationship with Britain. To this end, this chapter is divided into two parts. Firstly, through reviewing the literature briefly, it will examine how Gaddafi formed his foreign policy and how it was affected by the factors mentioned above. Secondly, it is through unpublished materials, this chapter will examine how the behaviour of Gaddafi and his foreign policy affected British-Libyan relations.

Libyan foreign policy (influences and trends 1969-1979)

There is no doubt that Libyan foreign policy after 1969 changed dramatically, especially in Libya's relations with the West, Libya's relations with the Arabs and the role of Libya in the Arab-Israeli conflict. After 1969, Colonel Gaddafi became the main maker of the foreign policy of Libya. Throughout the beginning of the 1970s, the new
regime engaged in establishing Libya’s domestic and international politics in line with its own ideological perceptions, which emphasized Arab nationalist objectives.\textsuperscript{51}

Many authors agreed that to understand Libyan foreign policy, it is necessary to understand Gaddafi himself, because he was the actual decision-maker in Libyan foreign policy.\textsuperscript{52} It is not just Gaddafi himself; to see the whole picture one must highlight the factors that had formed Gaddafi’s personality and then reflect on Libyan foreign policy throughout the period of the 1970s. Nasserism, Arab unity/Arab nationalism, the Arab-Israeli conflict, fighting imperialist powers and Gaddafi’s ambition to be a world leader all influenced his political character and thus shaped foreign policy.\textsuperscript{53} These trends in Libyan foreign policy have been discussed extensively before; however, they must be examined here briefly: firstly to identify the sequence of events; secondly to context the debate; and thirdly to find a correlation between Gaddafi’s orientations and British-Libyan relations.

The Impact of Nasserism and Palestine issue on Gaddafi’s policy

Gaddafi had been strongly affected by Gamal Abdel Nasser's political ideology to

\textsuperscript{51} Niblock, T., \textit{the foreign policy of Libya}, in: Hinnebusch, R. and Esheshami, A., \textit{the foreign policy of Middle East states}, p. 222


achieve Arab unity and liberate Palestine. These significantly affected his political views and shaped Libyan foreign policy during the 1970s. Gaddafi saw himself as the rightful heir to Nasser’s ideas, the secretary of Arab nationalism, and that he must accomplish what Abdel Nasser started to achieve for Arab unity. Gaddafi went far beyond Nasser. ‘Qaddafi’s vision extends beyond Libya’s borders. Believing he is a revolutionary world leader, he compared himself to historical figures from the Guevara to Garibaldi’. The Egyptian envoy to Gaddafi, Mohammed Heikal, during the first months of the revolution, said ‘Libya would be at Nasser’s disposal for the battle against Israel. Mr. Tripp, the British Ambassador in Tripoli at the time, said, ‘On the foreign and inter-Arab aspects, Gaddafi covered too much ground in his global review, he was clearly imitating Nasser’s style of covering the world scene, without having Nasser’s competence and experience. The attention of his audience often flagged. He did not say much that was new.’

Gaddafi was also affected by the Arab-Israeli conflict, saying that since he was a child, he had identified with the Palestinian issue, when he was listening to news broadcasts by the Voice of Cairo. Since that time he became obsessed with the plight of the Palestinians and the extent of the injustice they incurred. Gaddafi said that the international community did not do anything to help the Palestinians, and that the issue of refugees in the camps under the conditions of misery and suffering left them without

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56 TNA, FCO 39-1084, letter from Tripp to FCO, 9 October 1972
a solution. Therefore, he became convinced that Palestine must be liberated and
refugees return to their homes. Thus, when Gaddafi came to power, he publicly
declared his support to the Palestinian groups. Gaddafi saw Palestine as the usurpation
of Arab land which was an integral part of the Arab nation which can never be truly
free until Palestine is completely liberated. Gaddafi had never denied his funding and
arming of Palestinian groups, providing them with training camps in Libya. Gaddafi
saw these activities 'as part of his pan-Arab mission to oppose any settlement with
Israel, and indeed its very presence'.

Throughout the 1970s Gaddafi strongly believed in Arab unity. He did not come out
with anything new, only repeating what he had heard from Nasser. Since the ideas of
Gaddafi and his attempts to promote Arab unity have been discussed extensively by
many researchers, it will be sufficient to list below the most important points. The
reason for this is to show and understand how the ideas of Gaddafi influenced Libya's
later foreign policy, and how his political behaviour impacted on Libya's relationship
with the world, particularly with Britain.

- Gaddafi shared with Abdul Nasser the belief in the need to achieve Arab unity.

Gaddafi believed that Arab unity must exist between the Arab countries, not only
because of geography, but as an expression of shared beliefs.

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57 Jacob A., Pragmatism and Rhetoric in Libya's Policy toward Israel, Vol XX No 1,
59 Schumacher, E., The United States and Libya
• Gaddafi saw that the Arab nation shared a common cultural history and destiny, and they must unite as equals to any other race on Earth.

• Gaddafi related the weakness and backwardness of the Arabs to their disintegration into tribal states and regions; a process encouraged by the colonial powers to help them dominate the Arab world.

• Gaddafi strongly believed that the Arabs must unite into a single Arab state if they were to regain their former glory and reach their full potential.

• The Palestinian issue is closely connected to this emphasis on Arab unity. Gaddafi argued that the victory of Israel over the Arabs was simply the latest consequence of Arab divisions; thus the Arabs must unite to regain Palestine.60

Gaddafi from the outset, declared his hostility to Israel. Due to the possession of Libya's ability to provide aid and particularly economic aid, Gaddafi started to fight against the Israeli presence on the African continent, through the provision of economic aid to some African countries, to reduce the Israeli presence, as well as non-recognition of these countries to Israel. 'Indeed, Libyan aid was quite successful in dislodging Israeli influence in several African countries'. For example, when in December 1972 Gaddafi established diplomatic relations with Chad, one of his conditions was that Chad's diplomatic relations with Israel be severed immediately in return for Libyan aid. 'Consequently, Chad cut all links with Israel and expelled all its military advisors'.

60 St John, R B., The Ideology of Muammar al-Qadhdhafi: Theory and Practice
Chaim Herzog, Israeli former President, claimed that 'Gaddafi pressured Zaire's President Mobutu Sese Seko to stop cooperating with Israel, threatening to assassinate him'. Gaddafi continued his activities in convincing other African states to sever diplomatic relations with Israel. 'He was overjoyed after the Yom Kippur War, when most African countries decided to do so.\(^\text{61}\) Gaddafi’s opinion was that Israel was the main threat to the integrity of Islam and the Arab world. Thus for him, the primary way to achieve Arab unity was the liberation of Palestine.

**Gaddafi’s ambitions, ideology and practices**

Gaddafi was born in a Bedouin family, in the town of Sirte. “The Bedouin ways of his parents and the importance of the tribe in his culture have been built up in his memory and self-edited over the years to establish his personal narrative, the personal story he carries in his head”. Gaddafi was enrolled in a preparatory school in Sirte, and later he moved to Sabha, which lies in the southern region of Fezzan, to continue his primary education. “He came into contact with Egyptian teachers and under the influence of Nasser’s ‘Voice of the Arab’ on the radio”.\(^\text{62}\) During his Study in Sabha and later, in his secondary school in Misurata, Gaddafi was affected by the Suez crisis in 1956, the 1967 war and Nasser's style of leadership. Later Nasser's leadership reflected in the planning of the Libyan revolution of 1969 when Gaddafi and his colleagues set up an organisation similar to the one established by Nasser's revolution in Egypt; namely, the Revolution Command Council (RCC). In this respect, Qaddafi and his colleagues declared themselves as followers of Nasser, devoted to his goals of Arab unity, anti-

\(^\text{61}\) Jacob A., Pragmatism and Rhetoric in Libya's Policy toward Israel

imperialism and Arab socialism. All these matters later reflected in Gaddafi’s foreign policy as it will be discussed in this chapter.

Gaddafi's ambition was another important factor driving his foreign policy. Since his early days, Gaddafi declared that Arab nationalism and Arab unity were the most important priorities, not only for the ideological framework espoused by the regime, but also for its claim to legitimacy. Perhaps Gaddafi believed that his legitimacy derived from the adoption of the principle of Arab unity, and therefore a legitimate revolution, gave him the right to be the Arab leader who should lead the struggle against imperialism and the liberation of Palestine. By supporting the most radical Palestinian organisations against Israel, such as the Popular Front for the Liberation of Palestine – General Command (PFLP-GC), founded in 1968 by Ahmed Jibril, Gaddafi played a leading role in the conflict, aiming to lead the conflict against Israel. Gaddafi had seen in these activities a kind of strike at imperialism, using such activities to increase his popularity as an anti-imperialist, enhancing his domestic and international reputation. However, these acts actually significantly damaged Libyan aspirations to regional and international leadership. Thus, he tried several times to differentiate between revolutionary violence, which he supported, and terrorism, which he opposed. But he did not succeed in doing so. The Libyan monarchy's participation in the surrounding Arab world was limited, whereas its cooperation with Western allies

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65 Bushashia, F., Public Diplomacy between the United States and Libya
66 St John, R B., The Ideology of Muammar al-Qadhdhafi: Theory and Practice
67 Ibid
was evident. Gaddafi began his tenure in office by moving Libya out of the Western orbit and into a closer association with other Arab powers.\textsuperscript{68} To do this, he demanded a quick evacuation of British and American bases from Libya. In addition, he engaged in union discussions with Egypt, Syria, Sudan, and Tunisia. In December 1977, Gaddafi called a meeting in Tripoli opposing any plan of signing a peace agreement with Israel. The meeting was joined by Syria, Iraq, South Yemen, Algeria and the Palestine Liberation Organization (PLO).\textsuperscript{69} Gaddafi’s aim was to isolate Egypt, leading the Arab boycott.

Gaddafi’s engagement in supporting what he viewed as revolutionary movements in many parts of the world was one way to advance his grandiose ambitions to be a major player on the world stage. His anti-communist beliefs did not stop him dealing with the Soviet Union. ‘However, government leaders of Arab countries and of many other countries of the world came to regard Gaddafi as bizarre, untrustworthy, and sometimes dangerous’.\textsuperscript{70} Gaddafi obtained large quantities of arms from the USSR. He aimed to make Libya the main supplier of weapons to Arab countries if a war broke out between the Arabs and Israel. This would enhance his voice in the Arab-Israeli conflict. In addition, Gaddafi had ambitions through these large quantities of weapons to be the biggest funder to Palestinian groups in their operations against Israel. This, of course, would give him a direct impact on these groups, and so on the conflict. Such an aim

\begin{flushleft}
\textsuperscript{68} Ibid  \\
\textsuperscript{69} Bushashia, F., Public Diplomacy between the United States and Libya  \\
\end{flushleft}
was achieved with some extremist Palestinian groups.

This approach to foreign policy making led to Libya being internationally outcast by the West, in particular the US, but also by surrounding Arab countries. Its perceived unreasonable and unacceptable foreign policies created a clear reluctance in the West in general, and the US and UK in particular, to deal with Libya. This created a confrontation with the Western powers who were trying to protect their interests in the region, as well as to protect those regimes loyal to the West.

From the viewpoint of Western powers, Gaddafi’s regime was seen as a threat to Western interests and stability in the Middle East and Africa. This had led to measures of restriction and retaliation towards Libya. Gaddafi had seen the presence of Western powers in the Arab region as a protection of their interests at the expense of damaging the interests of Arab states. Thus, Libya put itself as the target of more Western governmental hostility than any other Arab country.\footnote{Niblack, T., The foreign policy of Libya, in: Hinnebusch, R. and Etheshami, A., The Foreign Policy of Middle East States, p. 214} Gaddafi made the political positions of Libya based on the positions of other countries on the Palestinian cause, as he claims.\footnote{Ibid, p. 220} The activities which Gaddafi was engaged in between 1973-1977, and subsequently in the Arab region and elsewhere in the world, involved some organisations regarded as being involved in international terrorism. As a result Libya was regarded as a major player in the disruptive role within the region and to Western interests.\footnote{Ibid, p. 224} These activities will be pointed out below.

\footnotesize{\begin{itemize}
\item[71] Niblack, T., The foreign policy of Libya, in: Hinnebusch, R. and Etheshami, A., The Foreign Policy of Middle East States, p. 214
\item[72] Ibid, p. 220
\item[73] Ibid, p. 224
\end{itemize}}
In the region, it seems clear that the hostile policy which was pursued by Libya was directly against those pro-Western countries in the region, deemed by Libya as standing against Libyan policy, or betraying traditional Arab objectives on the Palestine issue, as Gaddafi viewed them. The best example that can be highlighted here, is the escalation of hostilities against Egypt after the Egyptian-Israeli agreement in 1974 and the increase of hostility between Libya and Egypt during the late 1970s. This will be widely discussed in chapter 4.

In March 1970, in a speech in Al-Bayda city, Gaddafi strongly attacked the imperialist powers, and accused them of acting against the interests of small states such as Libya. In addition he announced his hostility to Israel, his support for the Palestinian struggle against Israeli occupation, and demanded the Arab countries to open their territories to be a base for Palestinian movements to attack Israel, and give full support to these movements. The most important points contained in this speech are as follows:74

- Imperialism is bound to conspire with local reaction and world Zionism to impede our march[...] Imperialism is aware of the serious threat the Libyan revolution poses to imperialist interests[...] It will know the gravity of this decision and that the battle is bound to take place. Therefore, imperialism will either have to surrender as it did in the battle over the bases or use the oil weapon against the freedom of the Libyan people.

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74 TNA, FCO 39-635, Gaddafi’s Bayda rally speech
• The 1st September revolution cannot in any circumstances deviate from the path of Arabism and Islam. The revolution cannot in any circumstances deviate from actual participation in the battle of Arab destiny. We are massing the resources and capabilities to arm not only Libya, but all the Arabs.

• We always strongly declare that in any circumstances shall we deviate from the path of Arab unity[...] without hesitation we shall bear all our responsibilities and commitments for the sake of achieving unity.

• The Palestine question does not concern Palestine or the Palestinians alone [...] the Arab nation is mobilising all its resources for the great confrontation for the sake of Palestine. I challenge any Palestinian to be more enthusiastic, more loyal, or more nostalgic than I for the sake of Palestine. I challenge any Palestinian to have stronger feelings than I in this respect.

• I am aware that Palestine action was (and still is) facing a serious problem. The problem is that it does not stand on solid ground. A number of Arab countries reject Palestine action. Palestine action is seeking secure launching points and rear bases. We denounce the attempts to deny these. Arab territory must be open to Fia’iyin (freedom fighters) and Arab territory as a whole should be a launching point for Palestine.

What was Gaddafi saying in his public speeches, especially in the early days of his coming to power? At the time when Britain was assessing the directions of its policy with him, was not encouraging that it would be any common interests between the two
countries in the field of international politics. This led to the cancellation of exports of tanks to Libya in 1970, because of its anti-Israel policy. For more details see chapter 3.

All the factors mentioned above, formed the political behaviour of Gaddafi throughout the 1970s. These actions and others have made the Western world and the United States, consider the new regime in Libya with suspicion, and later classified Libya as a state sponsor of terrorism.

A letter from the State Department to Senator Jacob Javits shows that Libya had 'at least since 1972, actively assisted a number of terrorist groups and individuals, including the Palestinian ‘rejectionist’ factions. The Libyan support of the Palestinian rejectionists ran counter to the Carter Administration’s willingness to move ahead with the peace process [...] culminating in the 1978 Camp David Accords. Accordingly [...] to Libyan efforts to derail the peace process'.

Gaddafi became increasingly opposed to specifically Western influence in his terms. The Western capitals declared their concern over Gaddafi’s alleged subversive activities in countries thought to be friendly to Western interests in Africa and the Arab world. For the removal of these regimes, Gaddafi supported opposition groups in Tunisia and Morocco. Tunisia is a case in point. As a result of his failure to persuade Arab leaders to his project of Arab unity, Gaddafi turned to supporting opposition groups in these countries to change those leaders who were opposed to him. In his view, they stood in the way of Arab unity. After his dispute with President Habib Bourguiba to form a union, Gaddafi tried to

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75 Bushashia, F., Public Diplomacy between the United States and Libya
76 Schumacher, E., the United States and Libya
bring down Bourguiba's regime.77 He trained and armed some Tunisians and sent them to Gafsa in Southern Tunisia to start an armed rebellion. However, Gaddafi failed to overthrow Bourguiba and the relations between Tunisia and Libya were damaged.78

Extensive support was given to the popular Front for the Liberation of Palestine (General Command) and the Abu Nidal group.79 Gaddafi’s support for Palestinian organisations translated into action. It included financial support for their operations and military training of Palestinian fighters. In September 1972, Libya was accused of the financial support for the attack on the Israeli athletes in Munich. $5 million was given to PLO Chairman Yasser Arafat to expand his operation against Israel. In October 1973, the Arab National Youth Organisation for the Liberation of Palestine (ANYOLP) was supported by Libya to hijack a Lufthansa plane. The Bonn government was forced to release the three Munich commandos jailed in West Germany in order to free the plane. Later after the three men were released, they headed to Libya.80 Some reports claimed that the total amount of Libya's contribution to terrorism varied from $40 to $250 million a year. Israeli intelligence claimed that the amount was $1 billion. Another Israeli intelligence report said that in October 1978, 'Libya promised to provide the PLO with $39.3 million a year and also offered support to Ahmed Jibril's organisation, although Gaddafi delivered only a small part of the amount promised'.81

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78 Ibid
79 Niblack, T., the foreign policy of Libya, in: Hinnebusch, R. and Etheshami, A., the foreign policy of Middle East states, pp. 224,225
80 El-Khawas, M A., Gaddafi his ideology in theory and practice
81 Jacob A., Pragmatism and Rhetoric in Libya's Policy toward Israel
A third Israeli intelligence report claimed that up to 1986, over 7,000 terrorists were being trained by foreign experts across Libya. An American report shows that 'Gaddafi maintained 34 bases used by terrorists. He paid Abu Nidal, the head of the PFLP-GC, between $5 million and $6 million for massacres carried out in Rome and Vienna, and an additional annual fee of $5 million to his group'.\(^{82}\) However, no documents were found to prove or deny these figures. At the same time a couple of secondary sources show that Gaddafi offered training and funding for many terrorist groups, including the IRA.\(^{83}\)

In fact, political activity and the financial and economic support, which was run by Gaddafi, had concerned the United States and the West. Therefore, it was considered as a hit to the American and Western interests in the Arab region and Africa. Much of Gaddafi’s support has been a sideshow to his main area of interest: Africa and the Arab world. In Africa most of his activities were to reduce the influence of Israel on the continent.

In a 1971 statement before the House Foreign Affairs Committee, Libyan activities abroad were described as follows: 'Libya has increasingly interested itself in sub-Saharan Africa through expressions in the past of support for Moslem populations in other states in opposition to what it regards as Israeli influence detrimental to the Arab cause in Africa'.\(^{84}\) Gaddafi used the Libyan oil money to give financial and other

\(^{82}\) Ibid
\(^{84}\) Bushashia, F., Public Diplomacy between the United States and Libya
support to many organisations he regarded as revolutionary or waging national liberation struggles. This was considered by the American administration as engaging in terrorist violence. In the mid-1970s tension between Libya and Egypt increased, and the United States’ support to Egypt increased in its efforts to support the peace process between Egypt and Israel.\textsuperscript{85} Libya was against the peace process with Israel. By 1976, the American administration of President Gerald Ford was publicly suggesting that Libya was supporting international terrorism. In 1977, the United States supported Egypt in the skirmishes that took place on the Libyan-Egyptian border. In the same year, the Carter administration said that there was strong evidence of the involvement of Libya in an attempt to assassinate Herman Frederick Eilts the American Ambassador in Egypt (1974-79). Gaddafi denied this. The United States blocked the sale of transport planes to Libya, accusing it of terrorism.\textsuperscript{86}

The major and complicated issue in this was how each party considered these acts. While these acts were considered by Gaddafi as support for liberation movements, either with regard to its support for Palestinian groups, it was seen that it was a duty for him toward the Palestinians and the Palestinian cause. However, the West, particularly Britain and the United States categorised it as support for terrorism, and a hostile action against them in the Arab region and the world as a whole. The radical foreign policy that was set up by Gaddafi, had led Libya to confrontation with the West which reached its intensity in 1986 when the United States attacked Libya militarily.

\textsuperscript{85} Kriesberg, L., Assessing past strategies for countering terrorism in Lebanon and by Libya
\textsuperscript{86} Ibid
All the factors discussed above are well-known in secondary sources as the factors guided Libya's general foreign policy during the 1970s and 1980s. However, no studies were founded to examine the effect and impact of these factors and other reasons mentioned in this thesis (outstanding issues, Libyan attitude toward Israel) on the British-Libyan relations in particular. Thus, the discussion below will shed light on these issues by using unpublished materials. This aims at exploring the impact of all these issues on the British-Libyan relations as a whole, and how the British government considered this. Gaddafi's beliefs had put him in a conflict and confrontation with the strategic and political interests of Britain in the Mediterranean region, Africa and the Middle East. He was young, no experience and no one guided him, America, Britain, or even the Soviet Union failed to do so. Thus, Gaddafi failed to be pragmatic and make a balance between his principles in theory and practice.

**Britain's view of Libyan foreign policy in theory and practice 1969-1979**

In an unpublished and quite a long document, containing 20 pages, Mr Anthony Williams, the British Ambassador to Libya (1977–1980) addressed how the British government considered Libya's foreign policy during the period of the 1970s. This document was sent to David Owen, the British Foreign Secretary from 1977 to 1979, and also Leader of the Council for Social Democracy Party (SDP) (1983 to 1987) after breaking away from the Labour Party. The other unpublished British document which will be addressed below shows that there was an agreement in the British government about what this document included over Libyan foreign policy. In addition, these
British documents are in an agreement with the previous studies that concluded that Libyan foreign policy in the 1970s was driven by Nasserism, Arab Nationalism, the Arab-Israeli conflict and Gaddafi's ambitions. Indeed what is new to add here is: how the British government viewed Libyan foreign policy in the 1970s, how the British government dealt with Libyan foreign policy, and what tools they used to do this.

In this regard, the British government had seen Gaddafi's thinking in the 1970s being highly derivative from his primary source on nearly everything: on Gamal Abdel Nasser's Philosophy of the Revolution. In his theory of Jamahiriya, Gaddafi goes far beyond Nasser's Arab Socialist Union.\(^{87}\) Mr Williams described Libya's foreign policy in the 1970s by saying that: 'Libyan foreign policy in the wider context is essentially theoretical rather than pragmatic; an expression of the dogmas of the "great teacher and leader."\(^ {88}\) He went on to say that:

\[
\text{in foreign affairs, Gaddafi is still thinking in terms of Nasser's three circles the Arab, the African and the Islamic. Like Nasser, Gaddafi sees the Arab circle as a single entity, a single region with the same factors and forces, foremost among them imperialism, united against them[...]within the Arab circle there is a role wandering aimlessly in search of a hero.}\(^ {89}\)
\]

This British view of Libyan foreign policy had not changed throughout the 1970s, but on the contrary, the British policy to deal with Libya in that period was built on this basis. Another unpublished British document report in the early 1980s shows that the British still had the same view of Libyan foreign policy. The document reported that:

\[
\text{Following Nasser's death in 1970 Gaddafi sought to adopt his mantle as an African revolutionary. His policies and philosophy owe a good deal to Nasser, although his concept}
\]

\(^{87}\) TNA, FCO 93-1384, understanding Gaddafi's foreign policies, letter from Anthony Williams to the Rt Hon Dr David Owen MP, 13 November 1978
\(^{88}\) Ibid
\(^{89}\) Ibid
of the Jamahiriya goes far beyond Nasser's Arab Socialist Union and many of his economic ideas would probably have been regarded by Nasser as bizarre.  

After Nasser's death, it seemed to Gaddafi that it was possible to replace him, lead the Arab world and play an international role, especially in Africa. This was discussed above through Gaddafi's ambitions. The British report extensively mentioned this addressing that:

A main reason why Gaddafi is even more inclined than Nasser was to seek a star role in each of these three circles is, of course, that, while Nasser's Egypt was poor and getting poorer, Gaddafi's Libya has since his revolution, got steadily richer. The advantages of being rich if one is tempted to an activist, meddling foreign policy are obvious.

In 1973, Gaddafi elaborated his own ideas and principles in his third international theory that he considered as an alternative to both capitalism and communism, which he refused in both theory and practice. Gaddafi's third international theory included his beliefs 'in Islamic solidarity and other inter-related goals: the unity of Libya, the unity of the Arab world, and the unity of the non-aligned states, particularly those in Africa[...]in part, this belief motivated Gaddafi's interventionist policies in sub-Saharan Africa'. Other beliefs of Gaddafi were put in his theory such as 'commitment to eliminate all forms of imperialist and colonialist influence has been a mainspring of his African policy. There were, however, more basic factors of real politics including destroying Israel's African links which also governed Gaddafi's relationship with Black

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90 TNA, FCO 93-2345, Libya expansionism in Sub-Saharan Africa, 1980
91 TNA, FCO 93-1384, Understanding Gaddafi's foreign policies
92 TNA, FCO 93-2345, Libya expansionism in Sub-Saharan Africa
African states, particularly Chad and Uganda in both of which Libya became militarily embroiled'.

All of these and perhaps other considerations formed Gaddafi's policy in the 1970s. In addition, it cannot be ignored that the tension occurred between the two countries during the 1970s over the arms contracts and Libyan attitude towards Israel, had strongly directed Gaddafi's policy with Britain.

The British never accepted the Libyan foreign policy in the 1970s or viewed it as reasonable. Mr Williams discussed how the British government should deal with Libya, he said that:

Libya is an unreliable friend, but also not as formidable an enemy as might be imagined; not, for instance, in the Soviet pocket. Our best course is, wherever possible, to keep out of the way and leave her to defeat herself, maintaining sensible commercial and bilateral relation at the working level.

Williams also wrote:

Libya under Gaddafi will never be predictable let alone reliable. Libya is a menace as much to the Soviet Union as to the West. There is little chance of influencing Libya to fully sensible

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93 Ibid
95 See chapters 3, 4 and 5.
96 TNA, FCO 93-2345, Libya expansionism in Sub-Saharan Africa
policies. We should try keep out of Libya's way while trying to build up useful commercial bilateral relations through officials and technicians whose feet sometimes touch the ground.\textsuperscript{97}

What can be added here is that this is the policy that drew Britain's relationship with Libya throughout the 1970s. In 1975 Wilson’s government followed a policy to meet the Libyan desire for talks in order to settle their outstanding claims and normalise relations, providing that such settlement should not bring any obligation to Libya. This was to benefit from the improvement in trade relations without putting forward a clear framework for a settlement.\textsuperscript{98} By the end of the 1970s Britain was still following the same policy.

Mr Tomkys, the former Head of the Near East and North Africa Department said that: 'I agree that Libyan foreign policy is irrational and directed by an essentially irrational leader it is explicable in Libyan terms'.\textsuperscript{99} Mr Tomkys went on to say that:

\begin{quote}
I agree with Mr Williams that we should take a pragmatic view. We cannot change Gaddafi [...] we cannot hope to reform the Libyan regime. But our interest in doing business with it is substantial [...] closer association with Libya might not make the Libyans amenable but it could mitigate to some extent the damage they seek to do to British interests.\textsuperscript{100}
\end{quote}

Another British report said that: 'In balancing Gaddafi's foreign policy objectives against his poor success rate. I do not think his recommendations (Mr Williams, the British Ambassador) for HMG's policy cut across the tactics we envisage employing e.g. on the arms package or claims'.\textsuperscript{101}

\textsuperscript{97} TNA, FCO 93-1384, Gaddafi's foreign policy, letter from W R Tomkys to Mr Weir and Mr Judd, 29 November 1978
\textsuperscript{98} TNA, FCO 93-613, Negotiations with Libya
\textsuperscript{99} TNA, FCO 93-1384, Gaddafi's foreign policy, letter from W R Tomkys to A J Williams, 29 November 1978
\textsuperscript{100} TNA, FCO 93-1384, Gaddafi's foreign policy, letter from W R Tomkys to A J Williams
\textsuperscript{101} TNA, FCO 93-1384, Gaddafi's foreign policy, letter from M K Jenner to Mr Powell and Mr Tomkys, 22 November 1978
There are two conclusions that can be drawn here: first that there was a consensus within the British government that it could not cope with the Gaddafi regime in light of Libyan foreign policy which was considered anti-British, and therefore it had to be kept to the least amount of diplomatic relations with the Libyan government, at the same time maintaining the commercial interests of the British in Libya. Secondly, that the British government was seeking to save its commercial interests with Libya, but not to get too close to the Libyan government, in other words not to have normalised relations with Gaddafi’s regime. The purpose of this was to save the British export market which was over £200 million by the end of 1978 with invisible earnings of some £50 million and some 4,000 British citizens working in Libya. There was also a British hope to increase British profit in the degree of more improvement in British-Libyan relations especially in terms of settling the outstanding issues.102

The British-Libyan dispute over the Arab-Israeli conflict

The conflict in both countries’ interests mainly occurred during the period of the 1970s over three specific issue areas: the Arab-Israel conflict, the Mediterranean and Africa. Mr. Quesne said that ‘I have never believed that we (the British government) should ever be able to establish a stable and permanent modus vivendi with a regime run by as unstable a character as Gaddafi’.103 According to the British government, the most important goals of British foreign policy in the Middle East were to maintain the balance of military forces in the region, and work for an effective arms limitation

102 TNA, FCO 93-1384, Gaddafi’s foreign policy
103 TNA, FCO 39/1111, Libya, letter from C M Le Quesne to Mr. Craig, 18 May 1972
agreement covering all the main suppliers, at the same time to continue its arms trade with the countries of the region, but without prejudicing the balance of power. Another important objective of the British government was to resolve this conflict by peaceful means. It was not difficult for the British to achieve the first goal particularly with Libya, until the regime was changed in Tripoli in September 1969. The FCO said that, until there is a limitation to weapon-exporting to the Middle East 'we should continue to supply arms to the Middle East; not to do so would damage our commercial and political interests.'

Britain has a vital interest in keeping the flow of oil from the Gulf open. It also has a broader commercial relationship with the Middle East. In particular, the region has been an important customer for British arms exports, which have constituted a significant element of the British economy.

It cannot be denied that the position of the Libyan government after 1969 towards the Arab-Israeli conflict was the most important point which worried the British government. The position of Libya has shaped Britain's policy towards Libya in this regard, particularly in the British policy of exporting arms to Libya. The Secretary of State said that:

> We [the British government] must also do what we can to see the new Libyan government, whose thinking is still largely in the formative stage....pursue moderate policies in the international affairs, and in particular favour a peaceful rather than a violent settlement of the Arab/Israel dispute.

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104 TNA, CAB 148-116, policy for the supply of British military equipment to Israel and the Arab states, memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 22 February 1971
106 TNA, CAB 148-93, Anglo/Libyan relations, memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 31 October 1969
A large number of British documents show how the new Libyan foreign policy after September 1969, had affected British policy with Libya, especially in the light of Libyan policy towards the Arab/Israeli conflict. Emmanuel Shinwell, Labour MP for Easington (and Labour’s leading Zionist), argued that:

Even if it is a traditional custom not to furnish information about the provision of arms to other countries, how does the Secretary of State justify the action vis-a-vis Libya in providing that country with Chieftain tanks in spite of the declaration of war against Israel and refusing to implement the Government undertaking to provide Chieftain tanks to Israel?  

The British government expressed its concern about the position of Libya over the Arab-Israeli conflict since the early days of the regime changed in Libya in 1969. This made the position of Libya from the conflict in the Middle East, one of the main points that concerned the British government and led the British to evaluate its relationship with Libya, after the year 1969. The Secretary of State wrote that 'the new government must be expected to follow a more active policy of opposition to Israel than their predecessors. They have said they will'.

As the political change occurred in Libya, the Libyan foreign policy over the Arab-Israeli conflict became the central issue of the British government’s policy towards the Middle East, namely its military commercial dealings with the Middle East country. The British government took a decision that dealing with the new government in Libya would be based on its attitudes towards all the international issues

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108 TNA, CAB 148-93, Anglo/Libyan relations, memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 3 October 1969
109 TNA, CAB 148-93, Anglo/Libyan relations, memorandum by the Secretary of State for foreign and commonwealth affairs
of common interest, namely the position of Libya towards the Arab-Israeli conflict. For this purpose, the British government linked its cooperation particularly in the field of military cooperation and arms to the position of Libya from the conflict in the Middle East.\footnote{TNA, CAB 148-91, meeting minutes, 4 November 1969.} Thus the British government entered into debates to explore the position of Libya with regards to the conflict in the Middle East. Later the outcome of these debates formed the British position and relationship with the Gaddafi government in subsequent years.\footnote{Ibid} Mr. Maitland, the British Ambassador, said:

They (RCC) regarded the existence of Israel as an affront to Arab dignity; influenced over the years by 'The Voice of the Arabs', they were inclined to hold the West responsible for Arab misfortunes; they wanted to build up their armed forces and would judge our intentions by our willingness to help in this process.\footnote{Jones, S., \textit{British policy in the Middle East, 1966-1974, with special reference to Israel}, \textit{Ibid}}

The British government explored Libyan foreign policies towards the Arab-Israeli conflict through its Ambassador in Tripoli. Maitland wrote: 'My first task was to report to London my assessment of the nature, durability and likely policies of the new regime and the implications of these for British interests'.\footnote{Ibid} In a conversation between Mr. Maitland and the Libyan Foreign Minister Mr. Buaisir, said regarding British and Libyan attitudes toward the Arab-Israeli conflict that 'The gap between us was too wide to make political cooperation possible'.\footnote{TNA, FCO 39-634, Anglo-Libyan relations, letter from Maitland to FCO, 5 January 1970}

Thus, it can be drawn here that the disagreement between Britain and Libya on the issue of the Arab-Israeli conflict was one of the main points of contention in the
relationship between the two countries, as it was shown clearly that Libya was keeping its relations with Britain in the light of Britain's position of supplying arms to Libya, which is mainly based on Britain's position on the Arab-Israeli conflict as a whole, and in particular Libya's position on this conflict after September 1969.

The position of Libya on the conflict in the Middle East was very important to the British government. The FCO stated that 'We [the British government] shall, remain closely interested [...] and the Libyan attitude towards the Arab/Israel conflict.'

Indeed, the position of Libya on the Arab-Israeli conflict, which became more clearly hostile to Israel day after day, and to any kind of normalisation with Israel, especially in the subsequent years following 1969, obviously shaped Britain's policy in dealing with the regime in Tripoli, especially in the field of arms sales.

At the Rabat summit meeting and during the Tripartite Summit meeting in Tripoli in 1970, Libya confirmed that it supported the Del confrontation with Israel and provided the necessary support in this regard. After this meeting, the British government through its Ambassador in Libya, handed over three points to the Libyan government which Britain saw as the base of its policy towards the Arab-Israeli conflict, and asked Libya to respond to them. The British government confirmed that these points represented a common interest in the Palestine question and in particular hoped that the Libyan side would agree to them. These points are as follows:

115 TNA, FCO 39-634, Anglo-Libyan relations, letter from Stewart to British embassy in Tripoli, 8 January 1970
116 TNA, FCO 39-634, record of the first session of the Anglo/Libyan equipment and training talks
117 TNA, FCO 39-634, record of the second session of the Anglo/Libyan equipment and training talks
• It was in the interest of both Britain and Libya that there should be a just and lasting settlement of the question as proposed in the Security Council Resolution of November 1967.

• It was in the interest of both Britain and Libya that such a just and lasting settlement should be achieved by peaceful means.

• The continuance of the present instability and hostilities were not in the interest of Britain or Libya.

Major Jallud responded to the British points as follows:118

• That Libya would welcome peace. But a distinction must be drawn between peace and surrender. A true and just peace settlement must not be capable of many different interpretations.

• Libya agreed that a peaceful solution would be the best. This had been clear since the Arab territory was occupied in 1967.

• That Libya of the revolution had decided that everything must be linked to Palestine. Israeli withdrawal, which must be unconditional, must be tied to the question of Palestine, not to the 1967 aggression.

118 Ibid
The British government considered the Security Council Resolution of November 1967 to be the main base for the Arab-Israeli peace process. Whereas, RCC insisted that Israeli withdrawal must be unconditional and did not see the Security Council Resolution of November 1967 as a base for the Arab-Israeli settlement. In November Mr. Maitland sent his report about the Libyan view about the Arab-Israeli conflict. Discussions that took place between the two parties, explored the attitude of the new rulers in Libya towards the Arab-Israeli conflict, with particular reference to future cooperation in the military field. In addition, it examined the future outlook in Libya and the international relations of the RCC. Maitland's report about his dialogues with the Libyans contained very important outcomes. They are as follows:\footnote{119}{TNA, FCO 39-634, Anglo-Libyan relations, letter from Maitland to FCO, 1 February 1970 (first latter).} \footnote{120}{TNA, FCO 39-634, Anglo-Libyan relations, letter from Maitland to FCO, 1 February 1970 (second latter).}

Paragraph 1 (F) - Libyan troops sent to Egypt are there for training purposes only, and will not (not) go to the front.

(G)- Military equipment supplied by Britain any other country will be for the sole use of the Libyan armed forces.

(H)- Such equipment would be used only for Libya’s defence.

Paragraph 4- The remarks quoted in paragraph 1 (F), (G), and (H) above cannot be regarded as a complete guarantee that Libyan Chieftains would never appear on the Arab/Israel front.
Paragraph 4- (C) contribution to the build up of Arab strength. The RCC believes that steady mobilisation of the Arab’s potential is necessary if Israel is to be persuaded to deal justly with the Arabs of Palestine. They consider it their duty to play their part.

The consequences of the British Libyan dialogues over the possibility of finding a common formula, are that it can be agreed by both sides on the Arab-Israeli conflict that it did not deliver good results. Libyan trends in this regard were not apparently acceptable to the British government, and were considered fanatical attitudes. The Secretary of State said 'Major Jallud[...] holds extreme views and like other members of the Libyan regime rejects resolution 242 and the Rogers initiative'.

121 TNA, FCO 39-638, Brief for the Secretary of State’s meeting with the deputy Prime Minister of Libya, 17 November 1970

122 TNA, FCO 39-635, Libya: present situation and future prospects, letter from Maitland to FCO, 25 April 1970
conflict. Perhaps the most important evidence of this was the fear of the British government of the new regime in Libya to obtain the kind of sophisticated weapons that may disturb the balance of power in the region, and would lead to a dangerous arms race which may have taken the region to war. Therefore, Britain suspended all arms deals that had already been signed with the regime of King Idris, which was supposed to be received by the new regime in Tripoli. This will be discussed in detail in chapter 2.

Gaddafi publically and repeatedly announced that it was his honour to be a party in any war against Israel and that all Libyan military supplies are for the liberation of Palestine.\(^{123}\) Gaddafi said that 'We must support the Palestinian revolution, but this would not be enough because the enemy is not threatening only the Palestinians; it threatens the very existence of the Arab.'\(^{124}\) Although in his negotiations with the British Ambassador in 1970, Major Jallud gave an assurance that the weapons that may be imported by Libya from Britain would not be used against Israel and would not be given to Egypt in any possible war with Israel. However, the British government did not trust any guarantees provided by the Libyan government.\(^{125}\)

\(^{123}\) TNA, FCO 39-634, record of the first session of the Anglo/Libyan equipment and training talks
\(^{125}\) TNA, FCO 39-634, record of the first session of the Anglo/Libyan equipment and training talks
British-Libyan conflict of interests over the Mediterranean

In 1972 Gaddafi called for the evacuation in the Mediterranean of any military presence, and in particular had invited the closure of the British military base in Malta. Britain considered this to be a hostile act against its strategic interests in the Mediterranean. At that time and for Britain and NATO, Malta was a strategic link to the empire east of Suez and one of the main Western naval forces in the Mediterranean. Malta was in need of improving its economic situation, and for that had looked to Britain and NATO to help her, but nothing was done to improve the Maltese economy.

Mr. Dom Mintoff who was the Maltese Prime Minister threatened to end the British presence in Malta unless more money was paid for the rent of the British base. He went on to say that 'foreign armed forces would be brought to Malta without specifying their nationality[...]' Mintoff had announced that 15 January 1972 would be the final deadline for the withdrawal of British troops, and Britain had said it had no intention of meeting it.

Mintoff visited Libya, met with Gaddafi and discussed the British base issue and the Libyan support to the Maltese. After Mintoff’s visit to Libya, Gaddafi announced that 'we [the Libyans] support the Maltese government's drive to keep out of foreign alliances, Eastern or Western. We have, therefore, started a new chapter of cooperation with Malta and will extend aid to her.' Gaddafi took this opportunity and offered economic assistance to Malta if the British base was evacuated. For this purpose

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126 Metz, Libya, pp. 230,231
127 Lewis, J W., The strategic balance in the Mediterranean, foreign affairs study, (United States, 1976), P
128 Libya calls on Malta to 'steer away from Nato, The Times, Aug 02, 1971
Mintoff made several trips to Libya for talks with Gaddafi. Both sides agreed to receive Libya Maltese workers and in return provided technical training for Libya. During which time it is believed Libya passed emergency credits of a rumoured £5 million to the cash-starved Maltese government.

Britain began to evacuate British service families from the island, at the same time, a group of 44 Libyans and Egyptians arrived on Malta, to help the Maltese operate the control tower of the Royal Air Force base, which also served as Malta’s only civilian airport.

The United States mediated to solve this issue and after intensive consultation with NATO allies, a British-Maltese agreement was signed as a seven-year defence agreement. 'Britain and NATO agreed to pay Malta $36.4 million in annual rent, with the United States paying $9.5 million of this. Another $23 million in bilateral aid came from NATO countries'. At the Summit of the Non-Aligned Countries in Algeria in 1973, Gaddafi called again to evacuate the Mediterranean region of military bases and fleets, and in particular Gaddafi attacked the military presence of NATO in the Mediterranean Sea. In addition, and during Jallud's visit to Moscow, it was agreed that the Soviet Union strongly supported the request of Libya to evacuate the Mediterranean region of military bases and any foreign military presence. The Soviet Union and Libya said that 'the presence of military bases in the area constitutes a permanent threat to the peace and security of Mediterranean states and hinders their

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129 Metz, *Libya*, p. 231
130 Malta finds the development market coy, *The Times*, Jan 03, (1972)
131 Lewis, J W., *The strategic balance in the Mediterranean*
132 Metz, *Libya*, p. 231
development and progress. This share in common interest between Libya and the Soviet Union must have been perceived to be against US and Western interests, especially the British interest, in the Mediterranean basin.

Gaddafi did not stop making trouble for the British government, as it was the case in the problem of the British military base in Malta. In the viewpoint of Mr. Tripp, Gaddafi was making difficulties for the British government because of his financial claims. However, he said that it seems that even if the financial claims were settled in full, Gaddafi would pursue his ideological beliefs. He was inflexible in his policies, imposed his views, and did not listen to his officials and ministers. Tripp went on to say that 'While Gaddafi remains in charge there is unlikely to be any moderation of Libyan policies.'

In spite of all this, there was great suspicion of Colonel Gaddafi's apparent keen interest in the island and his willingness and generosity, while the Maltese had not much to offer Libya. In this context, why did Gaddafi take this line to support the Maltese against the British? The Times argued Gaddafi's reason to support the Maltese and addressed two main purposes as follows:

First the Libyans might find the excellent harbour and dockyard facilities in Malta of value for their own oil industry. Secondly, the Libyans are especially anxious to see the Mediterranean completely defused in military terms. In other words, they might be prepared to dig into their coffers for the simple purpose of providing for Malta's immediate needs and eliminate not merely Britain but more especially the Soviet Union from using the base facilities and in turn influencing the island.

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133 TNA, FCO 39-1067, on the stay in the USSR of the Libyan government delegation, 9 March 1972
134 TNA, FCO. 93-19, Anglo/Libya relations, letter from Tripp to A D Parsons, 26 April 1973
135 Ibid
136 Malta finds the development market coy, The Times,
However, there was another important reason missed, and that was the deterioration in British-Libyan relations over several issues, such as the outstanding issues, nationalisation of BP and the British refusal to resume negotiations to settle the outstanding matters. All of these issues occurred at the same time and must have had an impact on British-Libyan relations, and helped to encourage some of Libya's hostile actions against British interest in Malta and elsewhere. The British document, shows that Libyan hostilities against British interests were part of the impact of British-Libyan disputes during the early 1970s.¹³⁷

The question that should be raised here: would Gaddafi oppose British interests in the region, if there was no disagreement between him and Britain on outstanding issues, and if Britain agreed to supply him the Chieftains? Indeed, no single document has answered this question or even secondary sources as there is no study that has looked at this matter. However, many primary key texts correlate Gaddafí hostility towards British interest with the conflict over the outstanding issues. This will be highlighted in the following chapters.

**British-Libyan conflict of interests in Africa**

Africa was not an exception to the support of Gaddafí to the rights of people to self-determination and support for liberation movements, as he claimed. As was the case with the Palestinian movements, Gaddafí supplied financial and political support,

¹³⁷ For details see: TNA, FCO 87-785, relations with Libya; TNA, FCO 39-1083, letter from the Secretary of State to Rt Hon Duncan Sandys MP House of Commons, 1972; TNA, FCO 39/1111, Libya/BP: Anglo/Libyan relations.
military training and arms to African liberation movements. Much of the support that was provided by Gaddafi had been a sideshow to his main area of interest: Africa and the Arab world. His support was largely directed to limit the influence of Israel in the African continent. However, the principles which were advocated by Gaddafi in support of liberation movements and the fight against imperialism, led Gaddafi to clash with the interests of Britain in Africa, specifically in the case of Southern Rhodesia (now Zimbabwe).

Gaddafi was against British policy in Rhodesia; for this reason, he had provided support to armed movements against the UDI regime in Salisbury, which was tacitly backed by Britain. The new rulers in Libya condemned this tacit acceptance of the regime of Southern Rhodesia, saying that the Smith regime was only a white minority power, and not black African majority rule. In 1972 war broke out between the Rhodesian government and the Zimbabwe African National Union (ZANU) and the Zimbabwe African People's Union (ZAPU). Gaddafi sided with ZANU and ZAPU against Smith's regime. After the war ended in 1979 and the Lancaster House Agreement was signed, Gaddafi continued to support the ZAPU. Later, after Robert Mugabe was elected Prime Minister, Gaddafi sought to strengthen and expand political ties between the two countries and supplied material assistance to Rhodesia, which later became Zimbabwe.

Gaddafi engaged with many other African movements, although he denied giving

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138 TNA, FCO 39-1067, on the stay in the USSR of the Libyan government delegation
139 El-Khawas, M A., *Gaddafi his ideology in theory and practice*, pp. 140,141
facilities to training and sending support to many of these groups, as he did with Rhodesia and South Africa. Gaddafi was involved in providing material and financial assistance to Partido Africano da Independencia da Guine e Cabo Verdo (PAIGC) in Guinea-Bissau, the Frente de Libertacao de Angola (MPLA) in Angola. Gaddafi’s activities included support extended to Mozambique for its struggle against Portuguese colonialism. Namibia and Libya had engaged extensively in supporting Idi Amin’s regime in Uganda; his support to Uganda had included sending Libyan troops and supplies. Gaddafi’s anti-colonial beliefs led him to clash with France as well; he attacked the French-speaking nations, and accused France of considering them as still her colonies. Gaddafi threatened to reconsider all the Libyan aid to these African countries that followed France’s policy in his view. He had also threatened to withdraw all the Libyan diplomatic representation to Paris if France continued to exercise leadership over the Francophone African states. Libya had intervened in Chad (a former French colony); Gaddafi had supported Goukouni Oueddei against Hissein Habre who was supported by France. By the late 1970s, Libyan troops were sent to Chad to help Oueddei. Libyan forces were kept there until the late 1980s.140

In general, the Libyan policies were not balanced and supportive for stability in Africa. Support by Libya to the fronts, opposition and rebel movements in Africa were based most often on the volatility of Gaddafi’s policies. For instance, until 1974 Libyan arms and financial assistance had flowed to the Eritrean liberation front (ELF). Later in 1974 the Libyan policy towards Ethiopia changed when a Libyan delegation visited Addis

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140 Metz, Libya, pp. 235-238, El-Khawas, M A., Gaddafi his ideology in theory and practice, pp. 139,140.
Ababa in September 1974. Gaddafi’s regime supported the Ethiopian Provisional Military Administrative Council (PMAC). However, the Libyans became disillusioned with their wrong decision supporting PMAC against ELF, following the renewed warfare and killings of Muslims in Eritrea early in 1975.141

The British were not at all satisfied with the Libyan policies and activities on the continent. In addition they often considered this as a threat to the British economic and strategic interests in Africa. Near East and North Africa Department (NENAD) papers show clearly the British concern over the Libyan activities in Africa. A C D S Macrae, West African department said that:

These Libyan activities are harmful to our interests because their result is to create instability in the region. The group of countries actively concerned at present (eg Chad, Niger, Tunisia) are not individually so important to us: but they add up to a market and a political bloc which is by no means negligible. Moreover, Gaddafi’s meddling also extends to countries where we have considerable stakes (eg Nigeria, Ghana, Sudan and Egypt).142

From the above discussion, it is clear that, no political common interests were shared between the two countries. On the contrary, all the Libyan foreign policy conflicted with political and strategic British interests in the Middle East (Arab-Israeli conflict), the Mediterranean (Malta) and Africa. In other words, both countries were opposed each other.

141 TNA, FCO 93-2345, Libya expansionism in Sub-Saharan Africa
142 TNA, FCO 93-2345, Libyan activities in West Africa, letter from A C D S Macrae, to Sir L Allinson, 1980
Conclusion

Gaddafi's foreign policy in particular towards Britain can be considered as one of the main reasons that had kept relations between the two countries at a very low level. The British government viewed the foreign policy of Gaddafi as opposed to British international interests. Gaddafi's foreign policy was opposite to British international interests, thus, Libya was described by the British as so unpredictable, unacceptable and untrustworthy. It is also sometimes seen in Gaddafi himself, as he was not mentally stable. Gaddafi was well known to be mentally unbalanced, as perceived by the British government. There were 'precedents for mental derangement in national leaders. President Sukarno’s mental balance was thought to have been disturbed by his kidney complaint during the Indonesian confrontation against Malaysia'.

London failed to steer the RCC over its intentions towards the Arab-Israeli conflict and make the regime pro-Western. In early 1970 Gaddafi declared ‘that his greatest ambition was to see a free, sovereign and independent Palestine' and ‘to prepare the Arab world for the annihilation of Israel’. Over time it became clear that the RCC did not subscribe to maintaining a shared strategic position with Britain, because of its Pan Arab, anti-Western political orientation, and proclamations of support for the Palestinian cause, as well as the contradiction of interests in the Mediterranean and Africa. The two countries became politically opposed.

143 TNA, FCO 39-1083, letter from the Secretary of State to Rt Hon Duncan Sandys MP House of Commons, 1972
144 TNA, FCO 39-1087, Gaddafi and Ireland, letter from J E Cable to Mr Rose, Mr Craig, sir L Glass, Mr Goodall, Mr Tesh, Mr White and Mr Wright, 13 June 1972
145 Wright, J., *Libya, a modern history*, p. 156
The British-Libyan dialogue took place in early 1970 regarding Libya’s attitude towards Israel led to the cancellation of the Chieftains contract, as the British did not trust the Libyans over this matter. The Libyans considered this as a support to Israel against Libya. No common interests were made in this regard, and it became clear that the two countries had different positions from the Arab-Israeli conflict. No doubt all this had a major impact on the relations between Libya and the UK. The collapse of negotiations over the arms contracts led to a more hard-line position in Libyan policy. Gaddafi nationalised British oil interests in Libya.

All these events mentioned here occurred in the same period when both countries were evaluating their relations after 1969, which made a lot of overlap and lack of understanding, and led both countries to take a hostile attitude towards each other. The British-Libyan negotiation over the arms contract in the next chapter will show how much the Libyan foreign policy towards the Arab-Israeli conflict affected the British-Libyan relations, particularly in the field of arms trade. The inflexibility of Gaddafi in the problem of outstanding issues and the nationalisation of the oil companies, describes the extent of the change that has occurred in Libyan politics as well as the transition from a pro-Western state to a state hostile to Western interests, namely the British. All these issues will be discussed in depth in the subsequent chapters.
Chapter Two: Evaluation of British-Libyan relations after 1969 and the outstanding issues

This chapter considers the British response to the regime change in 1969, and the debates which took place between the Libyan and British governments concerning the new relations of the two countries after 1969. The aim is to highlight the difficulties which the two governments faced in the process of developing a new basis for Libyan-British relations, and to the subsequent changes to Libyan foreign policy thereafter. It also examines the problems which emerged between the two sides and the development of British-Libyan relations after 1969.

Britain evaluates its relations with Libya after 1969

After 1 September 1969 the British government made a decision to re-evaluate its relations with Libya, particularly in the field of arms contracts as it attached a great importance to the British policy towards the situation in the Middle East because of the Arab-Israeli conflict and Britain's position in this conflict as well as Britain’s interests in the region and in Libya in particular.146 Britain also agreed on 13 December 1969, to withdraw its remaining troops from Libya by the end of March 1970. Additionally, the two governments were agreed to terminate the 1953 Treaty and later to discuss the new framework of the new British-Libyan relations.147 There still, however, remained

146 TNA TNA, CAB 148-93, Arms for Libya, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 3 October 1969; CAB 148/93, Chieftains for Israel, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 3 October 1969
a number of what later became outstanding questions, which needed to be solved, if relations were to develop after the evacuation of the British base in Libya.

On 4 September 1969, the Labour government decided that the arms deliveries to Libya should be further considered.\textsuperscript{148} The key issue of the British arms contracts was the Chieftains contract. The consideration of these contracts was based on different views. The FCO supported the delivery of tanks to Libya after considering all the benefits and disadvantages that may result from such supplying suspension. The British Secretary of State said, one of the key problems was that the supply of the tanks had already attracted negative parliamentary attention, particularly in the context that the weapons might be used against Israel. This was unlikely to be a problem in the short-term, however, because it would take 5 years before the Libyans were capable of using the Chieftains effectively. In addition the Chieftains require extensive support facilities which did not exist in any Arab country and could only be supplied by the British.\textsuperscript{149} The British Secretary of State had also indicated that withholding or cancelling the Chieftains contract would strongly affect the British economic and strategic interests in Libya. Britain had engaged in large arms contracts sales with the former Libyan regime, therefore, any British action to withhold or cancel the Chieftains contract would cause a serious loss of business to the British Air Defence Industry and the civilian field. The British exports to Libya were amounting in total to between £150 and £200 million. Thus, cancelling or postponing the delivery of Chieftains would put British trade with Libya at risk, worsen Anglo-Libyan relations and would doubtlessly

\textsuperscript{148} Ibid
\textsuperscript{149} Ibid
effect British oil interests. In addition, it was feared, the cancellation of the Chieftains contract would make Libya turn to the Soviet Union to supply it with arms which in turn would replace Western arms sales in Libya. This would further lead to increased Soviet penetration and influence in the southern flank of NATO and would seriously harm the political and Strategic interests of Western Europe. Libyan requests for arms from the Soviet Union would lead to a serious loss of business to the British defence industry. Because of these reasons Michael Stewart recommended that all existing arms contracts with Libya should go forward as planned.

A number of Ministers said that the question of supplying Chieftains to Libya could not be separated from the Arab-Israeli conflict and Britain's relationship with both parties to the conflict. They insisted that accepting to supply Libya with Chieftains should be balanced by a decision to supply them to Israel too. However, the Ministers indicated that the two cases were not parallel. The British government had a firm contract with the Libyans for which the British government had received £10 million, whereas there was no contract with Israeli. Thus, ‘It would be impossible to persuade the Libyans that the cancellation of their contract was a justifiable consequence of a decision not to enter into a commitment with Israel’. Stewart indicated that supplying Chieftains to Israel would considerably affect British interests in the Arab countries. The situation became even more difficult following representations from many Arab countries who spoke about the question of supplying Chieftains to Israel.

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150 TNA, CAB 148-93, arms for Libya  
151 Ibid  
152 Ibid  
153 TNA, CAB 148/93, minute of a meeting, arms sale to Israel and Libya, 15 October 1969  
154 Ibid
The British government had more interests in Arab countries than in Israel as the British commercial transactions in Arab countries were many times greater than in Israel. As a result of this, the British government did not want to be in conflict with the Arab governments as they could harm the British economy through their holding of Sterling and through their interference with flow of oil. It could also pose a serious risk to the lives and properties of British people in the Arab region.\textsuperscript{155}

On 16 October 1969, the British government argued that refusal to supply Chieftain Tanks to Libya would undoubtedly put British interests in Libya at risk, and would cause unemployment in the industries concerned and cancellation charges. It would also put at risk the over-flying right and military training facilities which they enjoyed in Libya.\textsuperscript{156}

Stewart stated that ‘military balance between Israel and the Arabs show that Israel was not in danger of defeat and that on present evidence we could expect Israel to win a war in the next 5 years’.\textsuperscript{157} In this same report, Stewart emphasised that ‘Israel must be enabled to survive […]’\textsuperscript{158} ‘My sympathies were with Israel’ and in general policy we should ‘allow Israel to buy in Britain such arms ….to defend herself’.\textsuperscript{159}

The MOD also agreed that Israel was the superior military force in the Middle East. It warned, too that arms sales to Israel would put British commercial relations with the Arabs in jeopardy. In addition to that, sales of the Chieftains to Israel would bring the important British training facilities in Libya to an end.\textsuperscript{160} Cabinet Secretary, Burke Trend (1963-1973) agreed with the view of the FCO and MOD insisting on obtaining

\textsuperscript{155} TNA, CAB 148/93, minute of a meeting, arms sale to Israel and Libya
\textsuperscript{156} TNA, CAB 148/93, minute of a meeting, arms sale to Israel and Libya, 16 October 1969
\textsuperscript{157} TNA, CAB 148/93, Chieftains for Israel, 3 October 1969
\textsuperscript{158} Ibid
\textsuperscript{160} TNA, CAB 148/91, Anglo-Libyan relations
the maximum extent possible of weapons sales to Libya. He went on to recommend that 'we (the British) should extract the maximum of advantage from the concessions in terms of a guarantee of the continuation of training facilities, over flying rights, other defence contracts'\(^\text{161}\)

However, the British government's decision whether to supply Chieftains to Libya or not would depend on the position of the Libyan government concerning the arms contract as a whole. Harold Wilson said if the Libyans

> Adopted an unreasonable attitude in this matter, we should be better placed to indicate that we could no longer fulfil the order for Chieftains tanks. If they tried to cancel some of their other orders but to hold us to the Chieftains contract, it would be impossible for us to accept an arrangement of this kind if we were at the same time refusing to supply Israel with tanks.\(^\text{162}\)

Wilson was against supplying the Chieftains to Libya and denying them to Israel. The British Prime Minister argued that at the present time the British government knew very little about the attitude and intentions of the new regime in Libya; therefore, the first British objective must be to explore the attitudes of the new regime towards the international issues and British interests in Libya and then to determine the British position accordingly. ‘Subject to this, in our initial approach to the Libyans, we should neither commit ourselves specifically to the supply of Chieftains nor rule it out’.\(^\text{163}\)

Cabinet Ministers Richard Crossman and Barbara Castle mentioned some possible reasons behind Wilson’s attitude. Castle said: most of us at DOPC were ‘appalled to learn that the Foreign Office and the MOD are preparing to supply Chieftains to Libya’.

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\(^{161}\) TNA, PREM 13/2758, Anglo-Libyan Relations, 14 October 1969

\(^{162}\) Ibid

\(^{163}\) TNA, CAB 148-91, Anglo-Libyan relations, meeting minutes.
Wilson was the only one who ‘made it clear that he was in favour’ of supplying the Chieftains to Israel. Castle considered Wilson’s attitude an electoral liability as it seemed to discriminate in favour of Israel.\textsuperscript{164} Crossman stated that: Wilson wanted to supply the Chieftains to Israel whereas Stewart supported supplying them to Libya, which was supported by the MOD also. He added that Wilson was a strong supporter of Israel. Wilson was concerned about the election in 1970, so he was unwilling to antagonise the Jewish vote.\textsuperscript{165}

On 4 November 1969, the British government decided not to dispatch the consignment of the six Chieftains due to be delivered in December 1969 to Libya, until it discovered the attitude and intentions of the new regime in international policy.\textsuperscript{166} The DOPC agreed that Britain’s commercial position was likely to be threatened by an action from Arab nations, if the Chieftains were sold to Israel. It was agreed that any decision on supplying tanks to Libya needed a final assessment of the risks to British interests if the Libyan contract was cancelled and so a decision on supply was postponed.\textsuperscript{167}

Indeed, this decision was also taken for immediate several reasons. Following the Libyan request to evacuate British troops, it was made clear also that the chance of retaining the training facilities would not be possible now. The British had attached great importance to that provision. There was also a demonstration in Tripoli against the existence of British troops in Libya which caused damage to the British embassy. There was a feeling that the new regime might be reluctant to restrain itself, but rather

\begin{footnotesize}
\textsuperscript{166} TNA, CAB 148-91, Anglo-Libyan relations, meeting minutes
\textsuperscript{167} Ibid
\end{footnotesize}
be tempted to exploit such street violence. It was also felt that the decision of the British government not to supply Chieftain Tanks to Israel at this stage should be balanced with not to supplying them to Libya.\textsuperscript{168}

The Chieftains was affected by all these reasons. Moreover, the British decision was based more than anything else on the aim of preserving British interests, first with the Arab world, and secondly, to maintaining its good relations with Israel. At the same time, the British government was also keen to maintain its interests in Libya, as much as they could, until the British government could explore the future of British-Libyan cooperation, especially in the procurement of weapons. It seems that the British government had made a balance between their interests in Libya and the reaction of the Libyan government on British-Libyan cooperation in the future, and this balance had to be reached. From what has been mentioned, it is clear that it was difficult for Britain to find a compromise to ensure that the British interests in Libya and British relations with Israel and the other Arab countries would not be negatively affected. Undoubtedly, the British decision would be at the expense of one side or the other. As a consequence, such a decision would affect the interests of Britain with one of these parties.

Events in Libya in the early 1970s did not encourage the British to deliver the Chieftains. Gaddafi’s statements regarding the war on Israel were unhelpful: namely that 'Libya’s armed forces would have the great honour to take part in, with men and arms, in the battle of liberation of the Arab soil', to liberate Arab land, worried British government.\textsuperscript{169}

\textsuperscript{168} TNA, CAB 148-91, Anglo-Libyan relations, meeting minutes.
\textsuperscript{169} Wright, J, \textit{Libya, a modern history}, pp.156-157
In March 1970, the British government indefinitely suspended the supply of Chieftain Tanks to Libya, citing the political situation in the Middle East and arguing that their supply would upset the Arab-Israeli power balance.\textsuperscript{170} The British expected in these circumstances that the Libyans were likely to react adversely to a refusal to supply Chieftains, which would undoubtedly affect the British interests in Libya, particularly the remaining arms contract. To mollify this, it was thought therefore, that some offer of different tank types should be made to the Libyans.\textsuperscript{171} The British government thus made a new offer to the Libyans to supply 35 Centurions during the coming financial years and 38 during the following years. Sixteen more Centurions could be added later if required. In principle the British government had also agreed to supply the Libyans with the new Vickers tank when it became available for delivery in about two years’ time.\textsuperscript{172}

The British then decided to enter into negotiations with the Libyans in order to discover Libya’s position concerning some international issues, such as the Arab-Israeli conflict in general and Libya’s attitude towards British interests in Libya, especially in the light of Britain's refusal to supply tanks to Libya. Based on the position of the Libyans, the British government would determine the future of their relationship with the new regime in Libya.

\textsuperscript{170} TNA, CAB 148/110, supply of arms to Libya, meeting minutes, 25 March 1970
\textsuperscript{171} TNA, CAB 148/91, supply of arms to Libya, meeting minutes, 25 March 1970
\textsuperscript{172} Ibid
Libyan claims against the British government

After the evacuation of the British troops from Libya the two governments agreed to establish a new base for a new era of relations. At this stage the two parties had different agendas. Some sticking points between the two governments arose in light of new circumstances. Both governments agreed that it was necessary to find a solution to them before entering into discussions concerning the structure and the quality of new relations. On the Libyan side the new government requested re-evaluation of some of the arms contracts that had been signed with the former Libyan regime: the Chieftain tank contract signed on 21 April 1969, and the British Aircraft Corporation (BAC) contract signed on 28 April 1968. The absence of £16.25 million of payment for renting of the military base from 1965 to 1970 related to the 1953 treaty financial agreement was also contentious.173

There were also some British claims against the Libyan government which occurred after 1969. All of them were centred on the nationalisation of British interests. Only one claim was governmental; the rest were directed by either private companies or individuals. These included a claim by Shell, for compensation of the nationalisation of their marketing organisation in 1970 and of their production assets in 1973. This was later to be settled, by the Libyan government on 12 June 1974; the compensation value was about £5 million. Compensation for the nationalisation of Barclays Bank in 1970 was valued at about £7 million. Governmental claims totalled about £1 million and were mostly owed to the Ministry of Defence; the largest of which was for the Libyan share of the cost of the British Naval Mission (£580,000).

173 TNA, FCO 39 /634, Mr. Maitland to FCO
British arms contracts with the monarchy 1968-69

In order to secure the growing British interests in Libya, and also to strengthen the monarchy to be able to survive after the 1967 war, the Libyan Minister of Defence, Sayid Hamid Al-Abaidi, visited London between 26 February and 8 March 1968 to discuss arming the Libyan forces. On 25 March 1968 the MOD visited Libya. Later both sides agreed to comprehensive arms contracts.

Chieftain Tanks

British-Libyan committee aiming to study the needs of the Libyan army was established under the Chairmanship of Lieutenant-General Sir John Mogg. The committee’s report, ‘recommended that the Libyan army should be re-organised and re-equipped with the latest British army equipment, including Chieftain Tanks’. Consequently, the British government gave approval in principle to the supply of Chieftains to Libya in May 1968. The Libyan government subsequently made a request to purchase 188 of these tanks, which were 78 more than the number recommended in the Mogg report. The supply of this higher number was approved by British government.

On 30 October 1968, the British government agreed to provide the necessary equipment for the Libyan army. According to the Chieftains contract the delivery of

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174 TNA, FCO 39/121, letter from D. J. Speares to J. Henniker and D. Allen, 4 April 1968
175 TNA, DEFE 11/632, visit of Secretary of State to Tripoli Libya, 19-20 May 1968.
176 TNA, FCO 39-636 Anglo-Libyan relations, from R CHope-Jones to Mr. Hayman and Mr. Renwick, 6 July 1970
the first 6 thanks was due in Libya in December 1969, with 40 in the second half of 1970, and four or five a month thereafter until the end of the delivery in 1973. However, the delivery of the Chieftains was suspended by the British government after the Libyan coup in September 1969. The Libyan government had so far paid £9.75 million under the equipment contract. This included purchases for some other military equipment, such as Abbott self-propelled guns, armoured cars and other minor weapons, spares, ammunition and equipment for the Libyan army.

### An air defence system

On 28 April 1968, an equipment contract to buy the radar integrated system was signed between the Libyan government and the British Aircraft Corporation (BAC). The deal included ‘5 Thunderbird batteries (90 Missiles), 5 Rapier batteries (2340 Missiles), 5 tactical control groups, an air defence operations centre, mobile radar reporting posts and supporting communications’. The contract was evaluated. On 2 February 1969 a further contract was added for BAC to provide ‘support services for the equipment delivered, including initial system maintenance and the training of the Libyan personnel who would eventually man the system’. The possibility of including aircraft in such a scheme was considered at that stage, but rejected later because of the ‘fear of treading on the toes of the Americans who traditionally supplied and trained the Libyan air force’. The support contract valued at £20.4 million. Under the terms of the two

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177 TNA, FCO 39-636 Anglo-Libyan relations
178 TNA, CAB 148/122, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs, chieftains for Libya, 10 March 1972
179 TNA, FCO, 93/1008, report paper on the Libyan claims against British government
contracts, the Libyan government had already paid £35.5 million to BAC deliveries of the first surface-to-air missiles due to take place in early 1971,\textsuperscript{180} worth in total £155 million.\textsuperscript{181}

**The Libyan financial claim**

Under the terms of the 1953 Anglo-Libyan Treaty, the British government had agreed to provide an annual subsidy to Libyan government, which was to be reviewed at the end of each year. In return, Libya was to provide an army and air force base in Eastern Libya.\textsuperscript{182} One million pounds was to be paid annually by the British government to the Libyan government from 1953 to 1958. This money was to be used for the development of Libya. Also, an additional £3.75 million annually from 1959 to 1963 was offered by way of financial assistance towards the Libyan budget.\textsuperscript{183} ‘Before the end of each succeeding period of five years during the currency of the agreement, the United Kingdom would, taking into account the needs of Libya in consultation with the government of Libya, undertake to give such suitable financial assistance annually during the following period of five years as may be agreed between the two governments’.\textsuperscript{184}

In 1958 both parties agreed that the total of the annual payment previously would be reduced from £3.75 million to £3.25 million for the period of 5 years from 1 April 1958

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\textsuperscript{180} TNA, CAB 148/93, Arms for Libya
\textsuperscript{181} TNA, FCO, 93/1008, Report paper on the Libyan claims against British government
\textsuperscript{182} TNA, FCO 39 /634, Record of the first session of the Anglo-Libyan equipment and training talks, 21 January 1970
\textsuperscript{183} TNA, FCO, 93/1008, Report paper on the Libyan claims against British government, from A R Nuttall to Mr. Powell, 11 August 1977.
\textsuperscript{184} TNA, FCO, 93/1008, Report paper on the Libyan claims against British government
\end{flushleft}
to 31 March 1963. In the latter year, further discussions were agreed on a 10 year review of the Anglo-Libyan treaty of 1953 and its connected military and financial agreement should be continued until 1965, but that in the meantime Britain would continue to give financial assistance to Libya for the two financial years from 1 April 1963 to 31 March 1965 at the rate of £3.25 million per annum.\footnote{Ibid}

In January and February 1965 further discussions continued between King Idris and Sir R Sarell, the British Ambassador in Libya. The British government claimed that both sides agreed that in the light of the significant improvement in the economy of Libya and the consequent improvement in the Libyan financial position as a result of Libya’s oil revenues there was no need for financial aid from Britain for the next 5 years. This was agreed (informally and orally) between King Idris and the British Ambassador.\footnote{Ibid} Thus, no British payment was given to the Libyan government during the period from 1965 to 1970.

**British-Libyan negotiations on resolving the outstanding issues**

On 21 January 1970, the British and Libyan governments entered negotiations which in particular focused on the development of a framework of the relationship between the two countries. The negotiations also aimed to solve the issues related to contracts of arms. The negotiations initially started in January 1970 and continued through 1971 until the British government suspended them in December of that year, following the Libyan decision to nationalise the assets of British Petroleum Company (BP). The
British primary objectives at this time were: ‘to explore the possibilities for Anglo-Libyan co-operation in the future; to explore the attitude of the revolutionary command council (RCC) to the Arab-Israel conflict, with particular reference to the role they envisaged for the armed forces; to assess the prospects for British interests in Libya’.\textsuperscript{187} 

Meanwhile the Libyan aim was to find out the reason for the British government not supplying the shipment of 6 Chieftain tanks that were due to be delivered to Libya in December 1969, and whether Britain would deliver them or not.

The question that might be raised here is how the British government would explore the future of British-Libyan co-operation.

To do so the British side began its negotiations with the Libyans by emphasising the fate of the two British military missions which remained in Libya after the withdrawal of British forces from Libya, and after the termination of the 1953 treaty. Meanwhile, the British government was not opposed to keeping the two missions in Libya on the condition that there must be a formal agreement on the status of these missions and necessary privileges for them.\textsuperscript{188} However, the British government made it clear to the Libyans that any agreement most includes the future of the British naval and military missions in Libya.\textsuperscript{189}

One conclusion that can be drawn from the above mentioned negotiations is that the British government was not just concerned about the legal status of the two missions,

\textsuperscript{187} TNA, FCO, 39/634, letter from Mr. Maitland to FCO, 1 February 1970
\textsuperscript{188} TNA, FCO, 39/638, Anglo-Libyan negotiations, letter from Douglas-Home to British embassy in Tripoli, 6 November 1970
\textsuperscript{189} TNA, FCO, 39/637, Anglo-Libyan talks, letter from Douglas-Home to British embassy in Tripoli, 30 October, 1970
but also about the future of military cooperation. This could lead us to assume that, the acceptance of the Libyan government to allow the British missions to remain in Libya meant that there would be future cooperation and new military equipment requirement. However, the leave of the missions would affect the whole military cooperation between the two countries. Conditionally, the British missions and the whole military cooperation between the two countries were depending on the volume of arms that Britain would agree to supply to Libya, in particular the Chieftains.

Mr Maitland argued that:

To assess how British interests in Libya will be affected if we decide not to supply Chieftains [...] in this event any British relationship with the Libyan army would come to an end, and our promising relationship with the Libyan Navy would be up as serious risk. The military mission would go. It is unlikely that the Libyans would take any further equipment under the army and public security force contracts [...] the effects of a negative decision on Chieftains would by no means be confined to the defence field. 190

On November 1970 Jalloud indicated that the Libyan decision on the British mission’s future in Libya especially for the military mission depended on two main points, the outcome of the negotiations and on the volume of arms deals that was agreed. 191 Therefore, whether or not the missions were allowed to remain in Libya would determine the future of British relations with Libya, especially in the field of military cooperation. In order to settle the future status of the missions, the Libyans conditioned a prior agreement on the problems of BAC, the broader financial agreements and the Chieftains. The Libyans expressed that ‘The future status of the missions would depend

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190 TNA, FCO 39/634, Anglo-Libyan relations, letter from Maitland to FCO, 1 February 1970
191 TNA, FCO 39/638, record of a meeting of the Anglo-Libyan committee, 6 November 1970
on the volume and importance of the military cooperation between the two countries’.\(^{192}\)

No agreement was reached on the matter of the military and naval missions, until 25 January 1972 when the two governments agreed to terminate the 1953 treaty and the missions had been withdrawn.\(^{193}\) The agreement also included that any Libyan military requirements for arms and training in both Libya and the UK will need a new agreement between the two parties.\(^{194}\)

**British-Libyan negotiation over the financial problem**

The RCC believed that the British government owed Libya £3.25 million per year from 1965 to 1970 for the facilities enjoyed by the British forces. These payments were stopped by the British government on the pretext that Libya had become rich from oil.\(^{195}\) In this issue there was a completely different point of view from the two parties. Another factor which had affected the agreement between the two governments over the financial matter was the absence of any formal agreement between the British government and the previous regime, showing that there was an agreement to stop paying the subsidy. In addition there was no objection from the government of King Idris about the discontinuation of payment or claim for renewal of the subsidy in the

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\(^{192}\) TNA, FOC 39/ 637, Anglo-Libyan relations, letter from Douglas-Home to British embassy in Libya, 13 November 1970

\(^{193}\) The Archive of the Libyan Ministry of Justice, exchange of notes between the government of The UK and the government of The Libyan Arab Republic, terminating the treaty of friendship and alliance, 25 January 1972

\(^{194}\) TNA, FCO 39/1086, Defence sales to Libya/training, letter from Douglas Home to British embassy in Tripoli, 4 November 1972

\(^{195}\) TNA, FCO 39-637, from Douglas- Home FCO to British embassy in Tripoli 3 November 1970
period from 1965 to 1970, although the RCC did not recognise this.\textsuperscript{196}

On the one hand, the Libyan government believed that the subsidy payment referred to Article 3 of the 1953 treaty (military agreement) which indicates that ‘In return for facilities provided by His Majesty the King of Libya for the British armed forces in Libya on conditions to be agreed upon, Her Britannic Majesty will provide financial assistance to His Majesty the King of Libya, on terms to be agreed upon as aforesaid’.\textsuperscript{197}

On the other hand, the British government denied the Libyan view and insisted that the subsidy payment referred to Article 2 of the 1953 Treaty (financial agreement) which shows that:

\begin{quote}
In order to carry out the purpose of this Agreement the United Kingdom Government [...] will give financial assistance annually to the Government of Libya for the duration of the Agreement. For the five financial years from the 1st of April, 1953 to the 31st of March, 1958, £1,000,000[...]will be paid annually[...]to other development organisations set up thereafter and £2,750,000 will be paid as financial assistance[...]Before the end of each succeeding period of five years[...]the United Kingdom Government will, taking into account the needs of Libya in consultation with the Government of Libya, undertake to give such suitable financial assistance annually during the following period of five years as may be agreed between the two Governments.\textsuperscript{198}
\end{quote}

The Libyan review was based on that fact that the subsidy was connected with the facilities. Therefore, as long as the British remained in Libya, the subsidy should be continued. In addition, they believed that as the subsidy payment was linked to the review of each 5 years of the treaty, and that no formal review had taken place in 1965.

\textsuperscript{196} TNA, FCO 39/638, Record of a meeting of the Anglo-Libyan committee held at the Foreign and Commonwealth Office, 10 October 1970
\textsuperscript{197} The Archive of the Libyan Ministry of Justice, Tripoli, British-Libyan Treaty of 1953, No 249
\textsuperscript{198} The Archive of the Libyan Ministry of Justice, Tripoli, British-Libyan Treaty of 1953, financial agreement, No 2493
Thus they did not accept the oral agreement between King Idris and the British Ambassador.\(^{199}\) The British were not convinced by the Libyan view.

The two governments referred their dispute to a different article of the treaty, and they stuck to their respective views. It was quite likely that if the two countries were more flexible in the other two issues (BAC and Chieftains contracts), this issue would be resolved, as the amount of the money was not huge.

The British government had emphasised that:

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\text{The treaty did not make it a condition that there was a connection between the continued presence of British troops and a fixed sum of money. The treaty did not stipulate that if the two sides agreed that the amount should be nil British troops should leave Libya.}^{200}
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Furthermore, in 1963 there was an agreement to continue the payment of the subsidy until 1965. In 1965 there was another agreement between the two governments that in light of the improvement of the Libyan financial position after the discovery of oil, there was no need for financial aid from Britain to the Libyan government. Thus, the British government did not fulfill any financial obligation towards the Libyan government. However the 1965 agreement was not formally written. It was only an oral agreement between King Idris and the British Ambassador.\(^{201}\)

Negotiations on the financial issue failed to be resolved. The Libyans demanded proof that a formal agreement existed between the British government and the previous

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\(^{199}\) TNA, FCO 39/638, Record of a meeting of the Anglo-Libyan committee held at the Foreign and Commonwealth Office

\(^{200}\) Ibid

\(^{201}\) TNA, FCO 39/638, Record of a meeting of the Anglo-Libyan committee held at the Foreign and Commonwealth Office, 10 November 1970
Libyan regime for Britain to stop paying annual aid, while the British similarly demanded written evidence of earlier Libyan objections to the British not paying the annual subsidy after 1965. Neither side could offer such proof.

**British-Libyan negotiations to the resolve arms contracts disputes**

1- **Chieftain Tanks contract**

According to Mr Maitland who was the British Ambassador in Tripoli and the head of the British negotiators team, one of the key problems regarding British Chieftain sales to the Middle East was the British insistence on maintaining balance, which meant that sales to Libya would equally open the door for sales to Israel. In turn this became a very sensitive issue after several Arab countries objected strongly to the supply of Chieftains to Israel. The Chieftains issue had no doubt attached the public opinion in both Britain and Arab would.\(^{202}\) The British government’s decision for suspending the supply of Chieftains was related to several reasons as the British ambassador pointed out throughout the negotiations with the Libyans. Firstly, as already noted, the British arms supply policy was based on the principle not to upset the peace settlement between the Arabs and Israel and not to impair the balance of power between the two parties. Thus, supplying Libya with this kind of tank would undoubtedly affect Israeli-British relations, and harm the balance of power in the region.\(^{203}\) There were doubts too in British minds as to the use to which these tanks would be put.

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\(^{202}\) TNA, FCO 39 /634, Record of the first session of the Anglo-Libyan equipment and training talks

\(^{203}\) Ibid
Maitland, for example, referred to Colonel Gaddafi’s public rhetoric in which he said: ‘the Libyan armed forces would have the honour of serving with men and weapons in the battle for the liberation of Arab land’. The French press had already reported the arrival of two battalions of United Arab Republic UAR troops to Libya. Similarly, the Egyptian press noted that Libya had offered to send troops to the Egyptian-Israeli frontline. In Cairo it was also agreed that in the future the defence policies of Libya, Sudan and the UAR would be co-ordinated. Maitland added that in the light of these events the British government had taken a decision to withhold the delivery of Chieftains until receiving clarification from the Libyan government about the future use of these tanks.\textsuperscript{204} The British Ambassador further pointed out that the British government had yet to decide whether to supply the Chieftain to Libya or not, and its decision would depend on the Libyan attitude towards the Arab-Israeli tensions. The British government asked, therefore a series of questions.\textsuperscript{205} These questions were; ‘First would any Libyan forces serve outside Libya? Secondly, would any equipment sold by Britain to Libya be used by such forces outside Libya? Thirdly, would any British equipment supplied to Libya be transferred to non-Libyan forces?’\textsuperscript{206} Rightly or wrongly, the Libyan government refused to offer such assurances. The Libyans clarified their attitude by saying that Libya and Britain have had common interests since World War II; therefore, Libya did not expect to be treated like Israel, and ‘it was clear to the Libyan side that her contract was tied to political attitudes’. The Libyan government was disappointed with such a request indicating that the story in \textit{Le Figaro} (the French press) was not true and there were no Egyptian troops in Libya.\textsuperscript{207} The Libyan government considered Britain had taken

\textsuperscript{204} Ibid
\textsuperscript{205} Ibid
\textsuperscript{206} Ibid
\textsuperscript{207} Ibid
a pro-Israeli stance. Jallud said that ‘A refusal to supply Libya with Chieftains would be tantamount to indirect support of Israel’. 208

Major Jallud later clarified his position, stating that Libyan troops had been sent to Egypt but for training purposes only, from which they would shortly return. He also insisted that, the arms to be supplied would be used by the Libyan armed forces for Libya’s defence only and would not be transferred elsewhere. However, he warned that the refusal to supply Chieftains to Libya would be considered by the Libyan government as indirect support to Israel against the Arabs. In addition Jallud wondered why these questions which were now being raised by the British government had not appeared when the contract was signed with the former regime. 209

Maitland responded by arguing that when the original Anglo-Libyan contract was signed in April 1969, there were discussions about political questions and cooperation in various fields. At that time the British government knew well the positions of the former Libyan regime. The cooperation between it and the British government had existed for many years, and it knew that the Chieftains would be used by the Libyan army only, for Libyan defence alone and would not be used against Israel in any Arab-Israeli confrontation. 210 Moreover, after the Libyan revolution both parties agreed to terminate the 1953 treaty. This Treaty had been the basis of all British-Libyan relations in the field of armaments, military training, the provision of military equipment and weapons to the Libyan army. It spelt out that Britain was obliged to supply weapons to

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208 TNA, FCO 39 /634, Record of the first session of the Anglo-Libyan equipment and training talks
209 Ibid
210 Ibid
the Libyans, and it was under these terms that Britain had signed the April 1969 contract with the former regime to supply the 188 Chieftains. Maitland also pointed out that:

There was therefore a direct connection between the contract and the treaty which both sides had agreed to end. This connection was the legal basis for the contract. The treaty defined the nature of the political relationship between Britain and Libya. The former political relationship did not conform to the present circumstances.

Thus, the British government had the right to review the framework in which there would be co-operation in the defence field in the future.

In the new circumstances the information which was available at the time of the former regime was lacking. Meanwhile, the British government had fears about their use in any possible future wars against Israel, either directly or by being passed over to Egypt in particular.

It is a fact that the Israeli and British governments expressed concern over the UAR’s increasing influence in Libya after the revolution. Moreover, Israel became deeply concerned about the sale of Chieftain Tanks to Libya even before the revolution. Remez, Israel’s Ambassador in the UK had earlier noted that “If the King died and there was a coup, they could be transported elsewhere overnight”. Yogal Allon, the deputy Prime Minister of Israel, indicated his government's concern about the growth of the UAR's influence over Libya, describing Libya as “The UAR’s

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211 TNA, FCO 39/634, Record of the second session of the Anglo-Libyan equipment and training talks
212 Ibid
213 Ibid
214 Ibid
215 TNA, PREM, 13/3279, Record of conversation between the Secretary of State and Israeli Ambassador, 2 May 1969
backyard”. There were now two battalions of UAR troops in Libya, and according to Israeli information, there would shortly be a third. Libya’s wealth and sparse population was a great attraction for the UAR.\footnote{216}

However, on 17 June 1970 the British government appeared to reconsider partially its decision, offering the supply of Centurions and Vickers tanks instead of the Chieftain.\footnote{217} Furthermore, the British government was to supply the other items in the original contract and to discuss any new Libyan requests for military equipment which were not included in the Chieftains contract.\footnote{218}

This attempted compromise did not impress Libyan negotiators. Major Jallud’s response was that ‘Since the 1 September Libya’s policy had been clear. She would cooperate with everyone for the benefit of Libya. Relations would not be built by linking one event to another or one promise to another but on a basis of mutual trust’.\footnote{219} In the viewpoint of the Libyan government, the justifications put forward by Britain were rejected. It continued to argue that the situation in the Middle-East did not prevent Britain from implementing the original contract.

However, the offer of Centurions and Vickers was accepted in principle.\footnote{220} Furthermore, the Libyan government considered the contracts as a whole and wanted to buy other military equipment. This would depend on reaching a satisfactory solution.

\footnote{216} TNA, PREM, 13/3279, record of the Prime Minister’s meeting with Mr Yogal Allon deputy Prime Minister of Israel, 26 February 1970
\footnote{217} TNA, FCO 39 /635, record of meeting of Anglo-Libyan committee, 17 June 1970
\footnote{218} TNA, FCO 39 /634, record of the second session of the Anglo-Libyan equipment and training talks
\footnote{219} Ibid.
\footnote{220} Ibid
on the subject of the air defence Scheme, as well as a promise from the British government to supply the Chieftains at a later stage if the political situation improved. Then the Libyans would be able to buy new military equipments under a new contract.\textsuperscript{221} One month later, the Libyan government rejected the offer of Centurions, and demanded the return of its £9 million deposit, together with compound interest and damage.\textsuperscript{222} At the same time, the Libyan government began to receive the T54/55 Soviet Tanks, which were considered by the British as a reason behind the Libyan rejection of the British alternative offer. It was also considered as a threat to the British interests in Libya.\textsuperscript{223} In view of these facts, it is quite likely that though the Libyans continued negotiations on the subject of the Chieftain tanks, they were despaired of not receiving the Chieftains. Therefore, they turned to the Soviet tanks. Another conclusion that can be drawn here is that, by turning to the Soviets for tanks, Libya might have thought, this would make the British government have second thought about its decision over the Chieftains in particular, and the whole issue of arms contracts in the future.

Whatever the British justifications for not supplying Chieftains were, the Libyan party did not accept them. In the viewpoint of the Libyan government, the British decision not to provide Chieftains was a bad sign on the British-Libyan relations, and did not serve the common interests of both countries in the future.\textsuperscript{224} Negotiations over the

\textsuperscript{221} TNA, FCO 39/634, Record of the second session of the Anglo-Libyan equipment and training talks
\textsuperscript{222} TNA, FCO 39/637, letter from Douglas- Home to British embassy in Tripoli 3 November 1970
\textsuperscript{223} TNA, FCO 39/636, Anglo-Libyan relations, letter from Mr. Hannam to FCO 28 July 1970; TNA, FCO 39/636, letter from Douglas- Home to British embassy in Tripoli 22 July 1970
\textsuperscript{224} TNA, FCO 39/638, Record of meeting of Anglo-Libyan committee, 6 November 970.
Chieftains contract dispute did not lead to the required progress needed for solving the Chieftains disagreement and rebuilding good relations between the two countries.

2- The Air Defence Scheme

The discussions on the problem of a radar system were conducted at the same time as discussions were taking place over the problem of the Chieftains, and the problem of £16.25 million worth of unpaid rent for the facilities enjoyed by the British forces for the period from 1965 to 1970. The RCC considered the air defence system void, because it was unsuitable for Libya.

Major Jallud said that:

The British government is completely responsible for the air defence scheme which was concluded by the previous regime, since she offered us consultants, advice on the question, and, as even the British press at that time revealed, it was imposed and was not an ordinary contract. The future relations between our two countries depend on it: it is the door and the window for economic, technical, scientific and trade relations and on it depends whether this door will be open or shut.225

The British government, and in particular the Ministry of Technology, the Ministry of Defence and the British Ambassador in Libya played a major role in the early negotiations between the Libyan government and BAC, presenting proposals which had been worked out in consultation with BAC. However, when war broke out in June 1967, the King of Libya and his government realised the vulnerability of the defensive

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225 TNA, FCO 39 /637, Letter from Mr. Hannam to FCO, 28 October 1970
and offensive capabilities of the Libyan air force. This then led to the BAC proposal to be accepted by the Libyans.\textsuperscript{226}

On 4 December 1967, the Secretary of State for Defence wrote to Bakhush, the Libyan Prime Minister, advocating the purchase of the new Air Defence Scheme. On 27 March 1967 the Secretary of State wrote a further letter to Bakhush to reassure the Libyans that the scheme had the support of the British Ministry of Defence.\textsuperscript{227} This was considered later by the Libyan government to constitute the active involvement of the British government in the contract.

The talks over the support contract also faced great difficulties at the Libyan military institution as a whole, and put the scheme at risk even before 1969. There were many objections to the proposal within Libya. Some said there were no threats against Libya from its neighbours. Others, such as Gaddafi himself and his colleagues were unconvinced that Libya needed such sophisticated equipment. With regards to the cost of the equipment contract, there were rumours that the negotiators were involved in corruption. Moreover, there were Libyan suspicions that the "management fee (profit, salaries and administration of the 750-odd British personnel who worked in Libya) led to prolonged wrangles over individual items in the contract."\textsuperscript{228} After signing the contract, some flaws emerged, including the fact that the scheme was far too big for Libyan needs and abilities in the future. In December 1968 a new Libyan government was formed, and Wanis Al-Gaddafi replaced Bakhush as Prime Minister. After he

\textsuperscript{226} TNA, FCO, 93-1008, Letter from Denis Healey to Husain Yusuf Bin Maziq; TNA, FCO93-1008, latter from Denis Healey to Husain Yusuf Bin Maziq
\textsuperscript{227} TNA, FCO, 93-1008, Letter from Denis Healey to Husain Yusuf Bin Maziq
\textsuperscript{228} Ibid
became Prime Minister, Wanis withheld the £10 million instalment due under the equipment contract. However, the instalment was paid later, and the support contract was signed.\textsuperscript{229}

The new Libyan rulers claimed that the contract had been rejected during the time of the Hussein Maziq and Abdul Qadir al-Badri government because the radar system was not appropriate for Libya. After the proposal had been refused, the British Ambassador interfered and persuaded the King of the feasibility of the project. For all these reasons the Libyan government considered the contract illegal, and believed that the people who worked on it shared in the corruption. As well as this, they also thought that it contained many legal and financial errors.\textsuperscript{230} Consequently the Libyan government insisted that the British government was a part of the problem, because they had participated in previous discussions between the British aircraft corporation and the Libyan government, and had a significant role in persuading the Libyans to accept the project. Therefore, the Libyan government asked the British government to enter into government to government negotiations to find a solution to this matter.

After 1969 the new rulers had suspended the payment of an instalment of £7 million due under the equipment contract on 15 December and considered the contract of the Air Defence System void. On 24 December BAC terminated the contract as a result of non-payment of the second instalment.\textsuperscript{231}

\textsuperscript{229} Ibid
\textsuperscript{230} TNA, FCO 39/635, Record of meeting of Anglo-Libyan committee, 17 June 1970
\textsuperscript{231} TNA, FCO 39/636, Anglo-Libyan relations, BAC/Libyan Air Defence Scheme, from R C Hope-Jones to Mr. Hayman and Mr. Renwick, 6 July 1970
The RCC regarded that if no solution was reached, then the corporation should give the Libyan government its money back. If they did find a solution, however, then there could be a fresh beginning to relations between the governments.232

In the light of these events the Libyan government considered that all the cooperation in the military, economic and political fields would depend on the settlement of these issues. Otherwise, future cooperation would be difficult. The main problem here is that the Libyan contract, which was signed with BAC, was a contract with a company which was completely independent and free from government control. Thus, the British government attitude was negative.

The British said that the government was aware of the discussions that took place between the Libyan government and BAC, but due to the fact that the British government was not involved in the contract, it had no direct responsibility in the matter. "If the British government intervened over this contract, the company could have grounds for legal action against the British government in the courts". However, the British government offered its good faith by offering to mediate between the two parties.233 As a first step, it asked the Libyans to look at the contract again and decide what items it still wanted and which they had no further interest in. The Libyans accepted the British offer. However, they insisted that the British government must be involved in any agreement or new contract with BAC. According to Kekhiya, who was the Under Secretary, Minister of Unity and Foreign Affairs and a member of the Libyan

232 TNA, FCO 39-637, Record meeting of Anglo-Libyan committee, Friday 30 October 1970.
233 TNA, FCO 39 /635, Record of meeting of Anglo-Libyan committee, 17 June 1970

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negotiation team, the Libyan government was ready to take some of the materials manufactured by the company and might buy other things. Libya promised to set up a sub-committee to examine the status of all the military equipment contracts. On March 1971 the Libyan government announced that they would take the air defence system. However, they asked the British government to prepare a revised scheme, making as much use as possible of the equipment produced under the BAC contract. The Libyans wanted to go towards the installation of this system under a new contract negotiated directly with HMG.

A Libyan committee visited London later to reconsider the disposal of the equipment so far produced by BAC under the terminated contract. The Libyan government had also agreed to take delivery of the 114 Vigilants covered by another one of their terminated contracts. BAC agreed to receive a representative of the Libyan Ministry of Defence in the UK. In addition BAC agreed to treat the Vigilants contracts separately from the contentious air defence scheme.

The Libyans had declared that they wanted to make further arms purchases from Britain, but they had paid £32 million towards the cost of the air defence scheme and they wanted to recover their money[...]. They preferred to proceed with the contract. They did not insist on recovering the £32 million in cash, but were ready to accept material in lieu, some of which would have already been manufactured by BAC under the air defence scheme contract.

The negotiations were later to centre on how the Libyan government would define which items they wanted from the previous contract, how BAC would value these, and

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234 TNA, FCO 39/638, Record of a meeting of the Anglo-Libyan committee, 4 November 1970
235 TNA, CAB 148-116, Anglo-Libyan relations, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 3 March 1971
236 TNA, FCO 39/636, Anglo-Libyan relations, BAC/Libyan Air Defence Scheme
237 TNA, FCO 39/638, Record of a meeting of the Anglo-Libyan committee, 6 November 1970
on the legal details of the contract. However, the sticking point continued to be the Libyan insistence that the British government be party to the agreement.\textsuperscript{238}

Libya insisted that the British government ‘had played a major role in the conclusion of the contract. It was therefore fair, just and logical that they should be equally involved in reaching a solution for the present difficulties’. The British government refused to do so.\textsuperscript{239}

From mid June to early November 1970, no direct negotiations between the two parties took place. This was due to the change of the British Ambassador in Tripoli, who was the head of the British delegation at the negotiations, and the decision not to send another Ambassador until the beginning of 1971. The other reason was that the Libyans insisted that the new head of the British delegation should be of equal rank to the head of the Libyan delegation, and should be authorised to take decisions, especially important ones.

However, the two governments later agreed to restart negotiations in London, and Major Jallud arrived in Britain. The negotiations, however, made no progress as both parties stuck to their original positions. It became clear to both governments that the issues of the Air defence Scheme and the Chieftain Tanks were the key issues of their dispute. In November 1970 the Libyan government pointed out that British interests in Libya would be at risk unless a satisfactory solution was reached on the outstanding issues. In his words Jallud said that:

\textsuperscript{238} TNA, FCO 39/638, Record meeting of Anglo-Libyan committee
\textsuperscript{239} TNA, FCO 39/637, Record meeting of Anglo-Libyan committee
These outstanding problems had to be resolved before forward movement could be resumed in Anglo-Libyan relations. Until they were resolved British companies would not be permitted to benefit from the Libyan government's spending on development.  

From the end of 1970 to the beginning of 1971 the British-Libyan negotiations went round in circles. On the one hand the British government needed to make its own decision regarding the future of British-Libyan cooperation in the field of arms purchases, and whether Libya would require more contracts for the purchase of weapons or not. On the other hand the Libyans insisted that before entering into a discussion on the future of British-Libyan cooperation a solution must be found to the outstanding issues between the two parties, and the solution alone would determine the kind of cooperation which would exist in the future. In March 1971 the Libyan government was instructed to withhold purchases from Britain, which amounted to some £81 million at the time, until the British government met the claims arising from the Libyan government from its contract with BAC. The British government regarded the Libyan measure as a serious threat to British interests in Libya.

From what has been discussed, it appears that it became clear to the British government that no new military equipment orders would be made by the Libyans before their claims were met. The British Ambassador in Tripoli said that the British government should move quickly in order to save British interests in Libya. He suggested a package offer:

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240 TNA, FOC 39/637, Jallud’s visit, letter from Douglas-Home to British embassy in Libya, 3 November 1970
242 TNA, CAB 148/91, Anglo-Libyan relations, meeting minutes, 5 March 1971
which would comprise of an agreement on the termination of the BAC contract, the army equipment contract and the Anglo-Libyan treaty of friendship of 1953 and its associated agreement, and a British offer to provide a simpler air defence system and to credit towards any military equipment the £9.5 million paid by the Libyans as a deposit for Chieftains.\textsuperscript{243}

The Ambassador added that a settlement might be reached at a considerably lower cost to the British government. The net cost to the British of such a package might be in the region of £10-12 million.\textsuperscript{244}

**British offer to settle the outstanding issues**

Throughout the duration of the talks between the two parties, the British government did not accept any of the Libyan claims, and insisted that they did not fall under any legal or financial obligation to the Libyan government. However, in March 1971 the British government said that because they shared the Libyan government's aspiration to ensure the establishment of new relationships, they proposed a package offer to settle the outstanding matters between the two governments.\textsuperscript{245}

However, the British package was also prompted by two other important factors. The first was the arrival of a shipment of the T54/55 Soviet tanks to Libya, which might be considered as the beginning stages of future Libyan-Soviet cooperation, particularly in the military field. It could also be seen, as the founding of Soviet penetration in Libya. This would no doubt make a serious threat to the strategic interests of the Western countries and Britain in the region. The other factor was the Libyan decision to withhold purchases from Britain, and to not allow British companies to benefit from participating in the development plans drawn up by the Libyan government, which

\textsuperscript{243}TNA, CAB 148/91, Anglo-Libyan relations, meeting minutes

\textsuperscript{244}Ibid

\textsuperscript{245}TNA, FCO93/834, Letter from R N Dales to P R H Wright Esq, 27 October 1976
Libya estimated at about £81 million. The policy of the British government in the negotiations with the Libyans was based on prolonging the negotiations as much as possible in order to reach an agreement with the Libyans at the lowest costs, and to ensure British interests in Libya.

Thus, on 17 March 1971, the FCO recommended making an offer package to the Libyans. Alec Douglas-Home believed that the offer package was worth paying by way of insurance to the British interests in Libya and the returns in terms of sales, military and civil, which could be very large indeed. Douglas-Home warned that, any cancellation of this offer would increase the possibility of the Libyans looking to the Soviet Union for their military equipment, which would undoubtedly be regarded as hurtful discrimination against British firms.246

In March 1971 the Conservative government offered the Libyan government a package consisting of an £8 million radar network in lieu of the previous BAC contract, an ex-gratia payment of £3 million to settle the financial agreement, and the return of the £9 million Chieftain deposit. The offer was conditional on no money being paid to the Libyan government until further military equipment orders had been received by the British government to a minimum value of £40-50 million.

The Libyan government's response to the British offer was not wholly negative. They rejected the offer of £3 million because it was very low.247 On the Chieftain tanks they accepted repayment of the deposit, which they then used to buy other British military

246 TNA, CAB 148-115, Anglo-Libyan relations, meeting minutes, 17 March 1971.
247 TNA, CAB 148/116, Air Defence Scheme for Libya, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 5 July 1971
equipment, and the matter of the Chieftain tank was dropped from the outstanding issues. On the BAC dispute, the Libyans initially appeared to accept the offer in principle. However, they asked the British government to make some amendments to it. The Libyans request included some new equipment, such as anti-aircraft guns and ground-to-air missiles, which were not included in the old contract. In their memorandum on 5 July 1971 the FCO and MOD stated that in principle there would be no security objections to supply most of these items and in terms of commercial value the Libyan equipment was very attractive. Yet, there were problems with the supply of certain items of air defence. ‘The major air threat during the next decade’, it was thought, ‘is expected to be at low altitude. Rapier will occupy a crucial position in our low level defence especially on the central front in Europe. Exposure of it to Russian intelligence, which is considered inevitable if it is in Libyan hands, would minimise that defence.’ However, at the same time there was a risk that the Libyans would turn to the Soviet Union to get what they wanted. The British Foreign and Commonwealth Secretary and the Secretary of State for Defence have indicated that,

If we (the British government) cannot help them (the Libyans) to get one (Air Defence System) [...] they may turn to the Russian and there would be a risk that they then fall under Soviet influence. If this were to happen there could be an increase in the threat to NATO and the weakening of Western influence in Malta.

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249 TNA, CAB 148/116, Air Defence Scheme for Libya, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs
250 TNA, CAB 148/116, Revised draft DOPC paper on Libyan Air Defence Scheme, 5 July 1971
251 Ibid
252 Ibid
253 TNA, CAB 148-116, Air Defence Scheme for Libya, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs
The Libyan proposal was under the consideration of the British until the nationalisation of BP and the British package offer was withdrawn.

In July 1971, the British government increased the £3 million financial agreement offer, to £6 million in cash, which made the total British package offer £14 million. This was also refused by the Libyan side, because it was still not satisfactory. In December 1971 the British government again increased the package offer made to the Libyans, increasing the radar element from £8 million to £19 million, making the total value of the package offer £25 million. Despite learning of this intention, the Libyan government nationalised the British Petroleum Company. In these circumstances the British government suspended the consultations regarding an increase in the package offer, withdrew the previous offer, and told the Libyans that they would not enter into any further negotiations until a satisfactory solution could be reached with BP.

British-Libyan re-negotiations over outstanding issues from 1974 to 1979

The outstanding problems between the British and Libyan governments changed slightly after 1974. Despite the Chieftain contract being resolved with the acceptance of the repayment of the £9 million deposit, the relationship deteriorated following the nationalisation of BP, and the declaration by Gaddafi of support for the IRA in June 1972. In 1973 Libya also banned certain British consumer goods, which affected about

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254 TNA, FCO39-1085, Report about Anglo-Libyan negotiations
255 TNA, FCO 93-609, Report papers, from N C R Williams to Mr. Weri, 18 April 1975
12% of British exports to Libya. This came as an apparent response from the Libyan government to Britain's decision to ban arms exports to Libya.²⁵⁶

The Libyans, tried many times to persuade Britain to resume negotiations to resolve the outstanding issues between the countries, and to not link the British-Libyan dispute over BP with the other issues. This received little response from the British, who said that there should be a tangible progress on the BP front before the negotiations could be restarted to discuss substantive Anglo-Libyan problems.²⁵⁷

The Libyans then attempted to restart negotiations through an Egyptian mediator. Mr Marawan, who was the adviser of the former Egyptian President Anwar Sadat. He in turn tried to persuade the British to resume discussions, arguing that it would be better not to link the settlement between Libya and BP with re-started negotiations, because these latter discussions could take a long time to reach a settlement which would be satisfactory to both parties. In addition, if the British government put BP up front, this would block everything. The British government said that it would be very difficult to leave BP to one side. Therefore to resume discussions with Libya it would need good progress towards a satisfactory settlement.²⁵⁸

In early 1973, Libya embarked on a large internal development programme. In order to obtain the technology needed for the programme, the Libyans sought to improve relations with both Eastern and Western Europe. In this context, they expressed a strong

²⁵⁶ Ibid
²⁵⁷ TNA, FCO 93/19, Report papers on British Libyan disputes, A J M Craig, 20 December 1973
²⁵⁸ TNA, FCO 93-609, Report papers, from N C R Williams to Mr. Weri
desire to improve their relationship with Britain, and in particular with a view, as the Libyans themselves called it, “to turning over a new page”. At that time the relations remained bad and it was difficult to renegotiate. In November 1974, the situation changed when, a settlement was reached between the Libyans and BP. In view of the Libyans the main obstacle to the resumption of talks had been removed. The British should resume negotiations; however, this was not the British view.

The Libyans also said that they regretted the fact that certain difficulties still existed between Britain and Libya, such as outstanding issues between the two countries over the Air Defence Scheme and the lease of British military facilities in Libya. However, it was time to resolve them after the settlement had been reached between Libya and BP. The question needed to be asked here is, how keen Britain would remain to resolve the outstanding issues, in the light of all disputes occurred since December 1971?

Whilst accepting this offer Britain was not keen to return to negotiations for several reasons. Mr N C R Williams of the Near East and North Africa department argued that:

> We (the British government) took the view that while our relations remained so bad it was difficult to contemplate making the payment to Libya without which there could not be a full settlement, but that we should do what we could to avoid a complete breach.

Williams added that:

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259 TNA, FCO 39/1085, FCO39-1085, from British Embassy in Tripoli to FCO, 20 December 1972
260 TNA, FCO 93/608, Record of conversation between the Minister of State for Foreign and Commonwealth Affairs and the Libyan Foreign Minister, 20 March 1975
261 TNA, FCO 93/609, Report papers, from N C R Williams to Mr. Weri
We (the British) need not be greatly concerned over our oil import from Libya, which is small, or over a threat to withdraw Libya’s small residual holdings of sterling, or even over a breach of relations. A denial of overflying right would, however, be inconvenient.  

Britain also emphasised that since 1971 there had been a complete change in the global economic situation. Britain’s financial position was now much worse than in 1971 and Libya had a favourable balance. In these circumstances it was inconceivable that the British government would make any payment, either in cash or in credits, to the Libyan government.  

However, the most important reason for not taking the negotiations seriously seemed to be the British Libyan dispute over Libyan’s support to the IRA. The British government took the view that while Gaddafi was still giving support to the IRA and considering it as a freedom movement, any negotiations would lead to settle the Libyan claims and making a payment to them would be unacceptable to the public and would cause a heavy debate in parliament. Thus, the British government decided to accept the Libyan proposal to negotiate without the intention of settling the claims by spinning out talks about Anglo-Libyan relations in general for as long as possible.  

At this stage there were two different points of view. On the one hand, the Libyan side believed that when the negotiations stopped there was a British offer of £25 million to settle the Libyan claims. On the other hand, the British denied this and said there was

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262 Ibid
263 TNA, FCO 93/608, Record of conversation between the Minister of State for Foreign and Commonwealth Affairs and the Libyan Foreign Minister
264 TNA, FCO 93/365, Anglo-Libyan relations, letter from A J M Craig, to D F Murray British embassy Tripoli, 18 June 1974; TNA, FCO 93/613, Negotiations with Libya, letter from A B Urwick to Mr Weir, 6 November 1975; TNA, FCO 93/613, negotiations with Libya, letter from A B Urwick to British ambassador in Tripoli, 3 December 1975
265 FCO 93-609, Report papers, from N C R Williams to Mr. Weri
only one offer of £14 million, already refused by the Libyans, which had anyway been withdrawn by the British government after the nationalisation of BP. The British made it clear that it ‘should not, for the time being, consider whether any new offer should be made to the Libyans, but seek to maintain the dialogue with them through our embassy in Tripoli.’\textsuperscript{266}

With regards to the British denial of any offer of £25 million having been made by the British government, the Libyan government insisted that there was an offer of £25 to £30 million which had been considered by the British government in the context of the previous 1971 negotiations. Thus, the British government should now get back to the 1971 offer, and take it as a basis for a future settlement of the financial claims between the two governments.\textsuperscript{267} At the time the British government rejected the Libyan request and indicated that there had been no offer whatsoever put to the Libyan government after the 1971 offer had been withdrawn.\textsuperscript{268} It seemed that a misunderstanding occurred between the two parties. The British claimed that in November 1971, the Egyptian mediator, learned that the Libyans might be ready to settle their claims for about £30 million. Thus, the British government was about to consider increasing the offer package to £25 million. However, when Libya expropriated BP on 7 December 1971 all the negotiations between Libya and Britain were stopped. Therefore, no formal offer of £25 million was made to the Libyan government.\textsuperscript{269}

\textsuperscript{266} TNA, FCO93-608, From FCO to British embassy in Tripoli, 13 March 1975, TNA, FCO 93-609, report papers, from N C R Williams to Mr. Weri
\textsuperscript{267} TNA, FCO 93/608, Letter from Murray to FCO, 24 February 1975
\textsuperscript{268} TNA, FCO 93/613, Memorandum by the Secretary of State for Foreign and Commonwealth, 25 November 1974
\textsuperscript{269} TNA, FCO 93/609, report papers, from N C R Williams to Mr. Weri
Conclusion

Throughout the period of the negotiation of the outstanding issues there was no change in the position of either party, and therefore no solution was reached with regards to the dispute between Libya and Britain.

The Labour government hoped to secure British interests in Libya (trade, training rights and a limited military presence). To achieve this, the British government first considered how to determine the attitude of the RCC over the Arab-Israeli conflict, which would allow the British to gauge the implications for British priorities in the wider region and then formulate their position accordingly. The British government believed the key to creating a relationship with the Gaddafi regime was to understanding its mentality, gauging the implications for wider British concerns which in turn would enable them to determine their own position. In addition, securing Britain's strategic aims that Libya should not fall under Soviet or other hostile influence and that Britain should economically continue to benefit from trade with Libya, namely in oil and arms trade. Thus, economic, strategic and political factors were gathered to influence the British decision towards the Gaddafi regime, but it seems that the most important of these factors was the Libyan foreign policy towards Israel. Thus, the arms contract particularly, the Chieftains, was the key issue in British-Libyan relations during the early 1970s. In other words the creation of good relations failed because the Labour government would not supply the Chieftain tanks.

A British review of the existing relationship and creation of a productive new one proved to have failed. This was due to the stand-off between the two governments over the major element of the arms contracts, namely the Chieftain tank and linking the
supply of the Chieftain to Libya's position on the Arab-Israeli conflict. Finally, the deadlocked negotiations led to a failure to secure British interests in Libya, and keeping Libya a pro-Western state, and resulted in a deterioration in relations worse through the 1970s. British claims that they would keep talking were much more a stalling tactic than a genuine commitment to negotiate, and it appears that the British officials involved underestimated the commitment of Tripoli to secure a real solution and underestimated the possible costs if the negotiations broke down.

To sum up, disputes centred upon some arms deals and some financial problems dating back to the period before 1969. The fact that the two governments could not resolve these matters affected the relations between Libya and Britain as a whole in subsequent years. The lack of success on both sides in resolving their outstanding problems was the main reason that led to the worsening in British-Libyan relations. This had reflected badly on the relations between the two countries in various fields, and drove each party to take a negative attitude towards the other. Libya later adopted a hostile policy against British interests in Libya and in the region, such as Libyan nationalisation of BP.\(^{270}\)

Libya's relationship with the Soviet Union was considered as a service to the interests of the Soviets and a hostile act against the interests of the West in general and the interests of Britain and America in particular. This was the direct result of the failure of obtaining arms from the West, the US and particularly Britain.\(^{271}\)

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\(^{270}\) TNA, FCO 67/436, Planning paper on British interests in Libya, from P G P D Fullerton to Mr. Hope-Jones, 10 December 1970; TNA, FCO39/1083, letter from Mr. M R Melhuish to A J M Craig Esq, 11 January 1972

\(^{271}\) TNA, CAB 148/122, Cabinet, defence and oversea policy committee, Chieftains for Libya, memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 10 March 1972; TNA, FCO 39-1067, Major Jallud’s visit to Moscow, letter from Tripp to FCO, 22 February 1972.
Chapter Three: Libyan oil policy after 1969

This chapter examines British-Libyan relations in the early years of the 1970s focusing on the nationalisation of oil assets after the 1969 revolution. It aims to determine the impact of new policies on British oil interests in Libya and on their relationship, and to establish how and why this was one of the main causes of tension between the two countries. The chapter also discusses the impact of their failure to resolve outstanding issues, which were explored in the previous chapter and how these influenced the decision to nationalise the assets of British Petroleum in Libya. Moreover, the chapter considers the debate over the value of the British losses caused by the nationalisation and how this also affected Libyan-British relations.

Nationalisation of British oil interests in Libya

The disagreement that occurred after 1969 in the field of oil had a great influence on relations between the two countries. This originated with the conflict between the Libyan government, the oil companies and the countries those companies came from. The first major tensions between the two states over oil exploitation grew almost immediately after the revolution. Most of the oil sector in Libya was dominated by British companies. Libya entered into negotiations with all foreign oil companies between 1970 and 1971,\(^\text{272}\) which led to nationalization of British oil interests. The Libyan government’s insistence on controlling its oil sector was intended to reduce the power of foreign interests.

After independence, the Idris regime proceeded to open the country to foreign oil capital. In 1955 the first Libyan Petroleum law was passed. Both sides later benefited from this law: 14 different companies or consortia gained 47 concessions. Large quantities of oil had been discovered by Standard Oil of New Jersey (Exxon). Export production began at 20,000 barrels per day (b/d) in 1961 and started to increase rapidly. By 1966 production had reached 1.5 million b/d. This rose to 2.6 million b/d by 1968 and 3.6 million b/d by 1970. These production rates nearly equalled those of the long-established producers Iran and Saudi Arabia (2.8 million b/d each in 1968, and 3.7 million b/d in 1970). In the late 1950s, Libya had become a significant oil producer; by 1968-69, Libya was supplying a quarter of Western Europe’s oil requirements.

The Libyan monarchy’s policy after independence was based on the protection of both the United States and the United Kingdom for two main reasons. Firstly, it was intended to repel any internal or external threats. Secondly, it established the foundations of the oil industry and stimulated the development of the national economy. Thus, the government relied on technical support from America and Britain for economic growth through the development of its oil sector. At the same time, the discovery of oil in Libya significantly increased its importance to both the US and Britain.

274 Collins, C., Imperialism and revolution in Libya, pp. 3-22
276 Bamberg, J., British Petroleum, p. 114
277 Ibid, p. 115
However, instead of this discovery liberating Libya from dependency on the West, it seems that it made the country only more dependent on technical support, to the benefit of the oil companies. Libyan oil was almost exclusively exported to European markets.

Libya's oil is of high quality and the country's proximity to Europe offered the possibility of reducing Western dependency on the politically and strategically vulnerable Gulf. In order to protect its interests, Britain extensively supplied financial and military aid. Additionally, it exported technology for Libya’s oil industry. Libya's relationship with the foreign oil companies remained close as a result. That situation altered radically after the 1969 Libyan revolution, and relations between Britain, America and Libya changed from bad to worse throughout the 1970s as a result. The revised policy of Libya to nationalise oil exploration, production, and processing and to gain domestic control of this vital sector hit British firms most seriously. However, the Libyan government was not initially in a position to nationalise the whole oil sector. Its new policy was delivered in several stages, the first of which was a demand to raise the price of its oil and nationalise some of the oil companies, before full nationalisation could be achieved.

In early 1970, the new rulers in Libya increased demands against the oil companies. Oil constituted more than 80% of national income, the most important sector of the Libyan economy. The government held that the price of Libyan oil had been artificially frozen for years despite the technical, financial and political changes in both Libya and

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the wider world. The RCC viewed its behaviour toward the international companies as ‘a first step in the direction of realising the state's objective of restricting the control exercised by foreign firms over an important aspect of the Libyan economy’. In 1970, oil production in Libya reached a record of almost three million barrels per day, providing Libya with 98.7 per cent of its revenues. After this, the new government started to alter the pricing mechanism, increasing the oil price. In less than five years the combination of these fortuitous circumstances and the brinkmanship of the new regime allowed it to dramatically increase prices for Libyan oil. Libya’s call for higher oil prices was supported by many OPEC members, especially the Mediterranean members. Algeria and Libya met with Iraq and Saudi Arabia in Tripoli in March 1970 and agreed to the oil price demand by the Libyan government. They warned that they would shut down oil production if the demands were not met.

Jallud writes that:

The posted price of choice Libyan crude [...] had not changed from 1961 until 1970, and remained at $2.23 per barrel. Therefore the companies had to grant an immediate price rise of 30 cents a barrel, a further hike of 10 cents over a five year period, and an increase in the tax rate (the government’s chief source of revenue) from 50 to 58 percent.

The October 1973 war then later played a major role in pushing up oil prices. The war brought changes in the levels of various prices of oil and the relationship of the petroleum exporting countries with oil-producing companies. The Arab oil-producing

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282 Vandewalle, D., Libya since independence: oil and state-building, pp73-75.
countries imposed oil restrictions. They also abandoned all pretence of negotiations over prices and began to impose new price levels by unilateral decree through OPEC. On 18 October 1973, Saudi Arabia initiated an application of a restrictive measure, which included both general production cutbacks and an export embargo to specified countries, including the United States, based on OPEC’s decision taken in Kuwait on 16 October. ‘On 20 October it announced the price of oil would be immediately increased from $4.60 to $8.90 per barrel’. 286 ‘The price increase justified the action on the basis of inflation, increased demand for oil and fluctuation in currency exchange rates and freight charges [...] the October 1973 war solidified the basic changes in the oil industry initiated by Libya in 1970. Throughout the Middle East, the old system of oil concessions had been replaced by host government participation. The oil companies no longer owned, or could act as if they owned, the producing properties in the future, production levels, and to a lesser extent price levels, would be set by the host governments’. 287

The question that might be raised here is whether there was always an intention to nationalise the companies; some of the signals Libya put out gave an impression that there was no intention to do this, while others suggested the opposite. According to a number of researchers who have investigated this issue, it seems that the new Libyan government did not actually intend to nationalise this vital sector of their economy. 288

286 St John, R B., Qaddafi’s world design Libyan foreign policy 1969-1987, pp. 116-188.
There are a number of relevant factors which point to such a conclusion.

Libya did not have the means, expertise, or technological sophistication to operate upstream production without assistance from foreign oil companies. Any major differences with these companies could lead to disruption of production which would not serve the interests of either party. Therefore, 100% nationalisation, or outright expropriation, would do nothing but erode the credibility of this aspiring new government". In addition, some of the oil companies, such as Shell and BP, thought that Libya dared not nationalise, as it lacked the labour and experience to run the production and marketing of oil.289 Although the Libyan government had announced that its economy was in constant growth, this claim did not seem particularly credible. Also, the government needed foreign investment to complete its economic plans. Thus, the Libyan government did not want to create an escalation of bad feeling with the oil companies, and certainly did not want the oil companies to leave the country. Equally, the companies themselves did not want to leave the country.290 However, what happened was different to this. The British Ambassador in Libya emphasised that the RCC in Libya was facing many internal difficulties, which were threatening the authority of the Council and internal stability, and that this made it difficult for the Council to continue to pressure oil companies. It does not seem that the Libyan government was really able to push the situation between them and the oil companies to the limit. What the Libyan government wanted to do was to gain as much leverage

290 Penrose, E., The Development of the Oil Crisis
as possible from the oil companies, and to increase its own internal popular support.\footnote{TNA, FCO 67/432, Libyan oil: the British stake, letter from C T Brant to Mr. Gallagher, 27 May 1970} Also, Libya did not have enough resources to forego oil revenues because the non-oil economy was so under-developed. In these circumstances Libya was aware of the problems of total nationalisation of the oil industry, but selective nationalisation was a likely alternative.\footnote{TNA, FCO 67/432, Record of meeting held at the foreign and commonwealth office, 26 August 1970}

From examining the statements of some Libyan officials, it can again be concluded that nationalisation was not Libya’s initial intention. However, what happened contradicted this. As Major Jallud stated ‘The RCC’s goal was to correct posted prices through peaceful negotiations. The Libyan government had no intention of nationalising the oil industry but thought that the current terms and conditions under which the oil companies were operating were altogether too much in the oil companies’ favour’.\footnote{TNA, FCO 67/432, Negotiations between the Libyan government and the producing companies on posted prices, 19 May 1970} Maghrebi also made a similar statement reported in the FCO documents: ‘The Libyan government only wanted the posted price to be corrected, and had no thought of expropriating or nationalising any of the oil companies’.\footnote{TNA, FCO 67/432, Libyan oil: the British stake}

At the same time, other evidence indicates that government’s policy was from the outset concerned with extending its control over the oil sector so as to bring it under its effective control.
According to the Libyan petroleum minister at that time, the Libyan government saw that lack of control of foreign oil companies comprised a kind of economic colonialism: while oil production and marketing were still under the control of foreign companies, this would prevent the Libyan government’s key development projects. The Oil Minister has also added that:

The transfer of the ownership of these companies was a great stride in the country’s march towards the objective of liberating the national economy from all foreign influence and subservience. The state had laid its hands, in the interests of the people, on an important aspect of economic activity which had been exploited in their own interests. This made it necessary for the state to intervene in order to curb their dominance over this sphere of public interest.

Another statement by the Libyan oil minister showed similar thinking. ‘The takeover of local marketing operation was expected to provide the state with a sizeable income which would help it implement its development plans[...]the marketing companies in Libya are realizing an annual profit of about £6 million which would now revert to the state’. Thus, the process of nationalisation was not due to the ongoing dispute between the government and these companies over the subject of rising oil prices so much as to the perceived national interest of the country.

At the same time that the Libyans began negotiations with oil companies, they started to negotiate with the USSR in order to lay the foundations of cooperation. The Libyan government was taking into account that, in its negotiations with the oil companies for an increase in posted prices, the oil companies could create serious difficulties which

295 TNA, FCO 67/433, Libya news agency in Arab, 5 July 1970
296 TNA, FCO 67/433, Middle East, Libya: Libya takes over local marketing operations, Vol II, No 37, 10 July 1970
297 TNA, FCO 67/433, Nationalisation of fuel distribution, from N. H. Green to Mr. Finlaison, 7 July 1970
could not be resisted for long. The Libyan government’s purpose was to secure Soviet help in anticipation that steps might be taken by oil companies to stop oil production if the Libyan government did not reach a solution satisfactory to the oil companies about oil prices.298 On 6 March 1970, the Libyan Minister of Oil, Izzedin A-Mabruk, visited Moscow and discussed with the Soviets the possibility of cooperation between Libya and the Soviet Union in maintaining and exploiting the Libyan oil fields.299

The visit of Mabruk to Moscow was followed by another discussion between the Soviet Ambassador in Tripoli and Mr. Mabruk on 21 March. Both parties discussed the assistance that the Soviets could provide.300 According to Mr. Abdelhay Ben-Omran, Director of the Technical Department in the Libyan Ministry of Petroleum, ‘Libya’s desire for cooperation with the Soviet Union over oil matters has been evidenced by the recent visit to Moscow of the Libyan oil minister. He said that there was a great scope for such cooperation in a variety of fields, namely joint ventures between the USSR and the Libyan national oil company for oil exploration and development in Libya’.301 Then in May, Mr. Mikhail Tarasov, the deputy head of the Middle East department of the Soviet State Committee for Economic Relations with Foreign Countries, arrived in Libya to discuss oil matters.302

On 24 March, the Beirut newspaper Al-Sayyad stated that the Soviet-Libyan rapprochement ‘represents the trump card which Libya’s new leaders plan to play at

298 TNA, FCO 67/432, Visit of Libyan minister of oil and mineral to Moscow, letter from Maitland to FCO, 13 March 1970
299 TNA, FCO 67/432, Libyan oil, letter from Mr Maitland to FCO, 8 March 1970
301 Ibid
302 TNA, FCO 67/432, Russians arrive in Libya amid crucial oil talks, Financial Times, 9 May 1970
the appropriate time. In the opinion of observers, the appropriate time would be when the current talks with the operating companies on the question of raising the posted prices of Libyan crude oil fail to achieve the desired results’.  

Two conclusions can be drawn from this: firstly, the Libyans wanted to raise the price of oil, but, as they knew very well, that could lead to steps being taken that could harm their interests with the oil companies, so they had begun to consolidate their relationship with the Soviet Union. Secondly, it had been noticed that from the beginning, the Libyan government had targeted some but not all of the oil companies. In addition, there is no doubt that there were differences between Libya and Britain regarding arms contracts and financial disputes. Failure to reach a solution satisfactory to both parties in these disputes made it very difficult to create fruitful cooperation, and could possibly lead to Libya adopting a rigid policy toward the British oil interests in Libya.

The FCO warned of this issue and accordingly the British Secretary of State said:

If the outstanding inter-governmental problems cannot be resolved the Libyans may expropriate BP and Shell’s assets, which have a book value of 34 million. Additionally at risk is the 10-15 million per annum that the Libyan operations of these two oil companies contribute to the UK balance of payment.

In early 1970, Libya, Algeria and Iraq agreed to coordinate oil policies. According to the British government, it was clear that the Libyans had been receiving a great deal
of advice from the Algerians. This strengthened the position of the Libyan government as a result of the mutual coordination between Libya and Algeria over their oil fields.\textsuperscript{306} In a statement to the Algerian News Agency (APS), Izzad-Din Mabruk, the Libyan Minister of Oil and Minerals ‘stressed the need for extensive cooperation between Algeria and Libya in the oil industry and for coordination of the joint exploitation of our (Algerian and Libyan) natural resources’.\textsuperscript{307}

At this time, when the Libyans were negotiating with the oil companies, Algeria was engaged in similar negotiations to raise the posted prices of the French companies operating there. Algeria sent an oil delegation, led by a senior government technical adviser on oil production to Libya and Iraq. By January 1970 this had resulted in a joint declaration communiqué calling for close cooperation.\textsuperscript{308} This increased pressure on the oil companies operating in these countries. Bamberg adds that ‘the three radical oil-exporting states, Algeria, Libya and Iraq, got together to form a common front against the oil companies. The pressure continued to rise. In June the Libyans ordered more production be cut from Occidental and this time also Amoseas; Algeria nationalised the assets of Shell, Phillips and other smaller companies which refused to accept higher posted prices; and early in July Libya nationalised the local marketing companies of Shell and Standard Oil (NJ)’.\textsuperscript{309} If we look at the process of nationalisation of oil companies operating in the region, we can note that Iraq preceded others in its

\begin{footnotesize}
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\item \textsuperscript{306} TNA, FCO 67/432, Record of meeting held at the foreign and commonwealth office,
\item \textsuperscript{307} TNA, FCO 67/432, Izzad-Din Mabruk on Libya’s oil policy, Kuwait home service in Arabic, 16 April 1970
\item \textsuperscript{308} Adelman, M A., \textit{The genie out of the bottle: world oil since 1970}, MIT Press (United States, 1995), p. 71
\item \textsuperscript{309} Bamberg, J., \textit{British Petroleum}, p. 452
\end{itemize}
\end{footnotesize}
nationalisations, followed by Algeria, and that Libya came afterwards, benefiting from the experience of the two other countries. Even so, the Tripoli government was fully aware that it would not be immediately capable of full nationalisation of the oil sector, nationalising only some of the oil marketing companies.

**Libyan conflict with foreign oil companies over posted prices**

The dispute between the Libyan government and the oil companies over raising the price of Libyan oil had a significant impact on the relationship between the Libyan government and these companies, as well as on Libyan relations with both the British and American governments, as most of these companies were American or British. The Libyan demands to increase oil prices and the tough negotiations that followed, which took more than a year, opened the door to the other oil exporting countries to follow similar policies. This established a new type of relationship between the oil producing countries and the oil companies. This was clearly shown by the two agreements signed in Tehran and Tripoli, which outlined a new framework for the relationship between the oil producing countries and the oil companies and marked the biggest increase in oil prices in that period of the last century.

At the beginning of 1969, the production of oil in Libya was dominated by the large oil companies or groups: Esso, Oasis, Marathon, Continental, The Amerada and Shell companies, Occidental (U.S); Amoseas (U.S); BP-Bunker Hunt; and Mobil-Gelsenberg (U.S./West Germany’. The largest single British interest was that of Shell... on the Oasis production, this was nearly 40 million tons. Shell also concluded a joint venture agreement with Lipetco. BP’s joint operation with Bunker Hunt produced a
total of 16 million tons in 1969. The main markets for the Libyan oil were in Western Europe. West Germany was the largest customer (35.6 million tons in 1968), followed by Italy, the UK and France (25, 23.5, and 10.3 million tons respectively).\footnote{310 TNA, FCO 67/432, Libyan oil, oil department, 11 February 1970}

On 8 April 1970, Colonel Gaddafi said:

\begin{quote}
We (the Libyans) are now fighting the battle of political liberation. Soon [...] Libya will become politically free of all restrictions or controls. We (the Libyans) entered the stage of political freedom from foreign imperialism and bases[...] After political freedom comes the phase of industrial and economic freedom[...] After the withdrawal of American troops from the country (Libya)[...] the battle will be with the oil companies[...] We (the Libyans) must fight the foreign oil companies.\footnote{311 TNA, FCO 67/432, Gaddafi’s Bayda Rally Speech, 8 April 1970}
\end{quote}

Gaddafi himself made the demands of the Libyan government quite explicit ‘The price of Libyan crude is too low. The Libyan worker is not getting his fair share of the profits. Too few Libyans are being employed. Too few Libyans are being technically trained’.\footnote{312 TNA, FCO 67/432, Oil posted price negotiations, letter from Mr. Maitland to FCO, 30 January 1970.
Bamberg, J., \textit{British Petroleum}, p. 453
Wright, J., \textit{Libya: a modern history}, p. 228-230, 235}

The Libyan government demanded that the foreign companies operating in Libya agree to raise the price of Libyan oil from $2.23 to $2.53, saying they would negotiate with the companies individually.\footnote{313 TNA, FCO 67/432, Oil posted price negotiations, letter from Mr. Maitland to FCO, 30 January 1970.} The Libyan government justified its position by declaring that ‘the government was not seeking an increase, but a correction reportedly of around 44 cents/barrel in the posted price, based on alleged under posting since 1961, the freight and sulphur advantages of Libyan crude, and the comparable posting of $2.65 in neighbouring Algeria’.\footnote{314 TNA, FCO 67/432, Oil posted price negotiations, letter from Mr. Maitland to FCO, 30 January 1970.} In addition, the low price of Libyan oil of $2.14 was
lower than the Gulf oil pricing of $2.37. In February 1970 the Libyan government representatives led by Major Jallud begun negotiations over oil posted prices with the two American companies Standard and Occidental, the two largest oil producers in Libya. Both rejected the Libyan price demands. Later in April, the Libyan government focused its pressure on Occidental, which was in a weaker position than Standard, as Occidental was wholly dependent on Libyan oil to supply its customers. In May, as a result of its rejection of the increased oil price, Occidental was ordered by the Libyan government to reduce its output by 40%, from 800,000 barrels a day to around 425,000. This pressure continued. In June, more production cuts were ordered from Occidental. At the same time, Algeria nationalised the assets of Shell, Phillips and other smaller companies which refused to accept higher posted prices. The Libyan government had also received support from the Organization of Petroleum Exporting Countries (OPEC) by ‘demanding a 55 percent tax base instead of the oil fifty-fifty arrangements [...] and a 30 percent increase in posted price’. It became clear that Occidental could not stand this kind of pressure. ‘As intended, such cuts were crippling to a company with no other source of crude oil outside the United States[...]Occidental was, in the meantime, under acute pressure. Profits had fallen from $47.9 million in the second quarter of 1969 to $43.8 million in the same quarter of 1970’. Thus, in September Occidental agreed to raise the posted price of Libyan oil from $2.23 to $2.53

315 Ibid, p. 228-230, 235
316 TNA, FCO 67/432, Record of meeting held at the Foreign and Commonwealth Office, 26 August 1970
317 TNA, FCO 67/432, Libya imposes sharp production cutback on Occidental oil, Petroleum Intelligent Weekly, 25 May 1970
318 Penrose, E., The Development of Crisis, pp. 39-57
319 Cooley, J K., Libyan sandstorm, p. 66.
320 Wright, J., Libya: a modern history, p. 237
a barrel and to an annual increase of 2 cents a barrel for a five year period starting from 1971. The Libyan tax rate was also raised from 50% to 58%. After succeeding in imposing its new posted price on the oil companies after breaking Occidental’s resistance, Libya was accused of opening the door to other countries to make more demands to increase oil prices. Cooley (1982) points out that the increase in the Libyan oil price had an immediate effect abroad. Just before the end of 1970, the Shah of Iran began pressuring the Western consortium working in Iran to pay more. The agreement between the oil companies and the Libyan government to increase the oil price had ‘marked the first big advance in crude oil postings in over 13 years of depressed prices and the largest ever recorded’. The Libyan settlement had an immediate impact on other oil producing states. OPEC met on 12 December 1970 in Caracas and called for an increases in posted prices and stated that the acceptance rate of increase should be not less than 55%. After this, the demands for rises in posted prices did not stop until the Tehran agreement. Following the meeting in Caracas, OPEC held another meeting in Tehran on 3 February. The discussions continued until an agreement about the Gulf oil posted price was signed on 14 February 1971 between the oil companies and the Gulf members of OPEC. The agreement was to be valid for 5 years from June 1971 and gave the oil producers a posted price increase of 35 cents a barrel, along with annual increases of 5 cents a barrel. The Mediterranean oil producers did not agree to the Tehran agreement. On 24 February the negotiations started, with Libya was negotiating on behalf of the other OPEC countries in the

321 British Petroleum Archives (BPA), Archives Reference (Arc Ref) 121728, official text of new Libyan oil agreements, 12 April 1971
322 Cooley, J K., Libyan sandstorm, p. 237
323 Bamberg, J., British Petroleum, pp. 455- 460
On 20 March the Tripoli agreement was reached between the Libyan government and the oil companies. The agreement raised the posted price of OPEC members of the Mediterranean for 40-degree, Libyan crude was to increase by 90 cents a barrel, from $2.55 to $3.32 plus 12.7 cents accelerated escalation. The agreement was for five years, from March 1971 to 1975. The Tehran and Tripoli agreements of early 1971 marked a watershed in the history of the international oil industry, transferring control over prices to the producer governments and ending the dominance of oil companies. One of the main impacts of the change in posted prices was that under the ‘five-year agreements, the revenues of oil-exporting states would rise from $7 billion in 1970 to $18.5 in 1975; Europe’s bill for oil imports would rise by $5.5 billion in the same period’.

The Tehran and Tripoli agreements marked a significant positive outcome for the OPEC countries in general and the Libyan government in particular, since Libya was one of the first countries that demanded a price increase. These agreements transformed relations between oil companies and oil producing countries. The two agreements succeeded in reducing the control of oil companies over the manufacturing and marketing of oil, and increased oil revenues for these countries, strengthening their control over their economies. The oil companies and oil-importing countries had to pay more to import oil, and the hegemony of the oil importing countries over the oil

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324 Ibid, pp. 463-465
325 BPA, Arc Ref 52776, Agreement dated 21st March 1971
326 Wright, J., Libya: a modern history, p. 243
327 Bamberg, J., British Petroleum, p. 466
industry and its marketing was broken. The Teheran-Tripoli agreements led to the subsequent embargo and the participation crises of 1973-74.\textsuperscript{328}

In 1971 the US dollar started to depreciate faster in relation to other currencies. This caused trouble, as the posted price of oil was stated in dollars and the Teheran agreement had not provided for a fall in its value. In August 1971, OPEC warned that the 'Teheran and Tripoli price agreements did not deal with the question of the parity of money, and, therefore, should the United States dollar be devalued, the gains achieved by the Teheran, Tripoli and related agreements would be substantially eroded." On 18 December 1971, an agreement was reached by the ten major industrial countries in Washington. The agreement ‘provided for a formal devaluation of the dollar against gold and for a revaluation of leading currencies against the dollar’. In January 1972, an agreement was signed in Geneva between OPEC countries and oil companies for an increase in posted prices of 8.59%. Posted prices were then to change quarterly in accordance with an agreed formula for an index of exchange rate movements. The price of Arabian light rose from $2.285 to $2.479 a barrel’.\textsuperscript{329} In 1973, the further devaluation of the United States dollar once more caused trouble, for the posted price of oil with a rising demand in the United States for imported oil continued to push up market prices. In September 1973, all the OPEC countries demanded a revision of the price agreements as they could no longer accept the steady decline in their share of the profits from oil. On October 6, war broke out which imposed more increases to the posted price of oil.\textsuperscript{330}

\textsuperscript{328} Wilkins, M., The oil companies in perspective, the MIT Press on behalf of American Academy of Arts and Sciences Stable URL, Vol. 104, No. 4, (1975), pp. 159-178
\textsuperscript{329} Penrose, E., The development of crisis.
\textsuperscript{330} Ibid.
The decline of the oil price during the 1950s and early 1960s had aided industrial growth in the US and Western Europe. However, the events that began in late 1969 ‘culminated in the quadrupling of oil prices in 1973 and 1974’ and led later to the complete nationalisation of the oil industry in certain countries. The demands for increasing oil prices and subsequent events ‘made the international monetary system more unstable [...] excess reserves held by oil exporting states in the form of short-term funds[...]’ These developments also helped plunge the industrial West into its most severe economic crisis since World War II: in 1975 unemployment in developed market economies was at a 40-year high’. This did not mean the downfall of the West; but the demands for higher prices and the nationalisations brought a serious crisis to the Western economies.

**British oil companies’ response to the increase in the posted price**

Having broken Occidental’s resistance, the Libyan government quickly turned the screws on the other oil companies. Continental, Marathon, Amerada-Hess and Shell were told that they were also expected to accept a retroactive price rise. On the 21 September, two of the Oasis independents agreed to the Libyan posted price but Shell refused. Shell is an Anglo-Dutch oil company, 60% is owned in Holland and 40% owned in the UK. It is a member of the Oasis group, which was responsible for 31% of total Libyan oil output. Shell was very concerned about the new price of oil being

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333 Ibid
demanded by the Libyan government. According to David Barran, then chairman of Shell transport and trading, ‘(members of Shell company were) particularly concerned about the knock-on effects of accepting the principle of retroactivity, which might undermine the whole nexus of relationship between producing governments, oil companies and consumers’. Thus, Shell rejected the new Libyan posted price. As a result, Shell was ordered to abide by a 12% cut in their oil production in Libya, effective from 30 July 1970. Before that date was reached, however, Libya nationalised all the company’s Libyan marketing operations. British Petroleum’s response was similar to Shell. ‘BP, like Shell, realized that if Libya got its way, other oil-producing countries would quickly make similar demands’. It also reported similar trends ‘for the majors in Libya[…]and BP such terms, both as regards the price hike and the increase in tax rates, posed a cruel dilemma. If they accepted, the percolation effect on their interests elsewhere could be very significant indeed. Sir Eric Drake, BP’s chairman and chief executive, favoured strong resistance. He said that the companies should reject the Libyan government’s unilateral demands, despite the threat to stop supplies. However, Drake said that he accepted that ‘the companies might have to increase the posted prices of Libyan and other short-haul crudes to reflect their freight advantages, but they should not, he thought, go further than that by granting Libya’s demands of retroactivity and an increase in the tax rate’.

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335 Bamberg, J., *British Petroleum*, p. 453
337 Bamberg, J., *British Petroleum*, p. 454
Libyan action against foreign oil companies and the nationalisation of Shell and BP assets

The question that might be raised here is: What were the reasons behind the strong Libyan position and the weakness of the oil companies which ultimately led Libya to succeed in most of its demands, especially for raising the price of oil, and which eventually led to the nationalisation of Libya's oil sector?

The strength of the Libyan government's position in negotiations with oil companies in the early seventies was due to several factors, which have been noted by many researchers. They will be very briefly drawn together here:

- Libya was supported by two major oil exporters, Algeria and Iraq, and both countries were engaged in outright confrontation with their concessionaire companies. Libya maintained extremely close contact with the Algerian government and had also received advice from Algeria during negotiations with the oil companies.

- Libya had also benefited from the pressure brought by the Algerian government on the oil companies operating in their country. In June, 1970, Algeria nationalised Shell and Phillips. These actions by the Algerian government weakened the position of oil companies operating in Libya, and allowed the Libyan government to put greater pressure on oil companies to accept its demands.

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• Libyan oil is high quality, low in resultant pollution and corrosive sulphur, and cheap to transport to nearby markets in Europe. These transport cost advantages over Arab Gulf crude were increased by the closure of the Suez Canal, which had been out of operation since the Arab-Israeli Six-Day War in 1967.

• The Idris regime had deliberately encouraged competition in the Libyan oil industry by granting concessions to many companies, including independents as well as majors.

Gaddafi did not, therefore, have to deal with a dominant single concession holder like the IPC in Iraq, the KOC in Kuwait, the Consortium in Iran, or Aramco in Saudi Arabia. The Libyan government was dealing with competing firms, which did not necessarily share the same interests.

In addition to a number of other factors such as decreasing production that greatly influenced the scarcity of oil in 1970, there was an unexpected world shortage of oil and particularly of low-sulphur refined fuel in the winter of 1969-70. Libya’s oil income had risen to levels which exceeded the short-term development needs of the desert state, with its small population. Indeed, by 1970 Libya’s per capita income was twice as high as Saudi Arabia’s and nearly four times as high as Iran’s. Thus, Libya could live with reduced oil exports more easily than Western Europe could live with reduced imports.  

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From the discussion above, two other major factors can be added. First, when the Libyans came into oil production, the oil companies drove a hard bargain on price with the Libyan Government. This made Libyan oil very attractive in price terms to companies and the world market compared with Middle East oil, especially given its low sulphur content. The price advantage of Libyan oil became even more marked when the Suez Canal was closed after 1967. Middle East oil for European markets had to be carried around Africa. The price advantage and the shortage of tanker capacity as a result of the increased journey around Africa led the oil companies to become dependent on Libyan oil: ‘at one time Europe was dependent upon Libya for some 33.33 per cent of its oil supplies’.  

Before Gaddafi came to power, King Idris had entered into negotiation about an increase of 10 cents in the price of Libyan oil. However, the negotiations were not completed until Idris was overthrown. If the 10 cents agreement had been reached, it would have reduced the later pressure on the companies. The claim of 10 cents was then seen as entirely justifiable, but agreement failed. In 1970, Gaddafi demanded an increase from 10 cents to 40 cents a barrel. It was obvious that he would not settle for what King Idris had demanded or less. Specifically, Esso offered an increase of only 7 cents. This offer was strongly rejected by the Libyan Government, arguing that Libyan oil was the cheapest and needed to be increased.

The other factor which made the Libyan Government’s position strong was the lack of British government support to the oil companies. The British oil companies and the

\[342 \text{TNA, PREM 15/1837, United Kingdom domestic consumption 1972, 19 July 1973} \]

\[343 \text{Ibid} \]
British government were sure that, if Libya nationalised any British oil companies operating in Libya, the Libyan government would not agree to go into arbitration in any dispute between them and these companies. Thus, the BP representative suggested that the British government ought to keep the 1953 treaty alive in case Britain needed it – in the International Court of Justice (ICJ) under Article 7 - to refer to in a dispute over nationalisation. Article 7 of the Anglo-Libyan treaty of 1953 can be interpreted as providing grounds for the British government to refer any dispute with the Libyan government to the ICJ.344 ‘The oil company representatives put down a marker that they hoped the treaty would not be brought to an end while the threat of nationalisation continued, and asked that the FCO should consider the advantages of keeping it valid’.345 On the Libyan side, the Libyan government considered the treaty a dead letter and were anxious to terminate it as soon as possible. On the British side, it was recognised that the treaty was no longer appropriate and the Libyan government was informed that Britain was prepared to proceed its termination. The British government was willing to generate some goodwill on the Libyan side in the hope of extracting some benefits in subsequent negotiations, and recognized that a refusal to end the treaty would forfeit Libyan goodwill.346 In the light of this, the British government informed the oil companies that, ‘For purely political reasons, it is wholly undesirable to delay the formal termination in order to keep article 7 alive’.347 The British government was already engaged in complex negotiations with the Libyan government on outstanding

344 TNA, FCO 39/875, meeting held in Mr Gallagher’s room, 19 March 1971
345 Ibid
346 TNA, FCO 39/875, The Anglo-Libyan treaty and the ICJ provision, letter from assistant legal adviser, Mr F. D. Berman, to Mr Hope-Jones, 6 April 1971
347 TNA, FCO 39/875, The Anglo-Libyan treaty and the ICJ provision
issues. The British government wanted to avoid any negative effects that negotiations between the Libyan Government and the oil companies could create which might affect the negotiations of these outstanding issues.

**The British government's position on the conflict between Libya and the oil companies**

The British companies now turned to the British government to try to secure diplomatic support to protect British oil interests in Libya,\(^{348}\) principally those of BP and Shell. The new steps that the Libyan government took seemed to the UK to be very nationalistic. The British government outlined its view of the relationship between British oil companies and the Libyan government as follows: ‘Since the Libyan revolution of September, 1969, relations have deteriorated sharply between the government and the companies, to a point where oil production itself has been affected […] the RCC and its advisers have set themselves to pursue radical and nationalistic policies against the oil companies.'\(^{349}\)

British oil interests in Libya had grown over twenty years up to 1969, and by the late 1960s were importing large quantities of oil. By 1969 about 150 million tons of Europe’s supplies came from Libyan sources (out of total consumption of 510 million tons), of which 21 million came to the UK (out of a total consumption of 90 million tons). From the viewpoint of the FCO oil department, the potential threat to the oil

\(^{348}\) TNA, FCO 67-432, Shell and BP in Libya, Letter from C. T. Brant, oil department, to Mr. Walker, 21 May 1970

\(^{349}\) TNA, FCO 67-432, Libyan oil: the British stake.
companies’ production in Libya by reducing its production significantly threatened the security of British and European oil supplies. Reducing or cutting off Occidental’s oil supplies, estimated at 40 million tons in 1969, would not have a decisive effect on the situation. However, any further cut off of oil production from other Libyan oil sources would have a more serious effect on British and European oil supplies. But there seemed to be little the British government could do to support Shell and BP, as a result of a lack of any agreement with Libya over the outstanding issues.

The British Ambassador in Tripoli Mr Tripp argued that British-Libyan relations were worse since the RCC took power, because of the outstanding issues, and the future of any joint cooperation between Libya and Britain appeared to be dependent upon the progress that would be achieved on both sides to resolve the outstanding problems. The Ambassador also said that the British government has always been aware that failure to reach an agreement satisfactory to both parties was a threat to British interests in Libya, especially oil interests. He added that Libyan dissatisfaction with the British government’s response to their claims had them to adopt a more hostile attitude to Britain and more hostility could be expected over other British interests in the Middle East and Mediterranean.

In 1970, the Wilson government made it clear to the oil companies that their political relationship with the new Libyan government had many problems, and that there were many outstanding issues which would be hard to solve. These included the agreement

350 Ibid.
351 TNA, FCO 39/1111, Libya/BP: Anglo/Libyan relations, letter from Peter Tripp to A D Parsons GMH MVO MC, FCO, 16 February 1972
the Libyans had made to purchase British Chieftain tanks and air defence hardware. If this were to come under threat, the Libyans could potentially lose their £32m deposit, which might then lead to an aggressive Libyan response.\textsuperscript{352} It is clear that such factors adversely affected attempts at diplomatic intervention for British oil companies operating in Libya. However, it must be stated that outstanding issues between the British and Libyan governments would have an effect on the negotiations between the Libyans and the oil companies negotiations over the posted price, and British fears that this might lead to the loss of British oil interests in Libya.

Mr. Ellingworth, of FCO and Mr. A. Ibbott, also from FCO, stated that:

\begin{quote}
H M government would not seek to influence the companies’ decision on the reaction to an imposed posted prices settlement on political grounds. H M government is concerned that an oil industry decision would prejudice other British interests: rather the reverse, that strained Anglo-Libyan relations might make the oil companies’ position even more difficult. We were, however, concerned about the supply and consumer price implications.\textsuperscript{353}
\end{quote}

The British Foreign Secretary Sir Alec Douglas-Home agreed that every effort should be made to stand firm in support of the principle that posted prices and tax rates could be amended only by mutual agreement, not by unilateral fiat. He recognised the need to strengthen the resolve of European governments to face up to the possibility of a fuel shortage and undertook to speak to them. Later, however, he reported back that other governments had no enthusiasm for action which would result in a reduction in Europe’s oil supplies. The British companies in Libya were told to be guided by their commercial judgment.\textsuperscript{354}

\textsuperscript{352} TNA, FCO 67-432, Libyan oil: the British stake
\textsuperscript{353} TNA, FCO 67-432, Record of meeting held at the Foreign and Commonwealth Office
\textsuperscript{354} Bamberg, J., \textit{British Petroleum}, p. 454
It can be seen that, the British government's position was not strong enough with regard to providing any support for Shell and BP. The British government stated that this would be limited only to diplomatic support when required (e.g. over the expulsion of staff). Thus, Shell and BP should take their own appropriate decisions for the protection of their interests particularly with regard to the posted price issue.\textsuperscript{355}

\textbf{The impact of the outstanding issues over the Libyan policy toward the British oil companies}

In the same period that the Libyan government entered into negotiations with oil companies, there were other negotiations taking place between the British government and the Libyan government to resolve the outstanding issues between the two sides. The negotiations between the Libyan government and oil companies have, from the start, been significantly affected by the outcome of negotiations between the British government and the Libyan government on outstanding issues.

At the beginning of 1970, Major Jallud warned the British government that, if there was a failure to reach a solution satisfactory to both parties with respect to the outstanding issues, British interests in Libya would be in danger and that the Libyan Government would take a tough roadblock against these interests. Jallud went on to say ‘Unless the British government gave the Libyan Government satisfaction over the major issues outstanding between the two governments, the Libyan government would

\textsuperscript{355} TNA, FCO 67/432, Libyan oil: the British stake
take action against British interests in Libya’.\(^{356}\)

The relationship between Britain and Libya is thus very complicated. Libya linked its cooperation with Britain in every field, especially in the oil business, to reach a solution to outstanding issues. In the light of this, there were two trends for the British–Libyan cooperation, particularly in the oil field. The first was to settle the outstanding issues and this would lead to comprehensive cooperation in all fields and save the British oil interests in Libya. The second trend was the opposite of this and, especially, there was no guarantee that, if the British government settled its dispute with the Libyan government, this would save the British interests in Libya. Also there was no guarantee that Gaddafi would take no action against the British.\(^{357}\) In a letter from the North African Department (NAD) to the FCO, in the early 1970, Hope-Jones warned Ellingworth of FCO saying that:

> It has become increasingly clear in recent weeks that HMG will have to pay a high price in order to attain their various policy objectives in UK/Libyan relations. The price will probably be higher than they are prepared to pay, and we therefore need to assess just how important these various objectives are. One of our principle objectives is of course that the export of Libyan oil to Britain and Western Europe by British companies, among others, should proceed without hindrance.\(^{358}\)

Differences between the two governments, especially regarding the settlement of outstanding issues of arms deals between the two sides, affected the ongoing negotiations between the Libyan government and the oil companies. They made the position of the Libyan government with regard to these companies inflexible and

\(^{356}\) TNA, FCO 67/436, Planning paper on British interests in Libya, from P G P D Fullerton to Mr. Hope-Jones


\(^{358}\) TNA, FCO 67/434, Libya oil, letter from R. C. Hope-Jones to Mr Ellingworth, 14 September 1970
rigid. The Libyans’ differentiation between BP and other companies can be seen in the light of the fact that the British government's shareholding in BP made the Libyans view BP as a way of influencing the British Government in regard to the defence agreement. Thus, the British oil interests were not outside the bargains that were used by the Libyan government in order to force the British government to settle the outstanding issues of arms, but it does not appear that the Libyan policy succeeded. The Libyans told the British Government several times that, if they got a satisfactory settlement on the issue of outstanding arms contracts between the two sides as well as on outstanding financial issues with respect to renting the British base that existed in eastern Libya before 1970, and on the Libyan cooperation with Britain in the various disciplines, there would be no limit to the cooperation between the two countries in the future. However, failure in this would lead to counter-productive results. R. C. Hope-Jones again stated ‘If we (the British Government) fail to give the Libyans satisfaction over current problems, there will be various courses of action open to them. They might for instance nationalise part or all of the production interests of BP and Shell’. 

After March 1971, and the Libyan rejection to the offer package of £14 million the British concerning increased, in light of the lack of progress in finding a solution to the problem of the outstanding issues between the British and Libyan governments, it was

359 TNA, FCO 67/434, Record of a meeting held at the Foreign and Commonwealth Office, 26 August 1970
360 TNA, FCO 39/1082, Mr Sandy’s visit to Tripoli, letter from Cromer to FCO, 20 January 1972
361 TNA, FCO 67/436, The value of British interests in Libya, paper for ministers, from R. C. Hope-Jones to M. P. V. Hannam, Tripoli and planning staff, oil department, 2 December 1970
362 TNA, FCO 67/436, The value of British interests in Libya, paper for ministers
quite likely that the Libyan government would take some harsh measures against the British oil companies operating in Libya.\textsuperscript{363} Hope-Jones explained that ‘We (the British) cannot exclude the possibility that if the outstanding problems cannot be resolved, the Libyans may take discriminatory action against British oil interests. This might well take the form of nationalisation or expropriation’.\textsuperscript{364}

The FCO also expressed concerns that the Libyan move would be in the form of harsh procedures against oil companies. However, presenting an appropriate and acceptable offer to the Libyans would probably make the Libyan government more flexible in its negotiations with oil companies. The British ambassador in Tripoli indicated that Libya was already engaged in simultaneous negotiations with two parties: the oil companies and the British government on the outstanding issues. The Libyan government desperately needed to get positive and satisfactory results with one of the negotiating parties; otherwise, any reaction would be counterproductive and violent but the progress of negotiations between the two countries, with respect to the outstanding issues, would allow for positive results in favour of the oil companies.\textsuperscript{365} The Ambassador added that ‘It is not impossible that a reasonable attitude on our part in the present context could contribute to an oil settlement rather to our disadvantage’.\textsuperscript{366}

\textsuperscript{363} TNA, FCO 67/606, Anglo-Libyan relations, minutes of 25 February, from R. C. Hope-Jones to Dr Michael Hart, Ministry of Defence and Mt. Hudson, Cabinet Office, March 1971
\textsuperscript{364} TNA, FCO 67/606, Anglo-Libyan relation, minutes of 25 February
\textsuperscript{365} TNA, PREM 15/1066, Anglo-Libyan relations, DOP 71 7th meeting, 16 March 1971
\textsuperscript{366} Ibid
Nationalisation of the British-Dutch oil company assets in Libya (Shell)

As it mentioned above, Shell was nationalised on July 1970. Just before the nationalisation, Libya refused the oil companies’ offer. Maghrebi, explained that the offer made by the oil companies was totally rejected, and that

> Our aim (Libyan aims) is to realise the people’s interests, (Libyan people) which according to studies will not be achieved by a 10 cent increase[...it would be better for companies who aim at such a figure to notify us (Libyan government and oil companies) early so we (Libyan government and oil companies) could save effort and time.]

On 21 September, the three Oasis independents agreed to the Libyan demands, while Shell refused. In October, the dispute between Shell and the Libyan government was resolved after Shell agreed to the same terms already accepted by the other companies. The company agreed to a rise in the posted price of Libyan crude by 30 cents from $2.23 per barrel to $2.53 plus another 2 cents a barrel annually until 1975. The agreement also raised the tax rate from 50 to 58 per cent.

The British government’s reaction to the Libyan nationalisation of Shell oil marketing needs to be seen in the light of British-Libyan relations as a whole. The British government stated that, before making representations of any kind to the Libyan government, it would wait and see the result of discussions between Shell and Libya for compensation, as nationalisation should involve the provision of satisfactory

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367 TNA, FCO 67-432, Libya sets itself no limit on steps to hike oil prices, International Herald Tribune, 21 April 1970
368 Clive C., Shell settles with Libya on oil price, The Times, 17 October 1970
369 Callow, C., Libya orders another cut in crude oil, The Times, 11 July 1970; Occidental, Libya agrees on oil price, The Times, 5 September 1970; Clive C., Shell settles with Libya on oil price
370 Occidental, Libya agrees on oil price, The Times, 5 September 1970. Clive C., Shell settles with Libya on oil price
compensation. A committee would be set up in three months to evaluate the assets of the Shell Marketing Company. A. J. Miller of Shell’s Middle East coordinator’s staff had requested help from the British government, reminding the Libyan government of its obligations under international law to provide prompt, adequate and effective compensation for the Shell assets. The British government’s influence on the Libyan government was limited to providing assistance to Shell.371

Mr. C. T. Brant, of FCO, oil department, said that:

We must admit quite frankly that our ability actually to induce the Libyans to pay compensation seems strictly limited at present; not only by the fact that our relations are already encumbered with the need to tie up the complicated and awkward issues arising from concealed British defence contracts with Libya, but also by the Libyans’ apparent indifference to their material interests, as evidenced by their campaigns against oil companies since they took office, and notably their enforcement of substantial cutbacks of company production in Libya.372

On 26 August 1970 the British government handed the Libyan Foreign Ministry an aide memoire drawing their attention to the requirement of international law that compensation in such cases should be prompt, adequate and effective. It specifically asked ‘when the compensation committees specified in the decree would be set up and how the companies would have a formal opportunity to represent their case to the committees’.373 On 9 September 1970, the Libyan government replied to the official note made by the British government about compensation for Shell. The Libyans said that as soon as the process of the takeover was finished, the compensation committees

371 TNA, 67/434, Libyan nationalisation of Shell, letter from Mr. C. T. Brant to N. A. D. Claims department, Assistant Local Adviser F. P. A. D. AND Mr. Warrington, Mintech, 31 July 1970
372 Ibid
373 TNA, FCO 67/788, Nationalisation of oil distribution companies in Libya in July 1970, letter from G B Chalmers to Mr. Keeble, 21 January 1972
would be set up, and the committees would take into account the views of the companies. On 25 February 1971, and following the nationalisation of four marketing oil companies, the Libyan Minister of Oil issued a decree establishing committees to assess the compensation due to the oil companies, including Shell.

According to the Under Secretary at the Libyan Ministry of Petroleum, the amount due to Shell would be paid by the end of March. About a year after the establishment of the Compensation committees the decision on compensation had been taken. The figure awarded to Shell by the compensation committee of about LD 2.65 million was the largest award. For Shell and the British government, the amount paid by the Libyan government was approximately half the value of the assets estimated by the company. The amount was accepted by the company, but under protest.

The nationalisation of British Petroleum (BP) assets in Libya

Before 7 December 1971 there was no direct Libyan action against BP. The Company had suffered from the new Libyan oil policy, as all the other companies had done. BP and Bunker Hunt faced the same oil Libyan policy that the foreign oil companies faced during the negotiations of posted prices. Like all other companies, BP opposed the increase in the oil price, but eventually the company agreed to the terms when the other oil companies agreed to raise the posted price.

374 TNA, FCO 67/606, Compensation for Shell in Libya, letter from PGPD Fullerton to Mr. Ellingworth, 10 May 1971
375 TNA, FCO 67/606, Nationalisation of Shell’s marketing and distribution interests in Libya, letter from Tripp to FCO, 2 March 1971
376 TNA, FCO 67/788, Ownership and control of British oil assets in Libya, letter from G B Chalmers to Mr. Keeble, 21 March 1972
377 TNA, FCO 67/789, Compensation for oil marketing companies, letter from S L Egerton to Alan Hunt Esq, 16 August 1972
378 TNA, FCO 67/788, Nationalisation of oil distribution companies in Libya, July 1970
BP was the only one of the large oil producers in Libya that had not been ordered to cut back production, and along with Standard Oil (NJ) and Mobil, had not been given a deadline to accede to Libya's demands. However, BP had refused the new Libyan posted price and stood with the other oil companies against the Libyan demands. From the point of view of BP, such a price hike and increase in tax rates would pose a cruel dilemma and would significantly affect the interests of oil companies elsewhere. Thus, the company rejected the Libyan demands. Sir Eric Drake, BP’s chairman and chief executive, “favoured strong resistance” against the Libyan demands. In a meeting in New York he hoped to obtain the support of the British and American governments to stand against what he called Libya’s unilateral demands. However Drake was to be disappointed. The American government announced that “there was little that the US government could do”. Later, and after breaking down Occidental’s resistance, all the oil companies apart from Shell agreed to the new Libyan price. It is clear that no particular action was taken against BP during the period of negotiations over the posted price. BP only faced the same difficulties that the other oil companies were faced with. The hostile Libyan acts against BP started in late 1971. In his speech of 11 June 1971, Gaddafi talked about the status of British forces in the (UAE) islands. Gaddafi warned Britain that the consequences of withdrawal from these islands might be that Iran would occupy them. Gaddafi went on to say that he would hold the British government responsible for developments in the Gulf over the UAE Islands.

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381 Bamberg, J., *British Petroleum*, p. 454
382 TNA, FCO39/1083, Letter from S L Egerton to Mr. Craig, 18 February 1972
* In 1968 British government took a decision to withdraw its troops and end British defence commitments East of Suez. Later Britain had removed its defence umbrella from the three Islands (Abu
On 7 December 1971, the Libyan government declared that it had nationalised the assets of BP in Libya, in retaliation for Britain's failure to prevent Iranian occupation of the Islands in the Arabian Gulf.\textsuperscript{383} On the same day, a committee was set up to assess levels of compensation, to be provided within three months. A new Libyan company called the Arabian Gulf Petroleum Company was established to take over all the assets and operations of BP in Libya.\textsuperscript{384} Kekhiy, who was the Under Secretary, Minister of Unity and Foreign Affairs asserts that ‘The reason for the Libyan decision was HMG’s position over the Gulf Islands, which they had abandoned and had handed over to Iran’.\textsuperscript{385}

The Libyan decision was strongly rejected by BP, who requested arbitration, which was refused by the Libyans. Meanwhile the HMG’s reaction was immediate. In its support for BP, the Conservative government released the following statement:

\begin{quote}
An act of nationalisation is not legitimate in international law unless it is for a public purpose related to the needs of the taking state, and is followed by the payment of prompt, adequate, and effective compensation. Nationalisation measures which are arbitrary, discriminatory or motivated by consideration of a political nature unrelated to the well-being of the taking state are illegal and invalid.\textsuperscript{386}
\end{quote}

Musa, and Big and Little Tunb). Following the withdrawal of British troops, the Shah of Iran occupied the three Islands and announced that these Islands were Iranian.


\textsuperscript{384} TNA, T 317-1576, Nationalisation of BP, full text of decree, letter from Hannam to FCO, 8 December 1971

\textsuperscript{385} TNA, T 317/1576, from Hannam to FCO, 9 December 1971 December 1971

\textsuperscript{386} Fisher, J M., Golbert, A., and Maghame, B., British Petroleum v. Libya: A Preliminary Comparative Analysis of the International Oil Companies' Response to Nationalisation
In its response to the protests by BP and the British government, the Libyan Oil Minister said:

No dispute has arisen over the application of the provisions of the concession agreement [...] the revolution had merely exercised a sovereign right which is not open to challenge or debate in any form whatever. Nationalisation is a legitimate course of action sanctioned by international law and is society.\textsuperscript{387}

In these circumstances, and as the first direct British response, the British government had suspended its negotiations with the Libyan government over the outstanding issues and withdrew the offer to the Libyans. Britain announced that they would not enter into any further negotiations until a satisfactory solution could be reached with BP over the nationalisation.\textsuperscript{388} The British also informed the Libyan government that ‘if an amicable settlement of the BP issue can be reached, our negotiations on the financial claims will have to start again from scratch’.\textsuperscript{389} After this, no significant change occurred in the relations between Libya and Britain, and the problem remained unresolved until November 1974, when a settlement was reached between the Libyan government and BP. The relationship between the two countries had deteriorated following the nationalisation of BP. This was mainly reflected by the failure of the negotiations to resolve any outstanding problems and on the British-Libyan relations as a whole.

The Libyan Minister of Oil related the nationalisation of BP to the desire of the Libyan government to control its own national resources. He went on to say that ‘We are

\textsuperscript{387} Ibid
\textsuperscript{388} TNA, FCO 93/609, Report papers, from N C R Williams to Mr. Weri, 18 April 1975
\textsuperscript{389} TNA, T 317/1576, BP nationalization, letter from Douglas-Home to British Embassy in Tripoli, 10 December 1971.
building our policy of mutual relations with the Western oil companies operating on the territory of the Libyan Arab Republic [...] our second action was to introduce efficient government control over the activities of Western oil monopolies. 390

The policy against the oil companies was driven by both the Libyan desire of limiting the control of foreign oil companies over the oil industry in Libya which involved nationalising the interests of these companies, (Libyan national self-interest) and British-Libyan dispute over these issues. Thus, one argument that can be raised against the nationalisation as being a response to the withdrawal of British troops from the UAE islands and their turning a blind eye to the Iranian occupation of these islands, is that the nationalisation was strongly driven by both Libyan national self-interests and British-Libyan disputes over outstanding issues. The nationalisation process did not end with BP. In June 1973 the Libyan government nationalised the American firm Bunker Hunt, a partner of BP. 391 On September 1, 1973 the Libyan government issued decree number 1966, by which 51% of the American company LIAMCO was nationalised and replaced by the national oil corporation NOC. 392 This nationalisation also included the TOPCO and CALASIATIC companies. In February, 1974 another nationalisation degree was issued nationalising the remaining 49% of LIAMCO, CALASIATIC and TOPCO. 393

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390 TNA, FCO 39/1111, Tass interview with Libyan Petroleum Minister, 8 April 1972
392 Ripinsky, S and Williams, K., Damages in International Investment Law, case summary Libyan American oil company (LIAMCO) v the Libyan Arab Republic
The failure to reach a solution to the British-Libyan disputes had thus led the Libyan government to take hostile action against British interests in Libya, especially its oil interests, and to protect the Libyan national self-interest. The negotiations between the two countries over the outstanding issues had taken a long time, and had not resulted in any noteworthy results. This had led to a sense of frustration on the Libyan side, which sensed that the British government was not serious in its stated desire to reach a solution. This reflected negatively on British interests in Libya, as well as the relations between the parties in general. The British government also strongly believed that the process of nationalisation of BP was not in fact due to the withdrawal of Britain from the UAE islands and their occupation by Iran as the Libyan government claimed. The British saw the Libyans’ intransigence as being more related to a lack of resolution over the issues related to the Anglo-Libyan treaty, with particular reference to the Chieftain and BAC contracts and related financial liabilities.

Libyan government views the British government as a shareholding in BP.\textsuperscript{394} Thus; it was not unlikely that the Libyans used BP to encourage the British government to agree to the Libyans demands over the outstanding issues. This also made BP expecting action that the Libyan government would take against the British government in case of failure of the negotiations between the British and Libyan governments.

In March 1971, the FCO Oil Department warned both BP and Shell companies that the negotiations between the British government and the Libyan government was about to reach an impasse and it could result in disaster. These seem likely to come to action

\textsuperscript{394} TNA, FCO 39/1082, Mr Sandy’s visit to Tripoli
being taken by the Libyans against British oil interests.\textsuperscript{395}

Mr Hannam, of the Department of Oil Distribution believes that the Libyan government moving against BP was one of the Libyan possibilities which would be used against the British government and which had been suspected for a while. He writes that ‘The decision to take over BP was on the cards since before the first moves by the Libyans to convert their foreign currency balance and the local BP manager was so warned by me (Hannam)’.\textsuperscript{396}

Jim Black of the US State Department argued that the Libyan decision to nationalise BP was not directed against the British government because of the Gulf Islands dispute. In his view, the dispute merely provided Gaddafi with a pretext to nationalise BP.\textsuperscript{397}

Black went on to say that:

\begin{quote}
The RCC has suffered on major setback of any kind since they took office. In their eyes HHG’s refusal to refund the advance deposit on the Chieftain and BAC contract and our denial of any financial liabilities under the Anglo-Libyan treaty were inexplicable and a constant affront to Libya’s forward progress […] both Blake and (Newsom who was also from the US State Department) personally believe that the nationalization of BP was the direct result of Libya’s bitterness over past British actions in Libya.\textsuperscript{398}
\end{quote}

Ben Amir, the Libyan Ambassador related the BP nationalisation to the slowness of the British government in negotiations about outstanding problems. He said that:

\begin{quote}
Libyan policy makers were young, quick and keen to score successes to show off to the Arab world and to the Libyan people. The British government on the other hand was slow and ponderous […] this slowness was incomprehensible to Libyans who interpreted it as
\end{quote}

\textsuperscript{395} TNA, FCO 67/606, Mr. Bottomley minuted on the Cabinet record of 4 March, letter from P G P D Fullerton, oil department to Mr Ellingworth and Mr Bottomley, 8 March 1971
\textsuperscript{396} TNA, T317/1576, BP nationalization, letter from Hannam to FCO, 8 December 1971
\textsuperscript{397} TNA, FCO39/1083, Letter from Mr. M R Melhuish to A J M Craig
\textsuperscript{398} Ibid

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hypocritical, even deceitful. The machinery of government had been moulded in the Victorian era, and that in the later twentieth century, treating revolutionaries on a medium to long timescale sometimes paid off.\textsuperscript{399}

Ben Amir concluded that the slowness of the negotiations certainly led the Libyans to lose their patience, so nationalisation of BP was a direct consequence of that.\textsuperscript{400}

Jallud strongly expressed his irritation that the negotiations between British and Libyan governments took more than two years which was far too long, did not result in ending the dispute about the Libyan British outstanding issues. He also added that ‘At times it had seemed to him (Jallud) that Libya was more conscious of British interests here than were HMG.’\textsuperscript{401}

In the opinion of Mr Hannam, there was a strong link between the nationalisation of BP and the outstanding issues. He adds that the ‘action against BP would have enabled them to reclaim the money they allege we owed them and at the same time give a suitably revolutionary lead to other OPEC nations on the participation issue’. The issue of the UAE islands enabled the Libyans to put another label on their action. Hannam goes on to state that ‘I very much doubt however if, when they come to calculate compensation to BP they will pass up the chance to lay hands on HMG’s supposed debts to them’.\textsuperscript{402}

The British Ambassador in Tripoli, Mr Peter Tripp, stated that Libyan dissatisfaction with the British government’s response to their claims had led the Libyans to adopt a

\begin{flushright}
\textsuperscript{399} TNA, FCO39/1083, Letter from S L Egerton to Mr. Craig, 18 February 1972
\textsuperscript{400} Ibid
\textsuperscript{401} TNA, PREM 15/593, BP nationalization, letter from Tripp to FCO, 13 December 1971
\textsuperscript{402} TNA, T 317/1576, BP nationalization,
\end{flushright}
more hostile attitude towards British interests in Libya as well as other issues in the region, such as Malta, the UAE islands, and the Arab-Israeli conflict. 403 As Jallud states, ‘unless the British government gave the Libyan government satisfaction over the major issues outstanding between the two governments, the Libyan government would take action against British interests in Libya’. 404

In February 1973, Jallud stated that the Libyan BAC and financial claims were much larger than any British claim. When the negotiations resumed, the two governments should agree all outstanding claims. Thereafter, the matters would be settled quickly. 405

A conclusion that can be drawn from this is that the Libyan government may have created this situation in order to force the British government to accept their demands, and pay what the Libyan government claimed was payable by the British government. On 13 December 1971, the British government required from the Libyan government that the compensation for BP should be quick, just and satisfactory. Jallud stated that ‘Payment of compensation would depend on a settlement of our financial negotiations under the air defense contract and financial agreement’. 406

This clearly shows that the Libyan government had linked any compensation with Libyan obtaining a satisfactory settlement to its outstanding issues. The British Ambassador said ‘It seemed that something other than Arab idealism now motivated

403 TNA, FCO 39/1111, Libya/BP: Anglo/Libyan relations, letter from Peter Tripp to A D Parsons GMH MVO MC, FCO, 16 February 1972
404 TNA, FCO 67/436, The first draft of a paper on British interests in Libya, from R. C. Hope-Jones to M. P. V. Hannam, 7 December 1970
405 TNA, FCO39/19, from British embassy in Tripoli to FCO, 22 February 1973
406 TNA, PREM 15/593, BP nationalisation, letter from Tripp to FCO, 13 December 1971.
Libya’s action. i.e. a traditional desire to acquire more money.\textsuperscript{407}

Mr Suleiman Ghradah, Minister at the Libyan Embassy and previously private secretary to Colonel Gaddafi, said that Gaddafi strongly believed that resolving the problem of the BAC contract was the way to better Anglo–Libyan relations. A failure to settle this question played a part in the nationalisation of BP.\textsuperscript{408} Mr Tiny Rowland of Lonrho and Mr Marawan, who were mediators between the British and Libyan governments when resolving the outstanding issues, both agreed that the nationalisation of BP would not have taken place if the British government had made an acceptable offer to the Libyans. In the point of view of Mr Rowland, the British government missed a great chance of taking advantage of the possibilities he had opened up for a negotiated settlement with Libya.\textsuperscript{409} He strongly believes that the nationalisation of BP would not have taken place if the British government had at least used the role of Mr Marawan (the Egyptian mediator) in a good way. Rowland writes that:

\begin{quote}
The minister of state’s meeting with Marawan, according to Rowland, had left Marawan with the conviction that HMG was not really interested in a settlement with Libya. Marawan agreed with Rowland that, if the British Government made the offer of a £25 million package to the Libyan Government before 7 December, the BP nationalisation would never have occurred.\textsuperscript{410}
\end{quote}

Only shortly before the nationalisation of BP, the British government told the Egyptian mediator, Mr. Marawan, that the British government would discuss raising the offer of

\textsuperscript{407} Ibid 
\textsuperscript{408} TNA, FCO 39/1083, View of minister at Libyan embassy, letter from K. E. H. Morris to Mr Kay, Mr Craig and Mr Hunt, 4 February 1972 
\textsuperscript{409} TNA, FCO 39/1082, Libya, letter from Beaumont to FCO, 3 January 1972 
\textsuperscript{410} TNA, FCO 39/1083, Conversation with Suleiman Ghradah on 3 February, letter from Peter Tripp to A. J. M. Craig, 21 February 1972
the British settlement of outstanding issues to £25 million. Yet on that day the Libyan government had nationalised BP. This behaviour seemed to be inexplicable. It seems to be that the new initiative came from the Libyan government; why had the Libyans not waited for its outcome? Mr Ghradah said that ‘the news that a decision was to be taken on 7 December had not reached Tripoli until after BP had been nationalised’. 411

Between 1970 and 1974, no compensation was paid to any of the British companies nationalised in Libya. Negotiations between the Libyan government and BP on compensation took around 3 years until the settlement of this problem was reached. BP estimated the value of assets nationalised as being more than £115 million, outlined as follows: ‘50 million Pounds worth of crude oil over 2 years. 46 million cash. The write off of 19 million which BP owes in tax and royalties’. 412 In November 1974, the matter between the Libyan government and BP was settled for £62 million and BP withdrew all its claims against the Libyan government.413

The value of British oil interests in Libya and the impact of British-Libyan disputes over these interests

Perhaps British oil companies were the most familiar with the nature of Libyan oil in terms of quality, quantity of production and strategic reserves, as they were among the first to explore for oil in Libya. Thus, the British oil companies, along with the American companies, were the leading companies in the Libyan oil industry.

411 TNA, FCO 39/1083, The minister at Libyan embassy, letter from Mr Craig to Mr Morris and Mr Kay, 11 February 1972
412 TNA, FCO93/19, Letter from A J M Craig to J P Tripp Esq, 7 March 1973
413 BPA, Arc Ref 10991, BP and Libya agree statement, 25 November 1974
If we take into account the fact that the oil industry in Libya has from the outset depended on the corporations and technology of Britain and America, this could lead us to assume that the adoption of Libya was significant to these countries. It is also a fact that the engagement of these companies on the oil industry in Libya led them to spend a lot of money in Libya, and therefore, the size of their investments was large. Thus, the British had great self-interest in Libyan oil and the loss of their oil interests in a country like Libya, which was the third-largest oil exporter in the world in late 1969 and early 1970, would significantly affect future relations between the two countries.

This table shows the rapid rise of Libyan oil production in the period from 1961 to 1970, by which time Libya had become the third largest oil exporter in the world.\footnote{BPA, Arc Ref 121728, Historical background to oil negotiations in Libya, 10 March 1971}
Another table shows Libyan oil exports to Europe.\textsuperscript{415}

<table>
<thead>
<tr>
<th>Countries</th>
<th>Imports from Libya per day</th>
<th>Percentage of consuming countries’ imports</th>
<th>Percentage of Libya’s Oil exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Germany</td>
<td>820,000</td>
<td>41</td>
<td>25.1</td>
</tr>
<tr>
<td>Italy</td>
<td>737,000</td>
<td>32</td>
<td>22.5</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>474,000</td>
<td>23</td>
<td>14.5</td>
</tr>
<tr>
<td>France</td>
<td>357,000</td>
<td>17</td>
<td>10.9</td>
</tr>
<tr>
<td>Netherlands</td>
<td>260,000</td>
<td>21</td>
<td>8.0</td>
</tr>
<tr>
<td>Spain</td>
<td>190,000</td>
<td>30</td>
<td>5.8</td>
</tr>
</tbody>
</table>

It is clear from the above table that the United Kingdom was the third largest Libyan oil importer in Europe after West Germany and Italy.

In 1970, Libya reached its highest level of oil exports at 160m tons (3,320,000 b/d). In 1972 Libyan production of oil was reduced to 111.3m tons (2,239,400 b/d). In 1973 oil production was reduced to 109m tons (2,185,000 b/d). Production fell by 19% between 1970 and 1973. This was the result of intervention and production restrictions imposed by the Libyan government during disputes with the oil companies.\textsuperscript{416}

The assets and expenditure of BP in Libya included exploration, drilling, pipelines and

\textsuperscript{415} Ibid
\textsuperscript{416} TNA, FCO 93/376, Brief on the oil industry in Libya, from Susan Kirkman to R. J. S. Muir, 3 May 1974
terminals and appear to have been worth around £75m. The net book value of BP’s
assets there was some £30m, though expected future profits from oil in the ground
enlarged this figure to about £230m. The assets of Shell in Libya were estimated as
being about a half of the Amerada Hess stake in Oasis. The net value of Shell’s assets
in Oasis was about £18m.\textsuperscript{417} The value of the oil in the ground owned by BP and Shell
was estimated at around £10-15 m.\textsuperscript{418} The increase in the oil price which was first
demanded by the Libyan government and later followed by the oil producing countries
had a significant effect on the world price of oil and in particular on Britain’s attitude.
By the end of 1969 Libya was the largest single supplier of oil to the United Kingdom,
and by 1970 Libya had become the third largest oil supplier in the world.\textsuperscript{419} This would
have a significant effect on the oil price in the United Kingdom. The Department of
Trade and Industry (DTI) said that the foreign exchange costs of oil would cost the
United Kingdom about £40 million a year, and this would be just about half of the
additional cost which would result from acceptance in full of the demands of the oil
producing countries.\textsuperscript{420} DTI added that acceptance in full would cost Britain £150
million. Also, the Libyan government was pushing for more increases.\textsuperscript{421} After the
signing of the Tehran agreement to increase oil prices, the Libyan government stated
that this agreement did not meet its demands. It declared that there must be a special
price of oil for the Mediterranean region. In February the negotiations in Tripoli began
between oil companies and the Libyan government as the representative of the

\textsuperscript{417} TNA, FCO 93/29, Libya: oil industry in Libya, J P Burnett, oil 4a, April 1973
\textsuperscript{418} TNA, FCO 67/436, The first draft of a paper on British interests in Libya, from R. C. Hope-Jones to
M. P. V. Hannam Esq, 7 December 1970
\textsuperscript{419} BPA , Arc Ref 18260, Britain influenced by Libya oil interests, Daily Telegraph, 8 September 1969
\textsuperscript{420} TNA, CAB 128/49, Conclusions of a meeting of the cabinet, 28 January 1971
\textsuperscript{421} TNA, CAB 128/49, Conclusions of a meeting of the cabinet, 4 February 1971
Mediterranean oil producers. Later negotiations resulted in the signing of the Tripoli Agreement. A British report said that the Tripoli agreement would probably prove very expensive for the British government in terms of both the additional cost to the balance of payments, which it was estimated might be in the order of £70 million, and the risk that it might provoke the reopening of the settlement which had recently been signed with other oil producers in Tehran.  

In April 1971 the Tripoli agreement was concluded. As the DTI stated, this agreement would cost the British government some £45-50 million a year, and if the other Mediterranean countries concerned adopted it, this would cost the British government another £30 million a year. It would also lead to higher oil costs throughout Europe.  

Differences between the British and Libyan governments on outstanding issues, as well as the reduction of Libya's oil production, led to a sharp decline in Libyan oil exports to the United Kingdom and made the British government urgently reassess its foreign policy towards importing oil. The following table shows the decline of British oil imports from Libya.  

<table>
<thead>
<tr>
<th>Year</th>
<th>m. Tons</th>
<th>% of all crude oil imports</th>
</tr>
</thead>
<tbody>
<tr>
<td>1968</td>
<td>21.5</td>
<td>26%</td>
</tr>
<tr>
<td>1969</td>
<td>21.5</td>
<td>23%</td>
</tr>
<tr>
<td>1970</td>
<td>25.6</td>
<td>25%</td>
</tr>
</tbody>
</table>

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422 TNA, CAB 128/49, Conclusions of a meeting of the cabinet, 25 March 1971  
423 TNA, CAB 128/49, conclusions of a meeting of the cabinet, 8 April 1971  
424 TNA, FCO 93/376, brief on the oil industry in Libya, from Susan Kirkman to R. J. S. Muir, 3 May 1974
As a result of the increase in oil prices as well as the policy of reducing production followed by some oil producing countries such as Libya, the British had to pay more. This led the British government to implement plans for rationing. The need to reduce the degree of Britain's dependence on oil from the Middle East and North Africa became important. The British Prime Minister said that ‘We (the British government) must [...] increase the pace of development of our own resources of power, including North Sea oil, natural gas and nuclear energy.\(^{425}\)

This may explain the low level of imports of Libyan oil to Britain in the period from 1971 to 1973. The tension in relations between the two countries and the reduction of Libya's oil production were also key factors in this. The conclusion that can be drawn is that the national interests of the Libyan government clearly clashed with British interests. The Libyan government’s desire to raise oil prices cost the British government a significant amount. The Libyan action was seen by many as pushing world oil prices to the point of instability. Moreover, the nationalisation by the Libyan government of the British oil companies in Libya led to the loss of Britain’s oil interests there and forced Britain to look for new sources of oil. Also, the amounts of compensations paid to the companies nationalised by the Libyan government were seen

\(^{425}\) TNA, CAB 128/49, Conclusions of a meeting of the cabinet, 16 February 1971
as being neither effective nor satisfactory from the point of view of both the companies and the British government.
Conclusion

The reasons for the British-Libyan dispute over British oil interests in Libya, and strained relations between the two countries regarding the nationalisation of British oil assets in Libya, were a direct result of two main factors, and the dispute over the UAE islands was secondary.

The first reason is that Libya desired to extend its control over the oil sector and limit oil foreign companies’ control. The second reason is that Libya was disappointed with the outcome of the outstanding issues negotiations, and responded by nationalising British oil assets.

By tracking Libyan negotiations with the oil companies through the price negotiation period, it seems clear that the Libyan government's goal was to raise prices and reduce the control of the oil companies. These were goals were shared with other countries, including Algeria.

It also seems that the process of the first nationalisation of Shell was a selective order used to put pressure on other companies; it also appears that there was no intention to nationalise the entire sector. Negotiations with oil companies over prices were carried out at the same time that Britain and Libya were negotiating their outstanding issues. Therefore, the outcome of negotiations for the settlement of the outstanding problems directly affected the negotiations with oil companies, and specifically the British oil company BP, which led to the decision to nationalise BP’s assets in Libya. This can be clearly seen by the fact that Libya did not take any action against BP, despite its
opposition to increasing prices, until after the failure of British-Libyan chieftain tank negotiations in mid-1971. This resulted in Britain’s refusal to deliver tanks and the return of the deposit (for more details see chapter 2). In addition, Libya was satisfied with the Tripoli agreement, and oil prices were resolved. This strongly shows that the nationalisation of BP was not an outcome of oil price issues which already resolved, and was not an outcome of the UAE islands. The nationalisation of BP was a direct result of the collapse of the negotiations regarding the tanks deal. Unresolved issues between the two countries strongly weakened the position of the oil companies in negotiations to raise the price of oil between Libya and oil companies. This also constrained British Government help to its oil companies in Libya. The linkages between issues made the negotiations more difficult, but on neither side were the linkages arbitrary or accidental: they were all part of a politicised negotiating strategy.

The nationalisation of BP led to a deterioration of the relations between the two countries, and delayed the solution of the outstanding issues until late 1974, when Libya paid compensation to BP and the British government agreed to resume negotiations. The outstanding issues which were central between the two countries remained unresolved because of this, and resulted in more Libyan hostile action against British interests, such as Libya turning to the Soviet Union for arms.\textsuperscript{426}

The British government later suspended all negotiations with Libya, withdrew its offer to settle this problem and linked resuming negotiations to a just compensation for BP. This kept relations static for three years from November 1971 to November 1974, when

\textsuperscript{426} See chapter 4.
the solution was finally reached between Libya and BP. This also led the Libyan government to put a ban on British firms working in Libya and British goods being sold in Libyan markets. The British government and BP were not satisfied with the compensation paid by the Libyan government: while BP estimated its assets in Libya at £115 million, Libya only paid £62 million.

These tensions led to a rapid decline in Libyan oil exports to the United Kingdom. In 1970, Britain was importing 25% of its oil from Libya, whereas by 1973 this rate had dropped to only 10%; this in turn led Britain to urgently seek new sources of oil. In addition, the Libyan desire to raise oil prices was considered as pushing world oil prices to the point of instability, and cost the British government a significant amount. All of these matters pushed relations between the two countries to a high level of tension.
This chapter discusses Soviet-Libyan relations and their impact on British-Libyan relations. It investigates the role of the Soviet-Libyan rapprochement in the worsening relations between Britain and Libya from 1969 to 1979. It examines the strength of Soviet-Libyan relations, and whether Libya's rapprochement with the Soviet Union was built on a positive desire by Libya for a closer relationship or was the result of political, strategic or economic factors forcing Libya to turn to the Soviet Union. The chapter also explores the extent of Soviet-Libyan cooperation in the strategic and political fields and the supply of Soviet arms to Libya, and whether this cooperation threatened the security of NATO and Western interests in the region, especially British interests.

The Soviet-Libyan rapprochement was widely seen as significant in the 1970s. Some previous studies contended that Libya adopted certain policies unacceptable to the West, such as closer links to the Soviet Union, and supported the increasing Soviet role in the region. Some of these studies went on to argue that the Soviet Union succeeded with its arms deliveries in extending its influence in Libya. Similarly, other studies claimed that after the USSR withdrew personnel from Egypt in 1972, the Soviet interest in Libya heightened significantly. Others argue that Libya was facing difficulties in getting weapons from the West and only turned to the USSR as a result. Moscow fed

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427 John, C K., Libyan sandstorm; Metz, H C., Libya; Wright, John, Libya: a modern history; Phillips, J A., Moscow's Thriving Libyan Connection
Libya massive quantities of sophisticated arms, military training and technical assistance. In return, Gaddafi extended to Moscow access to Libya's military infrastructure, oil for energy-hungry Soviet satellite states and hard currency.\textsuperscript{429} A number of other previous studies stated that the delivery of Soviet arms to Libya in 1972 and 1974 marked Libya’s shift towards the Soviet Union. Some Egyptian and British media went on to claim that the Soviet Union obtained naval and air bases in Libya in return for large arms deliveries.\textsuperscript{430} In addition, some studies picked up what the media said about Soviet military bases in Libya without confirming or denying those reports. However, other texts in primary sources show that there was a misunderstanding in these accounts about the Soviet-Libyan relationship in the 1970s. Thus, the other main purpose of this chapter is to explore how British documents view these claims.

Before engaging in the discussion of Soviet-Libyan relations and their impact on Anglo-Libyan relations, it is necessary first to examine Soviet foreign policy towards the Middle East and the Mediterranean. This is to ascertain the priorities of Soviet policy in the region, how the Soviets implemented their policy, the importance of each of the countries in the region for the Soviet Union, the extent of success of Soviet policy in the region, and finally, the obstacles that limited Soviet influence in the region. This firstly will show how the Soviets classified the countries of the region according to their respective importance to Soviet policy. Secondly, this will also show the degree

\textsuperscript{429} Metz, H C., \textit{Libya}, p 244, and Phillips, J A., Moscow’s thriving Libyan connection
\textsuperscript{430} Soviet arms for Ethiopia 'sent through Libya, The Times, 6 October 1977; Pact for Soviet bases in Libya reported, The Times, 23 May 1975
of Soviet-Libyan cooperation, as well as the impact of ideologies and political variables in the region on the earlier lack of rapprochement, followed later by the actual rapprochement between the Soviet Union and Libya.

**Soviet foreign policy in the Middle East and the Mediterranean in the 1970s**

It is clear that throughout the period of the 1960s and 1970s Egypt, Syria and Iraq received a great deal of Soviet attention in the Middle East and the Mediterranean basin. Libya was until late 1969 ruled by a pro-Western monarchy, and therefore had no significant relations with the Soviet Union until the early 1970s. However, this changed gradually after Gaddafi seized power in Libya, for several reasons. These reasons will be discussed later in this chapter.

Analysts agree that there was a significant change in Soviet foreign policy towards the Third World after the death of Stalin, especially after 1956. Moscow’s changing stance came as a response to, and in defiance of, American efforts to exclude the Soviet Union from the Middle East and manage the conflict in the Middle East unilaterally.

After Stalin's death in 1953, Khrushchev abandoned Stalin's hostile attitude towards non-communist Third World nations and decided to build good relations instead,

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432 Breslauer, G W., *Soviet Strategy in the Middle East*
aiming to extend Soviet influence to these nations.\textsuperscript{433} From then on Soviet foreign policy towards the Third World countries was built on two main tools: military and economic assistance. 'Through these programs the Soviet Union delivered the equivalent of $49.4 billion in military assistance and $9.8 billion in economic assistance to the non-communist developing countries between 1954 and 1981'.\textsuperscript{434} The Soviet Union concentrated on key influential countries in the Arab region, Egypt, Syria and Iraq.\textsuperscript{435}

The United States had military bases in Morocco, Libya, Turkey, Pakistan and the Arabian Gulf and Iraq; there were British military bases in Libya, Egypt, Cyprus, Sudan and Jordan; 'moreover, the Baghdad Pact, signed on 24 February 1955, grouped Iran, Iraq, Turkey and Pakistan under a British umbrella in an anti-Soviet alliance'.\textsuperscript{436} Thus, most of the region’s countries were under the influence of the United States and Great Britain.

The first Soviet contact with the region was Egypt. After the failure of Egypt to obtain arms from America in 1955, Nasser turned to the USSR, which led to the beginning of the Soviet presence in Egypt and the region. At the initiative of the USSR, the first Czechoslovak-Egyptian arms deal was signed in 1955. This 'constituted a dramatic

\textsuperscript{433} Menon, R, The Soviet Union, the Arms Trade and the Third World, Soviet Studies
\textsuperscript{436} Nizameddin, T., Russia and the Middle East: Towards a New Foreign Policy, (London, 1999), p 21
Soviet entry into the Middle East great-power competition. Thereafter, from the mid-1950s until 1972, the Soviet Union concentrated on consolidating its influence in Egypt. In 1958 Egypt received a $175 million Soviet loan 'as well as $100 million for the building of the Aswan dam [...] Between 1955-60 Egypt received over $500 million of military aid, making it the largest Third World recipient of Soviet aid at the time [...] between 1961-64 Egypt received $700 million worth of military aid'.

To secure its presence and to help Nasser's regime survive against Israel, the Soviet Union increased military and economic assistance to Egypt after the 1967 defeat. 'Between 1967 and 1973 the Soviet Union supplied some 42.96 billion in arms to Middle East countries, of which 41.77 billion went to Egypt'. In return, the Soviet Mediterranean fleet was granted the right to use Egyptian ports in Alexandria and Port Said, the equivalent of naval base rights. In addition 'Soviet pilots were allowed to fly Soviet-made planes with Egyptian markings on Soviet missions in the Mediterranean, representing the equivalent in Egypt of airbase rights'. However, after the death of Abdel Nasser and Sadat's accession to power in Egypt, Egyptian-Soviet relations cooled, leading to the expulsion of Soviet experts from Egypt in 1972.

On 15 May 1971, Egypt had signed a treaty of friendship with the Soviet Union. Sadat had hoped to obtain Soviet weapons which he could use to renew the war with Israel and secure the return of occupied Egyptian territories. However, this treaty did not

437 Breslauer, G W., Soviet Strategy in the Middle East, p 4, Nizameddin, T., Russia and the Middle East: Towards a New Foreign Policy, p 21
438 Nizameddin, T., Russia and the Middle East: Towards a New Foreign Policy, pp 23,24
439 Ismael, T Y., International Relations of the Contemporary Middle East: A Study in World Politics, p. 180
succeed in dispelling Soviet suspicions about Sadat, and Sadat did not obtain the weapons he wanted. From May 1971 to April 1972, Sadat made many visits to Moscow, and expressed his concern that the United States was modernising Israel’s forces. Sadat told the Soviets that the United States had provided Israel with the latest Phantom jets and ‘other advanced weapons were being extended to Israel’. If the Soviet Union did not do the same for Egypt, this would cast doubts over Soviet commitments to Egypt and the rest of the Arab world.

In late 1971, the Soviet Union also questioned Cairo about a meeting held between Egyptian and United States officials ‘in which reports were circulated that an agreement behind the back of the Soviet Union was a distinct possibility’. Another reason for the split between the two countries was their views on the Arab-Israel conflict. The Soviets encouraged a peaceful resolution, ‘fearing that a strong Egypt would wage war against Israel which in return would result in a superpower conflict because of Washington’s commitment to Israel’, whereas Sadat believed in military action which would lead to liberating Egyptian territories and strengthening Egypt’s position in negotiations. When Sadat could not obtain the weapons he wanted, he ordered Soviet experts to leave Egypt in 1972.

A conclusion that can be drawn here is that from mid-1955 until 1970, the USSR won a foothold in the Middle East and Mediterranean via Egypt. They succeeded in extending their influence in Egypt through economic and military support provided

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until the death of Abdel Nasser. However, Sadat's accession resulted in strained relations between him and the Soviets and led later to the collapse of Soviet-Egyptian relations. The Soviet Union moved quickly to compensate for its losses in Egypt. Libya was an alternative to Egypt for the Soviets because of its position. However, many factors stood in the way. Libya was not in need of economic aid, and there were political and ideological differences, as well as the ultimate aim of Soviet policy to play a major role in the Arab-Israeli peace process. For all these reasons, Syria and Iraq were more important for the Soviet Union. Soviet moves in the area throughout the period of decline in Soviet-Egyptian relations demonstrated the Soviet continuing search for an alternative to Egypt. 'During this period the Soviets also undertook a major effort to diversify and solidify their bases influence in the region as a whole…[they] sealed a large arms deal with Syria. During 1971 they used a variety of means to upgrade their ties with South Yemen, Morocco, and Algeria, while simultaneously offering economic assistance to the conservative monarchies in the region…strengthened their ties with Libya and Algeria, and signed a Treaty of Friendship and Cooperation with Iraq'.

Iraq was viewed as the natural alternative to Egypt as a great Arab power. In addition, Syria became 'the Soviet Union's most important ally in the Middle East - a status formalized in October 1980 with the signing of a 25-year Treaty of Friendship and Cooperation'. The collapse of the Soviet alliance with Egypt was partially balanced by a growing Soviet relationship with both Syria and Iraq. Unpublished British

441 Breslauer, G W., *Soviet Strategy in the Middle East*, p 48
442 Nizameddin, T., *Russia and the Middle East: Towards a New Foreign Policy*, p 33,
documents show that during the period from the beginning of 1970 to the end of 1971, no evidence showed that the Soviets were doing the same with Libya. The archive material heavily indicated that Libya was negotiating with Britain on resolving outstanding issues regarding former arms contracts. Libya hoped to get weapons from the West, especially Britain. Until after the end of 1971, there was no political or military cooperation between Libya and the USSR. However, the collapse of the British-Libyan negotiations on arms contracts, notably Chieftain tanks, led Libya to turn to the Soviet Union. This marked the beginning of Soviet arms shipments to Libya in mid-1972.443

Soviet relations with Syria and Iraq were established in late 1958, and then strengthened at the beginning of the 1970s. The coup in Iraq in July 1958 ended the Baghdad Pact and brought the radical Abdul Karim Qasim to power. In 1959, Iraq withdrew from the Baghdad Pact. This weakened Western influence and increased Soviet influence. On 29 October 1957 economic and technical aid worth $457 million was given to Syria.444 All of these events strengthened relations between the Soviet Union and Syria and Iraq. The pro-Western monarchy in Libya did not collapse until the end of 1969. The Gaddafi regime was initially against both Western and Soviet regional influence.

Soviet large-scale military shipments to Syria started in 1971. In 1972, when the relationship with Egypt worsened and arms shipments to that country stopped, Russian

443 TNA, CAB 148-116, Air Defence Scheme for Libya, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs; TNA, FCO39-1085, Report about Anglo-Libyan negotiations; TNA, FCO 93-605, Letter from British embassy in Moscow to FCO, 12 May 1975
444 Breslauer, G W., Soviet Strategy in the Middle East, pp 4,5. Nizameddin, T., Russia and the Middle East: Towards a New Foreign Policy, P23
arms shipments began to flow rapidly to Syria. SAM-3 anti-aircraft missiles were delivered to Syria.\(^{445}\) Large quantities of Soviet arms were supplied to Syria during 1973-74. Between 1975 and 1979 Syria received weapons from the Soviet Union worth an estimated $3.6 billion.\(^{446}\) 'Soviet arms shipments to [...] Syria [...] reached staggering proportions.' The Soviet Union had replaced most of the military equipment Syria had lost in the October war by August 1974, extended Syria’s war debts for an additional 12 years and assigned Cuban and North Korean pilots to fly air defence missions in Syrian MiG-23s'.\(^{447}\)

Major Soviet-Iraqi military cooperation started in mid-1971; ‘the USSR supplied Iraq with 100 MiG-21 and Su-7 fighters, over 20 helicopters and trainers, 100-150 tanks, some 300 armoured personnel carriers, and about 500 field guns and artillery rockets’.\(^{448}\) In 1971, 16 agreements were signed between Iraq and the Soviet Union, covering the military, economic, technological and cultural fields. Additionally, a relationship was established between the Soviet Communist Party and the Iraqi Baath Party leading to the signing of the Treaty of Friendship and Cooperation in April 1972.\(^{449}\) After its signing, Iraq received significant technical support, especially for oil production. Other economic and trade agreements were signed with the Soviet Union and Eastern bloc countries such as Czechoslovakia and the German Democratic Republic. Soviet arms shipments to Iraq 1975-79 were worth some $4.9 billion.\(^{450}\)

\(^{445}\) Breslauer, G W., *Soviet Strategy in the Middle East*, p 48
\(^{446}\) Ismael, T Y., *International Relations of the Contemporary Middle East*, p 190
\(^{447}\) Walt, S M., *The Origins of Alliances*, pp 129,130
\(^{448}\) Nizameddin, T., *Russia and the Middle East: Towards a New Foreign Policy*, p33
\(^{450}\) Ismael, T Y, *International Relations of the Contemporary Middle East*, p 190
British documents show that the kind of military equipment, missiles and aircraft that were delivered to Syria and Iraq were not received by Libya till late 1974 and the beginning of 1975 (discussed below). But did the Soviet Union succeed in making Libya one of the countries under its influence in the region in the 1970s?

Despite all the Soviet Union’s economic and military support to Egypt, Syria and Iraq, a number of issues showed the weakness of Soviet influence in those countries. In Egypt, Abdel Nasser had strongly crushed the communist parties to limit the Soviet Union’s ability to transfer presence into influence.⁴⁵¹ Although there was a treaty between the two countries and strong military cooperation, this did not prevent significant differences between the Soviet Union and Iraq, which again limited Soviet influence there. These differences were represented in an Iraqi-Soviet disagreement about the Arab-Israeli conflict and the Palestine question, and Soviet support for Ethiopia against Somalia and Eritrea. The Iraqi Baath Party’s distrust of the Iraqi Communist Party led, in mid-1978 and later in April 1979, to the execution of 48 members of the Iraqi Communist Party accused of establishing an underground organisation in the Iraqi armed forces. Finally, Iraq’s growing wealth gave it a greater measure of independence, which also limited Soviet influence.⁴⁵² The other very important issue that undermined the USSR’s influence were political division between its regional friends, especially after the Camp David accords in 1978.

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⁴⁵¹ Nizameddin, T., Russia and the Middle East: Towards a New Foreign Policy, p 23, and Breslauer, G W., Soviet Strategy in the Middle East, p 4.
The intense rivalry between the Baath in Bagdad and Damascus had been one such obstacle. In addition, the position taken by Moscow on the Arab-Israeli conflict and the divergent view of Arab countries, especially staunchly rejectionist Iraq and Libya, also limited the Soviet Union’s influence in the region.\(^{453}\) Even with Syria, Soviet large-scale economic, military and political support had not led to corresponding Soviet influence over Syrian policy. In 1976 the USSR failed to stop the Syrian intervention against the National Movement and the Palestine Liberation Organization (PLO) in Lebanon. The Soviets strongly criticised the Syrian actions, and then slowed arms shipments to Syria.\(^{454}\) But the best example for the lack of complete success of Soviet policy in the Middle East is its expulsion from Egypt in 1972, and the collapse of the Soviet-Egyptian treaty less than a year after it was signed. Although the Soviet Union’s relations with Egypt started in 1955, they did not obtain access to Egypt’s facilities until 1967.\(^{455}\) Shortly afterwards, they were expelled in 1972.

Nevertheless, this does not mean that the Soviet Union did not achieve any success in the region. Arms deals were one of the main sources of hard currency for the Soviet Union. The value of arms deliveries to Iraq from 1975-79 reached almost $5 billion. With Syria, the Soviets finally succeeded in October 1980 in signing a 25-year treaty of friendship and cooperation. In addition, they obtained access to Egyptian facilities for a short period. In other words, the Soviet Union’s influence was limited but not wholly thwarted.

\(^{453}\) Ismael, T Y., *International Relations of the Contemporary Middle East*, p 191.
\(^{454}\) Ibid, p. 190
After 1967, the USSR aimed to play a bigger role in the peace process between the Arabs and Israel, on the grounds that the Soviet Union was one of the major powers. From this perspective, the Soviets marketed themselves to be a primary sponsor alongside the United States in a peaceful settlement. However, the inability of the Soviets to be a key player in the peace process showed the weakness of the Soviet Union’s influence in the region, and signaled a longer term failure. 'The first major Soviet plan [after the 1967 War] appeared in December 1968 and called for trading land for peace – Israeli withdrawal from the territories occupied in 1967 and settlement of the Palestinian problem, in exchange for Arab recognition of Israel's right to exist and an end to the state of war in the region, would be guaranteed by the great powers'.

It was only after the failure of these efforts that the Soviets supported the large Arab coalition that came together in Baghdad in November 1978 to denounce the Camp David agreements. Despite its differences with Iraq, Syria supported this assembly. The USSR was willing to bring Iraq and Syria together, which would benefit it. On the other side, there was what was called the Front of Steadfastness and Confrontation, which included Libya, Syria, South Yemen, the PLO and Algeria. This more radical grouping also opposed Camp David. 'Moscow wants these states to bury their internecine rivalries and, along with such political organizations as the Arab Communist parties and the Palestine Liberation Organization (PLO), form a united front against what the USSR has called the linchpin of Western imperialism in the Middle East: Israel. The Russians hope that the Arab states will then use their collective pressure against Israel's

456 Breslauer, G W., Soviet Strategy in the Middle East, pp 6
supporters, especially the United States'.\footnote{Freedman, R O, \textit{Patterns of Soviet Policy toward the Middle East}, p 49}

Despite all the military and economic support provided by the Soviet Union to Egypt, Iraq, Syria and even Libya, the policy of extending influence through supplying arms and providing economic support had little success in expanding long term Soviet influence in the region. Political differences over ideology remained, especially on the Arab-Israeli conflict, which played a key factor in the constraining of Soviet influence. After all, it may be correct to argue that 'the economic imperatives to supply arms may confer on the recipient some considerable reverse influence on the supplier, in addition to the fact that the Soviet Union has found it extremely difficult to turn arms supplies into political influence'.\footnote{Dawisha, K., \textit{The Correlation of Forces and Soviet policy in the Middle East} in: Dawisha, A, and Karen Dawisha K., \textit{The Soviet Union in the Middle East: policies and perspectives}, Heinemann for the Royal Institute of International Affairs, (London, 1982).} Based on the discussion above on Soviet foreign policy towards the Middle East and the Mediterranean basin, it can be concluded that by the beginning of the 1970s, most Soviet attention was centred on Egypt, Syria and Iraq and only to a lesser extent on Libya. This was because of the factors already mentioned, as well as other factors which will be noted shortly in this chapter.

Gaddafi strongly criticised the communist regimes, invented a theory of socialism based on the principles of Islam, and refused to adopt communist ideology. Politically, Gaddafi criticised the policy of the Soviet Union in the region, which was based on alliances, and condemned the treaties signed between the Soviet Union, Syria and Iraq. Gaddafi also did not support the role of the Soviet Union in the Arab-Israeli peace process, and he was against the Geneva Conference. These differences will be

\footnote{Freedman, R O, \textit{Patterns of Soviet Policy toward the Middle East}, p 49}
discussed below.

**Libyan attitude toward the Soviet Union after 1969**

The USSR wanted to counter-balance the NATO presence in the region. To achieve its aims, the Soviets supported nationalist governments, such as the one in Libya. Nikita Khrushchev declared that:

> The Soviet Union places a great importance on the struggle of the nations [...] and the Middle East and its policy on this is to participate in supporting the political and economic independence of the independent states until their freedom is secure, and we (the Soviets) will support all who struggle for their freedom until they achieve complete independence.\(^{460}\)

‘Moscow has also sought to solidify its influence through concluding long-term friendship-and-cooperation treaties such as those with Egypt in 1971, Iraq in 1972, [...] South Yemen in 1979’.\(^{461}\) The Soviet-Libyan relationship can also be understood in the light of political changes in Libya after 1969. The new rulers in Libya at the time were hungry for weapons in the wake of their failure to obtain them from the West. The United Kingdom suspended most arms contracts that had previously been signed with the regime of King Idris. Later, some of these contracts were cancelled as a result of the Libyan government's policy towards the Arab-Israeli conflict\(^{462}\) (for more details, see chapter 1 and 2).

Thus, for the same reason that prompted Egypt to gain weapons from the Soviet Union, an inability to obtain weapons from the West led Libya to buy weapons from the USSR. Its inability to obtain British Chieftain tanks led to Libya’s decision to buy Soviet tanks

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\(^{460}\) Ismael, T Y., *International Relations of the Contemporary Middle East: A Study in World Politics*

\(^{461}\) Freedman, R O. *Patterns of Soviet Policy toward the Middle East*

\(^{462}\) TNA, CAB 148-93, Minute of a meeting, arms sale to Israel and Libya; TNA, FCO 39/637, letter from Douglas- Home to British embassy in Tripoli; TNA, FCO 39/636, Anglo-Libyan relations
in 1970.\footnote{TNA, FCO 39/1067, Soviet policy towards Libya, letter from J. C. Key to P. M. Laver Esq, 6 April 1972} Libya took this step despite the fact that there was no military cooperation such as military agreements or a treaty of friendship between the two countries, as happened with Syria and Iraq.

Hence it did not seem that there had been a major shift in Libya's policy toward the Soviet Union from 1970 to 1976. Perhaps the most important reason ideological difference. Libya had refused any kind of recognition of Israel. Accordingly this principle significantly affected the way according to which Libyan policy with the East and the West was formed. This clearly appeared when the Soviet Union called for a Geneva Conference, which Libya did not support. Another ideological disagreement occurred through Gaddafi’s repeated criticism of the communist regime. These two main points will be explained in depth in the following sections.

**Ideological differences between the Soviet Union and Libya**

Gaddafi never accepted the Soviet communist ideology. He described Marxism as a product of 19th century Europe and accused it of being partially responsible for Arab disunity. Gaddafi also saw communism as atheistic and not in line with the values of the Islamic religion.\footnote{Phillips, J A., Moscow’s thriving Libyan connection, 1984} “It is an invention which does not conform to our customs or national interests” Gaddafi said.\footnote{TNA, FCO 39/1067, Report about Libyan relations with the Soviet Union, January 1972} Political parties were banned after the 1969 revolution, especially the Communist Party. Libyan newspapers such as *Al-Jundi* strongly attacked communist parties across the Arab world, accusing them of being
behind all the plots against the Arab nation.\textsuperscript{466} Khuweilidi Al-Humeidi, a member of the RCC and the Libyan Interior Minister, said that the Communists were truly traitors and agents of Moscow and Peking.\textsuperscript{467} Since the early days of his coming to power, Gaddafi was harshly critical of the Soviet Union, describing it as an imperialist power similar to America. Gaddafi had seen both as imperialist powers whose aim was to take over the Arab world and serve their own interests without consideration of the interests of Arab peoples. He dismissed them as two sides of the same coin,\textsuperscript{468} and so ideological affinity never played a role in Soviet-Libyan relations which ‘also retarded the development of closer political and economic ties’.\textsuperscript{469} However, Gaddafi said that he accepted the Soviet Union as a political friend and rejected it ideologically.\textsuperscript{470} This was reciprocated: the Soviet Union developed a policy of supporting non-communist nationalist anti-western governments for largely pragmatic reasons.\textsuperscript{471}

**Political differences between the Soviet Union and Libya**

After he came to power, Gaddafi announced that the policy that would underpin the subsequent years of his reign towards the major powers would be based on that of the Non-Aligned countries. Gaddafi’s ideology of nonalignment is based mainly on his anti-capitalism and anti-communism. From his point of view, this rejection ‘stems not from any Maoist-type commitment that the US and the USSR are equally imperialist

\textsuperscript{466} Ibid
\textsuperscript{467} Ibid
\textsuperscript{470} TNA, FCO 39/1067, report about Libyan relations with the Soviet Union, January 1972.
\textsuperscript{471} Menon, R, The Soviet Union, the Arms Trade and the Third World
super-states, but from nationalism and religion’. At a nonaligned states meeting in Algiers in September 1973, Gaddafi said:

The true meaning of neutrality is the liberation of a state from all those types of ties and the defence of liberty in the Third World from both Eastern and Western influence. To be nonaligned is to be aware of the attempts made by the United States and the USSR to dominate the Third World. Both seek the realisation of their own self-interest economically and strategically; the big powers have no concern for the smaller powers.472

However, Gaddafi described the Soviet Union as a friend to the Arab States. Gaddafi has been critical of United States and the West, accusing them of being on the Israeli side in the Arab-Israeli conflict, while he had the opposite view about the Soviet Union. Gaddafi believed that the Soviet Union was more supportive in the conflict between the Arabs and Israel, and supportive of Arab rights. Also, the Soviet Union had supplied the Arabs and Libya with weapons, while the West had not. Both parties, Libya and the Soviet Union, were against the US sponsored peace process. The USSR was opposed to the United States’ monopolising role in the biggest events in the Middle East and, particularly regarding the Arab-Israeli conflict, the Soviets lacked a role in the Arab-Israeli negotiations. Gaddafi considered the peace talks between Egypt and Israel to be a betrayal of the struggle of the Arabs and Palestinians. Despite the ideological and political differences between the Soviet Union and Libya, this agreement was considered one of the best examples of mutual self-interest.473

However, the Suez crisis of 1956, Western military interventions in Lebanon and Jordan in 1958 had proved the limitation of the Soviet’s ability to deter such actions,

473 Mets, Libya, p. 244
as well as the limits of Soviet willingness to act as a military protector and not just a military supplier its allies.\textsuperscript{474}

Gaddafi's policies were not consistent with Soviet policy in the Arab region, at a time when he was suffering from not making any progress in the relationships with Britain and America. Gaddafi personally called the Iraqi ambassador in Tripoli twice in mid-February 1972 and expressed his deep concern over the government of Iraq’s intention to sign a friendship agreement with the USSR. Gaddafi considered the Iraq-Soviet friendship to be dangerous for the future of relations between Libya and Iraq as well as for the Arab unity.\textsuperscript{475} Gaddafi took the same position over the Russian-Syrian Friendship Treaty.\textsuperscript{476} Gaddafi's policy was not just inconsistent with the policies of the Soviet Union in the Arab region, but beyond that it was critical of Russian policies on the Indian subcontinent. Gaddafi explicitly declared his displeasure of the Soviet intervention in the India-Pakistan war and the Soviet Union's support for India against Pakistan.\textsuperscript{477} On 2 February 1972, in an interview with the Lebanese weekly magazine \textit{Al-Sayad}, Gaddafi was reported as saying that ‘The Soviet Union is pursuing an imperialist role similar to that of the United States in connection with the role played by the USSR in the Indo-Pakistan war’.\textsuperscript{478}

Later, Gaddafi sent a message to Indira Gandhi (Indian Prime Minister 1966-1977) strongly criticising the Indian-Soviet treaty.\textsuperscript{479} The Libyan government newspapers,

\textsuperscript{474} Breslauer, G W., \textit{Soviet Strategy in the Middle East}, p 4
\textsuperscript{475} TNA, FCO 39/1067, Libya/Iraq/ Soviet Union, letter from Tripp to FCO, 24 February 1972
\textsuperscript{476} TNA, FCO 39/1067, Libya/Iraq/ Soviet Union, letter from Tripp to FCO, 26 February 1972
\textsuperscript{477} TNA, FCO 39/1067, Libyan relations with the Soviet, January 1972
\textsuperscript{478} TNA, FCO 39/1067, Libyan Soviet Relations, letter from R. A. Beaumont to A. D. Parsons Esq. 4 February 1972
\textsuperscript{479} TNA, FCO 39/1067, Libyan/Iraq/ Soviet Union, letter from Tripp to FCO, 24 February 1972
particularly *A-Thawra*, waged a war on the Russian attitude towards the 1971 India-Pakistan war, concluding that the Soviet Union was the chief culprit for supplying India with arms, for its treaty with India, and for supplying India with political support in the UN. 480 Unpublished British documents show that during the first visit of Libyan officials led by Major Jallud, the Soviet Union strongly criticised Libyan newspapers, which in turn had criticised communism and Soviet foreign policy. 481 Gaddafi also criticized Soviet policy in Africa. He helped non-Communist countries, or those that followed a non-communist system. In August 1971, Gaddafi gave considerable assistance to President Jaafar Al-Nimeiry, former President of the Sudan, to foil a coup attempt by some members of the Communist Party there, which was believed to have the Soviet Union backing.

It does not appear that the political and ideological courses of Gaddafi towards the Soviet Union greatly differ from those towards the West, but his disputes with the West, especially Britain, were sharper and deeper. While the situation between Libya, Britain and America went from bad to worse, even as far as the description of Libya as a state sponsor of terrorism, the situation was not comparable with the Soviet Union. At the political level, Gaddafi was against the Western and Soviet interference in the Arab region, and on the ideological level, Gaddafi considered communism and capitalism as equally major enemies of Third World countries. On several occasions Gaddafi was described by the Western governments as a terrorist supporter: he did indeed give funds

480 TNA, FCO 39/1067, Libyan relations with the Soviet, January 1972
481 TNA, FCO, 39-1067, Davignon Committee, letter from J C Kay to P M Laver, 6 April 1972
to the IRA, Sinn Fein, the Red Army faction in West Germany and the Abu Nidal organisation.482

Gaddafi believed that, in the issue of Arab-Israeli conflict, American and British policy was based on support of Israel at the expense of the Arabs, while he saw the position of the Soviet Union as the opposite. Another important point is that the policy of Gaddafi in fighting against American imperialism and limiting American and British influence was matched by the same goal on the part of the Soviets in the Arab region and in Africa. Policy towards the oil industry was also different, as described in the previous chapter.

The Soviet Union's goal of rapprochement with Libya can be clearly seen in the light of Soviet goals in the Mediterranean region and efforts to find a foothold in the region. Moreover, the Soviet and Western governments were in conflict over spheres of influence, especially after the expulsion of the Soviets from Egypt and the extension of the US influence there. Thus Libya became more important to the Soviet Union.483 Therefore, Soviet policy towards Libya was based on three elements:484

• The supply of Soviet arms to break the dependence of the Arab states on the West and to create a new dependence.
• The creation of a political and economic relationship with such states based on the calculated self-interest of each party.

482 Simons, G and Dalyell, T., Libya: The Struggle for Survival, p. 263
483 Ronen, Y., Gaddafi’s Libya in World Politics, Lynne Rienner Publisher, (United States, 2008), p. 83.
St John, R B., The Soviet Penetration of Libya
484 Ibid
• A vague ideological solidarity based on anti-colonialism, anti-imperialism, anti-Zionism, revolutionary change and socialism.

The success of the Soviet Union in this strategy would give them many advantages that would undoubtedly affect Western influence in the Mediterranean region. For the Soviet Union to obtain even limited access to Libyan port facilities would mean a major advance for the Soviet navy in the Mediterranean and enhance its ability to monitor the US Sixth Fleet there and other allied navies. This could also lead to the Soviets gaining access to Libyan air facilities, which would threaten NATO and cause great concern. For instance, ‘immediately after the 1967 war, the number of Soviet naval vessels rose to about sixty. Assuming the Soviet move to be an attempt to outflank NATO, the West established the Maritime Air Forces Mediterranean command which included the United States, France, Great Britain and Italy. This surveillance group was established to counter the Soviet submarine forces assumed to be the greatest threat to the U.S Sixth Fleet’.485

The Soviet Union tried to extend its influence over sectors of the Libyan army by supplying arms and Russian experts to Libya, but this penetration was limited.486 Libya also relied on other foreign advisers, including Pakistanis and Cubans, which also limited direct Soviet leverage in Libya.487

486 NTA FCO 93-1870, Libya/Soviet Union, letter from Mr Tomky to Mr Daunt and Mr Fergusson, 1979
487 St John, R B., *The Soviet Penetration of Libya*
Soviet-Libyan relations and the British view of this relationship 1972-1975

Since the collapse of the pro-Western Monarchy in Libya, the British government expressed its concern in relation to Soviet influence in Libya. However, during the period from late 1969 until 1975, there was no Soviet-Libyan significant cooperation, apart from buying arms. The British concern did not become serious until early 1976, when Libya began to change its perspective towards the Soviet Union. The first formal high-level visit of a Libyan delegation to the Soviet Union came in late 1972. The chair of the Libyan delegation was Jallud. It does not seem that the visit produced significant results in political matters. British documents regard this visit as having indicated that the biggest Libyan goal was to obtain Soviet support for compensation for the lack of oil production after the nationalisation of BP assets, as well as getting as much out of the Russians as possible, without compromising Libya’s basic position. This made things far from easy for the Libyan delegation, according to A. J. M. Craig of the FCO Near East and North Africa Department, who noted that before Jallud left for Moscow, Gaddafi had instructed him to enter no concrete political commitments with the Soviets. There was an urgent need for oil technology and weapons, but this was seen as an economic, not a political arrangement (perhaps naively). The visit did produce some positive consequences. An economic and technical agreement was signed to meet some of Libya’s needs, particularly in the oil industry. Soviet assistance with skilled

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488 TNA, FCO 39 /634, Mr. Maitland to FCO
489 NTA FCO 93-1870, Libya/Soviet Union
490 NTA FCO 93-1870, Libya/Soviet Union relations, letter from A J M Craig to Sir R Beaumont, 4 April 1972
manpower and technology could provide the basis for the Russians to infiltrate Libya, British officials feared.\textsuperscript{491} Craig reported on the visit of Jallud to the Soviet Union: ‘We (the British) see no reason, therefore, to conclude that Gaddafi has softened his hostility to the Soviet Union, or modified his policy in any essential way. In the short-term then, the results of the visit are not likely to be of really great significance’.\textsuperscript{492}

Brezhnev and Jallud’s meeting took place on 2 March and it was described as a long and difficult one. Brezhnev strongly criticised the official Libyan line of anti-Sovietism.\textsuperscript{493} Throughout the visit of Jallud to Moscow, there was a strong attack from the Libyan press on Soviet policy on some international issues, as well as criticism of communism. It was the view of the British government that Gaddafi himself was behind the anti-Soviet articles which appeared in Libya during the visit, and that this was probably a warning from him to the Soviets that their dealings should be based solely on business.\textsuperscript{494} This led to the two sides once more sitting down to finalise details of the economic and technical cooperation agreement.\textsuperscript{495} The British Ambassador in Tripoli, Mr Peter Tripp, writes that he ‘believe(s) Gaddafi will fight against any attempts by the Russians to infiltrate Libya directly or via the Egyptians’.\textsuperscript{496}

The foundations of Soviet-Libyan cooperation in the supply of weapons were laid during the visit of Major Jallud to the Soviet Union in late 1974. The most important

\textsuperscript{491} NTA FCO 93-1870, Libya/Soviet Union
\textsuperscript{492} Ibid
\textsuperscript{493} TNA, FCO, 39-1067, Davignon Committee, letter from J C Kay to P M Laver
\textsuperscript{494} TNA, FCO, 39-1067, Libyan/Soviet relations, letter from Douglas-Home to British Embassy in Tripoli, 30 March 1972
\textsuperscript{495} TNA, FCO, 39-1067, Major Jallud’s visit to Moscow, M. J. Robinson to North African department FCO, 23 March 1972
\textsuperscript{496} TNA, FCO, 39-1067, Letter from Peter Tripp to H E Mr. A R K Mackenzie, 23 March 1972
results of this visit, was the expectation of major arms deals. Many previous studies have highlighted Jallud’s visit to Moscow in 1974 as a first, significant change in Soviet-Libyan relations and a first approach by Gaddafi to changing his attitude towards the Soviet Union.\textsuperscript{497} There is no evidence so far that Jallud's visit to Moscow was accompanied by a major shift in relations between the two countries, as there is no evidence of the signing of a political agreement of any kind. Also despite many high-level visits between the two, no treaty of friendship was signed between the USSR and Libya comparable to that with Iraq in 1972 and with South Yemen, demonstrating important limits to Russian-Libyan relations.

Primary unpublished resources show that, at the beginning of 1974, there was a Libyan attempt to improve relations with the countries of Western Europe. The Libyan aim was to obtain needed technical assistance, and to balance between Libyan relations with the Soviet Union and with Western Europe, reducing Libya’s dependence on the Soviet technical assistance and diversifying Libyan sources for weapons.\textsuperscript{498} For these purposes, Jallud started a tour of many of the capitals of Western and Eastern Europe.\textsuperscript{499} In January 1974, as part of his tour of Europe, Jallud told the British government that he wished to call on the Prime Minister and on the Secretary of State for three or four days. Because of the British General Election in February of that year, Jallud’s visit


\textsuperscript{498} TNA, FCO 93/364, proposed visit by the Libyan Prime Minister, letter from A. J. M. Craig to Mr Campbell and Mr Coles, 17 April 1974.

\textsuperscript{499} TNA, FCO 93/364, Proposed visit by the Libyan Prime Minister
was delayed.\textsuperscript{500} Between 7 February and 7 March of 1974, he visited Poland, Czechoslovakia, Hungary, Italy, West Germany, Sweden and France. This tour included the signing of several agreements that guaranteed European assistance to Libya in exchange for Libyan oil.\textsuperscript{501}

During the preparations for Jallud’s visit to Britain in January 1974, the Libyan government made a proposal to resolve outstanding differences, turning a new page in British-Libyan relations, and requested the signing of some military equipment contracts, including the purchase of arms in large quantities. The Libyan proposal included three main points:\textsuperscript{502}

- Payment of Libya’s financial claims.

- Purchase of arms: submarines, patrol boats, minesweepers, landing craft, frigates, helicopters, fighter aircraft, artillery, possibly missiles;

- The release of machine-guns, anti-tank rocket launchers and night vision equipment whose export licenses the British government cancelled because of the risk that they might be transferred to the IRA.

Again in November and just before the end of 1974, Jallud’s visit to London was rescheduled, but in the end this visit did not take place. The British government was

\begin{footnotesize}
\begin{enumerate}
\item TNA, FCO 93/364, Visit of Libyan Prime Minister, letter from A. J. M. Craig to Mr Coles and Mr Campbell, 24 October 1974
\item TNA, FCO 93/364, Proposed visit by the Libyan Prime Minister
\item TNA, FCO 93/364, Visit of Libyan Prime Minister
\end{enumerate}
\end{footnotesize}
not willing to welcome Jallud for many reasons.\textsuperscript{503} First, the aims of Jallud’s visit to London centred on two points: the first was Gaddafi’s main goal in sending Jallud to London, was to resolve the claims issue and to win a point which had so far eluded him. The second was for Jallud to achieve a personal diplomatic success. The British government had no interest in helping them further goals which would help the regime. Second, in the light of Libyan support for the IRA, any rapprochement would have left the British government open to attacks in Parliament. Third, the British government did not change its position on the ban on selling weapons to the Libyan government, especially those types of weapons that might be used by the IRA.\textsuperscript{504} For these reasons and perhaps others, Jallud’s visit to London did not take place. The differences between the two countries remained and no progress in improving relations between Britain and Libya was achieved. This helped to push Libya further away from the West, and helped to foster the emerging Libyan Soviet rapprochement.

At the same time, Mr R. J. S. Muir, FCO, Near East and North Africa Department, said that ‘Gaddafi privately still entertains considerable reservations about getting too closely involved with the Russians and that his relations with them are based on short term advantage [...] rather than on any real shift of policy’.\textsuperscript{505}

Jallud’s two visits to the Soviet Union in 1972 and 1974 were mainly for arms supply purposes. These two visits will be discussed widely later in this chapter.

\textsuperscript{503} TNA, FCO 93/365, Anglo-Libyan relations, letter from A. J. M. Craig to D. F. Murray, 18 June 1974
\textsuperscript{504} TNA, FCO 93/364, Visit of Libyan Prime Minister, letter from A. J. M. Craig to Mr Coles and Mr Campbell, 24 October 1974.
\textsuperscript{505} TNA, FCO 93-605, Libyan Soviet relations, letter from R. J. S. Muir to G. H. Boyce, 10 February 1975
May 1975, Alexei Kosygin, the Prime Minister of the Soviet Union, accompanied by Kiselev, Chairman of the Council of Ministers of Byelorussia, Skachkov, Chairman of the State Committee of the USSR Council of Ministers for Foreign Economic Relations, and Ilychev, the Deputy Minister of Foreign Affairs, visited Libya and met with Gaddafi. By mid-1975, after Kosygin’s visit to Tripoli, it still did not seem that significant change had occurred in Russian-Libyan relations. Both parties regarded each other with considerable reserve and caution. This was because of Gaddafi’s resistance to Russian attempts to dictate policies and to install their own military facilities in Libya. There was some common interest, but little trust, in their relationship. Thus, the Russians seem to have had as little success as practically every other would-be ally with Gaddafi, failing to obtain any worthwhile undertakings from him.

The FCO, considering Russian-Libyan relations in 1975, thought that ‘The substance of Russian/Libyan relations still amounts to little more than a limited number of arrangements of mutual convenience’. Meanwhile, the visit of Kosygin had slightly reduced Libya’s isolation from its neighbours, and it allowed the Russians to put some indirect pressure on the Egyptians by improving its relations with Libya as well as obtaining further Russian contacts with the Libyan armed forces. The FCO also added that ‘None of this means that the Libyans are yet on the slippery slope to Soviet

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506 TNA, FCO 93-605, Letter from British embassy in Moscow to FCO
507 TNA, FCO 93-605, Kosygin: visit to Libya, letter from R. J. S. Muir to Miss Toulmin and J. M. Brown, 29 May 1975
508 TNA, FCO 93-605, Kosygin: visit to Libya
509 Ibid
domination on which we once feared they might land should they have to turn to the Russians for most of the weapons they wanted’.\textsuperscript{510}

Thus, one of the conclusions which can be drawn here is that until Gaddafi’s visit to Moscow in 1976, there had been no significant cooperation between the Soviet Union and Libya which could have threatened the Western interests in Libya.

**The British view of Soviet-Libyan relations and the Libyan shift (1976-1979)**

Gaddafi’s change toward the Soviet Union was not due to a change in his political or ideological view, but it is clear that it was the outcome of other factors dictated by international political conditions, and political changes in the Middle East in particular, as well as other changes on the Soviet side.

After the 1973 war between Egypt and Israel, the American administration began a new policy aimed at finding a new basis on which to base a comprehensive peace between the Arabs and Israel, and specifically between Egypt and Israel. This American policy energetically pursued Egypt to hold peace talks with Israel, and resulted in reaching in late 1978 the peace agreement between Egypt and Israel. Gaddafi strongly rejected the peace process with Israel, and in particular the Sadat agreement with Israel. Gaddafi was very concerned and afraid of growing American influence in the region, especially the growing influence of America in Egypt, which

\textsuperscript{510} Ibid
shares with Libya a very long border. In Gaddafi’s view this threatened his very existence in Libya. Moreover, after Egypt signing a peace agreement with Israel, Gaddafi got into a feud with Sadat which led to a skirmish on the Libyan-Egyptian border in 1976.

Therefore, the existence of a state on the eastern border of Libya in agreement with Israel and on good terms with America and even serving US interests in the region was undoubtedly a threat to the security of Gaddafi in Libya and a source of constant concern to Gaddafi. As for the Soviet Union, it lost much of its presence in the region, especially in Egypt, so the Soviets were looking to compensate for the losses in the Middle East and North Africa, especially in the Mediterranean region.

Unpublished British materials show that the change in Gaddafi’s relationship with the Soviet Union, especially in the political arena, started in 1976. Gaddafi visited Moscow from 6 to 9 December 1976. In November, just a month before this, the Libyan General People’s Congress held a meeting and issued a statement strongly supporting friendship with all socialist countries and especially the Soviet Union.\textsuperscript{511} The statement said that ‘it was necessary to give this friendship its strategic dimension’.\textsuperscript{512} This put their differences aside and showed a change from the hostility Gaddafi displayed towards the Soviet Union when he first came to power in September 1969.

Mr Ali Belkheir, Deputy Secretary General of the General People’s Congress of Libya said that ‘The masses of our people […] value highly their friendship with the Soviet

\textsuperscript{511} TNA, FCO 93-1001, Annual review, D. F. Murray, 10 December 1976

\textsuperscript{512} Ibid
Union because both our countries are on the same side of the barricades in the struggle against world imperialism, Zionism and reaction’.\textsuperscript{513} Thereafter, from 1976 onwards, Gaddafi’s attitude changed, on the surface, sufficiently for him to approve the formation of a Libyan-Soviet friendship society.\textsuperscript{514} Also, in November Abu Bakr Yunis Jabir, the Commander in Chief of the Libyan Armed Forces, preceded Gaddafi’s visit to Moscow and visited the Soviet Union. Jabir delivered a message from Gaddafi to the Soviet Prime Minister, Kosygin, and held talks with the Soviet military authorities.\textsuperscript{515}

One conclusion that can be drawn here is that the General People’s Congress and the recommendations that came out of it were to give a green light to some of the important decisions which were expected to be taken during Gaddafi's visit to Moscow. It seems to be the case that these decisions had been made in advance and the meeting of the General People's Congress came to ratify it and to give legitimacy to the status of the statements which would be issued during Gaddafi's visit to Moscow. Thus, the visit of Jabir to the Soviet Union seems to have been a preparation for this. However, points of disagreement between the two parties continued. These disagreements were particularly based on the Middle East question. A change in Gaddafi’s political tone towards the Soviet Union was clear, as shown in the statement of the General People's Congress in November 1976, as well as the easing of Gaddafi’s criticisms of the Soviet Union.

\textsuperscript{514} TNA, FCO 93/1012, Gaddafi’s visit to Moscow, December 1976, letter from R. D. Lamb to Mr Mannerman, 12 April 1977
\textsuperscript{515} Ibid
Meanwhile, this change was not significant because of some other factors: first, Gaddafi’s distaste for communism, his distrust of the Russians and in particular his resistance to the installation of a major Russian presence in Libya.\textsuperscript{516} Second, Libya’s new nationalism, its highly individualistic style of leadership and its financial independence made its position strong and difficult to influence.\textsuperscript{517}

A report by NATO said that:

\begin{quote}
No treaty of friendship was signed, but this has not prevented the Russians from sending a representative of the Libyan Arab-Soviet friendship to Tripoli for talks at the end of Gaddafi’s Moscow visit. Seen from here the results of the visit do not represent a significant drift to the East.\textsuperscript{518}
\end{quote}

The change of both sides in general and Gaddafi in particular was with regard to some of the regional and international issues of interest to both parties. These purposes were as follows:\textsuperscript{519}

\begin{itemize}
  \item The fact that the Soviet government and the Libyan government shared similar attitudes towards many international questions, in particular those opposed to Western policies.
  \item Gaddafi had bad relations with all his Arab neighbours (perhaps apart from Algeria). In particular, Gaddafi’s improvement in his relationship with the Soviet Union coincided with the decline of both countries’ relations with Egypt. By developing Libya’s relations with the Soviet Union, Gaddafi may have thought he was
\end{itemize}

\textsuperscript{516} TNA, FCO 93/1012, Gaddafi’s visit to Moscow
\textsuperscript{517} NTA FCO 93-1870, Libya/Soviet Union, letter from Mr Tomky to Mr Daunt and Mr Fergusson, 1979
\textsuperscript{518} TNA, FCO 93/1012, Letter from R. L. Balfour, Tripoli to G. R. Lawes, Nenad, FCO, 4 January 1977
\textsuperscript{519} TNA, FCO 39/1012, Gaddafi’s visit to Moscow, R. B. Lamb to Mr Bannerman, 13 April 1977
demonstrating his opposition to the Egyptian government, its policies of cooperation with the West and its process for a peaceful settlement to the Arab-Israel dispute.

• Gaddafi seems genuinely to have feared intervention by the United States to change the regime in Libya as a result of his hostile policy towards the American interests in the region. Thus, he hoped that by developing friendly relations with the Soviet Union this would bring him the protection he needed.

• Gaddafi had received large quantities of weapons which he could not expect to obtain anywhere else, although the Libyan armed forces had not had the ability and did not have the technical capacity to use them. However, by this large quantity of sophisticated weapons Gaddafi would be able to supply liberation movements, especially the Palestinians, and would be in a position to supply the Arab side in any future conflict with Israel.

• Gaddafi probably also considered the supply of military equipment as a tool for expanding his influence in other parts of the world, such as Africa.

The Soviet motives for supplying arms of such a degree of sophistication to Libya can be understood in the light of several reasons as follows:520

• Gaddafi's apparent hostility to the West gave the Soviet Union many benefits; perhaps the most important was that it encouraged the Russians to deal with Gaddafi and to overlook his antipathy to communism. Moreover, Libya's shared border with

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520 TNA, FCO 39/1012, Gaddafi’s visit to Moscow
Egypt also lent particular force to a demonstration of the rewards which could be expected by a country which was friendly to the Soviet Union.

- Moreover, the sale of arms to Libya brought the Russians large sums of hard currency, since the Libyans did not require credit. The Russians may also have taken into account that by selling Gaddafi the arms he wanted, they might improve their chances of more penetration in civilian sectors as well.

- The Russians probably thought that Gaddafi might reduce his hatred of communism one day, or that a successor to Gaddafi might be hostile to communism and the Soviet Union. Thus, the Russians might have hoped to increase their influence in Libya through military training and through their contribution to the Libyan economy. This might give them more advantages in the future.

- Libya is one of those countries which rejected reliance on the United States to make a settlement between the Arabs and Israel, thereby excluding the Soviet Union from the peace-making process in the Middle East. The Russians had no trouble in having friendly relations with other countries which rejected the Geneva conference (e.g. Algeria, Iraq) and so there was no need for them to persuade Gaddafi on this point to outweigh the other advantages they stood to gain from a closer relationship.

In spite of the marked shift in the political public speech of Libya towards the Soviet Union in 1976, British government was optimistic that there was no change in the Soviet-Libyan rapprochement, which would affect the Western interests in the region. Perhaps what explains this was the belief of the British government that this
cooperation was a result of the political isolation of the Libyan regime in the region, fear of growing U.S. influence in the region, and desire of the Soviets to act against Egypt after being expelled from it and excluded from the peace process in the Middle East. Therefore, from the view point of Britain, this cooperation would not reach to the extent, which might harm Western interests in the region. Moreover, this cooperation would not lead to any deal that would allow Soviets to use the Libyan facilities. Perhaps the British government's view of the media on the Soviet-Libyan cooperation, explain this British attitude.

The media role in exaggerating the Soviet-Libyan rapprochement

The media, namely the British and Egyptian media, played a major role in inflating the relationship between the Soviet Union and Libya, especially in the period of the 1970s. The media portrayed the Russian-Libyan relationship as a threat to the interests of the West and America in North Africa and the Mediterranean, and even in the Middle East. How, why and who was behind this exaggeration in the media, particularly the Egyptian media, will be discussed below. The media also gave an inaccurate picture of the Soviet influence in Libya increasing dramatically, threatening the balance of power in the region, especially the Egyptian media, which amplified in the dissemination of news that Libya had signed with the Soviet Union confidential agreements allowing the Soviets to use Libyan airports and ports in any confrontation which might occur between the Soviet Union and America or the West, which largely threatened the presence of the US and the West in the region.
However, there is no evidence to confirm that this news was true or that there was an agreement between the Soviet Union and Libya on this basis. This explains the degree of hostility between Egypt and Libya in the mid-1970s, as well as an Egyptian-American rapprochement as a result of the process of peace negotiations sponsored by the United States between Egypt and Israel. What appeared in the media about Russian Libyan cooperation in the mid to late seventies gave an exaggerated picture of this cooperation, which led to the existence of an inaccurate picture of the condition of Russian-Libyan relations, and portrayed them as a threat to the US and Western interests in the region.

Both the Western and pro-Western Arab media started to draw attention to the Soviet-Libyan relationship, claiming that it “was putting its land, air and naval bases at the service of the Soviets”. Gaddafi became known in the West as the first defender of the interests of the Soviet Union in the Middle East.

In the middle of 1975, the Prime Minister of the Soviet Union, Alexei Kosygin, visited Libya. This was the first visit by a senior Soviet official to Libya since Gaddafi had come to power. Perhaps this is what stirred up all the hype about the visit. The English documents heavily argued about this visit, and came to the conclusion that there were two reasons for it. The first was that Russia owed the Libyan government a return visit following Jallud's two visits to the Soviet Union in 1972 and 1974. The second reason and the main purpose of the visit was to talk to Gaddafi directly and convince him not

521 Yehudit, R., *Gaddafi’s Libya in World Politics*, p. 84
to stand up against the Soviet Union's call for a resumption of the Geneva conference, sponsored by the Soviet Union for peace.\textsuperscript{523}

After the visit of Kosygin, the \textit{Los Angeles Times} of 28 May 1975, regarding its interview with President Sadat, reported that the Soviet Union and Libya had secretly signed the biggest weapons deal in the history of the Middle East. The agreement was valued at $12 billion worth of the most sophisticated arms.\textsuperscript{524} On 24 May the Egyptian newspaper \textit{Akhbar Al Yom} (News Today) reported that the agreement between the Soviet Union and Libya during the visit of Kosygin included a supply of 2,000 tanks from Russia to Libya. \textit{Akhbar Al Yom} claimed also that the agreement included bases for the Soviets and the presence of hundreds of Russian advisers who would definitely constitute complete military bases.\textsuperscript{525} The famous Egyptian newspaper \textit{Al Ahram} and the others followed the same pattern, declaring that an agreement had been concluded between the Soviet Union and the Libyans granting air and sea bases to the Soviet Union on Libyan territory.\textsuperscript{526} One outcome of what has been mentioned above is that, at this stage, Egypt had a strong interest in exaggerating quantities of the USSR arms to Libya, in order to obtain as much economic, political and military support as they possibly could from the US. Terence Garvey, the British ambassador to Moscow, at that time said that:

\begin{quote}
There is evidently no containing the imagination of that newspaper [...] in itself, this falsity does not add anything new to the ratings the Western reactionary press. However, when one reads it, one cannot avoid the conclusion that the above mentioned paper and those who encourage it in this kind of inimical fabrication vis-a-vis the Soviet Union are pursuing well-
\end{quote}

\begin{footnotes}
\textsuperscript{523} TNA, FCO 93/605, Kosygin’s visit to Libya, letter from J. M. Brown to R. J. Muir, 22 May 1975
\textsuperscript{524} TNA, FCO, 93/605, Libya/USSR, letter from Adams to FCO, 29 May 1975
\textsuperscript{525} TNA, FCO, 93/605, Libya/USSR, letter from Adams to FCO, 27 May 1975.
\textsuperscript{526} Ibid
\end{footnotes}
defined objectives.\footnote{Ibid}

It seems also clear from the words of the Ambassador that the European newspapers were following the same line as the Egyptian newspapers, and published the same claims that there were Soviet bases on the Libyan territories. N C R Williams, FCO, Near East and North Africa Department, said ‘The Russians seem to have had as little success [...] with Gaddafi and in obtaining worthwhile undertakings from him’.\footnote{TNA, FCO, 93/605, Kosygin’s visit to Tripoli, letter from N. C. R. Williams to J. M. Brown, 2 June 1975}

By mid-1975, the FCO assessed Russian-Libyan relationship saying that the discussions which took place during Kosygin’s visit to Tripoli in the middle of May 1975 concerned very largely, if not exclusively, the implementation of arms deals that had been signed the previous year during Jallud’s visit to Moscow.\footnote{TNA, FCO, 93/605, Kosygin’s visit to Tripoli}

Williams, the head of the FCO, Near East and North Africa department went on to say that:

\begin{quote}
Egyptians have every interest in playing this up in Ahram not only for the Americans’ benefit but also in order to support the argument that the Libyans, who have vociferously criticised Egypt for succumbing first to Soviet and then to American domination, are now succumbing to Russian influence themselves.\footnote{Ibid}
\end{quote}

Donald Murray, the British Ambassador to Tripoli from 1974 to 1976, indicated that there were no Soviet bases in Libya and that the story in the \textit{Al Ahram} newspaper was untrue.\footnote{TNA, FCO, 93/605, Libya/USSR, letter from Murray to FCO, 26 May 1975} On May 1979 a report in the \textit{Daily Telegraph} claimed that Gaddafi has
agreed to provide the Russians with port facilities in Libya. P. M. Nixon from the British embassy in Tripoli said this was untrue.

From what has been discussed, it appears that most of the claims published in the media that Libya had granted the Soviet Union air or naval bases were not true, but led only to creating an atmosphere of anxiety about Soviet-Libyan relations, and increased the tension between America and the West and Libya. This also inflated the picture of the Libya-Soviet rapprochement, which reflected negatively on American-Libyan relations and Libyan-Western relations.

**Political cooperation**

**Soviet-Libyan policy toward the peace settlement in the Middle East**

Throughout the 1970s the Soviet Union and Libya shared very similar perspectives towards the peace process in the Middle East and support of various liberation movements in the world, particularly in Africa. The two parties announced after Gaddafi’s first visit to Moscow in late 1976 that they supported the world anti-colonial liberation movements. However, they disagreed in practice, particularly on the issue of the peace settlement in the Middle East.

Thus, Soviet-Libyan policies in Arab matters can be widely discussed in the light of two main points. First, the attitude of both towards the Egyptian-Israeli peace talks after the 1973 war; and second, Gaddafi’s attitude towards the Geneva Conference. The Soviet Union and Libya each held a hostile position towards the peace process between Egypt and Israel. Although the Soviets and the Libyans had their own reasons to be
against these negotiations, and despite their ideological and political differences, the interests of the two parties were matched in their opposition to Egypt and the United States. It is clear that the USSR’s goals were based on compensating for its loss of Egypt, and limiting the further spread of American influence, in addition to strengthening the Soviet regional influence; the Libyan objectives were first to secure itself from any potential danger from Egypt or the US, fighting the peace process between Israel and Egypt, reducing the influence of the United States in the region, achieving a balance of power based on the Soviet Union and obtaining Soviet protection against any Egyptian or American threat. Thus, it does not seem that the strategy of Libya was based on the service of Russian interests in the region.

The Soviet Union was angry because of the central role the United States played in the peace process and in the expulsion of the Soviets from a significant role in it. Sadat declared: ‘the Soviet Union has little in its hands regarding the peace process. This is the opportunity of those who hold 99 percent of the solution in their hands, namely the United States’. The USSR seized the opportunity to support Libya against Egypt in order to consolidate its presence in Libya. Following the Soviet absence from the peace process, they also missed out in its efforts to promote a new Geneva Conference, which did not receive a support from the states concerned, not even from countries that had been seen as being on the Soviet side, such Libya and Iraq. The United States accounted for the biggest role. ‘Consequently, in 1978 and 1979, Moscow and

533 Mettz, Libya, Pp. 243,244
Washington stood firmly behind their Libyan and Egyptian protégés, which they regarded as spearheads for their own interests in the region and beyond. The failure of the Soviet Union to find a role in Middle East talks was reflected in Soviet support for Libya. This support was also demonstrated in military support for Libya in the clashes that took place on the Libyan-Egyptian border from 21 to 24 July 1977 which ended only after mediation by Algeria, Kuwait and the PLO. The four days of these clashes showed the strength of the conflict between the United States and the Soviet Union protégé, and how each sought to manage the conflict behind the scenes. The Soviet Union’s assistance to Libya also reflected Moscow’s anger about its loss of Egypt.

As for Gaddafi, he held Sadat responsible for damaging vital Libyan interests by undermining his own pan-Arab ideology and political prestige. He had inherited Nasser’s legacy and leadership role in the Arab world and established the diplomatic and strategic foothold of the United States in Egypt, serving the interests of America in the region. Therefore, the signing of the first Egyptian-Israeli disengagement agreement in January 1974 increased Gaddafi’s concerns. Jallud visited Moscow for the second time from 14 to 24 May 1974 and signed a new Soviet-Libyan arms deal worth $1.2 billion.

One of the main reasons for Kosygin’s visit to Libya in 1975 was to talk with Gaddafi.

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534 Yehudit, R., *Gaddafi’s Libya in world politics*, p. 88
535 Ibid, P. 85
536 Ibid, p 83
538 Yehudit, R., *Gaddafi’s Libya in world politics*, p 83
about the Geneva Conference. Kosygin tried hard to persuade Gaddafi not to impede
the resumption of the talks. Kosygin was willing to draw on Gaddafi's influence over
some elements of the Palestinian movement. Soon after Kosygin left Tripoli, Gaddafi
delivered a bellicose speech to the Palestinian Seminar where he said that the
Arab-Israeli problem could not be solved by any conference, any third party or the
United Nations, but only by the gun. A report from the British embassy in Tripoli
said that ‘Kosygin’s visit from 12 to 15 May was an indicator not a watershed: he failed
to shift Gaddafi’s hostility to the Geneva Conference’.541

Gaddafi’s visit to Moscow in 1976 marked the beginning of the actual shift in Gaddafi's
view of the Soviet Union, not ideologically, but politically. Both parties declared that
they stood together in fighting American imperialism, colonialism and Zionism.
However, disputes continued over the Arab-Israeli conflict and Libya continued to
oppose the Geneva Conference for peace with Israel.542

The signing of the peace agreement between Egypt and Israel raised fears in Libya of
a possible invasion of Libyan territory by Egyptian forces with the help of the United
States, because of the Libyan hostility towards Egypt and American interests in the
region. Perhaps the greatest concerns were the Egyptian troops along the border and
the state of high alert among them. In May 1979, the Libyan confrontation with Egypt
made Gaddafi aware of the need to bolster Libya’s army. Thus, ‘in May 1978, he

539 TNA, FCO 93-605, Libya/USSR, letter from R. B. Bone to head of Chancery Minister, 28 May
1975
540 TNA, FCO 93-605, Kosygin’s visit to Libya, letter from J. M. Brown to R. J. Muir, 22 May 1975
541 TNA, FCO 93-827, Annual review: Libya, from G. R. Lawes to Urwick, 8 January 1976
announced the initiation of compulsory conscription for the first time….and increased the annual budgetary allocations for the armed forces which constituted only part of the total military expenditure as follows: from LD72 million (Libyan dinars; $1= 0.296 LD in 1977-1978) in 1976 to LD 80 million in 1977 and LD 130 million in 1978’.\textsuperscript{543}

One might conclude from this that for Libya, the rapprochement with the Soviet Union was mainly because of the desire to obtain weapons for its conflict with Egypt. All these events show the impact of the Cold War conflict, and how this was reflected in relations between the countries of the region.

**Strategic cooperation**

Although diplomatic relations were established in 1955, Libyan-Soviet interaction was minimal until the pro-Western ruler, King Idris, was overthrown in 1969.\textsuperscript{544} However, this changed after Jallud’s visit to Moscow in 1972. Mr K. E. H. Morris of the FCO North African Department said ‘This visit has raised several intriguing questions’.\textsuperscript{545} He also asked ‘Did it (Jallud’s visit to Moscow in 1972) represent a drastic shift in Libya’s foreign policy?’\textsuperscript{546} Later Morris said ‘Lebanese and Egyptian pressmen, Lonrho and one of Chancery Tripoli’s “usually reliable sources” all agree that a far-reaching agreement was concluded, involving Soviet purchase of BP oil’.\textsuperscript{547} It is quite likely that Jallud’s visit to the Soviet Union at this early stage after the coup of 1969, did not produce any significant results that might be seen as important, as the British

\textsuperscript{543} Ibid, pp 85-88
\textsuperscript{544} Phillips, J. A., Moscow’s thriving Libyan connection.
\textsuperscript{545} Ibid
\textsuperscript{546} Ibid
\textsuperscript{547} TNA, FCO 39-1067, Major Jallud’s visit to Moscow, letter from MJ Robinson to FCO, 23 March 1972.
documents indicated above. There was another factor which increased the concern in Britain over the Soviet-Libya rapprochement. This was the absence of a unified policy in NATO to keep the Soviets out of Libya, but the policy of each country in dealing with the Libyan government was to maintain its interests in Libya, particularly the economic ones. The French had kept a good relationship with the Libyan government, especially in the field of arms trade: France had sold 100 Mirages to the Libyan Air Force at that time (though this was changed later). Italy suffered severely from extremist Libyan politics, the expropriation of Italian property and the expulsion of Italian nationals. The Italians had clearly decided that the only way to deal with Libya was to swallow this and butter the Libyans up. Britain had stuck with the outstanding issues and the nationalisation of BP, and no progress could be made until these logjams were broken. The rest of NATO had kept a low level of relations with Libya.\textsuperscript{548}

Fears of increased cooperation between the Soviet Union and Libya escalated after the second visit of Jallud to Moscow in 1974 after the signing of comprehensive arms contracts between the two countries. Libya had a severe shortage of skilled manpower, offering the Soviets a great opportunity to offer a longer-term training presence and gain political influence in the armed forces and other fields. By the end of 1974 and the beginning of 1975 between 500 and 800 Soviet military technicians went to Libya.\textsuperscript{549} The anxiety of the Western powers, especially the British, rose again in 1975 after Kosygin's visit to Tripoli. Britain expressed concern about this, starting extensive investigations into the impacts of the Soviet delegation's visit to Libya,\textsuperscript{550} especially

\textsuperscript{548} TNA, FCO 39-1067, Jallud's visit to Moscow.
\textsuperscript{549} TNA, FCO 93-605, Libya: arms purchases from Soviet BLOC, June 1975.
\textsuperscript{550} TNA, FCO 93-605, Libya/USSR, letter from R. B. Bone to head of Chancery Minister, 28 May 1975

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when the Soviet Deputy Chief of Staff visited Libya twice, the first time in April as the head of a Soviet military delegation and the second time in May with Kosygin.\textsuperscript{551}

The FCO expressed British fears to the Americans of the Soviet-Libyan rapprochement and the possibility of significant cooperation. The British Foreign Secretary James Callaghan wrote that ‘We (the British) are concerned about the implications of recent Libyan purchases of large quantities of arms from the Soviet Union. There now seems a distinct possibility that the Libyans may be persuaded to make facilities available for Soviet warships or military aircraft’.\textsuperscript{552}

For instance, in mid-1975 there was concern about reports indicating that there was huge cooperation between the Soviets and Libya, especially in the field of armaments. Israeli reports were worried about Soviet activities in Libya. The Israelis said that:

\begin{quote}
Work was starting on new military encampments that would hold tens of thousands of men. The Libyan army was not big enough to need so much accommodation or to use the immense amount of material […] the Soviets had contracted to sell to Gaddafi. If their information was correct it seemed as if a Soviet military and naval presence in Libya was being planned. The target could only be Sadat’s regime in Egypt.\textsuperscript{553}
\end{quote}

Other Italian reports indicate that there were some Soviet military air movements in some Libyan military airports, which might mean preparations to establish a Soviet naval and air presence in Libya. The Italians reported to NATO that:

\begin{quote}
Sixteen Soviet manned aircraft (probably TU-16 Badgers or IL-180s) which are reported recently to have arrived at Misurata airfield. Soviet pilots have also been noticed in the
\end{quote}

\textsuperscript{551} TNA, FCO 93-605, Soviet aircraft and pilots in Libya, letter from A. B. Urwick, to Mr Weir, 10 July 1975.
\textsuperscript{552} TNA, FCO 93-605, Secretary of State’s meeting with Dr Kissinger, Soviet Union/Libya, 12 July 1975.
\textsuperscript{553} TNA, FCO 93-605, Rabin’s visit to Washington, letter from Ledwidge to FCO, 11 June 1975.
Wheelus air base. According to the report, the aircraft and pilots are probably intended to perform air reconnaissance in the Mediterranean basin.\footnote{554 TNA, FCO 93-605, Soviet Aircraft and Pilots in Libya, letter from A. B. Urwick to Mr Weir, 9 July 1975.}

On 10 July 1975, the Italian foreign minister asked the British Secretary of State to raise the Soviet arms supplies to Libya with Henry Kissinger, as well as the consequent threat to NATO in the Mediterranean region.\footnote{555 TNA, FCO 93-605, Soviet aircraft and pilots in Libya, letter from A. B. Urwick to Mr Weir, 10 July 1975.} After that, a very close watch was kept on Libya by NATO, stressing Libya’s key position on NATO’s southern flank,\footnote{556 TNA, FCO 93-605, Secretary of State’s meeting with Dr Kissinger, 12 July 1975.} even though Urwick, the head of the FCO Near East and North Africa Department wrote that ‘there is absolutely no hard evidence as yet that the Russians have in fact established any base facilities in Libya’.\footnote{557 TNA, FCO 93-605, Libya/Soviet Union, letter from A. B. Urwick to Mr Weir, 24 July 1975}

The number of visits between the Soviet Union and Libya increased in the period from 1974 to 1976. This fuelled the worries about the expanding scope of the successful development of bilateral Soviet-Libyan co-operation, especially after Gaddafi’s visit to Moscow in 1976. However, a NATO report showed that Moscow and Tripoli still did not agree with each other on everything.\footnote{558 TNA, FCO 93/1012, letter from R. L. Balfour, Tripoli to G. R. Lawes, Nenad, FCO, 4 January 1977} Despite a number of meetings between the two parties, it seems likely that the Soviet-Libyan cooperation did not exceed what Gaddafi had said earlier, that the friendship and cooperation between the two countries was built on mutual interests of business and not on the match in their policies. There was an agreement in a number of areas in principle, such as support for revolutionary movements in the third world. However, it was also clear that Libya had built its
relations with the Soviet Union on short-term cooperation, depending on the supplement of arms needed. Thus, there was no question of the Soviet Union being able to rely on Libyan support.\textsuperscript{559} In addition, after the European tour by Jallud in 1974, in many European capitals and particularly the Western ones, it seemed clear that there was a kind of balance in Libyan policy between Libyan rapprochement with the Soviet Union and Gaddafi’s attempt to improve his relationship with the West.\textsuperscript{560} It does not appear that 1979 Soviet-Libyan relations had exceeded more than cooperation based on a commonality of economic interests. The primary domain of relations between the two countries was the sale of weapons. Thus, Russian ability to influence Libyan policy was strictly limited. Nor did Moscow obtain military bases or other privileges using Libyan territory.\textsuperscript{561} In March 1979, M. K. Jenner, head of the FCO North East and North Africa Department reported that ‘it is hard to believe that the Russians have any prospect of establishing a base in Libya and we have not seen evidence that they are seriously trying. If they have, it is without success: they have not been granted port facilities for their fleet’.\textsuperscript{562} Although there was no evidence that the USSR obtained a military base in Libya during the 1970s, the British documents show that officials were optimistic (from a UK point of view) about Soviet-Libyan relations. FCO officials came to the conclusion that Soviet-Libyan relations had not reached a level of cooperation threatening British interests in the Mediterranean region.

\textsuperscript{559} NTA, FCO 93-1870, Libya/Soviet Union, letter from Mr Tomky to Mr Daunt and Mr Fergusson, 1979.
\textsuperscript{560} TNA, FCO 93-1870, Libya/Soviet Union, letter from Mr Tomky to Mr Daunt and the defence department, March 1979
\textsuperscript{561} NTA FCO 93-1870, Visit of CDS to Turkey, letter from M. K. Jenner to Mr E. Walsh and Mr P. J. E. Hazelton, 30 March 1979
\textsuperscript{562} TNA, FCO 93-1870, visit of CDS to Turkey, letter from M. K. Jenner to sqn ldr A. E. Shepherd RAF, 30 March 1979

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Cooperation in the military sphere

Most previous studies addressed the issue of Soviet-Libyan relations, and in particular the issue of Soviet-Libyan military cooperation, by focusing on the type, value and quantity of arms obtained by Libya. However, these studies failed to raise questions such as why the Soviet Union became the main source of Libya's weapons. Was the dependence of Libya on Soviet Union arms deliberate policy, or were there other reasons which forced the Libyan government to turn to the Soviets? In addition, these studies did not show whether Libya had tried to obtain arms from the West and specifically from Britain. In other words, to what extent was the failure of Libya to acquire weapons from the West, the main reason to turn to the Soviet Union? Why was Libya unable to acquire weapons from the West, specifically Britain and perhaps France and the United States? After all, how did all this reflect on British-Libyan relations?

The largest Soviet-Libyan cooperation was in the field of military cooperation and the supply of weapons, but when and how this cooperation began must be determined. In addition, the factors must be identified that may have led Libya towards the Soviet Union in order to obtain weapons, as well as the aim of the Soviet Union in supplying Libya with all these large quantities of weapons. Moreover, to see the whole picture, it

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needs to know the British attitude to supplying arms to Libya. The dependence of Libya on buying Russian arms can be interpreted in the light of the failure of Libya to obtain weapons from the West, specifically Britain and America. The three great powers, the United Kingdom, the United States and the Soviet Union had adopted different policies in the supply of arms, especially to the Middle Eastern countries. The British government was concerned about the breach of the balance of power in the Middle East. The Foreign Secretary said that ‘The balance of the military power in the Middle East could very easily be disturbed, and it was important to maintain careful scrutiny of all major arms sales to the area’. 564 He added that:

The problem posed by requests for the sale of Chieftain tanks illustrated this, if we were to agree to supply them to the present Libyan regime he was in no doubt that the Israelis would also want them notwithstanding the acquisition of the inferior American M60 tank, arguing that the military balance had been disrupted. It was noteworthy in this context that the Russians had withheld their T62 tank (a near-equivalent to the Chieftain) from the United Arab Republic. 565

As for the United States, the policy stated in the supply of weapons to the Middle East was to maintain the balance of power in the region which, in effect, meant in practice to ensure Israel's military superiority over its Arab neighbours. This policy meant providing Israel with sophisticated weapons to preserve their superiority. ‘However, the United States also supplies arms to certain Arab States whose attitude towards them is relatively friendly, e.g. Saudi Arabia, Morocco and Jordan’. 566 The Soviet Union had a quite different policy; it used the sales of weapons, particularly in the Middle East

564 TNA, CAB 148-116, Policy for the supply of British military equipment to Israel and the Arab States, meeting minutes, 5 March 1971.
565 Ibid
566 TNA, FCO 17-1321, Policy for the supply of British military equipment to Israel and the Arab States, 27 November 1970.
and other Arab countries, as a means of extending its influence and penetration in these countries. While the Soviet Union’s stated policy was not to prejudice the balance of power in this region, the Soviets gave arms to countries such as Syria, Algeria and Iraq to defend themselves against Zionist and imperialist aggression.\footnote{Ibid.}

The condition of the Libyan army at the end of the 1960s and in the early 1970s was very weak. It was a small force, with poor higher military training and ill-equipped, as well as depending almost entirely on the British and American military forces which existed in Libya at the time to deter all potential aggressors. When Britain and the United States withdrew their troops from Libya, the Libyan army had had only six elderly Centurions tanks. The new rulers of Libya in 1969 realised that, after the withdrawal of the American and British troops from Libya, Libyan territory would be dangerously exposed, particularly in the light of the oilfields which made Libya a tempting prize. Therefore, the RCC made every effort to receive military training and obtain weapons.\footnote{TNA, FCO 39-634, M. I. P. Y. Anglo-Libyan relations, letter from Mr Maitland to FCO, 1 February 1970.} Very early after the change of regime in Libya, Gaddafi regime entered into negotiations with Britain for the arms and military training the Libyan forces needed. Libya justified its need for arms as being an urgent need to build up its military to defend its territories. Jallud said that ‘Libya needed to build her army and if the British government was ready to supply weapons and training, Libya British-Libyan negotiations with respect to Libya obtaining the weapons that were needed did not succeed due to the factors’.\footnote{TNA, FCO 39-634, Anglo-Libyan relations, Equipment and training talks, letter from Mr Maitland to FCO, 27 January 1970}
Mr Maitland said:

We (the British delegation) have now completed the present phase of our discussions with the Libyans. In these talks our aims were, to explore the attitude of the revolutionary command council (RCC) to the Arab/Israel conflict, with particular reference to the role they envisaged for the armed forces as ready as she had previously been to accept them.570

British-Libyan talks did not reach any solution over this matter because of the outstanding issues and particularly the Chieftain tanks. Maitland added that ‘Their desire (the Libyans) to acquire Chieftains inevitably made them take the line that no future relationship between us would be possible unless we agreed to supply these’.571

In early 1972, the Libyan government again pressed for Chieftain tanks, the Libyans giving assurances that Chieftains would not be deployed outside Libya. However, they were turned down for the same reasons as before.572 In the same context and at the same time, the Egyptian government asked to buy 15 Jaguar aircraft as an initial order. The Libyan government had also asked to buy 60-80 Jaguar aircraft ‘and it seems likely that the Libyans will finance both deals’. The Egyptians and the Libyans were turned down, for the reasons that have been mentioned, by the British Foreign Secretary. He said the Russians had played a role in the failure of this deal. They were not pleased with the deal, because this would affect their influence over Egypt, thus they tried to scupper the deal.573 The Minister also said that:

570 TNA, FCO 39-634, Anglo-Libyan relations, letter from Mr Maitland to FCO, 1 February 1970.
571 TNA, FCO 39-634, Anglo-Libyan relations, Equipment and training talks, letter from Mr Maitland to FCO, 27 January 1970
572 TNA, CAB 148/122, Cabinet, Defence and Oversea Policy Committee, Chieftains for Libya
573 TNA, CAB 148/122, Cabinet, Defence and Oversea Policy Committee, sale of military aircraft to Egypt and Libya, memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 10 March 1972
The Americans would also oppose the deal. The Israelis would regard the deal as a highly unfriendly act on our part. They would react violently both here and in the United States and would probably bring us under pressure to supply them with some sophisticated counterweight, thus involving us in the arms spiral.\textsuperscript{574}

Libya also had a problem in obtaining a radar system from Britain because of a disagreement over a radar-integrated system with BAC. Negotiations with France over air defence radar requirements did not succeed.\textsuperscript{575} After the failure of Libya to solve its problem with a radar defence system with the British government, Libya tried to obtain an air defence system from France. Negotiations over this took around a year, but in April 1972 negotiations were broken off and Libya failed to obtain an air defence system from France.\textsuperscript{576} Libya also tried to get arms from the United States. The Libyans asked to buy F5 aircraft, but America refused to sell them.\textsuperscript{577}

The repeated attempts from Libya to acquire arms from Britain and America did not succeed, which was the main reason behind the visit of Jallud to the Soviet Union in 1972. In other words, the lack of access in obtaining arms from the West, specifically from Britain, was behind the turning of Libya to the Soviet Union. The Russians were waiting for this opportunity and they did not miss it. Thus, very soon after Jallud's visit to Moscow, Russian arms began to arrive in Libya.

On 30 June 1972 a Russian Ship (Demyan Bedni) arrived in Tripoli. The ship was carrying weapons and military equipment and was taken later to Okba Ben Nafi base during the nights of 1 and 2 July. The shipment included a number of tracked armoured

\textsuperscript{574} Ibid  
\textsuperscript{575} TNA, FCO 39-1067, Major Jallud’s visit to Moscow, letter from Tripp to FCO  
\textsuperscript{576} TNA, FCO 39-1087, Libya: visit by HMA: brief for HDS, 1972.  
\textsuperscript{577} TNA, FCO 39-1104, Letter from J. C. Kay, to S. L. Egerton, 12 August 1972.
vehicles, ZSU 23 self-propelled anti-aircraft artillery and T34 tanks. The Russian ship left Tripoli on 2 July. There was concern that the Soviet Union may have agreed to supply Libya with advanced hardware, such as MIG 23 missiles and T62 tanks. The biggest concern was about MIG 21s and whether the Soviet Union had agreed to supply these to Libya. There was a doubt that some or all of the MIG 21’s which might be bought by Libya could eventual be delivered to Egypt. It was later proved by the French Ambassador in Tripoli that during Jallud’s stay in Moscow he had indeed asked the Russians for T62 tanks but that they had been turned down.

The Soviet-Libyan arms deal that took place in 1972 was as large as the size of the deal signed between the two countries in Jallud's second visit to Moscow in 1974. Apparently, Libya did not get in 1972 all the weapons requested from the Soviets. For example, the deal signed in 1972 did not include MiG-21 or 23 aircraft or T-62 tanks. It was certain that these types of aircraft and tanks were not obtained by Libya until 1974-75.

What supports this view is that, in 1972, Libya had obtained 100 Mirage aircraft from France, thus it did not seem that Libya was in need of MiG-21 or MiG-23 at the time as the Soviet Union had refused to provide Egypt with this type of aircraft and also refused to provide Egypt with T-62. Therefore, there was no evidence that the Soviet

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578 TNA, FCO 39-1104, Supply of military equipment to Libya, letter from D. Wigan to J. C. Kay, 6 July 1972.
579 TNA, FCO 39-1067, Major Jallud’s visit to Moscow, letter from K. E. H. Morris to Mr Craig, 17 March 1972.
580 TNA, FCO 39-1104, F5’s and MIG 21’s, letter from J. C. Kay to S. L. Egerton, 14 August 1972.
581 TNA, FCO 39-1067, Libyan arms purchases from the USSR, letter from D. Wigan to J. C. Kay, 29 March 1972.
Union had agreed to supply these aircraft to Libya.\textsuperscript{582} Douglas-Home the Foreign Secretary said ‘we are fairly certain that the Soviet Union did not agree... to supply the Libyans with advanced hardware such as MIG 23’s and T62’s’.\textsuperscript{583}

The biggest Soviet-Libyan agreement over arms suppliers was signed in 1974 during the visit of Jallud to Moscow. The value of the deal is not precisely known, but the British documents show that, from reliable reports and observed deliveries, the cost of equipment and training would amount to a minimum of $580 million. ‘Soviet sources are said to have mentioned a value of $800 million but this figure may include earlier contracts’. This disproves Egyptian claims that $12,000 million worth of arms were ordered at the time of Kosygin’s visit.\textsuperscript{584}

The following table shows the Soviet arms supplied to Libya between 1970-1975.\textsuperscript{585}

<table>
<thead>
<tr>
<th>Bloc equipment</th>
<th>1970</th>
<th>mid-1975</th>
<th>apparent targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>T-62/55/54 medium tanks</td>
<td>130</td>
<td>850</td>
<td>1420</td>
</tr>
<tr>
<td>APCs</td>
<td>60</td>
<td>350</td>
<td>500</td>
</tr>
<tr>
<td>Scout cars</td>
<td>25</td>
<td>150</td>
<td>n/k</td>
</tr>
<tr>
<td>MiG-23 (Flogger)</td>
<td>-</td>
<td>13</td>
<td>40</td>
</tr>
<tr>
<td>TU-22 (Blinder)</td>
<td>-</td>
<td>-</td>
<td>12</td>
</tr>
</tbody>
</table>

\textsuperscript{582} TNA, FCO 39-1067, Davignon Committee, letter from J. C. Kay to P. M. Laver, 6 April 1972.
\textsuperscript{583} TNA, FCO 39-1067, Libya/Soviet relations, letter from Douglas-Home to British embassy in Tripoli and Tunis, 23 March 1972.
\textsuperscript{584} TNA, FCO 93-605, Libya: arms purchases from Soviet BLOC, June 1975.
\textsuperscript{585} Ibid
Andrew and Mitrokhin (2005) mention that, the Soviet Union and Libya also cooperated in intelligence and security field. A secret intelligence and security agreement was signed in 1979. However, it does not seem that the cooperation continued for a long period.

The KGB provided training for Libyan intelligence officers in Moscow, gave advice on security and surveillance inside Libya, and supplied intelligence on US activities in the Eastern Mediterranean. In return, Libya provided intelligence on Egypt, North Africa and Israel, as well as assisting the KGB in targeting Western diplomatic missions in Tripoli.\textsuperscript{586}

Libyan-Soviet cooperation in the field of nuclear technology

Libya had tried to obtain nuclear technology since the beginning of 1970s.\textsuperscript{587} However, according to the US intelligence reports, Libya's nuclear program was in its infancy, and it was not developed to the extent to manufacture a nuclear weapon, as well as the lack of expertise in this area.

A number of studies indicate that the Libyan nuclear program started at the beginning of the 1970s.\textsuperscript{588} Since the early of the 1970s, Libya tried to obtain nuclear technology

\begin{center}
\begin{tabular}{|l|c|c|c|}
\hline
SA-2 Batteries & - & 1 & 4 \\
\hline
SA-3 Batteries & - & 2 & 4 \\
\hline
SA-6 Batteries & - & 1 & 3 \\
\hline
SA-7 Portable & - & ?200 & ?500 \\
\hline
\end{tabular}
\end{center}

\textsuperscript{586} Andrew, C., and Mitrokhin, V., \textit{The Mitrokhin Archive II the KGB and the World}, the Penguin group, (London, 2005), pp. 256,257
\textsuperscript{587} Ibid, p 257
\textsuperscript{588} Blanchard, C M., Zanotti, J., Libya: Background and U.S. Relations, (2011) at: http://fpc.state.gov/documents/organization/157348.pdf; Eric A. Croddy and James J. Wirtz,
wherever it could with an aim of developing nuclear weapons. "Unsuccessful attempts to acquire nuclear energy technology […] were subsequently made through contacts with the Soviet Union, the United States, France, India, Pakistan, Japan, and Argentina". Although a numbers of studies indicate that the Gaddafi regime tried to obtain nuclear technology for the development of nuclear weapons, the available British documents open to the public do not include papers concerning this matter. There was a belief that Gaddafi was trying to manufacture a nuclear weapon, or at least was able to do so. A US report indicates that ‘We (the Americans) believe Libya wants to develop a nuclear weapon. The Libyan program is so rudimentary that is not yet clear whether plutonium or uranium will be chosen as the basis for a weapon’.

In the mid-1970s, Gaddafi approached the Soviet Union for developing unclear program in Libya. However, the Soviet delayed signing a contract to provide Libya with its first nuclear facilities until Libya became a member of the Treaty on the Non-Proliferation of Nuclear Weapons (NPT). In late 1975, Libya and Soviet Union signed a contract to build Tajura unclear Research Centre whose construction started in late 1979, with expectation to be handed to the Libyan government in 1981.

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Blanchard, C M., Zanotti, J., Libya: Background and U.S. Relations

O’Reilly, K P., Nuclear Proliferation and the Psychology of Political Leadership, Taylor and Francis Ebooks, (New York, 2014); Colgan, J D., Petro-Aggression When Oil Causes War, Cambridge University PRESS, (Cambridge, 2013); Blanchard, C M., Zanotti, J., Libya: Background and U.S. Relations

Wilson Center Digital Archive International History Declassified, Minute of conversation between Todor Zhivko and Muammar Al-Gaddafi, “the Libyan nuclear program a technical perspective”, 1985.

Ibid

Ibid
The same US report points out that “the program (the Libyan nuclear program) has major problems, including poor leadership and lack of coherent planning, as well as political and financial obstacles to acquiring nuclear facilities”. Overall, the report expressed the lack of Libyan capability to develop an advanced nuclear program in the following 10 years. The report also mentions that the Libyan research centre was small and, thus would find it very difficult to develop a nuclear weapon in such a small centre. “As is the case for all of the activity at Tajura, none of this research is directly related to nuclear weapon development, but it would give the Libyans fundamental nuclear knowledge needed by personnel working in a nuclear program”.

**Economic cooperation**

In the economic field, several agreements were signed between the two countries. On 4 March 1972 and during Jallud's visit to Moscow an economic and technical cooperation agreement was signed. The agreement concentrated in particular on developing Libyan energy resources, oil, training and other branches of the Libyan economy as well as trade cooperation. Other joint cooperation agreements were signed in 1975 during Kosygin’s visit to Tripoli in the field of economic and cultural cooperation. However, it does not seem that these agreements had a significant impact on any Soviet-Libyan cooperation in the field of economic cooperation. The figures and extent of economic cooperation between the two countries do not show

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594 Ibid
595 Ibid
596 TNA, FCO 39-1067. Major Jallud’s visit, letter from Dobes to FCO, 6 March 1972.
597 TNA, FCO 93-605, Kosygin’s visit, letter from Murray to FCO, 18 May 1975.
strategic economic cooperation. The size of Libya's cooperation in the economic sector with Western Europe and, in some cases, with Britain in particular remained much bigger than trade and economic exchanges with the Soviet Union. Despite the apparent rapprochement between the Soviet Union and Libya in the political sphere and in the larger field of military cooperation, the figures and data show that the magnitude of economic cooperation between Libya and the Soviet Union remained small compared to the commercial and economic exchanges with the countries of Europe.

Throughout the 1970s, Western European countries, namely Italy, Germany, France and Britain, were the biggest economic partners to Libya and the biggest exporters to the needs of the Libyan market. In the period from 1972 to 1974, Italy, Germany, France and Japan increased their exports to Libya by 184%, 284%, 215% and 111% respectively; British exports in the same period grew by 31% and in 1974 by only 2.4%. Italy was the biggest economic partner to Libya, followed by Germany, France, Japan and Britain; sometimes Britain came fourth behind Japan. The following table shows the figures of exporters to Libya by different countries.

<table>
<thead>
<tr>
<th>Country</th>
<th>1973</th>
<th>1974</th>
</tr>
</thead>
<tbody>
<tr>
<td>Italy</td>
<td>$176</td>
<td>$353</td>
</tr>
<tr>
<td>Germany</td>
<td>$102</td>
<td>$170</td>
</tr>
<tr>
<td>France</td>
<td>$87</td>
<td>$164</td>
</tr>
</tbody>
</table>

598 TNA, FCO39-608, Anglo/Libyan relations, 1975.
599 TNA, FCO39-608, Anglo/Libyan relations, letter from Murray to FCO, 3 March 1975
Japan coming up fast with 1974 estimated figures of 40 (200 per cent over 1973), and 43 respectively.

Trade between Libya and Britain declined in 1973 as a result of the ban on British imports. The ban was because of the failure to resolve the outstanding issues. However, the trade between Libya and Britain continued to be better than the Libyan trade with the Soviet Union. It had even started to improve by 1974 because of the attempts of the Libyan government to improve its relations with the West in general and Britain in particular.

In 1973, British exports to Libya at about £61 million increased in 1974 to £62.5 million. These British exports were mainly machinery (£28 million), transport equipment (£5.6 million), and medicinal and pharmaceutical products (£4 million). “The annual rise of only 2.4% reflects in part the direct effect of the discriminatory embargo against UK consumable goods imposed at the end of 1973”.

Between 1974 and 1976 the balance of trade saw a clear growth in British exports to Libya. British exports were running at an annual level of £120 and 130 million. The number of Libyan students studying in Britain was rising. There were close links between the medical professions in both countries, and there were developing links in the areas of agricultural and engineering consultancy. This perhaps reflects the Libyan attempt in 1974 to repair its relationship with Britain. By the end of 1976 British exports to Libya increased to £134 million and in 1977 the annual rate was £167 million.

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600 TNA, FCO39-608, Anglo-Libyan trade, report paper from department of trade and industry to R. J. S. Muir,
601 TNA, FCO39-837, Letter from A. B. Urwick to Mr Westbrook, 27 October 1976
602 TNA, FCO39-1009, British trade with Libya, latter from W R Tomks to Mr. Weir and Mr. Judd, 22 November 1977
Judd from the Foreign and Commonwealth Office has described British trade with Libya in 1977 and said ‘Our trade (British trade) with Libya is currently doing well and exports this year are some 26% above last year’s figure’.  

When considering the extent and size of the economic and trade exchanges between the Soviet Union and the countries of the region, it seems clear that Libya is the smallest partner in terms of economics and business with the Soviet Union. Within the Middle East, Egypt stands as the most important economic partner to the Soviet Union. Soviet loan agreements with Egypt started in 1955. It also seems clear that the economic company between the Soviet Union and Egypt was built on a long-term basis. Soviet-Egyptian economic agreements were aimed at developing the Egyptian economy through the development of energy sources and the foundations of strategic industries such as mining, oil, steel and textile industries. "Aside from the Aswan Dam, one of the most significant projects financed with Soviet loans was the $400 million expansion of the Helwan steel mill into a complex including a steel rolling mill, and coking, tar distillation and sheet metal plants". By 1968, the value of Soviet loans and aid to Egypt exceeded more than a billion dollars. In the field of trade, Egypt has exported cotton and rice in exchange for Soviet crude oil, steel, timber and wheat. ‘By 1971, Soviet exports to Egypt amounted to 37% of total Soviet exports to the Middle East’. However, this was affected gradually after Sadat’s expulsion of Russian experts from Egypt. Syria is also one of the biggest economic partners to the Soviet Union. The first

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603 TNA, FCO39-1009, Letter from Frank Judd to the Rt. Hon Lord Houghton of Sowerby CH Chairman, 24 November 1977
604 Schoenberger, E. and Reich, S., Soviet Policy in the Middle East, No. 39, Middle East Research and Information Project, (1975), pp. 3-28.
Soviet credit extended to Syria was in 1957. Trade increased rapidly between the two countries in the period between 1965 and 1968. By 1971 Soviet exports had jumped to Syria, ‘valued at 51.9 million roubles, [they] were roughly double Syrian exports to the USSR’. In the beginning of the 1970s, as difficulties mounted with Egypt, Syria received correspondingly greater attention. In the period 1971-73, Soviet trade with Egypt declined and with Syria it grew steadily from 78.3 to 118.8 million roubles.  

Iraq was the second Soviet trading partner in the Middle East after the UAR in the period 1959-62. By the beginning of the 1960s, more than 20% of Iraq's trade was with the Soviet bloc. The USSR military aid was valued at $300 million and $183 million in economic aid. ‘By 1970, Iraq was eighth among Soviet Third World trading partners and fifth among aid recipients’. In 1971 Iraq obtained a $222 million loan from Soviet Union to be repaid in oil. Iraq was also a trading partner with Hungary, Poland, Bulgaria and Czechoslovakia. In the 1974-75 trade agreement, $1.3 billion was signed between Iraq and the Soviet Union.  

Whatever political differences might exist between Iran and the Soviet Union, they did not affect economic interests. ‘Iran is the USSR's third largest trading partner in the Third World and the second largest customer for Soviet exports in the Middle East’. The Soviet Union has supported several projects for the development of the Iranian economy. In the period between 1963 and 1970, the Soviets extended credits to Iran were worth over $500 million. In 1975 an agreement was signed between the two countries worth $3 billion and exchanges of $2.5 billion over five years.  

In North Africa, Algeria is an important trade partner to the Soviet

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605 Ibid
606 Ibid
607 Ibid
Union. Between 1963 and 1964 the credits extended were valued at $250 million. In the period 1966-69, trade grew rapidly between the two countries, increasing by a factor of ten in the period 1966-69, to over 100 million roubles per year. As for trade with Morocco, the biggest agreement between the two countries was the deal concluded in May of 1974, ‘for the construction of phosphate extraction and processing facilities with most of the output until 1990 going to the USSR in payment. The total value of the project is said to exceed $5 billion’.608 There was no mention of trade between Libya and the Soviet Union before 1969 and this continued at a very low level at the beginning of the 1970s. Soviet imports from Libya were largely Libyan oil valued at 30 million roubles. ‘But there is nothing to indicate that the USSR going to become heavily involved in the Libyan economy, except through the medium of arms, in the foreseeable future’.609

Apart from military trade with Libya, only a few studies show figures of other field of Soviet trade with Libya, even the British documents do not show any high level of trade between the Soviet Union and Libya during the 1970s. Studies which analyse Soviet-Libyan relations are almost agreed that the trade between the two countries is only huge in the field of military trade.610 Trade between the two countries during the 1970s and 1980s was estimated at $100 million per year, in all different field of trade, apart from military trade.611

608 Schoenberger, E. and Reich, S., Soviet Policy in the Middle East
609 Ibid
610 Ismael, T Y., International Relations of the Contemporary Middle East: A Study in World Politics; Phillips, J., Moscow’s Thriving Libyan Connection; Katz, M N., Russian-Libyan rapprochement: What has Moscow gained?, Middle East Policy,( 2008), pp. 122-128
611 Katz, M N., Russian-Libyan rapprochement: What has Moscow gained?
The following table shows the Soviet-Libyan trade in 1970s ($US).\textsuperscript{612}

<table>
<thead>
<tr>
<th>Years</th>
<th>Export to the USSR</th>
<th>Import from the USSR</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976</td>
<td>---------------</td>
<td>20,371</td>
</tr>
<tr>
<td>1977</td>
<td>104,292</td>
<td>20,042</td>
</tr>
<tr>
<td>1978</td>
<td>156,228</td>
<td>29,791</td>
</tr>
<tr>
<td>1979</td>
<td>427,318</td>
<td>130,399</td>
</tr>
<tr>
<td>1980</td>
<td>443,072</td>
<td>251,676</td>
</tr>
</tbody>
</table>

Conclusion

Throughout the period between the collapse of the monarchy in Libya in September 1969 and 1975, there was no strategic rapprochement between the Soviet Union and Libya that was considered a threat to Western interests in the region. Until the end of 1972, Gaddafi was trying to obtain weapons from the West, namely Britain, France and America, to avoid depending on Soviet Union to supply arms. But he failed to resolve the issues of arms contracts with Britain. In addition, France refused to sell Libya a French air defence system instead. All these factors made Libya turn to the Soviet Union to buy arms. The period from 1970 to 1975 did not mark any Soviet-Libyan strategic cooperation, apart from supplying weapons. This was because ideological and political differences strongly affected the close cooperation between the two countries. In short, the main purpose for Libya to turn to the Soviet Union at this stage was to obtain weapons.

No change occurred in Soviet-Libyan relations until December 1976, when Gaddafi visited Moscow for the first time. The visit marked the first shift in Libya’s attitude towards the Soviet Union. This change was clear in the tone of political discourse in Libya. The General People's Conference (Libyan Congress) for the first time called for strong friendship with all socialist countries, and especially the Soviet Union. Both sides had their own reasons to cooperate. For Libya, Gaddafi was afraid of the growing US presence in Egypt, which might have led to the overthrow of his regime in Tripoli because of his hostility to both the Sadat regime and the peace process with Israel. The Soviet Union was expelled from Egypt, excluded from the peace process in the Middle
East, and wanted to limit US influence in the region. Hence the interests of both countries were aligned to be against Egypt and American influence in the region.

In other words, Libya’s cooperation with the Soviet Union at this stage was for protection, and was not developed to be directly against or to confront Western interests in the region, even if it was considered to be a service to the Soviet Union in the area. Therefore, the Libyans’ cooperation with the USSR was for their own protection purpose and not to oppose Western interests in region. Surely it was to counter-balance US support for Egypt. In other words, whatever was said, it was indeed anti-Western as well as anti-Egyptian.

Despite all this, this did not translate on the ground into any action that would alter the balance of power in the region, nor did it reach the point of threatening Western interests in the region. Until the end of 1979, there was no proof that the Soviet Union received any privileges on Libyan territory or acquired military bases in Libya. In addition, what was promoted by the media about the existence of a Soviet base in Libya and the presence of some secret agreements between the Soviet Union and Libya has not been proven.

The poor nature of Soviet-Libya cooperation emerged clearly two years after 1979, when US aircraft shot down two Libyan aircraft over the Gulf of Sidra. This incident showed how limited Soviet support for Libya was. Therefore, this Soviet support did not reach the degree of changing the balance of power between the East and the West. Based on this, what promoted by the Egyptian media and the West, especially the British was not true, but led only to amplify the Soviet-Libyan rapprochement without
any evidence. Moreover, what occurred in the region in general was fundamentally a result of the conflict between the United States and the Soviet Union to secure their interests, rather than a shift in Libyan policy. In other words, the competition to control the areas of influence in the Middle East and the Mediterranean basin was the main motive. Thus, this was one of the effects of the Cold War era on the region. In short, it is clear that the policy of Libya at this stage was mainly of two dimensions: one was directed against Egypt and the peace process between Israel and Egypt, while the other sought Soviet protection.

Regarding the influence of the Soviet-Libyan relations on the British-Libyan relations, the biggest loss to Britain was the major arms contracts with Libya to the benefit of the Soviet Union, such that the Soviet Union became the largest exporter of weapons to Libya instead of Britain. This led to the collapse of the British project which began in 1968 and aimed to develop the arms trade with Libya to stimulate the falter British economy. In other words, the effect of Soviet-Libyan relations in the 1970s on British was more economic than strategic or political. Libya was not any more an important strategic place; after British withdrawal from East of the Suez Canal, while when the United States replaced Soviet influence in Egypt, a further weakening of the logic of Libyan-Soviet collaboration occurred.

In relation to the Soviet-Libyan unclear technology cooperation, it should be mentioned here that despite repeated attempts by Libya to obtain advanced nuclear technology from different sources particularly the Soviet Union, the Gaddafi regime did not succeed in this. Libyan Soviet cooperation in this area did not start until the
late 1970s. As stated in the CIA report, the nuclear research centre, which provided by the Soviet in Tajura has no capability to develop a nuclear weapon.\textsuperscript{613} In addition to the Libyans’ lack of ability to produce nuclear weapons, the Soviets started to their concern about Gaddafi’s international policy. "Collaboration, however, steadily declined as Moscow became increasingly concerned by Gaddafi’s reputation as the godfather of international terrorism".\textsuperscript{614}

\begin{footnotesize}
\begin{itemize}
\item \textsuperscript{613} Wilson Center Digital Archive International History Declassified, Minute of conversation between Todor Zhivko and Muammar Al-Gaddafi
\item \textsuperscript{614} Andrew, C., and Mitrokhin, V., \textit{The Mitrokhin Archive II the KGB and the World}, p 257
\end{itemize}
\end{footnotesize}
Chapter Five: Libyan-Irish Republican Army (IRA) relationship and its impact on British-Libyan relations 1972-1979

The issue of Libya’s support for the IRA has been one of the main points of contention between the British and Libyan governments. Very few studies have discussed this matter or even made reference to this dispute, which is perhaps due to the lack of archival material available on this subject. Previous studies of this subject, which are very limited, did not explain the nature of this dispute, why Gaddafi supported the IRA or what Britain’s position on this Libyan attitude was. In addition, the previous studies did not indicate the extent of damage caused to British Libyan relations as a result of Libya’s support for the IRA. Additionally, no study has accurately reported data on the extent of the support Gaddafi actually provided to the IRA. There is a difficulty even in this study to determine the size of support as a result of the lack of archival material in this regard. There are also no previous studies that have discussed the negotiations that took place between the British and Libyan governments to resolve this matter, nor what the outcomes of these negotiations were. This chapter will explore all of this, and highlight the most important reasons for this absence of information. The chapter will attempt to answer all of these questions through available archival material. In other words, the main aim of this chapter is to trace the dispute’s stages of growth, causes, its impact on British-Libyan relations, the size of Libyan support for the IRA and whether Britain succeeded in stopping Libyan support for the IRA and what tools Britain used in order to do so, and what was the impact of Libyan-IRA relationship on the British-Libyan relations in 1970s.
Libya’s early relationship with the IRA

Gaddafi declared his support for the IRA in June 1972. This event came at a time when British-Libyan relations were almost at a complete standstill. It also came at a time when the conflict in Northern Ireland, which began in August 1969, had reached an acute point. When Gaddafi announced his support for the IRA, there was a problem of outstanding issues that had not been resolved, and negotiations in this regard had come to a dead end, as discussed in the previous chapters. Then there was also the issue of the nationalisation of BP assets in Libya, leading to the effect that all of the negotiations were aimed at resolving outstanding issues between the parties and, as a result, establishing new relations between the two countries was suspended. In all of these circumstances, Gaddafi declared his support for the IRA. This caused relations between the two countries to descend to an even worse level. The British government even considered cutting diplomatic ties with Libya, but did not do so. The British government considered that breaking the diplomatic relations with the Libyans would strongly affect their remaining trade interests in Libya. The FCO expressed its view that ‘A break in diplomatic relations would probably only lead Gaddafi to take further damaging measures against our remaining interests in Libya, especially Shell's investment[...]and our lucrative export trade[...]we would only succeed in hurting ourselves more than we could hurt the Libyans’.615 The FCO added that ‘Gaddafi's statement should therefore be treated with the contempt that it deserves but no steps should be taken which would be likely to damage our own interests either in Libya or in the Arab world’.616 In June 1972, Gaddafi announced his support for the IRA in a

615 TNA, FCO 39/1087, Cabinet Overseas Affairs, Libya, 15 June 1972
616 Ibid
public speech. He strongly criticised Britain, said he considered Britain to be an imperialist state, and accused Britain of handing Palestine over to the Jews in 1948. Gaddafi went on to say that Britain was working against Arab interests, having handed Palestine over to the Jews, then giving the islands of the Arab Emirates to Iran in 1971. Therefore, Libya saw nothing wrong with supporting the IRA against British colonialism.⁶¹⁷

Unpublished papers show that there were inconsistencies between copies of Gaddafi’s speech. Joseph Godber, who was the Minister of State for Foreign and Commonwealth Affairs, said that, according to the British transcript of the live broadcast of the speech, Libya stands by the IRA and supports their struggle against British colonialism. According to Gaddafi, there were weapons available and significant support within Libya for the revolutionaries of Ireland.⁶¹⁸ However, the British ambassador in Tripoli said that ‘His copy of Gaddafi’s speech did not include any passage about arms’.⁶¹⁹ Colonel Dakhil, the head of Libyan Military Procurement, also said that there was misunderstanding of Gaddafi’s speech that was resulted from the misinterpretation of his speech.⁶²⁰ Dakhil added that ‘when Colonel Gaddafi had spoken of arms for the Irish revolutionaries he had not meant, as Craig would know from his knowledge of Arabic, arms, but only moral support’.⁶²¹

Also according to the British transcript, Gaddafi said that he would fight Britain in its own backyard, and would create problems within the country itself. The Ambassador

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⁶¹⁷ TNA, FCO, 39/1087, Libyan agency report on Northern Ireland, 13 June 1972
⁶¹⁸ TNA, FCO, 39/1087, Letter from FCO to British embassy in Tripoli, 12 June 1972
⁶¹⁹ Ibid
⁶²⁰ TNA, FCO, 39/1087, Letter from FCO to British embassy, 22 June 1972
⁶²¹ Ibid
had a different view on this subject. He argued that this passage could refer to political support: it did not necessarily imply a war or the supply of arms. These differences of interpretation also suggest differences of approach to Libya in the UK. They perhaps tell us more about divergent policies and mind-sets than they do about British Government’s intentions. A British transcript of the live broadcast of the speech Gaddafi gave about his support for the IRA also included indistinct words.\(^{622}\) This shows that confusion was likely in terms of the understanding of certain words or phrases in the speech. Mr W R M Michel, a managing director, had supported a similar view of the Ambassador. He stated that he did not believe that Gaddafi was serious when he said that there were arms and support for the IRA. Michel went on to say that by “arms” Gaddafi was more daydreaming than anything else.\(^{623}\) Michel wrote that:

I do not imagine that he (Gaddafi) has actively considered supplying “weapons”, but he may well have considered putting money in the hands of the IRA […] would it not be better to realise that Gaddafi is unstable and whilst he has to be watched, his words must not be taken at face value.\(^{624}\)

Gaddafi’s speech, in regards to Northern Ireland, in the British translated version, is as follows:

At present we (the Libyan) support the revolutionaries of Ireland, who oppose Britain and who are motivated by nationalism (Arabic: qawmiyah) and religion (applause and cheers). The Libyan Arab Republic has stood by the revolutionaries of Ireland. It maintains strong ties with the Irish revolutionaries. There are arms and there is support for the revolutionaries of Ireland.\(^{625}\)

Gaddafi went on to say ‘We (the Libyans) have decided to fight Britain in her own home. We have decided to create a problem for Britain and will wake up and realize

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\(^{622}\) TNA, FCO, 39/1087, Letter from FCO to British embassy in Tripoli

\(^{623}\) TNA, FCO, 39/1087, Letter from W R M Michel managing director, to A J M Craig, 12 June 1972

\(^{624}\) Ibid

\(^{625}\) TNA, FCO, 39/1087, Gaddafi’s evacuation day address, Libyan Radio in Arabic, 11 June 1972
(words indistinct) on her own territory. We still proclaim on this day that we are with
the revolutionaries of Ireland’. These different readings of Gaddafi’s speech show
that there was probably some misunderstanding of what Gaddafi exactly said. He later
denied that he had sent any material support to the IRA. Regardless, there was a
strong belief on the British side that he had indicated support would be provided to the
IRA. Regardless of whether this support was moral or material, Gaddafi’s speech came
at a time when British-Libyan relations had been at their worst since September 1969.

**Gaddafi’s reasons for supporting the IRA**

Previous studies argue the issue of Gaddafi’s support for the IRA very briefly, and no
significant details were found in the literature review in this regard. In addition, these
studies did not provide a clear reason for Gaddafi’s support for the IRA. Therefore,
the documents available, some of which have not been previously published, will shed
light on the causes of Gaddafi’s support for the IRA. However, these documents do not
refer to the particular reasons behind his support. Therefore, it is very complex and
difficult to nail down specific reasons. This study will examine Gaddafi’s speech

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626 Ibid  
627 TNA, FCO 87/785, Letter from Owen to Routine Sonn, 28 December 1978  
supporting the IRA in June 1972, the stage of British-Libyan relations at that time and any particular issues between the two countries which may have led to hostile Libyan acts. This thesis will point out the most likely reasons behind Gaddafi’s support for the IRA. The author’s command of Arabic enables him to compare the actual test of the speech with the diverged interpretation debated within the FCO.

In his speech Gaddafi argued that he had two reasons for supporting the IRA. He stated that he supported the IRA, African Americans and African American Muslims, and other liberation movements. He claimed that his view was predicated on the basis that this was one of the most important principles of the September 1969 revolution. The previous studies argue this point of view as a reason behind Gaddafi’s support for the IRA. However, this study does not strongly support this, as it will be discussed below.

On 13 June 1972 the Libyan government’s news agency extensively backed Gaddafi’s IRA speech by saying that ‘The attitude of the Libyan Arab Republic on the question of Northern Ireland was one of these stands which gave a clear idea of the committed policy of supporting the issues of liberation from colonialism in the world in accordance with the revolutionary principles of the revolution’. On October 7, 1972, Gaddafi explained Libyan policy towards the subject of Ireland by saying that Libya does not interfere in British affairs but cannot ignore what goes in Ireland. As such, Libya’s position toward the issue stems from the right that people have toward self-

629 TNA, FCO, 39/1087, Gaddafi’s evacuation day address
631 TNA, FCO 39/1087, Libyan agency report on Northern Ireland, 13 June 1972
determination and that the issue of the Irish people is one case of advocating self-determination. Thus, it is a positive and just stand, Gaddafi said.\(^{632}\) Subsequently, Gaddafi continued to declare and refine his position towards the Irish cause, not as an act of aggression against Britain, but as support of the right of the Irish people toward self-determination, which he stated was one of his personal principles.

What Gaddafi said here contradicts with the claims that he said he would cause trouble within the UK in response to the UK handing Palestine to the Zionist movement.\(^{633}\)

In an interview which Gaddafi gave to Italian Channel 2 in March 1978 concerning the IRA, he again said ‘We believe it is just (the Irish struggle) and we always support just causes’.\(^{634}\) He also again talked of the issues of the UAE islands and Palestine. He said ‘If they (Irish rebels) want to achieve freedom for Ireland, then we are with them. If they want to fight Britain, then we are with them, because Britain handed Palestine over to the Jews and handed the Gulf Islands to Iran’.\(^{635}\)

Gaddafi had created a link between the Palestinian issue, the UAE islands issue and his support for the IRA. In other words, he said his support for the IRA was a response to Britain handing over the UAE islands to Iran and Palestine to Jews.\(^{636}\) This gave him popularity in Libya, and perhaps in the Arab world, which no doubt he needed at the beginning of his rule. However, it cannot be taken as the only and actual reason behind

\(^{632}\) TNA, FCO 39/1088, A Libyan view of the Irish problem, letter from I L Blackley, K E H Morris, 16 October 1972
\(^{633}\) See page276
\(^{634}\) TNA, FCO 93-1379, Libya and the IRA, 27 April 1978
\(^{635}\) TNA, FCO, 39/1087, Gaddafi’s evacuation day address
\(^{636}\) Ibid
his words. Gaddafi had done such a thing previously when he tied Libyan nationalisation of BP assets to the issue of the UAE islands, and this was proved wrong (see chapter three). Considering what Gaddafi said, it can be clearly noted that his speech was full of emotional slogans, which strongly supported the theory that he was seeking a popularity increase in the Arab world in particular and the Muslim world in general.

Gaddafi argued that:

> After these national victories the people of the Libyan Arab Republic went to fight battles not only on the domestic level but also on the national level; from the first day this people raised the slogan of the pan-Arabism of the battle and declared that their freedom was incomplete and would remain incomplete as long as there was a single Arab people still enslaved.\(^{637}\)

He used phrases and slogans, such as freedom, socialism, supporting liberation movements and support of the self-determination of people. These slogans were widely known in the Third World, widely used by many leaders, such as Nasser, Egypt’s president, in the 1950s and 1960s, and were then used by Gaddafi in the 1970s and 1980s. Thus, it was clear he was using both issues emotionally in order to influence people. It is a fact that Gaddafi wanted to become an international leader, and he tried hard to replace Nasser in the Arab Nation, though he failed to do so.\(^{638}\) His ambition to become an international leader had strongly affected his foreign policy. This led him to commit some acts that were considered to be actions of terrorism, such as his support for the IRA. Gaddafi’s foreign policy and his ambitions argued widely in chapter two.

It can be also noted that he had tried hard to look like a champion who was defending

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\(^{637}\) TNA, FCO, 39/1087, Gaddafi’s evacuation day address  
\(^{638}\) TNA, FCO 93-2345, Libya expansionism in Sub-Saharan Africa, 1980
the rights of the Arab people, so he linked the question of Palestine and the UAE islands with support of the IRA. Undeniably, the Palestinian issue is a very sensitive issue for Arabs and Muslims. Thus, Gaddafi used these two issues in order to gain the support of the Arab and maybe even the whole Islamic world. He stated that ‘Libyans were martyred on Palestine territory […] Hundreds of Libyans are in the ranks of Palestine resistance […] Libyan blood mingled with Palestinian blood for the sake of Palestine’.

Again, he expressed a view on the UAE islands:

As for the Arabian Gulf problem, we announced last year that we could never ignore developments in and Arab country, whether in the Gulf or the Ocean […] We declared at that time that if Britain did not want to withdraw from the Arabian Gulf, we would become a party to the fighting against the British presence in the Gulf.

His speech was clearly directed to both Libyans and the Arab people by saying that:

However, and true to her treacherous habit, just as she had handed Palestine over to the Jews […] Therefore, the Libyan deals two blows to imperialism in return for each blow received, and gives it tit for tat[…] We do this and we announce it because we want to affirm to the world that the Arab nation is capable of moving from the defensive to the offensive.

Therefore, the conclusion that can be drawn is that Gaddafi’s support for the IRA was related to more than just the principle of both Palestine and the UAE islands. This strongly supports the idea that there was something else behind Gaddafi’s support for the IRA. His principles led to his support of liberation movements including the IRA. However, there was a clear difference between what he was saying to the media, and

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639 Ibid
640 TNA, FCO, 39/1087, Gaddafi’s evacuation day address
641 Ibid
what he was saying to the British Ambassador in Tripoli privately. While he was saying publicly that his stand for the IRA was because he supported liberation movements, he was saying privately to the British that British-Libyan relations were more important to Libya than Libyan-Irish relations. This will be deeply discussed in this chapter. So, if Gaddafi’s principles were not behind his support to the IRA, then what was the reason for this public show of support? To investigate this, one needs to explore the period of tension on the subject of the IRA. Subsequently, one can come to see if there were any reasons for the disagreements that existed between the two parties and if these may have led Libya to adopt a position of hostile behaviour toward Britain. Documents indicate that the problem of outstanding issues had continued and even became increasingly complex, especially in light of the lack of access to a solution. In addition, Britain refused to supply weapons to Libya because of its hostile attitude towards Israel. Thus, these two factors will be discussed, in order to explore whether these moves were behind Gaddafi’s hostilities towards Britain and whether this caused him to support the IRA.

The third reason was continued unsettled outstanding issues, particularly the air defence issue, and the Libyan failure to obtain arms from Britain. The British government refused to recognise the outstanding Libyan issues, and refused to supply Chieftains and Jaguar aircrafts. These matters had an impact on British-Libyan relations, leading the Libyans to act in a hostile manner against the UK. Unpublished documents indicate that both the unsettled outstanding issues and the turning down of

642 TNA, FCO 93-611, Anglo/Libyan relations, letter from Murray to FCO, 20 April 1975
643 TNA, FCO 39/638, Record of a meeting of the Anglo-Libyan Committee held at the Foreign and Commonwealth Office

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Libyan requests for arms were the main reasons for such hostile Libyan acts against Britain, including their support for the IRA.

Indeed, what was missed out in the literature review is that in his speech in June 1972, Gaddafi mentioned the air defence system dispute, and described it as one of the two main disputes between Britain and Libya. Gaddafi argued that ‘There were two issues between us (the Libyans) and Britain, a domestic and a national issue. The domestic problem was one of air defence and the relations which existed between us and Britain. The other problem was that of Britain's presence in the Arab Gulf’.

The failure of the Gaddafi regime to settle the issue of the air defence system resulted in the loss of its £32 million contract deposit. The tension over this matter grew during the period between December 1969 and December 1971. The Libyans demanded to get their £32 million deposit back, which BAC refused to pay. No solution was reached until BP was nationalised in December 1971, and the British suspended the outstanding negotiations. Thus, it can be assumed that both the nationalisation of BP and the rejection of British government to resume outstanding negotiations made the situation between the two countries even worse.

Mr Suleiman Grada, a Minister at the Libyan Embassy in 1972 and previously a private secretary to Colonel Gaddafi, said ‘Colonel Gaddafi feels very strongly about the BAC contract, according to Grada. A failure to settle this question was for him an obstacle

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644 TNA, FCO, 39/1087, Gaddafi’s evacuation day address; TNA, FCO 39-1087, bilateral relations, letter from Tripp to FCO, 12 June, 1972
645 TNA, FCO 39/636, Anglo-Libyan relations, BAC/Libyan Air Defence Scheme; TNA, FCO 39-637, record meeting of Anglo-Libyan committee
to better Anglo-Libyan relations’.646

At that time, both Gaddafi and Jallud stated that, if the British government would give a satisfactory settlement to the Libyan government on the subject of the outstanding issues, Libya would give a satisfactory settlement to the British government on the subject of Northern Ireland. In a conversation between Jallud and Peter Tripp, the British Ambassador in Tripoli, Jallud said that bilateral problems between the two countries remained without a solution. Tripp states that the reasons for this were two distinct issues. First, Libyan support for the IRA, and second, progress on the BP compensation issue. The Ambassador said that Gaddafi’s attitude to the IRA was not helping to normalise the relationship between the two countries. Jallud clarified that, if the British government provided positive responses and practical steps in regard to the outstanding financial and military issues between the two parties, then the other problems he had mentioned previously would be solved.647 In a letter from Tripp to FCO he said that:

At no time did Jallud raise the matter of compensation for the BAC air defence contract as a pre-condition for talks. As regards our own two requirements – the abandonment of Libyan support for the IRA and satisfactory progress on BP – I gained the impression from Jallud that these would not be forthcoming before the Libyans had proof of a positive attitude on our part to the subjects he had raised.648

In the same context, Gaddafi met Donald Murray, the British ambassador, in April 1975. Gaddafi told Murray that if the relationship improved between the two countries, and Libya received a full normalisation of relations, he could help the British

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646 TNA, FCO 39/1083, Views of minister at Libyan embassy, letter from K E H Morris to Mr Kay, Mr Craig and Mr Hunt, 4 February 1972
647 TNA, FCO 93-19, Anglo/Libya relations, letter from Tripp to FCO, 8 December 1973
648 Ibid
government solve the Irish matter. It can be added that, from the Libyan side, there were no problems with the British government apart from the aforementioned outstanding issues. At the same meeting, Murray asked Gaddafi for a public assurance that he would not give arms, money or moral support to any of the extremist groups in Northern Ireland, which the British government could then use to justify its position when normalising a relationship with Libya. Gaddafi said to the British Ambassador that:

If HMG were seeking friendly relations with Libya this would be sufficient for British ministers to use in the House of Commons. It was in the interests of the HMG to move forward in this way. The better our relations became, the better we could understand each other “and the better he (Gaddafi) would understand the Irish problem”.

It was probable that Gaddafi and Jallud were bargaining to stop their support for the IRA in exchange for settlement of outstanding issues and full normalisation in relations. In other word, it can be concluded that through the signals that were sent by Gaddafi and Jallud to the British government in relation to the problem of outstanding issues and the issue of supporting the IRA, it does not seem that Gaddafi’s support for the IRA is related to his ideological principles, as much as it was quite likely a bargaining, to settle the Libyan claim. However, there was a misperception of both sides on what was negotiable, and what was not.

In the context of the Libyan-British disputes on arms contracts, Britain’s refusal to supply arms to Libya was considered by the Libyans as evidence of British support for
Israel. One cannot separate this from Libyan hostilities against Britain, and this more likely fostered Libya’s support for the IRA. Since the early days of the British-Libyan negotiations over the Chieftains, the Libyans said that not supplying the Chieftains would be considered as evidence of supporting Israel. Thus, there is no doubt that the dispute over the arms supplies had a significant impact on the British-Libyan relationship. In other words, it drove some of the hostile Libyan actions against Britain. At the beginning of 1972, the British government suspended its sub-machine guns deal with Libya and stopped the delivery of the rest of this arms shipment, because some of these guns turned up in the hands of the Palestinians. As such, the Libyans viewed this as indirect support to Israel. The Libyan Ambassador in London told the FCO that ‘The British are not prepared to sell Sub-Machine guns to us, yet they sell submarines to the Israeli […] the feeling against the submarine sale was growing in Tripoli’. In addition to that, at the beginning of the Libyan British negotiations on the outstanding issues, Jallud confirmed that British rejection to supply Chieftains tanks would be considered as a support to Israel.

At the beginning of March the Libyans had formally requested to buy the Chieftains tanks again. These tanks were a touchstone in the view of the Libyans. Mr Michel from United City Merchants expressed that in a conversation with Gaddafi by emphatically stating ’that he was willing to sign a state treaty guaranteeing that the

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652 TNA, FCO 39/634, Record of the second session of the Anglo-Libyan equipment and training talks
653 TNA, FCO 39/1083, Anglo-Libyan relations, letter from J C Kay, to Mr Parsons, 3 March 1972
654 TNA, FCO 39/1083, Anglo-Libyan relations, letter from FCO to British embassy in Tripoli, 23 March 1972
655 For more details see: TNA, FCO 39/634, record of the first session of the Anglo-Libyan equipment and training talks, and chapter 2.
656 TNA, FCO 39/1083, Anglo-Libyan relations
Chieftains would not be allowed out of Libya'. According to Michel, Gaddafi 'implied in the event of a satisfactory Chieftain he deal was willing to offer BP participation – presumably in the running of the Sarir field'.\textsuperscript{657} This clearly reflected that Gaddafi was still willing to obtain the Chieftains. K E H Morris in the North African department argued that ‘Chieftains also reared their ugly head again. Grada said they still wanted them. When it was suggested that their 200 T54’s and 55’s were sufficient he said no and in any case they could afford more and Colonel Gaddafi did not trust the Russians’.\textsuperscript{658}

In early 1972, both Libya and Egypt formally requested to buy Anglo-French Jaguar aircraft. Egypt requested 15 aircraft; the Libyans 60-80.\textsuperscript{659} All of these requests were turned down. The distrust the British felt for the Libyans was the main reason.\textsuperscript{660} The FCO emphasised that ‘We can never guarantee positive results from gestures designed to improve our relations while he remains in charge in Libya. Gaddafi’s assurance about the use of Chieftains could not be trusted. If we accepted it we should appear disingenuous unless we offered Chieftains to the Israelis also’.\textsuperscript{661}

The FCO was against the supply of aircraft to Libya and Egypt, stating that this would be viewed as a significant threat to Israeli cities, and would have increased Sadat’s capacity to negotiate the Israeli withdrawal from Sinai. The FCO added 'the Americans

\textsuperscript{657} Ibid
\textsuperscript{658} TNA, FCO 39/1083, Views of Minister at Libyan embassy
\textsuperscript{659} TNA, CAB 148-122, DOP (72) 14, Chieftains for Libya, Cabinet Defence and Overseas Policy Committee, Memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 10 March 1972
\textsuperscript{660} TNA, CAB 148-122, DOP (72) 13, Chieftains for Libya, memorandum by the Secretary of State for Foreign and Commonwealth Affairs, 10 March 1972
\textsuperscript{661} TNA, CAB 148-122, DOP (72) 13, Chieftains for Libya
would also oppose the deal […] the Israelis would regard the deal as a highly unfriendly act on our part’.\footnote{TNA, CAB 148-122, DOP (72) 14, Chieftains for Libya} Godber, the Secretary of State for Foreign and Commonwealth Affairs added that ‘They (the Israeli) would react violently both here and in the United States, and would probably bring us under pressure to supply them with some sophisticated counterweight, thus involving us in the arms spiral. They would not scruple to punish us commercially’.\footnote{Ibid}

Thus the Libyan and Egyptian requests were turned down. Craig, of the FCO Near East and North Africa Department noted: ‘We have also been very restrictive on larger items because of Libya's intransigent attitude towards Israel. In the last year we have turned down Libyan requests for Oberon sub-marines, Sea King helicopters, naval mines, Sterling submachine guns and a variety of small arms and explosives’.\footnote{TNA, FCO 93-366, Letter from A J M Craig to Mr Weir, 13 June 1974}

It can be concluded that there was no doubt the Libyans were well aware that Britain had put restrictions on the export of arms because of their position on the Arab-Israeli conflict, and they considered this as evidence of British support of Israel. This in turn had an impact on Gaddafi’s policies towards Britain, leading him to adopt hostile actions against British interests, including support of the IRA. Indeed, Gaddafi had mentioned this in his speech in June 1972, where he spoke of a link between his support for the IRA and the Palestinian issue. He said that ‘the weapons used in the Dayr Yasin […] were British weapons […] when we offer […] arms to the Irish revolutionaries […] so that the freedom of the enslaved man in Ireland can triumph with these arms’.\footnote{TNA, FCO. File. 39-1087, Gaddafi's evacuation day address}
Deliberately or inadvertently, the outstanding financial and military issues between the two countries were increasingly linked to political problems between the two. While Libya was demanding a separation of the financial claims from the political matters, the British government was concerned with a financial settlement that depended on satisfactory assurances from the Libyans about Northern Ireland. Thus, the British considered that, if the Libyan government would not accept the British view on this subject, this meant that Libya had no intention of satisfying Britain on Northern Ireland, and the British government would do the same on the outstanding financial claims.\(^6\)

From the above discussion it is clear that there are three factors that were behind Gaddafi’s support for the IRA. However, it is more likely that the dispute relating to Ireland was based on unresolved financial and military issues, and the Libyan failure and disappointment in obtaining the arms they wanted, than on other factors.

The British government response to Gaddafi’s support of the IRA

As a first reaction from the British government, the FCO summoned the Libyan ambassador to Britain, and made a strong protest against what Gaddafi had said in his speech.\(^7\) The British government stated to the Ambassador that Colonel Gaddafi was becoming increasingly unbalanced. On June 15 the cabinet suspended negotiations between the two countries regarding the sale and delivery of certain types of weapons, which they had previously agreed to sell to Libya.\(^8\) The military equipment and weapons delivery that was suspended as a consequence of Colonel Gaddafi’s speech

\(^6\) TNA, FCO. File. 93-833, Anglo/Libyan relations, letter from R L Balfour to FB Wheeler, and FCO, 17 August 1976
\(^7\) TNA, FCO 39/1087, Letter from A D Parsons to Mr. Renwick, 12 June 1972
\(^8\) TNA, FCO 39-1087, Overseas affairs, Libya, cabinet meeting, 15 June 1972
on June 11 was as follows:

10,000 Mark IV Sterling Sub-Machine guns; Carl Gustav anti-tank launchers and ammunition; 300 individual weapon sights out of a total order of 2,400 sights for Libya and Egypt, manufactured by Rank Precision Instruments.\(^669\) In August 1972, and as a result of the strong protest by the British government, Libya made a statement about Gaddafi’s speech. They stated that Libya’s attitude toward Northern Ireland could not in any way be considered as interference in the internal affairs of the United Kingdom or Northern or Southern Ireland while declaring that it [was] a principle of the September revolution to stand on the side of absolute right.\(^670\)

Libya later requested the British government to resume deliveries of small arms, which it had suspended. The Libyan foreign minister demanded that Britain treat the Libyan statement as a retraction of Colonel Gaddafi’s earlier speech, and that he regarded it as an assurance that Libya would not provide arms to the IRA. However, the British could not regard the statement as a satisfactory and sufficient response that allowed them to resume deliveries of small arms.\(^671\) On 25 August, the British government informed Mr Kikhiya, the Libyan Foreign Minister, that the Libyan statement was a step in the right direction; however, it was inadequate as grounds for resuming deliveries of small arms.\(^672\) The British Ambassador Mr Tripp wrote ‘We [the British government] could expect further oral or written assurance on the use of these weapons. This was needed

\(^{669}\) TNA, FCO 39/1087, Letter from A J M Craig to Mr. Khairy Mohammed Ben Amer Embassy of the Libyan Arab Republic, 17 June 1972

\(^{670}\) TNA, FCO 39/1088, Libyan government statement on Northern Ireland, letter from Khairy M, Ben Amer to A D Parsons, 16 August 1972.

\(^{671}\) TNA, FCO 39/1088, Letter from A J H Craig to Mr. Le Quesne and Mr. Goulding, 24 August 1972

\(^{672}\) TNA, FCO 39/1088, Letter from Douglas-Home to British Embassy in Tripoli, 25 August 1972
before supply could recommence. 673

In October, Mr Macdonald, who worked in defence sales, handed a draft assurance to Mr Dakhil, the head of Libyan military procurement. Macdonald explained that the British government would accept the signature of the Chief of Staff, another member of the RCC or the Foreign Minister. 674 The requested assurance was accepted by the Libyan government, signed by the Foreign Minister, returned. 675 In November, the British government accepted the Libyan assurance and removed the ban on the export of the Carl Gustavs, Sterling Machine Guns and Night Weapons to Libya. 676 The British decision to resume the delivery of small arms was driven by two factors; first, it had been allegedly proven that there was no evidence that any Libyan weapons had reached the IRA. 677 Second, the Libyan government had offered to place three orders of military equipment worth about £57 million with the United Kingdom if the restrictions on small arms were removed. Thus, the Secretary of State and the Minister of State for Foreign and Commonwealth Affairs, Joseph Godber, agreed that if Libya gave assurances then British ministers would be prepared to remove restrictions on the sale of small arms. 678 The Libyan statement and their written assurance was driven by the government, which was anxious to secure the supply of small arms. 679

673 TNA, FCO 39/1088, Letter from Tripp to FCO, 5 September 1972
674 TNA, FCO 39/1088, Letter from Douglas-Home to British Embassy in Tripoli, 14 October 1972
675 TNA, FCO 39/1088, Letter from J C Kay, to Parsons, Coles and Acland, 16 November 1972
676 TNA, FCO 39/1088, Letter from D E Adamson to D Sales 1, FCO Defence Dept, 21 November 1972
677 TNA, FCO 39/1088, Letter from J C Kay to Mr. Parsons, Mr. Coles and Mr. Acland
678 TNA, FCO 39/1088, Letter from J C Kay, to Mr. Parsons, Mr. Coles and Mr. Acland
679 TNA, FCO 87/362, Libyan support for UK separatism, letter from H Devlin to Mr Muir, 21 November 1974
Arms to the IRA and Libyan involvement

Following Gaddafi’s declaration of IRA support, a ship, the Claudia, was seized carrying five tons of arms off the Irish coast in March 1973. It is believed that the arms were loaded in Tripoli. However, although it is generally believed that Libya was the source of the weapons, the literature review on the Claudia ship was very limited, and not able definitively to prove or deny Libyan involvement.680 British documents show that the FCO had doubts about where the arms came from. Even so, Mr N C R Williams from the FCO Near East and North Africa Department said that ‘Following the Claudia incident in March 1973, there was strong evidence that the Libyans were involved’.681

However, this evidence (no doubt from intelligence sources) has not yet been published, and was not found in the documents currently available to view. Unsurprisingly, no intelligence information has been published that confirmed Libyan involvement in the Claudia affair. The British government was under public pressure to take action vis-à-vis the Libyan government, but had no evidence it was willing to publish to do so.682 At the same time, there were British fears that, if Libya was accused without hard evidence, this would put Gaddafi in a position where he would be able to deny complicity and accuse Britain of fabricating charges against Libya, damaging British interests in the Arab world.683 Thus, the British government took a decision that the

681 TNA, FCO 93-366, Libya and the IRA, letter from N C R Williams, to Mr Craig and Mr Weir, 23 January 1974
682 TNA, FCO 93-20, Libya/ IRA gun running, Douglas-Home, 6 April 1973
683 TNA, FCO 93-20, Libyan involvement in the SS Claudia affair, letter from A D Parsons to Mr Coles, 30 March 1973
evidence should come through the Irish, and the ideal evidence would be either an official statement by the Irish government or the emergence of clear evidence in the trial of the IRA men who were arrested in this matter. Mr A D Parsons wrote that:

This kind of line is likely to catch on in the Arab world and could do us damage. It is therefore most important that the evidence against the Libyans should surface on the Irish side in a sufficiently incontrovertible form to put us in an unassailable position to take steps [...] without giving Gaddafi a chance to turn the tables on us.

Mr Craig, of FCO, Near East and North Africa Department said that ‘It was agreed[...] that we should not tackle the Libyans about their involvement in IRA gun-running until the Irish government had produced, publicly, firm evidence that the Libyans were so involved. Without that evidence it would be difficult for us to tackle them formally’.

At the end of April 1973, the British government requested that the Irish publish their evidence on the Claudia arms shipment. Mr W K K White called upon the Irish ambassador to reveal their evidence since ministers faced increasing pressure to act against the Libyans. White went on to say that ‘I asked him (the Irish ambassador) to impress upon Dr Fitzgerald (the Foreign Affairs Minister from 1973 to 1977) the importance of having the Libyans named, and promptly’.

However, the Irish side had not published any evidence against Libya. In a conference in London on April 4, Dr Fitzgerald refused to say anything about the Libyan

684 Ibid
685 Ibid
686 TNA, 93-20, Libya and the IRA, letter from A J M Craig, to Mr Le Quesne, 4 April 1973
687 TNA, FCO 93-20, Republic of Ireland: Libyan arms supplies, letter from W K K White to Craig, 5 April 1973
688 Ibid
involvement. The Irish explained this by saying that declaring any evidence in advance of the trial would prejudice the chance of securing a conviction. However, two pieces of evidence against Libya were then published by the British press: the first was the statement from the captain and crew of the Claudia. This statement claimed that they all alleged that they loaded the arms in Libya. The second were photographs published by the *Irish Independent* on 30 March showing the name ‘Tripoli’ on some of the boxes on the Claudia. Craig said ‘It is not a clear copy but it reveals the name Tripoli unmistakably’.

Even with the statement of the captain and crew of the Claudia there was a doubt and it was a weak piece of evidence. The Foreign Secretary, Sir Alec Douglas-Home, wrote that ‘Given the rather sensational circumstances in which these statements were obtained, they can hardly be presented as a reliable foundation for a formal protest’. The Irish published no accusations or hard evidence and, as such, the British government lacked a firm base from which to make an approach to the Libyans. J H G Leahy from the News Department said that ‘As the days go by it is becoming clearer and clearer that the Irish are a “busted flush”, insofar as the public naming of the Libyans is concerned’. Leahy added that ‘The statements made to the press by the owner, the captain and members of the crew of the Claudia [...] given the rather

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689 TNA, FCO 93-20, Republic of Ireland: Libyan arms supplies
690 TNA, FCO 93-20, Libya/IRA, A A Acland, April 1973
691 TNA, FCO 93-20, Libya/IRA, letter from Craig to British embassy in Tripoli, April 1973
692 Ibid
693 TNA, FCO 93-20, Libya/IRA gun running, Douglas-Home, 6 April 1973
694 TNA, FCO 93-20, Libya/IRA Gun running, letter from Douglas-Home to British embassy in Tripoli and Bonn, 6 April 1973
695 TNA, FCO 93-20, Libyan arms smuggling to Ireland, letter from J H G Leahy to Mr Craig, 5 April 1973
sensational circumstances in which these statements were obtained they can hardly be presented as a reliable foundation’. Furthermore, Irish counter-terror legislation meant that convictions could be obtained if necessary without the detailed use of intelligence-sourced evidence.

Following the lack of any evidence from the Irish on Libyan involvement in the Claudia affair, the British government tried to persuade the captain of Claudia to make a more formal statement on the record confirming that the arms were picked up in Libya. On April 9, the British government made a formal request to the German government in order to obtain this statement. On April 12, the Germans replied, stating that, for various reasons, relating to the German domestic, political and technical intelligence fields, Germany could not do this. Because of the absence of publishable hard evidence, the British government could not prove that Libya was behind the arms shipment on board the Claudia. Thus, only a request for clarification from the Libyan government was made about what was published in the press and no formal protest was made to them. W.K.K. White wrote that ‘Although there has never been any official public confirmation that the arms on Claudia came from Libya, it is generally believed that this was the case’. On 12 April 1973 the British government demanded a clarification from Libya about the reports of Libyan involvement in the Claudia shipment, but did nothing more. They never received any such clarification. The

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only response from the Libyan government stated that ‘The affair had been exaggerated by the press and the story was unsubstantiated’.\textsuperscript{702}

Five years later, in 1978, during a conversation between Mr Mallet, in the FCO Republic of Ireland department and Mr Sean Donlon, Assistant Secretary at the Irish Department of Foreign Affairs concerning Libyan involvement in the affair, Mr Donlon said ‘In fact he had seen no evidence of Libyan involvement’.\textsuperscript{703} At the time of writing, the intelligence documentation to confirm generally held suspicions is unavailable.

Despite all of this, the British government took several unilateral measures. All arms shipments that could have been of use to the IRA were suspended. Minsters of the FCO, MOD and Northern Ireland Department were questioned in Parliament about the sale of arms to Libya.\textsuperscript{704} FCO and MOD replied that all the arms that were due to Libya were withheld; no arms of use to the IRA would be supplied to Libya. The MOD put all the arms due for delivery to Libya under embargo:\textsuperscript{705} ‘no arms of any sort are being shipped to Libya in the future without ministerial permission’.\textsuperscript{706} The MOD had ‘reviewed all Libyan orders in the pipeline, and anything conceivably of use to the IRA has been with-held’.\textsuperscript{707}

\begin{itemize}
\item\textsuperscript{702} TNA, FCO 87-362, Libyan support for UK separatism, letter from H Devlin to Mr Muir, 21 November 1974
\item\textsuperscript{703} TNA, FCO 93/1379, Irish-Libyan relations, letter from P L V Mallet, Republic of Ireland department, to Mr Mound and Mr Hodge, 3 March 1978
\item\textsuperscript{704} TNA, FCO 93-21, Arms sales to Libya and the IRA, letter from Mr White to J Williams, 1973
\item\textsuperscript{705} TNA, FCO 93-21, Arms for Libya, letter from A J M Craig to Mr Grattan, 27 April 1973; TNA, FCO 93-21, letter from A D Parsons to Mr Pike, 18 April 1973; TNA, FCO 93-21, arms sales to Libya, letter from K E H Morris to Mr Pike and Mr Craig, 17 April 1973
\item\textsuperscript{706} TNA, FCO 93-21, Arms for Libya
\item\textsuperscript{707} Ibid
\end{itemize}
Thus, the sale of the Sterling Sub-Machine guns and Carl Gustav anti-tank missiles, which had been released for delivery to Libya, was suspended again. Some of these shipments were due to be delivered on 3 April 1973. The British government also called off any negotiations on agreement with the Libyans over shared inter-governmental problems.

At the beginning of 1974 the British government started trying to convince other European countries to put a ban on the sale to Libya of any weapons which might conceivably be of use to the IRA. On 25 January 1974, at the European Economic Community (EEC) Middle East exports meeting in Bonn, the British member present mentioned to the other members of EEC the British ban on the sale to Libya of any kind of small arms which might be of use to the IRA. Most of these countries had had trade relations in the field of weapons with Libya, particularly Italy and France, so it was difficult to persuade them to follow Britain’s policy. After the EEC meeting in Bonn, the British government started a campaign through its European ambassadors to persuade these countries of the British policy of seeking to prevent the sale of the types of weapons mentioned above. Italy, France, Belgium and the Netherlands showed little willingness to follow the same British policy; however, they agreed to follow the British if the government could prove that any of these weapons might have found their way into the hands of the IRA. In general, most of these countries did not reject the

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708 TNA, FCO 93-20, Libyan involvement in the SS “Claudia” affair, letter from A D Parsons to Mr Coles, 30 March 1973
709 Ibid
710 TNA, FCO 93/366, Libya and the IRA, latter from A J M Craig to Chancery Paris, 14 February 1974
711 TNA, FCO 93/366, Libya and the IRA, letter from British ambassador in Brussels to A J M Craig, 18 February 1974; TNA, FCO 93/366, Libya and the IRA, letter from R W Renwick to A J M Craig, 21 February 1974; TNA, FCO 93/366, Libya and the IRA, letter from D J Moss to A J M Craig, 26
British demands; for example, the Dutch said they would further examine the few weapons they exported to Libya. The countries most likely to supply arms to Libya which could be of use to the IRA were France, Belgium and Italy. France and Belgium "might be prepared to put a stop on future exports if we can come up with proof that equipment previously supplied by them to Libya had fallen into the hands of the IRA". The Italians were particularly prone to Libyan pressure; as such, it was unlikely that the Italians would subscribe to any ban unless the other members of EEC were all strongly for it.\textsuperscript{712} It is clear that the absence of strong evidence presented to these countries made it very difficult to apply any policy of banning Libyan arms exports, as the diplomat Richard Muir noted.\textsuperscript{713}

**The image of Gaddafi in relation to British public opinion and government policy towards Libya’s IRA support**

The Irish issue was a sensitive point for the government and the British people; therefore, the announcement of Gaddafi's support for the IRA further damaged public opinion on Libya in Britain, and led to a widening gap between the two countries.\textsuperscript{714} The British media looked at Gaddafi's regime as a financial and military supporter to what they considered as terrorist organizations in Northern Ireland, particularly the IRA.\textsuperscript{715}

\textsuperscript{712} TNA, FCO 93/366, Libya and the IRA, letter from R J S Muir to Craig, 13 March 1974
\textsuperscript{713} TNA, FCO 93/366, Libya and the IRA
\textsuperscript{714} TNA, FCO 93-611, Gaddafi: is he here to stay? Her Majesty’s Ambassador at Tripoli to the Secretary of State for Foreign and Commonwealth Affairs, 3 March 1975
\textsuperscript{715} Verkaik, R., Britain offered Gaddafi £14m to stop supporting the IRA, *The Independent*, http://www.highbeam.com/doc/1P2-20842823.html, 05 October (2009). Rayment, S., Gaddafi sent $2
Gaddafi had been seen in the British media and by the British people as a political fanatic who had failed to create unions with all of the countries around him and, further, as a paymaster for international terrorism. In addition, his hand was seen to be behind every act of Palestinian extremism, and he was perceived as offering the IRA material and moral support. In general terms, this was how Gaddafi was viewed publicly. He was also seen as having a peculiar code of values, and it was probably this single-mindedness that distinguished him from his contemporaries.\textsuperscript{716} The British government had the same view. The British Ambassador, Donald Murray, said it was a fact that Libya had a bad reputation in the British press. The consequence of this was that very many people in the UK believed that Libya was supporting the IRA in a way that was construed as clear interference in Britain’s internal affairs. This made it very difficult for Parliament to accept any rapprochement with the Libyan government.\textsuperscript{717}

Because of all these reasons, the FCO took the position that it was difficult for the British government to accept any settlement with Libya on the subject of the IRA. There was also mistrust between the two sides, which resulted in the weakness of any assurance that the Libyans would offer to settle the dispute over the IRA issue. In addition, there was a risk of heavy attacks in Parliament if the Libyan word was accepted. The FCO warned that the acceptance of the British government on any


\textsuperscript{717} TNA, FCO 93-612, Anglo/Libyan relations, letter from Murray to Nenad, 4 September 1975
Libyan assurances would be followed by a Libyan request to remove the British ban on small arms. In addition to that, there were elements of the British government who did not support any agreement with Gaddafi in the light of his policy toward the British interests in Libya. For instance, Mr A J M Craig from the FCO said that ‘On the IRA we are inclined to think [...] even a specifically worded assurance could not be trusted, and ministers would be heavily attacked in Parliament if they based their arms sales policy on it’.  

This British mistrust later came to include all of Libyan foreign policy, as it argued in chapter two. However, the British government reconsidered Anglo-Libyan relations later in the light of Britain needs to secure its commercial interests with Libya. Therefore, it was clear that, after 1975, Britain’s economic condition strongly drove the UK to review its relations with Libya, providing that Libya must stop all kinds of support to the IRA. This will be discussed below.

**British-Libyan dispute over the IRA issue between 1975-1979**

Despite the high level of tension between the two countries because of Libyan IRA support from 1972 to 1974, unpublished documents show that there was a positive shift on the Libyan and British positions regarding their dispute on the subject of the IRA. At the end of 1975 the British government began to reconsider its relations with Libya regarding its IRA support dispute. British reconsideration came as a result of three reasons. The first reason was Britain’s keenness to secure its business interests with Libya in light of the growth of British trade with Libya since 1975. The second was to

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718 TNA, FCO 93/365, Anglo-Libyan relations, letter from A J M Craig, D F Murray, 18 June 1974
convince Gaddafi to abandon completely the idea of supporting the IRA in the light of his repeated declarations that he could no longer offer them any support. For these two reasons, in mid-1975 the British government took the decision to re-negotiate with the Libyan government for the purpose of resolving the outstanding issues and stopping Libyan support for the IRA. Third, there was no evidence that Gaddafi was giving support materials to the IRA.\textsuperscript{719} In fact the British economy by the mid-1970s was in a terrible mess.\textsuperscript{720} Thus, anything that could be done to improve the British economy was important.

The British government was not willing to lose its commercial interests within Libya, which had been growing since the beginning of 1974. As a result, some restrictions were lifted on business dealings with Britain as part of a plan to improve the relationship, through Gaddafi’s initiative (opening a new page in British-Libyan relations). The export figures to Libya then jumped from £107 million in 1975 to £200 million in 1978. The ban on British consumer goods was gradually withdrawn and the remaining restrictions were effectively removed. Thus, the FCO wanted to secure British growing trade.\textsuperscript{721} On the issue of the IRA, Gaddafi publicly announced in 1975 that he was not providing any material support for the IRA.\textsuperscript{722} So it is clear that the

\textsuperscript{719} TNA, FCO 93/614, Libya and Ireland, letter from R J S Muir to Mr Hartland Swann – RID, 30 July 1975
\textsuperscript{721} TNA, FCO 93-1405, Libyan claims, letter from P L Gregson to M S Weir, 31 May 1978
\textsuperscript{722} TNA, FCO 87/948, Libya and the IRA, letter from P J Parramore, to Mr Jenner, , 4 April 1979
FCO policy at this stage was based on to secure the improvement of trade. This policy was recommended by the FCO and agreed by the ministers on 22 of July 1975.\textsuperscript{723}

The FCO insisted that any settlement with Libya must be based on providing specific assurances about certain political issues, in particular the IRA, stating that ‘any deal with the Libyans would include specific assurances about political activities currently unwelcome to us’.\textsuperscript{724}

British documents show that, from late 1974 up to 1979, the IRA had received no Libyan support.

Libya’s record in recent years is better in this respect than its general reputation. Despite Colonel Gaddafi’s past statements of support for the IRA and earlier Libyan arms and other material assistance (e.g. the attempt to ship weapons to the IRA on SS Claudia in 1973) we have seen no real evidence of Libyan financial support for the IRA or the Provision of arms in the last few years.\textsuperscript{725}

However, it was agreed not to seek a clear Libyan assurance that would put the British government under an obligation to settle the outstanding issues, including those of arms contracts.\textsuperscript{726} On 18 June 1974 A J M Craig of the FCO North African Department informed the British Ambassador in Tripoli not to seek a clear Libyan assurance about the IRA. Craig wrote:

It would be better not to have a clear assurance of the withdrawal of Libyan support for the IRA and certainly not to seek it. This would not preclude our inducing Libyan support for the IRA as an obstacle to the resolution of Anglo-Libyan difference but if we got an assurance the Libyans would expect us in return to lift our embargo on, for example, the Sterling machine guns, mines, rocket launchers, etc.\textsuperscript{727}

\textsuperscript{723} TNA, FCO 93/614, Libya and Ireland
\textsuperscript{724} TNA, FCO 93-611, Negotiations with Libya, letter from J C Aines to M S Weir, 30 June 1975
\textsuperscript{725} TNA, FCO 87/948, UK Libyan relations, letter from W R Tomkys, to D J R Hill, 26 June 1979
\textsuperscript{726} TNA, FCO 93/365, Anglo-Libyan relations, letter from A J M Craig, to D F Murray, 18 June 1974
\textsuperscript{727} Ibid
British policy now came to be based on bypassing the claims dispute and improving British commercial conditions with Libya, on the condition that Libya must stop all kinds of support to the IRA including moral support.\textsuperscript{728} This was an implicit agreement rather than a formal settlement. To establish this, the Ambassador met Gaddafi and told him that if the Libyan government showed goodwill, why could Gaddafi not say publicly that he was not sending money or arms to the IRA?\textsuperscript{729}

Gaddafi tried to clarify his position on the Irish issue, saying that he had no aggressive intentions against Britain, and his support to the Irish was just a support of the principle of helping independence movements everywhere. Gaddafi gave an example of his support of the Palestinians and African peoples, and had recognised Sihanouk’s government and North Vietnam. He added that he supported the Kurds even though they fought against other Arabs. However, he assured the ambassador that this did not mean that he was hostile to Britain. In addition, he stated that Libyan support was only moral and that he was not sending weapons or money to the IRA. In his meeting with the British Ambassador, Gaddafi repeated many times that he had no hostile feelings against Britain and that no arms or money was being sent to the IRA.\textsuperscript{730}

Gaddafi told Murray that the impression of the Libyan hostility towards Britain was one hundred per cent wrong. He was keen that Murray heard this from him directly and that the British government should be assured accordingly. He added that, for the Libyan government, relations with Britain were more important than those with

\textsuperscript{728} TNA, FCO 93/614, Libya and Ireland, TNA, FCO 87-785, letter from Secretary of State to the Rt. Hon Edmund Dell MP Secretary of State for trade, 1978
\textsuperscript{729} TNA, FCO 93-611, Anglo/Libyan relations
\textsuperscript{730} Ibid
Ireland. Gaddafi requested with emphasis from Mr Murray that their talk should stay a private conversation and not be published. Murray responded by arguing that the IRA is not a liberation movement, but a minority seeking to impose their will by force on the majority of Northern Ireland, who did not want to break away from Britain. He reiterated that the British government was working to find a solution and bring peace to Northern Ireland, but that the Libyan attitude was not helping this aim.

On 7 October 1975, the British Prime Minister, Harold Wilson, sent a message to Gaddafi regarding his conversation with the British Ambassador. Wilson emphasised that the Northern Ireland matter is an obvious source of misunderstanding between Britain and Libya, and is of deep and urgent concern to the British Parliament and people. Therefore, the improvement of British-Libyan relations depends on finding a solution to this issue. Following the Prime Minister’s message to Gaddafi, the British Ambassador met with him and told him that:

> There was a wide-spread belief in the UK [whether rightly or wrongly] that Libya was supporting violence in Northern Ireland [...] no hope of HMG accepting an understanding on our bilateral differences […] unless they could tell the British parliament and people at the same time, publicly, that the Libyan government had given assurance that they were not interfering in Northern Ireland affairs.

At the end of 1975, FCO was unsatisfied with these assurances and considered there was poor progress on the issue. They retained suspicions about what Gaddafi had said in the press, and questioned the assurances that he had given the British Ambassador.

731 TNA, FCO 93-611, Anglo/Libyan relations
732 Ibid
733 TNA, FCO 93-612, Text of oral message to Colonel Gaddafi from the Prime Minister, 7 October 1975
734 TNA, FCO 93-612, Negotiations with Libya, letter from Murray to FCO, 13 October 1975
in October 1975.\textsuperscript{735} The diplomat Alan Urwick of the FCO Near East and North Africa Department wrote that ‘Colonel Gaddafi’s assurances on Northern Ireland do not yet seem sufficiently explicit to be used with the British public and parliament’.\textsuperscript{736} The British Prime Minister, Harold Wilson, was also not satisfied with the outcomes of the conversations with Gaddafi, and went on to say that ‘[There are] doubts whether we shall get anywhere with Gaddafi, particularly on Northern Ireland, and had in mind the likelihood that any promises given by Gaddafi would be broken’. The Prime Minster also commented that there must in any case be doubts about Gaddafi’s own future.\textsuperscript{737}

It is clear that one of the main reasons for this dispute, the lack of confidence on the Libyan side, remained unresolved. The inflexibility of the Gaddafi regime in addition to the large differences between the two parties, as well as the reprisals that were carried out by Libya against British interests in Libya, such as the nationalisation of BP, had created a climate of mistrust of any Libyan promises. Edmund Dell, Secretary of State for Trade and President of the Board of Trade from 1976-78, wrote that, ‘Libya represents one of the faster growing export markets in the world. Until now, however, we have been reluctant to encourage our firms to seek business there partly because of the unpredictable nature of the regime but also because of the existence of a number of disagreements’.\textsuperscript{738}

\textsuperscript{735} TNA, FCO 93/613, Negotiations with Libya, letter from A B Urwick to British Ambassador in Tripoli, 26 November 1975
\textsuperscript{736} Ibid
\textsuperscript{737} TNA, FCO 93/613, Negotiations with Libya, letter from A B Urwick to British Ambassador in Tripoli, 3 December 1975
\textsuperscript{738} TNA, FCO 87-785, Letter from Edmund Dell to the Rt. Hon David Owen MP Secretary of State for Foreign and Commonwealth Affairs, 17 February 1978
The British government stressed that an acceptable assurance would have to be public or there would be no possibility of an agreement on bilateral issues. \textsuperscript{739} Subsequently, on many occasions, Gaddafi denied providing any support to the IRA. In an interview with BBC Television on 21 July 1976, he said that Libya supported just causes and people struggling for freedom but denied sending any support to the IRA. In September 1976 Gaddafi repeated these claims to \textit{Newsweek}. \textsuperscript{740} On 28 November of the same year, he also said to the \textit{Observer} that for him the IRA chapter is closed, repeat in that no support was sent to the IRA. \textsuperscript{741} A B Urwick of the FCO said there was no evidence that Gaddafi had given any arms or financial support to the IRA particularly in the last 18 months after his assurance to the British Ambassador. Urwick, however, added that an IRA leaders’s known fund-raiser had recently visited Libya. Thus, ‘It would therefore be rash to state categorically in any reply in Parliament that we no longer believe material aid is reaching the IRA from Libya. We would also be ill-advised to indicate to Gaddafi at the present stage in our bilateral negotiations for a firm assurance that he will no longer give political or material support to the IRA’. \textsuperscript{742}

Gaddafi’s statements coincided with improvements in the commercial field, which reflected positively on British trade interests with Libya. The ban on British consumer goods was gradually withdrawn. This, on one hand, removed the pressure on the British to bring a quick settlement to the Libyan demands and resolve the issue of financial claims and Libyan IRA support. On the other hand, this increase in the balance of trade

\textsuperscript{739} TNA, FCO 93-612, Negotiations with Libya, letter from Murray to FCO, 13 October 1975
\textsuperscript{740} TNA, FCO 93-836, Libya, letter from Crosland to British Embassy in Dublin and Tripoli, 16 September 1976
\textsuperscript{741} TNA, FCO 93-836, Libya and the IRA, letter from A B Urwick to Mr Weir 7 December 1976
\textsuperscript{742} Ibid

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with Libya put pressure on the British side to secure its trade interests.\textsuperscript{743}

Gaddafi had gone far to meet British demands on the issue of ending his support to the IRA, at least in his view; but he still saw the IRA as struggling legitimately for independence. Thus, from the British viewpoint, what Gaddafi offered was always going to be limited by his convictions. In his second meeting with Gaddafi on 13 October 1975, Ambassador Murray said that ‘He [Gaddafi] still sees Northern Ireland as a classic situation of an oppressed people, striving for independence, no matter what rational evidence is produced, and I (Murray) fear he will always be eager to listen to any one who propounds this theory’.\textsuperscript{744}

From Gaddafi’s viewpoint there was no inconsistency between his principles of supporting liberation movements, whether in Northern Ireland or elsewhere, as long as he did not provide any material support. This was completely contrary to the British point of view.\textsuperscript{745} Mr Murray went on to say that ‘In this light the formula I was able to get from Gaddafi is not wholly satisfactory [...] I doubt if it will be possible to get anything more out of him while he persists in his misconceptions’.\textsuperscript{746} The FCO recommended at this stage to meet the Libyan desire for talks to settle their financial claims and normalise relations, at least for the time being, in order to put the relations of the two countries on a better footing. This could then secure British commercial interests, without the obligation to settle other outstanding issues. This would also keep

\textsuperscript{743} TNA, FCO 93-1405, Libyan claims, letter from P L Gregson to M S Weir, 13 May 1978
\textsuperscript{744} TNA, FCO 93/612, Negotiations with Libya Gaddafi and Ireland, letter from Murray to FCO, 14 October 1975
\textsuperscript{745} Ibid
\textsuperscript{746} Ibid
the Libyans in play, and allow both countries to benefit from the improvement in relations without putting forward a clear framework for a settlement.\footnote{747 TNA, FCO 93-613, Negotiations with Libya, letter from A B Urwick to Mr Weir, 6 November 1975}

This policy was approved because of the apparently changing internal situation in Libya. The British were willing to believe that the Gaddafi regime would not survive for long because of its increasing isolation and grumbling in the ranks of the armed forces, which had led to a failed military coup in August 1975. Thus, the British believed that Gaddafi’s fear for the stability of his regime and his preoccupation with internal problems made him less disposed to retaliate against the British for the failure to bring negotiations to a rapid conclusion.\footnote{748 TNA, FCO 93/613, Negotiations with Libya}

In early August 1975, a plot to overthrow the Gaddafi regime was discovered in the ranks of the army. Three active members of the RCC, as well as a number of free officers were involved. It dawned on Gaddafi that he could no longer rely on the subservience or trust of his chosen associates. A number of military officers and civilians were arrested. The loyalty of members of the middle-rank army was questionable and orders were issued that they should not obey their officers if they got anti-revolutionary orders.\footnote{749 TNA, FCO 93-827, Annual review: Libya, letter from G R Lawes to Urwick, 8 January 1976}

The British Ambassador went on to say that:

\begin{quote}
He has lost much of his essential power base in the armed forces by demoralizing the officers (and stamping on their bourgeois aspirations).\footnote{750 Ibid} By most political precepts Gaddafi should have been ousted or killed before the next annual review has to be written. He has no
\end{quote}
worthwhile friends. The RCC, his own instrument of collective government, has collapsed, and there is no trust among the remaining members who still serve him.\textsuperscript{751}

It is true that Gaddafi had lost some of his authority and he had no friends, but not as much as this report says. The fact is that Gaddafi did not fall and his government remained strong enough for a long time after.

Due to these factors, the British government continued with its previous policy. This aimed to prolong the talks with the Libyans in the hope that the Gaddafi regime collapsed before the British government was compelled to make concessions in order to settle all outstanding issues, including the issue of Ireland and other financial claims.

Mr A B Urwick said that:

\begin{quote}
The policy line which Ministers are now invited to approve collectively in OPD is that we should not contemplate making a new offer to the Libyans, but seek to maintain a dialogue with them through the embassy… our best interests at present seem to lie in spinning out the exchanges with the Libyans as long as possible.\textsuperscript{752}
\end{quote}

British policy regarding this matter succeeded and kept the Libyans in play from 1974 to 1979. Additionally, between the end of 1975 and the beginning of 1976, British exports to Libya did particularly well. Libya became the 5th largest export market in the Middle East (after Iran, Saudi Arabia, Israel and Iraq).\textsuperscript{753} There was of course a risk that relations could have worsened. Indeed, the regime survived and did not collapse, as the British had wished. Thus, before the end of 1976 the British came under pressure to meet the Libyan demand for re-negotiation, otherwise the growth in British trade would have come to be at risk. The risk of relapse in these relations could have led to

\textsuperscript{751} Ibid
\textsuperscript{752} TNA, FCO 93/613, Negotiations with Libya
\textsuperscript{753} TNA, FCO 93-827, Annual review for 1975, letter from Murray to A B Urwick, 16 January 1976
worse dealings than before. Mr Murray argued that:

> We [the British] have been talking intermittently with the Libyans about their claims for six years [...] I cannot see how we can even begin to consider a settlement approaching Libyan aspirations: they are demanding more than 50 million from Britain and expect us to bargain upwards from about 25 million.\(^{754}\)

The Ambassador went on to describe the situation between the two countries by saying that ‘There is little substance from the Libyans’ side to the oft-repeated assertion that they wish to turn a new page in relations with Britain, and correspondingly little scope for a British response which could put the two countries on better terms and thus safeguard our continued trading position here’.\(^{755}\) Mr P L Gregson argued that, ‘We (the British government) could not, however, honestly say as we did in 1975 that a measurable and substantial increase in trade would be likely to occur as a result of a settlement’.\(^{756}\)

In July 1977, and in order to prevent any tension that might hinder the growth of commercial interests in Libya, British ministers agreed to re-negotiate the outstanding issues, and also negotiate new arms deals.\(^{757}\) Edmund Dell, the Secretary of State for Trade and President of the Board of Trade 1976-78, said that:

> Notably a claims dispute, which have overshadowed our bilateral relations since 1969[...]there now appear to be signs that the Libyan attitude is changing[...]and there have been enquiries about the possibility of purchasing defence equipment. An alternative approach would be to invite a Libyan minister to undertake a goodwill visit as a guest of HMG with the primary aim of introducing him to firms and organizations in the UK who could assist in Libya’s development.\(^{758}\)

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\(^{754}\) TNA, FCO 93-1001, Annual Review and farewell combined, D F Murray, 10 December 1976  
\(^{755}\) Ibid  
\(^{756}\) TNA, FCO 93-1405, Libyan claims  
\(^{757}\) TNA, FCO 87-785, Letter from Secretary of State to the Rt. Hon Edmund Dell MP Secretary of State for trade, 1978  
\(^{758}\) TNA, FCO 87-785, Letter from Edmund Dell to the Rt. Hon David Owen MP Secretary of State for Foreign and Commonwealth Affairs, 17 February 1978
On 24 February 1978, Edmund Dell wrote to the Secretary of State, stating the context of the decision reached by ministers in July 1977 to improve relations with the Libyans in the light of the growth of British exports. He encourages this line and suggests that a Libyan minister might be invited to Britain as a guest of HMG. The aim of the invitation, as Dell said, was 'to demonstrate our wish to improve relations with Libya and develop our trade there'. He explained that there were two reasons for this: the importance of the Libyan market to Britain and the amount of British exports to Libya, which were running at an annual level of £173 million. In addition, he added that 'there are grounds to hope that this could improve in the better climate created by our gesture on arms sales'.\(^{759}\) In spite of this British shift, it appears there was also British concern over Libyan foreign policy, which limited the rapprochement between the two countries. In his letter to the Secretary of State, Dell argued that 'On the other hand, Libya's international policies remain hostile to our interests and Gaddafi makes trouble throughout Africa and the Arab world. Gesture and goodwill are difficult to justify, and the US and Egypt both regard Libya with deep suspicion'.\(^{760}\) The diplomat Roger Tomkys of the FCO Near East and North Africa Department, supported Dell’s proposal, stating that ‘We have no recent evidence that Gaddafi is providing material support to the IRA. I recommend therefore that we should respond positively to Major Jalloud with an invitation as proposed by Mr Dell’.\(^{761}\)

Subsequently, the Libyans were informed that the British government had no objection to the supply of frigates and Hawk aircraft (much more significant weapons than those

\(^{759}\) TNA, FCO 87-785, Relations with Libya, letter from W R Tomkys, to Mr Weir and Mr Judd, 24 February 1978

\(^{760}\) Ibid

\(^{761}\) TNA, FCO 87-785, Relations with Libya
previously discussed), which the Libyans were very interested in purchasing. The Libyan government welcomed the British approach. In April 1978, they made requests to buy arms to both officials in defence sales organisations and in private firms. On 6 October 1978, Gaddafi called the British Ambassador and offered to satisfy the UK regarding the question of Ireland. In return, he wanted the British government to satisfy Libya regarding the claims of outstanding issues. Gaddafi said that, ‘It would, in these circumstances be advantageous to get the financial claims issue out of the way. Since we would doubtless bring up the question of Ireland, he suggested that we might jointly prepare a document or declaration satisfactory to the UK while respecting Libyan view on liberty’. The offer was very good for both sides, if went through. Gaddafi’s response also showed that he did not care very much for the Irish issue or the IRA as a matter of principle. He probably was prepared to chuck them away for a pragmatic settlement.

It can be argued here that the British proposal to sell arms to the Libyans had improved the situation between the two countries, and led Gaddafi to offer to settle the IRA issue in return for settling the outstanding Libyan issues. This shows the impact of arms deals on the relations between the two parties. In addition, until late 1978, it was clear that Gaddafi was still keeping his moral support for the IRA while the outstanding issues remained unsettled. British motives clearly included the much greater economic pressure due to a weakened trade, sterling and employment position by this time.

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762 TNA, FCO 87-785, Defence sales to Libya, Fred Mulley, 7 April 1978
763 TNA, FCO 87-785, Defence sales to Libya; TNA, FCO 87-785, letter from Secretary of State to the Rt. Hon Edmund Dell MP Secretary of State for trade
764 TNA, FCO 87-785, Anglo-Libyan relations, letter from Williams to FCO, 13 October 1978
765 TNA, FCO 87-785, Anglo-Libyan relations, letter from Williams to FCO

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The British government welcomed the Libyan desire to encourage more improvement on British-Libyan relations, particularly in regard to the question of the IRA. However, they rejected the offer to make any statement on the IRA matter. The British rejection to do so was explained in the light of both the British distrust of Gaddafi and their concern over Libya’s international policies and activities. In addition, the May 1979 election was 7 months away: the closer it got, the less they could afford to seem to give way on Libya, particularly in the IRA issue.

In late 1978, the Libyan government expressed a view that they had gone too far in meeting the British demands on the question of Northern Ireland. They began to criticise the British attitude, stating that the British were doing nothing to meet their demands on outstanding matters. In an interview with the Libyan Ambassador in London, it was stressed that Libya was no longer providing any support to the IRA, and in the light of this, the Libyan government hoped to see a settlement for its financial demands. In addition, Gaddafi thought that he had gone close enough to meeting the British demands in the context of ending his support to the Irish. However, by the end of 1978, Gaddafi was not satisfied with the progress in relations with the British. He emphasised that Libya had met all of the British demands over the IRA but that the British government was not doing the same to improve relations.

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766 TNA, FCO 87-785, Anglo Libyan relations, letter from Owen to British embassy in Tripoli, 13 October 1978  
768 TNA, FCO 87/785, Libyan attitude to the IRA, letter from R L Balfour to Mr A L Free-Gore, 22 August 1978  
769 TNA, FCO 87/785, Anglo-Libyan relations, letter from Williams to FCO, 6 October 1978
In October 1978 Mr Williams, a British Ambassador, expressed his concern in the same regard, writing that ‘Any settlement of the claims dispute will result in substantially increased trade and are barely persuaded that our trade interests will suffer if we fail to keep the Libyan in play […] in these circumstances this is a weak ground on which to keep the Libyans in play’.\textsuperscript{770}

By May 1979, the Labour Party had been defeated and Margaret Thatcher, the leader of the Conservative Party, had become Prime Minister. Gaddafi again tried to settle both the outstanding issues and the IRA matter with Thatcher’s government. In July 1979 Gaddafi passed a message through Bahrain to Thatcher that he wanted to resolve the problems between the two countries, particularly the IRA issue. Gaddafi stressed his disappointment, stating that although he had stopped all his support for the IRA the British government was not moving to clear up all the disputes and normalise relations.\textsuperscript{771} Regarding the value of Gaddafi’s support to the IRA, the Prime Minister of Bahrain, Sheikh Khalifa said:

-Gaddafi said he could assure the Bahrainis that for three years he had given no such assistance to the IRA, although morally he supported them in the same way he did other liberation movements […] the (Gaddafi) had tried to get better terms with the last British government but his efforts had come to nothing. Now he wanted to try with the new British government.\textsuperscript{772}

The new British government was, however, unconvinced. The statement quoted above clearly indicates that Gaddafi still did not admit any material support to the IRA, but

\textsuperscript{770} TNA, FCO 93-1406, Libyan claims, letter from CD Powell to Mr Weir, 12 October 1978
\textsuperscript{771} TNA, FCO93/1872, UK/Libya, letter from Walker, to FCO, 9 July 1979; TNA, FCO 93/1872, Prime Minister’s meeting with the Prime Minister of Bahrain Sheikh Khalifa, at Bahrain Airport, Paul Lever, Foreign and Commonwealth Office, 2 July 1979
\textsuperscript{772} TNA, FCO 93/1872, Prime Minister’s meeting with the Prime Minister of Bahrain Sheikh Khalifa, at Bahrain Airport
that he kept his moral support to them; the London government were sure this was untrue.
Conclusion

There is no exact figure, or even an approximation, of how much military or financial support Gaddafi gave to the secessionist movements in Ireland. In August of 1972, the Lebanese newspaper *Al-Bairaqq* published what it claimed was the amount of aid that the Gaddafi regime allocated to third world nations. This aid included the IRA, the political opposition in Morocco and Tunisia, and African Americans in the United States, though most of the aid went to the Egyptian opposition. The newspaper also claimed that 30 million Lebanese Pounds was allocated to the IRA over two years.  

Unpublished British documents show that the Lebanese newspaper, owned by Milhem Karam, the Chairman of the Lebanese Editors Association, had strong left-wing ties, and that what was published in this newspaper was far from accurate and based on no official statements. Regarding the amount given to the IRA, Craig argued that:

> We [the British] believe that the Libyan contribution to the proportion of the weapons in IRA is much less than £1 million and that only a very small proportion of the weapons in IRA hands come from Libya[...]and the figures given for Libyan financial assistance to other terrorist organisations reflect declarations of intent rather than cash hand over.

Equally, a senior officer in Scotland Yard’s anti-terrorist squad wrote that ‘Libyan support for the IRA has been very minor indeed. It can be counted in the thousands of pounds, but certainly not in hundreds of thousands and any talk of millions of dollars is ludicrous’.

Trade improved between the two countries, and Britain succeeded in reducing Gaddafi’s support for the IRA and neutralising the problem of outstanding issues

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773 TNA, FCO 39/1088, Al-Bairaqq Lebanese newspaper, August 1972
774 TNA, FCO 39/1088, Letter from M S Buckmaster to P M Laver Esq, 14 August 1972
775 TNA, FCO 93-366, Letter from A J M Craig to Mr Weir, 13 June 1974
throughout this period. The problem of Libya’s support to the IRA was not fully resolved, and later became acute again. Other outstanding issues also remained unresolved. This was due to several factors. First, linking the resolve of both issues of the IRA and the outstanding issues to each other was the cause of many problems. Since the end of 1975 and throughout 1976 the British government insisted that any solution to the outstanding issues must be based on a Libyan assurance to renounce all forms of Libyan support to the IRA.\footnote{TNA, FCO 93/614, Libya and Ireland} Richard Muir, a diplomat at the Near East and North Africa Department, expressed the view that ‘Ministers agreed that... the possibility of a settlement based on the... and subject to a number of conditions including a renunciation by Libya of support for the IRA’.\footnote{Ibid}

Despite the success of the British government in limiting Gaddafi’s support for the IRA throughout the period from 1975 to 1979, they failed to convince him to abandon his moral support to the IRA. This was because the settlement of both problems was tied to each other, i.e. by linking the settlement of Libyan support to the IRA with the settlement of outstanding issues was something very serious, as the failure of the British government to meet the Libyan demands over the outstanding issues would lead to serious consequences. For example, the Libyans would lose patience, and thus Gaddafi would turn to his former statements and support to the IRA. Moreover, the Libyans would reinstate their ban on British exports to Libya; in other words, they would return to their starting point of December 1971, when Libya lost patience and nationalised BP.

Second, there was suspicion within the British government of the Libyan government’s
intentions and a distrust of any guarantee from Gaddafi in that regard. Mr P J Parramore, from the Republic of Ireland department, argued that:

> We are aware that Gaddafi has made a number of public and private statements over the last few years denying that Libya is giving arms or other material support to the IRA, although he has reiterated his moral support for their objectives. We have, of course, approached the Anglo/Libyan claims dispute on the basis that a settlement would have to be associated with suitable assurances from the Libyans renouncing any support for the IRA. ⁷⁷⁹

Third, there was an increase in British concern about Libyan foreign policy, which was considered unacceptable to the British government. One of the main obstacles to the solution of disputes between Britain and Libya on the Libyan support for IRA, as well as a settlement of the outstanding issues, was growing concerns over Libyan foreign policy, which was considered as being hostile to British international interests. ⁷⁸⁰ The diplomat Roger Tomkys, of the Near East and North Africa department, indicated that ‘Libya's international policies remain hostile to our interests and Gaddafi makes trouble throughout Africa and the Arab world’. ⁷⁸¹

A UK-Libya deal was not possible because of their different concepts about what was negotiable and what was not. Gaddafi kept a minimum of his moral support for the IRA in order to bargain with the British, and Britain had no intention to resolve the outstanding issues in the light of Gaddafi’s position on the IRA.

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⁷⁷⁹ TNA, FCO 87/948, Libya and the IRA, letter from P J Parramore, to Mr Jenner, 4 April 1979
⁷⁸⁰ TNA, FCO 93-1406, Libyan claims, letter from CD Powell to Mr Weir, 12 October 1978; TNA, FCO 93/832, Anglo/Libyan relations, letter from A B Urwick to Mr Weir and Mr Green, 16 January 1976
⁷⁸¹ TNA, FCO 87-785, Relations with Libya
Chapter Six: General Conclusions

This study re-examined knowledge of British-Libyan relationship during the 1970s. That has been a relatively neglected area of study. There was a worsening in relations between the two countries in this period. The decline was dictated by circumstances and by political and strategic shifts after September 1969. These included the change of regime in Libya, and the changes in foreign policy that followed. These events made it necessary for the British and Libyan governments to frame new relations between the two after 1969. The British government found it very important to evaluate its relations with the new rulers in Libya its own changing interests. The two countries agreed to enter into negotiations to lay the foundations of a new relationship between them, but the outcome of these negotiations was difficult and difficult to manage on both sides throughout the 1970s. The hostile Libyan attitudes towards British interests in Libya, the Mediterranean and Africa were one of the most direct causes of the failure of these negotiations, but so too were British ideas of their interests and British misperceptions of Libya.

Arguments over British-Libyan relations in the 1970s have often been superficial, following prejudices and assumptions made in the media of the time. These urgently need to be reviewed, even if sometimes the conclusions are the same. The archive material does indeed reveal new knowledge about both British and Libyan policy management, as well as about the ways in which relations between the two countries changed. The new material, recently released, brings new understanding to British-Libyan relations, how they existed, how they were managed, and how they worsened.
One key issue is the division between the specialist policy makers in the FCO Department concerned and their colleagues in other departments on how to work with the Libyan government after 1970. The best example of this was the support of the FCO and MOD to supply Chieftains to Libya and the opposition of other ministers to this, which led to a division inside the Cabinet. pp. 64-68. The leading players in the FCO maintaining for a long time a belief that they could influence or even possibly control Libyan policy, and then finally later moving to an angry and sceptical position, which may also have misunderstood the grounds of Libyan policy. Libyan and British officials repeatedly misunderstood, mis-communicated and mistrusted each other. For instance, in 1971, when the British government was preparing to increase its offer to settle the outstanding issues, the Libyans lost patience and nationalised BP assets in Libya. Another example was that, although the British documents show that Gaddafi may have been serious in turning a new page in his relations with Britain in 1974, the British government did not trust him. This thesis draws on the available company documentation to analyse relations between Libya and British oil and defence companies to explore the implications for state-to-state relations and to critique previous accounts of those relations. A good example for this are sources which indicate that the nationalisation of BP was due to the government-to-government dispute over the outstanding issues, not to the UAE islands dispute, as was assumed. pp. 137-146. The account given here is important and original, but may not be the ‘final answer’ in so far as we know already from newspaper revelations that the intelligence relationship between the two countries was complex and detailed, but we do not yet have clear evidence of those details, and when that evidence becomes available, these
interpretations will inevitably need to be revised again. The archives throw light on, but, again, may not definitively explain, relations between the UK and Libya over conflict in Ireland and over issues of arms sales. The available archival material particularly the records of Libyan-British and Libyan-Soviet relations, bring new understanding to the Libyan-Soviet relations in the 1970s and its impact on the British-Libyan relations during the same period, and corrected the misunderstanding over the Libyan-Soviet relations, which mainly played by the media (namely Egyptian media) because of the state of hostility between the two countries, and for the benefit of Egypt.

On the archival material on Libyan-IRA relations, the available records bring some new facts, although it is still limited and does not paint the whole picture. Nor did it provide useful data about cooperation between Gaddafi and the IRA.

This thesis shows that tension between the UK and Libya began over the negotiation of outstanding issues from January 1970 to December 1971, and then affected all later relations, not as the previous studies indicated, that tension started over the nationalisation of BP assets in Libya. The BP asset nationalisation was the first consequence of the outstanding negations failure.

A study by Sean W. Straw (2010) clearly shows that British-Libyan relations were built during the 1960s on strategic self-interest, which became of increasing economic benefit to the British. However, how would Britain continue this? After September 1969 the FCO MOD) outlined Britain’s key interests in Libya as being political and strategic, economic and military (arms delivery and training). This relationship was indeed based on self-interest but not based on strategic self-interest alone. Economic
and trade interest, the history of the relationship, and mutual misperception all also mattered, as this thesis has shown.

After recognition of the new regime, the Labour government was willing to save its interests in Libya. This was driven by two main aims. The first was preserving oil and trade interests in Libya. In 1970 Britain was importing about 25% of its oil needs from Libya, and Libya also represented the second largest market for British exports in the Arab world.\(^\text{782}\) The second was to keep Libya loyal to the West, and to prevent the penetration of Egyptian and Soviet influence in Libya.\(^\text{783}\) The Labour government found that the best way to examine the intentions of the new regime, as well as to maintain its interests and continue its influence, was to use the arms contracts it had signed with the monarchy and not completed as a basis to negotiate. However, the RCC was a more pronounced Arab Nationalist movement, which did not bode well for British interests. British records on the issue of the Chieftain tanks show that the evaluation of British-Libyan relations was strongly affected by it, and that the Labour government’s decision in this regard was affected by Britain’s attitude to the Arab-Israeli conflict, and by the Libyan regime’s harder attitude towards this conflict. The RCC made it clear that a new relationship was dependent upon the supply of Chieftains. British-Libyan relations broke down completely, British training missions were abandoned, and arms contracts and economic interests were all lost as a result of Tripoli turning increasingly to Arab Nationalist ideology while the strategic environment of the region moved further against the West.

\(^\text{782}\) BPA, Arc Ref 121728, historical background to oil negotiations in Libya; TNA, CAB 148-93, Defence and Overseas Policy Committee, Anglo/Libyan Relations.

\(^\text{783}\) TNA, FCO 39 /634, Mr Maitland to FCO.
Analysis of the data for the period covered by this thesis has shown that the deterioration in relations between the two countries did not come suddenly, and that Libyan hostilities against British interests in Libya and in the region were not only the result of the political transition in Libya after September 1969. It was a direct result of the failure of negotiations between the parties on outstanding issues, as well as the failure to find a common formula to build new relationships after 1969. (see chapter 2). Data analysis also shows that, although relations were deteriorating, the British were keen to maintain their economic interests in Libya, and their decisions were mostly driven by this before 1976 at least. British documents clearly indicate that despite Britain’s relative success in increasing business with Libya, especially after 1975, up to 1979 it failed to prevent the rapprochement of Libya with the Soviet Union. This was a direct result of Gaddafi’s fears about Egypt and the US presence in Egypt, especially after 1976. pp. 194-208. Also, Britain failed to control Gaddafi, at least to follow a balanced policy to a minimum that was acceptable to Britain. British internal documents cited here repeatedly suggest that FCO officials over-estimated their ability to ‘manage’ Gaddafi and underestimated the real radicalism of his policies, but that they also missed important signals where some kind of deal might have become possible, despite the unreliability of the Tripoli government.\(^{78^4}\)

Successful analysis of a large number of key texts shows the failure of attempts to reach agreement. This was due to in large part to the dispute over arms contracts, namely

\(^{78^4}\) TNA, FCO 93-2345, Libya expansionism in Sub-Saharan Africa; TNA, FCO 93-1384, Gaddafi’s foreign policy, letter from W. R. Tomkys to Mr Weir and Mr Judd; TNA, FCO 93-1384, Gaddafi’s foreign policy, letter from W. R. Tomkys to A. J. Williams; TNA, FCO 39/1111, Libya/BP: Anglo/Libyan relations, letter from Peter Tripp to A. D. Parsons. GMH MVO MC, FCO; TNA, FCO 93-1008, Anglo/Libyan relations, letter from W. R. Tomkys to Mr Weir.
about the Chieftain tanks, linking British government delivery of the tanks to Libya’s position in the Arab-Israeli conflict, as well as the Libyan nationalist position and its hostility towards Israel. The new Libyan orientations, which the British government felt threatened its interests (surely rightly), related to the Arab-Israeli conflict, and ultimately led to cancellation of the tank contract. Pp. 45-53 and 81-86.

The FCO and MOD, supported the delivery of Chieftains to Libya, as there had been an existing contract with Libya. This would also secure British arms trade, keep the Soviet Union out of Libya, and maintain British influence in the country. For these reasons, two memoranda presented by the FCO and supported by the MOD (OPD (69) 48, 3 October 1969 and OPD (69) 58, 31 October 1969 recommended the delivery of Chieftains to Libya. Other ministers in the Cabinet, including Wilson, had different views. This created a division on whether to supply the tanks to Libya or not, and also whether to supply them to Israel if the government agreed to supply them to Libya. However, this would put British interests in the Arab world at risk. Later the Cabinet made a decision not to supply the Chieftains to either Libya and Israel. The British made an offer to postpone the delivery of the Chieftains and supply other tanks. This offer was rejected by Libya; the negotiation came to a dead end, and the Chieftains contract was terminated. pp. 64-68.

In conclusion, it is obvious that Libyan dissatisfaction over the settlement of the dispute (outstanding issues) and the British rejection of Libyan entitlement to these demands,

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785 TNA, CAB, 148-93, Anglo/Libyan relations, memorandum by the Secretary of State for Foreign and Commonwealth Affairs; TNA, CAB, 148-93, Arms for Libya, memorandum by the Secretary of State for Foreign and Commonwealth Affairs
despite acceptance of the need to find a solution to these problems, led to negative British-Libyan relations as a whole. The question that can be raised here is, was there an element of British bad faith, in the management of these relations? The answer probably ‘no’, The British were not conspiring against the Libyan government, but their mistakes and misperceptions, and failures to pay attention to detail, often meant that they seemed to be deliberately misleading the Tripoli government, and that further encouraged a suspicion of bad faith in the Libyan government which already existed. The consequences of the failure of the two parties in resolving their outstanding issues can be clearly seen in subsequent years through Libyan hostility towards British interests in Libya and in the region as a whole. (see chapter 3, 4 and 5). A large number of British documents show this, and record British expectations of Libya’s hostile moves against British interests if negotiation over outstanding issues failed.786 (see Chapter 3, 4 and 5). This argument stands whether or not the differences between the two were actually capable of resolution: neither got close enough to finding that out.

After the termination of the Chieftains contract and the breakdown of negotiations over the BAC contract, the Libyans seemed to come to the conclusion that they would never receive satisfaction over their claims, besides which they had poor experience in negotiating and solving such problems.787 Each of the disputes (nationalisation of BP, Libyan support for the IRA, the Libyan-Soviet rapprochement and Libyan foreign

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786 TNA, FCO 39/1111, Libya/BP: Anglo/Libyan relations, letter from Peter Tripp to A. D. Parsons. GMH MVO MC, FCO; TNA, FCO 39-1083, letter from Mr M. R. Melhuish to A. J. M. Craig. TNA, FCO 67/436, The value of British interests in Libya, paper for ministers, from R. C. Hope-Jones to M. P. V. Hannam., Tripoli and planning staff, oil department; TNA, T317/1576, BP nationalisation, letter from Hannam to FCO.

787 TNA, FCO 39-1083, Letter from S. L. Egerton to Mr Craig.
policy opposition to the British) affected British-Libyan relations as a whole through the 1970s. In addition, the failure of the negotiations shows how the two countries became opposed to each other in the Mediterranean and Africa in relation to third parties as well as in direct exchanges.

Records of the British-Libyan relationship clearly point out that the issue of BP asset nationalisation in Libya worsened the relationship between the two during the period from December 1971 to November 1974, when Libya then agreed to pay compensation to BP. The evidence suggests that BP assets were nationalised as a result of the failure of negotiations over the outstanding issues. The British government suspended all of its negotiations with Libya, and withdrew its offer to settle the outstanding issues. This continued to be the case until a settlement was reached between the Libyan government and BP in November 1974. The FCO, expecting Libyan action against BP and Shell, warned about this, but failed to secure British oil interests. The records of the FCO and the oil department clearly show the lack of the British government’s support to BP and Shell: they cared enough about the dispute over the outstanding issues to risk oil company assets but not enough to resolve the issues. The FCO and the oil department both admitted that there was a little influence to exert on the Libyans to protect oil companies by that time. Oil department records indicate this fact, noting:

> We have in the main left the two British companies to take their own decisions […] our part has mainly been confined to giving diplomatic support when required […] There seems in fact to be little influence we could exert on the Libyans to protect Shell and BP.\(^{788}\)

\(^{788}\) TNA, FCO 67/432, Libyan oil: the British stake
In addition, this study succeeds in proving that the Libyan nationalisation of BP assets in Libya was mainly due to the Libyan desire to control its oil sector and end foreign companies’ control of the field, as well as to take revenge for its failure to obtain a satisfactory settlement of the outstanding claims. The nationalisation of BP was not a result of the British handing over the UAE islands to Iran. It also proves that the nationalisation and the suspension of outstanding issues negotiations reinforced poor British-Libyan relationship for more than three years. pp. 136-146.

From June 1972 to 1979 the IRA matter was the subject of tension between Britain and Libya. British documents related to Libyan support for the IRA are limited, and do not clearly indicate the reason behind this support—nor could they be expected to do so. However, through the available documents some suggested conclusions can be drawn: that Libyan support for the IRA was also a result of the collapse of negotiations over the outstanding issues and Britain’s refusal to continue negotiations after the nationalisation of BP. There is not much evidence to support this, however: Gaddafi and Jollud offered many times to settle the IRA issue if Britain agreed to settle the outstanding matters, but this may at least sometimes have been disingenuous. All the same, this conclusion contradicts previous studies which indicate that support was ideologically driven by Gaddafi’s principle of supporting liberation movements.\footnote{TNA, FCO 93-611, Anglo/Libyan relations, letter from Murray to FCO; TNA, FCO 39/1087, Gaddafi’s evacuation day address; TNA, FCO 39-1087, bilateral relations, letter from Tripp to FCO; TNA, FCO 93-19, Anglo/Libya relations, letter from Tripp to FCO.}

Another fact that can be highlighted here is that, the signals that Gaddafi and Jallud sent to the British government regarding to the problem of outstanding issues and the issue of supporting the IRA indicate that Gaddafi’s support for the IRA was not related
to his ideological principles, as much as it was quite likely a bargain, to settle the Libyan claim. However, the two governments appeared to disagree about the issues that were possibly negotiable. pp. 227-231. To conclude, the issue of Libyan support for the IRA is very complex, and still lacks detailed information because absence of intelligence data. Even a more recent study by Andrew (2013) has failed to address such limitation as it provided very little about this issue.790

The document analysis of Libyan support for the IRA shows how this issue is complicated and difficult to investigate. However, it highlights some conclusions. First, it is a fact that Libya announced its support for the IRA, although limited data show it is hard to conclude how far that support went.791 Second, the declaration of Libya’s support for the IRA created great difficulty for the British government in defending any settlement with Libya in Parliament or the press that would recognise Libyan claims.792 Third, linking the British government to the settlement of outstanding issues, renouncing all forms of Libyan support to the IRA, including moral and verbal support, with the intention that Britain would not pay any sums of money on the settlement of Libyan claims, despite its significant success in reducing Libyan support for the IRA, added further delayed the solution.793 Fourth, it is quite likely that delaying the settlement of the Libyan claims was behind Gaddafi’s maintenance of limited support

791 TNA, FCO 93/1379, Irish-Libyan relations, letter from P. L. V. Mallet, to Mr Mound and Mr Hodge; TNA, FCO 87/948, UK Libyan relations, letter from W. R. Tomkys, to D. J. R. Hill, Northern Ireland office.
792 TNA, FCO 93-612, Negotiations with Libya, letter from Murray to FCO; TNA, FCO 93/613, negotiations with Libya, letter from A. B. Urwick, to British ambassador in Tripoli.
793 TNA, FCO 93/614, Libya and Ireland; TNA, FCO 87/948, Libya and the IRA, letter from P. J. Parramore to Mr Jenner,
for the IRA during the second half of the 1970s, together with a lack of trust between both about their intentions or their ability to maintain their own security against UK agencies.\textsuperscript{794} Fifth, lack of confidence in the British government in Gaddafi’s promises and guarantees to withdraw all of his support for the IRA was important alongside the dispute itself.\textsuperscript{795} Although the FCO successfully limited Gaddafi’s support to the IRA later in the 1970s, they failed to persuade him to abandon all kind of support for the IRA. Linking the solution of both issues (the IRA and the outstanding issues) did not help resolve any of these problems. It only delayed hostile Libyan action against British trade interests. Therefore, the policy of the FCO in solving both of these problems failed; they were to benefit from the improving trade, but not resolve general outstanding issues.

British documents indicate that Gaddafi’s coming to power promoted British fears that Libya would turn to a pro-Soviet posture, particularly after Jallud’s visit to Moscow in 1972. However, this study suggests that the visit was mainly for military and economic purposes short of all-out cooperation. There was concern that in the event of a collapse in British-Libyan relations, especially in the field of supplying weapons, Libya would head for the Soviet Union to obtain weapons, and that this would establish the beginning of a Libyan-Soviet relationship which could threaten British and Western interests in the Mediterranean. The British officials under-estimated the continuing

\textsuperscript{794} TNA, FCO 93-1405, Libyan claims, letter from P. L. Gregson to M. S. Weir; TNA, FCO 87/948, Libya and the IRA, letter from P. J. Parramore to Mr Jenner.; TNA, FCO 93-1001, annual review and farewell combined, D. F. Murray.

\textsuperscript{795} TNA, CAB 148-122, DOP (72) 13, Cabinet, Defence and Overseas Policy Committee, Chieftains for Libya; TNA, FCO 93/365, Anglo-Libyan relations, letter from A. J. M. Craig to D. F. Murray, British Embassy, Tripoli.
distrust between Moscow and Tripoli, which limited the scope of their cooperation. They sought to prevent Soviet arms provision in exchange for bases, but had few means to promote this given the refusal to supply arms from the UK.

However the British records of Libyan-Soviet relations show that they were quite optimistic that relations would not get to the point where they would threaten Western and British interests in Libya and the Mediterranean. This British view was due to ideological differences between the two countries, and Gaddafi’s criticism of the policies of the Soviet Union throughout the beginning of the 1970s. However, this optimism was sometimes logical, and sometimes not. According to the British National Archives, throughout the period from Jallud’s visit to Moscow in 1972 to Gaddafi’s visit to Moscow in 1976, it was not proven that the relationship between the two countries had reached a stage of strategic cooperation that threatened the interests of Britain, America and the West. There were no Soviet bases in Libya, and Gaddafi continued to criticise Soviet policy in the region. But on the arms trade, Britain was less successful. British refusal to supply the Chieftain tanks led Libya to turn to the T54 Soviet tanks. Later, Britain lost most of its arms contracts apart from small ones, while the USSR became the main supplier of Libyan arms.

This study also shows that after Gaddafi’s visit to the Soviet Union, and despite continuing ideological and political differences such as the position of Libya on the Geneva Conference, Libya became closer to the Soviet Union because of its growing fears about Egypt and the US presence there. However, this study shows that, although Libyan-Soviet cooperation did not greatly threaten Western strategic interest in the
region, the British loss in the arms trade field was huge. This brought the British project of developing an arms trade with Libya for the benefit of the British economy (1968) to an end, losing substantial sums for the British economy into the 1970s.

British records show that mistrust of Gaddafi in London was the main obstacle to future negotiations. Since the early 1970s, the British considered Libyan foreign policy hostile to them, as well as unpredictable and unacceptable. Many times Gaddafi publicly announced his hostility to Israel and his willingness to be part of any war against Israel. This reflected badly on the British decision about British arms deals with Libya such as the Chieftain tanks deal. Records indicate a clear contradiction between what Gaddafi and other Libyan politicians were saying to the British during negotiations, and what Gaddafi was publicly declaring. This led to a lot of confusion, and showed how the Libyan government’s lack of experience affected its ability at that time to solve its problems. This, in turn, soured British government decisions towards Libyan policy.

Furthermore, documentary analysis shows that British decisions were affected by reports coming from Libya regarding domestic events there. The British were hoping that the Gaddafi regime would collapse during the coup of 1975, and there were demonstrations, especially in the ranks of Libyan university students, throughout 1975 and 1976. We currently have no way of knowing if these had any backing from British or US agencies. A decision was made to delay talks with Tripoli and to steer
negotiations to different subjects, hoping that the regime would collapse internally. However, this did not occur. Another conclusion is that from 1976 to 1979, the British government completely lost trust in the Libyans, and a decision was made to save Britain’s growing trade there, showing goodwill in talking to the Libyans, but not engaging in any serious negotiations that would lead to paying Libya any amount of money to settle the outstanding issues. Relations were kept at a low level, avoiding normalising the relationship.

In 1974, and in response to the request of Gaddafi to turn a new page in British-Libyan relations, the British government insisted that the basis of any normalisation of political relations must be based on abandoning Gaddafi’s illusions about Zionist control in the United Kingdom, and on stopping supporting terrorists in Ireland.796 The gap between the British and Gaddafi was very large. There was indeed a feeling among British officials that the UK could not have normal relations with Libya as long as Gaddafi was in power. However, at the beginning of 1975, a belief grew amongst the British government that Gaddafi was serious in turning a new page in British-Libyan relations. Mr. Muir from FCO argued that Gaddafi had been sending messages to the British government for a long time, since 1973, that he wanted to improve relations; he had previously made it clear that opening a new page in the British-Libyan relationship must be on the condition that the UK settle Libya’s claims.797 But there was a fear in trusting Gaddafi’s approach. Muir said that however, he [Gaddafi] is erratic and his position shifts from one day to another he is consistent in his long term aims.798

796 TNA, FCO 93-365, Anglo/Libyan relations, letter from Tripp to FCO, 11 January 1974
797 TNA, FCO 93-309, Anglo/Libyan relations, letter from R J S Muir to Mr N Williams, 23 April 1975
798 Ibid
Gaddafi’s initiative was interesting to the British government from a number of points of view:

- Gaddafi was on his own and apparently at pains that word of his talk with Mr Murray should not get out or back to his colleagues.

- He stressed the seriousness of his approach and the fact that he was giving an official view, which he wanted conveyed to HMG.

- He emphasised his wish for good relations with us and did not make any prior conditions. He did not mention the claims issue and said that he regarded the Irish issue as the only matter on which there seemed to be differences between us.\textsuperscript{799}

From the viewpoint of the British government, Gaddafi was in necessary need of improving his foreign affairs image, as well as moving Libyan foreign policy forward. This was because of several factors:

- He still felt isolated: the squabble with Egypt would have increased this feeling.

- He wanted better press in the UK. A declaration by HMG that relations with Libya were improved would enable him to win a point over Sadat.

- He wanted British firms to bid for Libyan military and civilian contracts (there is evidence that a number of Libyan organisations were seeking bids from British firms).\textsuperscript{800}

\textsuperscript{799} TNA, FCO 93-309, Anglo/Libyan relations, letter from R J S Muir to Mr N Williams
\textsuperscript{800} Ibid
However, the British government had no intention to normalise relations with Gaddafi’s government for several reasons. In a letter from Mr. Craig, North Africa Department to the British Ambassador in Tripoli, he said ‘For Gaddafi the objective in sending Jallud here to resolve the claims issue it to win a point which has so far eluded him [....] We (the British government) have no interest in helping them towards these goals; it would help their regime and would cause us difficulty in Parliament’. 801

Indeed, the changes of British government in 1970 and 1974 did not bring much change to the British policy towards Libya. British government had no intention of paying any money for the settlement of outstanding issues, and insisted Gaddafi to abandon all forms of support to the IRA.

Mr. Craig added that first any settlement with the Libyans would include payment of an amount of money; the British government had no intention of agreeing to any Libyan demand for the settlement of outstanding issues. 802 Second any settlement with Libya would put the Secretary of State and other FCO ministers under strong attack in the House of Commons. ‘Both sides of the House would challenge the justification and the need for any payment to Libya.’ 803 However, the British wanted to maintain a level of trade which had improved in recent years, and at the same time keep the relations at a low level. Therefore, the immediate British government’s objective was to keep the Libyans talking, and try to steer the discussions into other fields away from the claims.

801 TNA, FCO, 93/365, Anglo/Libyan relations, letter from A J M Craig to Mr. D F Murray, 18 June 1974
802 TNA, FCO, 93/365, Anglo/Libyan relations, letter from Tripp to A J M Craig, 7 March 1974
803 TNA, FCO, 93/365, Anglo/Libyan relations, letter from D F Murray to A J M Craig, 6 June 1974
issue. At the same time, they wanted the following: Not to pay the Libyans any money; dropping of the boycott; satisfaction over the IRA (a difficult one ideologically for Gaddafi); settlement of as many of the other issues as possible and assurances of Libyan goodwill in negotiating with BP and Shell.

For the British government it was difficult if not impossible to justify any rapprochement or normalising of relations with Libya to the public, because of Gaddafi’s speeches and acts against the British government and British interests. These actions helped stop British and Libyan negotiations from resolving the outstanding issues and establishing normal political relations between the two countries. For example, in December 1971 the British government suspended its negotiations with Libya to resolve the outstanding issues, which were not resumed until early 1975 when Libya paid compensation to BP. In June 1972, further deterioration in relations occurred because of Gaddafi’s announcement to support the IRA. The British government stopped all its negotiations with Libya to sell weapons and military equipments until Libya withdrew all its support from the IRA and gave definite guarantees to this effect. Gaddafi’s declaration to support the IRA had expanded the gap between the two governments, and led significantly to a rift in British-Libyan relations. It also led to the creation of a climate of mistrust on the British side of any political normalisation with Gaddafi’s government.

British reports in 1975 say that despite Gaddafi’s attempts to improve his image in the field of foreign policy because of internal and external isolation, this did not have the

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804 TNA, FCO, 93/365, Anglo/Libyan relations, letter from D F Murray to A J M Craig, 20 June 1974
805 TNA, FCO, 93/365, Anglo/Libyan relations, letter from D F Murray to A J M Craig
806 TNA, FCO 39-1085, Anglo/Libyan relations, letter from Tripp to FCO, 22 November 1972
effect of making Gaddafi any more reasonable or tractable on foreign policy issues of importance to the British government. ‘His capacity and inclination to make trouble in the Middle East and the Maghreb appear to be undiminished; he continues to declare support for the IRA; he appears to have become more deeply involved with the East European and Soviet camp at the same time to be losing interest in Western Europe’.  

Events which took place in Libya in 1976 showed how the relations between the two countries were fragile, as it left mistrust, misunderstanding and the expansion gap in relations. Gaddafi accused the British government of standing behind and supporting student demonstrations against him at home and abroad. However, no proof was given by the Libyans to show that Britain was behind these events.

In 1976, student demonstrations broke out against Gaddafi in Tripoli and Benghazi, and then expanded to include the Libyan students in many capitals around the world; the largest were in London and Cairo. In his speech at the national congress of the Arab Socialist Union, Colonel Gaddafi claimed that Britain and Egypt were behind the student demonstrations. Gaddafi said that ‘Libyan students in Cairo, London and other reactionary capitals. These had been instigated by the intelligence organisations in Cairo and London’. Gaddafi also added that ‘Instead of demonstrating, the Libyan students should have been proud that Great Britain was begging Libya to take its hand off Ireland’.

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807 TNA, FCO 93/832, Anglo/Libyan relations, letter from A B Urwick to Mr Weir and Mr Green, 16 January 1976
808 TNA, FCO 93/832, Colonel Gaddafi’s remarks about the UK, letter from A B Urwick to Mr Weir, 20 January 1976
809 TNA, FCO 93/832, Student disturbances in Benghazi, Letter from Murray to FCO, 15 January 1976
810 TNA, FCO 93/832, Colonel Gaddafi’s remarks about the UK
The British government strongly rejected this claim, and considered Gaddafi’s accusation as unreasonable charges. In addition Britain expressed its deep concern over Gaddafi’s remark about Northern Ireland.811

All Gaddafi’s attempts since late 1973 to improve and normalise his relations with the UK did not succeed. Another event increased tension in diplomatic relations between the two countries. In March 1976, a Libyan official, Al-Hadi Ahmad Jallud was arrested by the British authorities at Heathrow airport. The Libyan government claimed that Al-Hadi was arrested by six British intelligence officers and one Egyptian intelligence officer. He was interrogated for nine hours, insulted and sworn at. ‘Some of these insults were damaging to the Libyan leadership’. The Libyan government strongly protested and requested a formal apology from the British government, otherwise from its side Libya would be compelled to apply the principle of reciprocity.812 The British government strongly denied the Libyan allegations, and said that Mr. Al-Hadi was not subjected to ill-treatment, and had not been interrogated for nine hours, it was only an hour and a half.813 Mr. Al-Hadi had before this time entered the British territory in February, accompanied by two Libyan men Majors Bibai and Hijazi who were known to the British government to be Libyan intelligence officers.814 Major Hijazi was subsequently arrested in Tunis for his connection with some intelligence activities.815

811 TNA, FCO 93/832, Student disturbances in Benghazi, Letter from Murray to FCO, 16 January 1976
812 TNA, FCO 93/832. Letter from Murray to FCO, 18 March 1976
813 TNA, FCO 93/832. Letter from Callaghan to FCO, 26 March 1976
814 TNA, FCO 93/832, Libyan complaint at Heathrow interrogation, letter from Callagan FCO to British embassy in Tripoli, 18 March 1976
815 TNA, FCO 93/832. Letter from Callaghan to FCO
At the same time when Gaddafi was attempting to improve his relationship with Britain, the British government had some strong reports suggesting that the Libyan government was planning to carry out some terrorist acts against some of the Libyan dissidents who were in the United Kingdom. The reports were to indicate that the Libyan government was preparing to abduct some of those opponents.\textsuperscript{816}

No change to the British-Libyan relations concerning full normalisation of relations between the two countries occurred. The events of the student demonstrations in Libya in early 1976, the arrest of some Libyan intelligence officers in London, and then some British intelligence reports, which refer to the planning of acts of terrorism on British territory against Libyan dissidents. These incidents showed how far the relations were fragile. All of these events were not to make it impossible to improve relations between the two countries, or to speed up any rapprochement towards the normalisation of political relations. By 1977 the British government was still considering Gaddafi's foreign policy as hostile to British interests. According to the British this was because of Gaddafi's desire to pursue his more radical objectives.\textsuperscript{817} In 1978 it seemed that Gaddafi was not satisfied with the progress toward the normalisation of British-Libyan relations. Through the British Ambassador in Libya, Gaddafi made an offer to the British government by saying that Libya wished to ‘make the United Kingdom the favoured vehicle for its relations with Europe and (sic) America’. Gaddafi added that it would be advantageous for both sides first to remove the financial claims issue out

\textsuperscript{816} TNA, FCO 93/832. Libyan complaint at Heathrow interrogation, letter from Callaghan to British embassy in Tripoli, 26 March 1976

\textsuperscript{817} TNA, FCO 93-1008, Anglo/Libyan relations, letter from W R Tomkys to Mr Weir, 1977
of the way. Gaddafi went on to say that 'We [the British and Libya] might jointly prepare a document or declaration satisfactory to the UK while respecting Libyan views on liberty’. The British government did not reject Gaddafi's offer in full. There was full agreement in the British government, that it must push Gaddafi as much as possible to withdraw all kinds of support from the IRA. However, his offer to make Britain Libya's vehicle for relations with the United States and Europe was not accepted. The British Ambassador said that 'in the context of Libya’s international policies it is hard to see much substance in better relations with Libya; and whether we should want to be the vehicle for Libya’s relations with the US and Europe – whether that means – must be doubtful'.

The foregoing is clear that Libyan foreign policy throughout the period of the 1970s would never be acceptable to Britain. The principle of supporting the liberation movements that Gaddafi adopted and was calling for had made Libya's foreign policy considered as a policy of violence and a call for terrorism. In addition Gaddafi's foreign policy was considered in many cases, as an intervention in some countries’ affairs, as was the case in support of the IRA, which was strongly rejected by the British government and considered interference in the internal affairs of the UK. Therefore, it can be argued that the relationship between the two countries, politically and diplomatically had not seen any rapprochement which would lead to full normalisation of the relations of both countries. Despite all this, the relations between the two

818 TNA, FCO 93-1406, Libyan claims, letter from CD Powell to Mr Weir, 12 October 1978
819 TNA, FCO 93-1406, Anglo/Libyan relations, letter from Williams to FCO, 9 October 1978
820 TNA, FCO 93-1406, Libyan claims
821 Ibid
countries were not cut off completely, but Britain kept a low level of relations with Libya, to benefit from trade with Libya as much as it could.

It also seems clear that the British were not confident in the policies of Gaddafi or any guarantee that could be offered by Gaddafi as a good intention. In addition to Britain, it had seen in the acceptance of any normalisation with Gaddafi that Britain would find itself forced to make a satisfactory settlement to Libya on the outstanding financial issue between the two countries, which was rejected by the British for the reasons already mentioned above. Thus, Britain acted not to cut political ties with Libya and at the same time not to pay any sums of money to settle outstanding financial matters. Moreover, it was considered by the British politicians that any agreement with Libya would lead to normalised relations and paying money to settle the outstanding issues, would lead to a heavy attack on the parliament. In relation to the Libyan support to the IRA, the FCO said ‘Colonel Gaddafi’s assurances on Northern Ireland do not yet seem sufficiently explicit to be used with the British public and Parliament in explaining our reasons for accepting a financial settlement. The available terms for such a settlement are still far from clear’. In conclusion, this study surely indicates that the damage to the relationship between the two countries after 1969 was economic on the British side due to: Britain’s huge oil interests in Libya (25% of British oil came from there), the growing arms trade, and Libya being the second largest British market after Saudi Arabia in a period in which

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822 TAN, FCO 93-613, Negotiations with Libya, letter from D F Murray to A B Urwick, 3 December 1975
823 TNA, FCO 93-613, negotiations with Libya, letter from A B Urwick to Mr Weir, 6 November 1975
the British economy was suffering. Thus, the damage in relation to this was undoubtedly very large. British records clearly show that the British relationship with Libya during the 1970s, despite their disputes, was driven up and down, mainly for economic purposes. Even during the tension over the IRA, the British were negotiating arms deals with Libya, but not the arms that could have been used by the IRA.

This study reliably points out that after British withdrawal from the East of the Suez, Libya was not a great location for British strategic involvement, taking into account that since then, Britain has been a member of NATO. (Blackwell 2003) argued that ‘In the context of overall British strategy in the Middle East, the importance of Libya to London was heightened following the signing of the Anglo-Egyptian agreement in 1954. This resolved the ongoing dispute between London and Cairo over the presence of British forces in the Suez Canal military base system that had be devilled London's plans for a regional defence system since 1945’. Blackwell added that ‘with regard to a rapid withdrawal from Libya became moderated by the pressing requirements for cost-cutting and military redeployment that accompanied the drafting of the 1957 defence White Paper. In February Macmillan and his Minister of Defence, Duncan Sandys, privately agreed that a total British withdrawal from Libya had to be considered’. Later (Straw 2011) discussed the British withdraw from the East of Suez and its consequences on the British facilities in Libya. He indicates that:

From 1965 to 1967 the Labour Government pursued reductions in defence expenditure and withdrawal from the Libyan facilities, as envisaged by the January 1965 Anglo-Libyan Review, was incorporated into the 1966 Defence Review. The Libyan cuts were part of a general reduction of forces in the Mediterranean which serviced the East of Suez defence strategy and which the Libyan facilities played a diminishing role in. However, the military
presence remained important to British interests. They served a limited strategic role and enabled the British to maintain their defence commitment to Libya.\textsuperscript{824}

Straw also wrote that by 1968, Libya’s strategic role in Britain’s East of Suez commitments was obsolete. The East of Suez strategy itself was to be formally ended in that year when further cuts in defence spending were necessary.\textsuperscript{825}

It is also clear that there was no strategic or political shift in Libyan-Soviet cooperation. Part of the British arms trade losses was to the benefit of the Soviet Union, which means that the damage was economic not strategic. The Libyan-Soviet relationship during the 1970s did not act as a major source of dispute between the Libya and the UK.

In short, with the passage of time, it became clear that the dispute between Britain and the Gaddafi regime had exceeded the issue of conflict of interests and differing ideologies to a real crisis of confidence, as the British government never trusted Gaddafi. In other words, the long history of disputes between the two countries (1969-1975) over the outstanding issues (inflexibility of Libya over the negotiation of these issues, BP nationalisation and Libyan support for the IRA) created an atmosphere of distrust between the two sides. As one senior Foreign Office member state: ‘I have concluded after very careful consideration that, whether we reach a settlement or not, it is very doubtful that shall ever have good political relations with Gaddafi and the RCC’.\textsuperscript{826}

\textsuperscript{824} Straw, S., Anglo Libyan relations and the British military facilities 1964-1970, p 200
\textsuperscript{825} Ibid, p 200
\textsuperscript{826} TNA, FCO 39/1111, Libya/BP: Anglo/Libyan relations, letter from Peter Tripp to A D Parsons GMH MVO MC, FCO, 16 February 1972

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Therefore, there was a strong belief that as long as Gaddafi remained in power, there would be no future for good relations between the two countries. Differences in political ideologies were one of the main reasons for the widening gap between the two parties, particularly with regard to the Palestinian cause. Thus, whenever and almost wherever the British government pursued a policy contrary to Gaddafi’s slogans, British interests were vulnerable to Libyan reprisals, Tripp said.\textsuperscript{827} Thus, it could not predict what Gaddafi might do. Tripp wrote that:

Even if HMG were to pay £25 million or even £48 million, they would remain vulnerable to attacks their Middle East, Mediterranean, African (e.g. Rhodesian) policies[...]

\textsuperscript{828} If he felt himself provoked by HMG’s policy concerning anything which he saw as his concern – and this, as we know, could be almost anything.

By the end of 1979 and the beginning of 1980, it seemed that Gaddafi lost hope of settling his outstanding issues, and obtaining any normal relationship with Britain. A sign of a new crisis in British-Libyan relations began to show in relation to the amount of Libyan political refugees in Britain. In November 1979, Major Jalloud informed the British Ambassador in Tripoli, Mr Williams, that Libya was deeply concerned by the acts of some Libyans who were hostile to the regime in Tripoli. Jalloud referred particularly to twelve Libyans who were living in the UK, who he said were carrying out unfriendly activities against Gaddafi’s regime.\textsuperscript{829}

\textsuperscript{827} Ibid
\textsuperscript{828} Ibid
\textsuperscript{829} TNA, FCO 87/948, Anglo-Libyan relations, letter from Williams to FCO, 26 November 1979
\textsuperscript{830} Ibid

The Libyan leadership wanted these twelve[…]extradited to Libya, as a minimum, that they should be ejected from Britain: if not, would HMG like to see an IRA office opened in Tripoli?\textsuperscript{830} The IRA was only illustrative that, just as we [the British] four years ago had said that Libyan relations with the IRA were damaging to our relations, so now the Libyans wished
to warn that harbouring the twelve and permitting them to carry out anti-Libyan government activities was also harmful to these relations.831

In the early 1980s, Gaddafi gave orders to his intelligence services to assassinate dissidents abroad, particularly those who were in Britain.832 On April 1980, Gaddafi asked the Libyans who were living abroad to return home immediately. He said that:

The Libyans abroad should go immediately to Libyan People's Bureaus (diplomatic missions) which would facilitate their return home as the final and only chance of saving themselves[...]either these people return to the Jamahiriya republic or they are doomed wherever they might be. Let all be warned. And those who do not take heed of this warning have only themselves to blame.833

It did not take a long time until Gaddafi carried out his threat. On April 11th 1980, Mr Muhammad Ramadan, a Libyan journalist was shot in the Central Mosque in Regent's Park. On the 25th of the same month, Mr Mahmoud Abbu Nafa was shot dead at his office in Kensington.834 These two Libyans were killed by three Libyan intelligence agents, Ben Hasan Muhammad El-Masri, Magib Musta Gasmi and Muhammad Al-Giddal.835 In June, Musa Kusa, Secretary of the Libyan People's Bureau in London told The Times that a decision was taken to murder two more opponents of the Gaddafi regime. The decision had been taken by revolutionary committees meeting in Britain.836 Kusa went on to say that: 'Libyan revolutionaries may start to cooperate

831 Ibid
833 Knipe, M., Col Gaddafi tells exiles to return or be killed, The Times, Apr 28, 1980
834 Ibid
835 Tendler, S., Libyan killer squad waited two months, The Times, Sep 17, 1980
with the IRA if the British government continues to support Libyans now in hiding in Britain.\textsuperscript{837}

On June 13, the British government expelled Libya's chief representative in Britain, Musa Kusa, as a result of him telling \textit{The Times} that two more Libyan exiles were to be killed in Britain.\textsuperscript{838} Three other members of the Libyan diplomatic mission were ordered to leave the United Kingdom. The British government said they were involved in activities which were incompatible with their functions.\textsuperscript{839} In response to the expulsion of four Libyan diplomats, Libya expelled three British diplomats and 17 other British subjects.\textsuperscript{840} On 16\textsuperscript{th} September 1980, the three Libyan agents were sentenced to life for murdering the two Libyan dissidents in London.\textsuperscript{841} These events clearly led to further deterioration in British-Libyan relations in the early 1980s, showing how fragile the relationship between the two countries had been throughout the 1970s.

In conclusion, it may be helpful at this point to remind the reader of the overall story of the preceding analysis and explanation.

The thesis explores the details in the documentation before drawing the main threads together in the concluding chapter. But although the following chapters are dominated by detail, it may also be useful for the reader to have a sense of the overarching

\textsuperscript{837} Horsnell, M., Gaddafi men sentence to death two Libyan exiles in London, \textit{The Times}, Jun 13, 1980
\textsuperscript{838} Tendler, S., Ford, R., Horsnell M., and Gibb, F., Head of Libyan mission is expelled after death threats
\textsuperscript{839} Libya agrees to withdraw four members of London mission, \textit{The Times}, May 13, 1980
\textsuperscript{840} Libya expels three British diplomats and 17 others, \textit{The Times}, Jun 02, 1980
\textsuperscript{841} Libyans get life for murder of exiles, \textit{The Times}, Sep 17, 1980.
narrative before it is spelled out, to see the wood for the trees. Therefore, looking ahead to the conclusions once the research has been completed, and to signal the main core narrative which emerges from it, the main themes of the thesis which unify it beyond the detail, can be summarised in the following argument. First of all, differences of both interests and perceptions emerge in every chapter. Secondly, the differences within the UK government, and differences at different levels within it, (such as the FCO, Department of Trade and Industry, junior ministers, various foreign secretaries, and full cabinet) reflect bureaucratic politics, variations in experience, and varied overall perspectives on Libya, as well as divisions over the best definition of interests and the best means to achieve them. Thirdly, there were long running disputes between Tripoli and London over both arms sales and arms supplies to Ireland which, although they were not only about misperceptions and mismanagement, clearly did on the evidence result in part from those factors as well as from hard interests. Furthermore, if there were differences and divisions on the British side, perhaps less surprisingly given the large and complex machinery of foreign policy making there, it is also evident that there were disagreements and changes of mind within the Libyan policy making machinery, notwithstanding the dominant role that President Gaddafi occupied. Gaddafi was not consistent in his own views, and did not communicate (or did not allow his subordinates to communicate) clearly to the other side what he considered core interests and negotiable issues. Thus both sides contributed by their words and actions to the misperceptions and misreadings of the other. More succinctly, Anglo-Libyan relations reflect long term conflicts of real interest including those derived from historical experience and perceptions, but all the same the dynamics of their
relationship cannot be explained solely in terms of that legacy or those interests. The role of individuals and bureaucratic structures and bureaucratic disagreements on both sides was a significant factor. Both sides misunderstood and misread the other quite often, and both side over-estimated their ability to shape the situation or change the thinking of the other.
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