Number

LIBYA MUST PAY A PRICE FOR TERRORISM

(Updating <u>Backgrounder</u> No. 362, "Moscow's Thriving Libyan Connection," June 26, 1984; and <u>Backgrounder</u> No. 157, "Neutralizing Qadhafi: Containing Libyan Aggression," November 25, 1981.)

Libyan strongman Muammar Qadhafi again has muscled into the international limelight in connection with a heinous terrorist assault—this time the December 27th attacks in Rome and Vienna that killed 19 men, women, and children—including five Americans. These massacres were carried out by a Libyan—backed Palestinian terrorist gang that is determined to block Arab—Israeli peace negotiations. It was thus fitting that Ronald Reagan devoted most of this week's press conference to Libya's sordid role as an international terrorist. It is time to make Libya pay a price for its terrorism.

Washington should press all other states to follow its example and quarantine Libya by breaking economic and diplomatic relations. Washington should warn its allies that failure of Western will to use economic leverage against Qadhafi will only make a military confrontation inevitable. Strong economic sanctions also would bolster the growing Libyan disenchantment with their reckless leader. With covert U.S. help, Libyan dissidents eventually could topple him. Moscow, meantime, must be put on notice that improved U.S.-Soviet relations are impossible so long as the Kremlin provides essential support to Qadhafi's regime. Americans hardly will be in a mood to welcome Soviet leader Mikhail Gorbachev to the U.S. later this year if he continues to encourage, as Moscow did this week, Qadhafi's outlaw activity.

Americans must make clear their dismay and disgust for those West European governments which continue to appease Qadhafi, vainly hoping to buy immunity from Libyan-sponsored terrorism. The Europeans rebuffed American attempts to quarantine Libya in 1982, arguing that their economic links with Libya would restrain Qadhafi. They were wrong.

Far from being "restrained," Qadhafi has acted with impunity against western interests. In 1983 he held eight West Germans hostage to force Bonn to release a Libyan convicted of assassinating a Libyan exile in Germany. In 1984, he double-crossed France's Mitterrand government regarding troop withdrawal from Chad. That year too his "diplomats" murdered a British policewoman outside Libya's London embassy. With Moscow's help, he has been arming to the teeth. In recent months, he has deployed Soviet SAM-5 anti-aircraft missiles, whose 150-mile range complicates NATO defense planning. These batteries are manned by Soviet personnel. And despite the coddling Qadhafi has had from the Europeans, he continues to train and support more than 30 different international terrorist groups.

When Europeans failed to follow Washington's lead in 1982 in banning crude oil imports from Libya, they pleaded that they were more dependent on Libyan oil than was the U.S. Today Libyan oil would be much easier to replace. Reagan thus should press the West Europeans to suspend purchases of Libyan oil and stop underwriting Libyan terrorism. In the event of a military confrontation with Qadhafi, Europeans working in Libya would become potential hostages. Washington therefore should advise its allies to withdraw their personnel from Libya, just as Reagan is telling Americans in Libya to come home.

Qadhafi already is the target of considerable domestic grumbling due to his economic mismanagement and the cost of the interminable war in Chad and global terrorism. To make him increasingly vulnerable to the wrath of his own people, Washington should work covertly with Qadhafi's opposition within Libya and in exile, as well as with neighboring states. Their goal should be to topple the strongman.

Use of force against Libya should be a last resort. Multilateral economic pressures and covert aid to anti-Qadhafi Libyans could drive a wedge between Qadhafi and the Libyan people. A military attack could unite Libyans behind him. It also could provoke an emotional convulsion in the Arab world that would lead moderates to distance themselves from the U.S.

If, however, European states refuse to use their economic leverage to blunt Qadhafi's support of terrorism, then Washington may be forced to take military action. A surgical strike against the secretive Abu Nidal gang, responsible for the December 27th airport slaughters, is unlikely because it is believed to operate from shifting safehouses in urban areas. Libyan training camps for other international terrorists would then be the most appropriate target. If Qadhafi attacks Americans in the streets as he has threatened, the U.S. should impose a naval blockade around Libya and attack Libyan military targets. With Qadhafi under siege, the Libyan army, which already has mounted several abortive coups, mutinies and assassination attempts on Qadhafi, finally could drive him from power.

James A. Phillips Senior Policy Analyst