

billion a year. The only reason the IMF demanded an end to subsidies of basic necessities was to undercut the social basis of support for the regime.

Libya's "market liberalization" meant a cut in \$5 billion worth of subsidies annually. For decades, the state had been subsidizing 93 percent of the value of several basic commodities, notably fuel. After accepting the IMF program, the government doubled the price of electricity for consumers. There was a sudden 30 percent hike in fuel prices. This touched off price increases in many other goods and services as well.

Libya was told to privatize 360 state-owned companies and enterprises, including steel mills, cement plants, engineering firms, food factories, truck and bus assembly lines and state farms. This left thousands of workers jobless.

Libya had to sell a 60-percent stake in the state-owned oil company Tamoil Group and privatize its General National Company for Flour Mills and Fodder.

The Carnegie Endowment Fund was already charting the impact of economic reforms. A 2005 report titled "Economic Reforms Anger Libyan Citizens" by Eman Wahby said that "Another aspect of structural reform was the end of restrictions on imports. Foreign companies were granted licenses to export to Libya through local agents. As a result, products from all over the world have flooded the previously isolated Libyan market." This was a disaster for workers in Libya's factories, which are unequipped to face competition.

More than \$4 billion poured into Libya, which became Africa's top recipient of foreign investment. As the bankers and their think tanks knew so well, this did not benefit the Libyan masses, it impoverished them.

But no matter what Gadhafi did, it was never enough for U.S. corporate power. The bankers and financiers wanted more. There was no trust. Gadhafi had opposed the U.S. for decades and was still considered highly "unreliable."

The magazine US Banker in May 2005 ran an article titled "Emerging Markets: Is Libya the Next Frontier for U.S. Banks?" It said that "As the nation passes reforms, profits beckon. But chaos abounds." It interviewed Robert Armao, president of the New York City-based U.S.-Libya Trade and Economic Council: "All the big Western banks are now exploring opportunities there," said Armao. "The political situation with [Gadhafi] is still very suspect." The potential "looks wonderful for banks. Libya is a country untouched and a land of opportunity. It will happen, but it may take a little time."

Libya has never been a socialist country. There has always been extensive inherited wealth and old privileges. It is a class society with millions of workers, many of them immigrants.

Restructuring the economy to maximize profits for Western bankers destabilized relations, even in the ruling circles. Who gets in on the deals to privatize key industries, which families, which tribes? Who is left out? Old rivalries and competitions surfaced.

Just how carefully the U.S. government was monitoring these imposed changes can be seen in recently released Wikileaks cables from the U.S. Embassy in Tripoli, reprinted in the Britain-based Telegraph of Jan. 31. A cable titled "Inflation on the rise in Libya and sent on Jan. 4, 2009, described the impact of "a radical program of priva-

Northern Africa and the Middle East



tization and government restructuring."

"Particular increases were seen," the cable said, "in prices for foodstuffs — the price of previously subsidized goods such as sugar, rice, and flour increased by 85 percent in the two years since subsidies were lifted. Construction materials have also increased markedly: prices for cement, aggregate, and bricks have increased by 65 percent in the past year. Cement has gone from 5 Libyan dinars for a 50-kilogram bag to 17 dinars in one year; the price of steel bars has increased by a factor of ten.

"The [Libyan government's] termination of subsidies and price controls as part of a broader program of economic reform and privatization has certainly contributed to inflationary pressures and prompted some grumbling. ...

"The combination of high inflation and diminishing subsidies and price controls is worrying for a Libyan public accustomed to greater government cushioning from market forces."

These U.S. Embassy cables confirm that while continuing to maintain and finance Libyan opposition groups in Egypt, Washington and London were also constantly taking the temperature of the mass discontent caused by their policies.

Today millions of people in the U.S. and around the world are deeply inspired by the actions of millions of youths in the streets of Egypt, Tunisia, Bahrain, Yemen and now Oman. The impact is felt even in the sit-in in Wisconsin.

It is vital for the U.S. political and class-conscious movement to resist the enormous pressure of a U.S.-orchestrated campaign for military intervention in Libya. A new imperialist adventure must be challenged. Solidarity with the peoples' movements! **U.S. hands off!**

WW managing editor, Monica Moorehead, speaks at Egypt victory rally at U.N. in NYC, Feb. 11.

WW PHOTO: G. DUNKEL



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No U.S. attack on Libya!

By Sara Flounders

The worst thing that could happen to the people of Libya is U.S. intervention.

The worst thing that could happen to the revolutionary upsurge shaking the Arab world is U.S. intervention in Libya.

The White House is meeting with its allies among the European imperialist NATO countries to discuss imposing a no-fly zone over Libya, jamming all communications of President Moammar Gadhafi inside Libya, and carving military corridors into Libya from Egypt and Tunisia, supposedly to "assist refugees." (New York Times, Feb. 27)

This means positioning U.S./NATO troops in Egypt and Tunisia close to Libya's two richest oil fields, in both the east and west. It means the Pentagon coordinating maneuvers with the Egyptian and Tunisian militaries. What could be more dangerous to the Egyptian and Tunisian revolutions?

Italy, once the colonizer of Libya, has suspended a 2008 treaty with Libya that includes a nonaggression clause, a move that could allow it to take part in future "peacekeeping" operations there and enable the use of its military bases in any possible intervention. Several U.S. and NATO bases in Italy, including the U.S. Sixth Fleet base near Naples, could be staging areas for action against Libya.

President Barack Obama has announced that "the full range of options" is under consideration. This is Washington-speak for military operations.

Secretary of State Hillary Clinton met in Geneva on Feb. 28 with foreign ministers at the U.N. Human Rights Council to discuss possible multilateral actions.

Meanwhile, adding to the drumbeat for military intervention is the release of a public letter from the Foreign Policy Initiative, a right-wing think tank seen as the successor to the Project for the New American Century, calling for the U.S. and NATO to "immediately" prepare military action to help bring down the Gadhafi regime.

The public appeal's signers include William Kristol, Richard Perle, Paul Wolfowitz, Elliott Abrams, Douglas Reich and more than a dozen former senior officials from the Bush administration, plus several prominent liberal Democrats, such as Neil Hicks of Human Rights First and Bill Clinton's "human rights" chief, John Shattuck.

The letter called for economic sanctions and military action: deploying NATO warplanes and a naval armada to enforce no-fly zones and have the capability to disable Libyan naval vessels.

Senators John McCain and Joseph Lieberman while in Tel Aviv on Feb. 25 called for Washington to supply Libyan rebels with arms and establish a no-fly zone over the country.

Not to be overlooked are calls for U.N. contingents of medical and humanitarian workers, human rights monitors and investigators from the International Criminal Court to be sent to Libya with an “armed escort.”

Providing humanitarian aid doesn’t have to include the military. Turkey has evacuated 7,000 of its nationals on ferries and chartered flights. Some 29,000 Chinese workers have left via ferries, chartered flights and ground transportation.

However, the way in which the European powers are evacuating their nationals from Libya during the crisis includes a military threat and is part of the imperialist jockeying for position regarding Libya’s future.

Germany sent three warships, carrying 600 troops, and two military planes to bring 200 German employees of the oil exploration company Wintershall out of a desert camp 600 miles southeast of Tripoli. The British sent the HMS Cumberland warship to evacuate 200 British nationals and announced that the destroyer York was on its way from Gibraltar.

The U.S. announced on Feb. 28 that it was sending the huge aircraft carrier USS Enterprise and the amphibious assault ship USS Kearsarge from the Red Sea to the waters off Libya, where it will join the USS Mount Whitney and other battleships from the Sixth Fleet. U.S. officials called this a “pre-positioning of military assets.”

U.N. vote on sanctions

The U.N. Security Council - under U.S. pressure — on Feb. 26 voted to impose sanctions on Libya. According to studies by the U.N.’s own agencies, more than 1 million Iraqi children died as a result of U.S./U.N.-imposed sanctions on that country that paved the way for an actual U.S. invasion. Sanctions are criminal and confirm that this intervention is not due to humanitarian concern.

The sheer hypocrisy of the resolution on Libya expressing concern for “human rights” is hard to match. Just four days before the vote, the U.S. used its veto to block a mildly worded resolution criticizing Israeli settlements on Palestinian land in the West Bank.

The U.S. government blocked the Security Council from taking any action during the 2008 Israeli massacre in Gaza, which resulted in the deaths of more than 1,500 Palestinians. These international bodies, as well as the International Criminal Court, have been silent on Israeli massacres, on U.S. drone attacks on defenseless civilians in Pakistan, and on the criminal invasions and occupation of Iraq and Afghanistan.

The fact that China went along with the sanctions vote is an unfortunate example of the government in Beijing letting its interest in trade and continued oil shipments take precedence over its past opposition to sanctions that clearly impact civilian populations.

Who leads the opposition?

It is important to look at the opposition movement, especially those being so widely quoted in all the international media. We must assume that people with genuine

grievances and wrongs have been caught up in it. But who is actually leading the movement?

A front-page New York Times article of Feb. 25 described just how different Libya is from other struggles breaking out across the Arab world. “Unlike the Facebook enabled youth rebellions, the insurrection here has been led by people who are more mature and who have been actively opposing the regime for some time.” The article describes how arms had been smuggled across the border with Egypt for weeks, allowing the rebellion to “escalate quickly and violently in little more than a week.”

The opposition group most widely quoted is the National Front for the Salvation of Libya. The NFSL, founded in 1981, is known to be a CIA-funded organization, with offices in Washington, D.C. It has maintained a military force, called the Libyan National Army, in Egypt near the Libyan border. A Google search of National Front for the Salvation of Libya and CIA will quickly confirm hundreds of references.

Also widely quoted is the National Conference for the Libyan Opposition. This is a coalition formed by the NFSL that also includes the Libyan Constitutional Union, led by Muhammad as-Senussi, a pretender to the Libyan throne. The web site of the LCU calls upon the Libyan people to reiterate a pledge of allegiance to King Idris El-Senusi as historical leader of the Libyan people. The flag used by the coalition is the flag of the former Kingdom of Libya.

Clearly these CIA-financed forces and old monarchists are politically and socially different from the disenfranchised youth and workers who have marched by the millions against U.S.-backed dictators in Egypt and Tunisia and are today demonstrating in Bahrain, Yemen and Oman.

According to the Times article, the military wing of the NFSL, using smuggled arms, quickly seized police and military posts in the Mediterranean port city of Benghazi and nearby areas that are north of Libya’s richest oil fields and are where most of its oil and gas pipelines, refineries and its liquefied natural gas port are located. The Times and other Western media claim that this area, now under “opposition control,” includes 80 percent of Libya’s oil facilities.

The Libyan opposition, unlike the movements elsewhere in the Arab world, from the beginning appealed for international assistance. And the imperialists quickly responded.

For example, Mohammed Ali Abdallah, deputy secretary general of the NFSL, sent out a desperate appeal: “We are expecting a massacre.” “We are sending an SOS to the international community to step in.” Without international efforts to restrain Gadhafi, “there will be a bloodbath in Libya in the next 48 hours.”

The Wall Street Journal, the voice of big business, in a Feb. 23 editorial wrote that “The U.S. and Europe should help the Libyans overthrow the Gadhafi regime.”

U.S. interests - oil

Why are Washington and the European powers willing and anxious to act on Libya?

When a new development arises it is important to review what we know of the past and to always ask, what are the interests of U.S. corporations in the region?

Libya is an oil-rich country - one of the world’s 10 richest. Libya has the largest proven oil reserves in Africa, at least 44 billion barrels. It has been producing 1.8 million barrels of oil a day - light crude that is considered top quality and needs less refining than most other oil. Libya also has large deposits of natural gas that is easy to pipe directly to European markets. It is a large

country in area with a small population 6.4 million people.

That is how the powerful U.S. oil and military corporations, banks and financial institutions who dominate global markets see Libya.

Oil and gas are today the most valuable commodities and the largest source of profits in the world. Gaining control of oil fields, pipelines, refineries and markets drives a great part of U.S. imperialist policy.

During two decades of U.S. sanctions on Libya, which Washington had calculated would bring down the regime, European corporate interests invested heavily in pipeline and infrastructure development there. Some 85 percent of Libya’s energy exports go to Europe.

European transnationals — in particular BP, Royal Dutch Shell, Total, Eni, BASF, Statoil and Rapsol - have dominated Libya’s oil market. The giant U.S. oil corporations were left out of these lucrative deals. China has been buying a growing amount of oil produced by Libya’s National Oil Corp. and has built a short oil pipeline in Libya.

The huge profits that could be made by controlling Libya’s oil and natural gas are what is behind the drum roll of the U.S. corporate media’s call for “humanitarian intervention to save lives.”

Manlio Dinucci, an Italian journalist writing for Italy’s Il Manifesto, explained on Feb. 25 that “If Gadhafi is overthrown, the U.S. would be able to topple the entire framework of economic relations with Libya, opening the way to U.S.-based multinationals, so far almost entirely excluded from exploitation of energy reserves in Libya. The United States could thus control the tap for energy sources upon which Europe largely depends and which also supply China.”

Libya background

Libya was a colony of Italy from 1911 until Italy’s defeat in World War II. The Western imperialist powers after the war set up regimes across the region that were called independent states but were headed by appointed monarchs with no democratic vote for the people. Libya became a sovereign country in name, but was firmly tied to the U.S. and Britain under a new monarch - King Idris.

In 1969 as a wave of anti-colonial struggles swept the colonized world, revolutionary-minded Pan-Arab nationalist junior military officers overthrew Idris, who was vacationing in Europe. The leader of the coup was 27-year old Moammar Gadhafi.

Libya changed its name from the Kingdom of Libya to the Libyan Arab Republic and later to the Great Socialist People’s Libyan Arab Jamahiriya.

The young officers ordered the U.S. and British bases in Libya closed, including the Pentagon’s large Wheelus Air Base. They nationalized the oil industry and many commercial interests that had been under U.S. and British imperialist control.

These military officers did not come to power in a revolutionary upheaval of the masses. It was not a socialist revolution. It was still a class society. But Libya was no longer under foreign domination.

Many progressive changes were carried out. New Libya made many economic and social gains. The conditions of life for the masses radically improved. Most basic necessities — food, housing, fuel, health care and education — were either heavily subsidized or became entirely free. Subsidies were used as the best way to redistribute the national wealth.

Conditions for women changed dramatically. Within 20 years Libya had the highest Human Development Index ranking in

Africa — a U.N. measurement of life expectancy, educational attainment and adjusted real income. Through the 1970s and 1980s, Libya was internationally known for taking strong anti-imperialist positions and supporting other revolutionary struggles, from the African National Congress in South Africa to the Palestine Liberation Organization and the Irish Republican Army.

The U.S. carried out numerous assassination and coup attempts against the Gadhafi regime and financed armed opposition groups, such as the NFSL. Some U.S. attacks were blatant and open. For example, without warning 66 U.S. jets bombed the Libyan capital of Tripoli and its second-largest city, Benghazi, on April 15, 1986. Gadhafi’s home was bombed and his infant daughter killed in the attack, along with hundreds of others.

Throughout the 1980s and 1990s the U.S. succeeded in isolating Libya through severe economic sanctions. Every effort was made to sabotage the economy and to destabilize the government.

Demonization of Gadhafi

It is up to the people of Libya, of Africa and of the Arab World to evaluate the contradictory role of Gadhafi, the chair of Libya’s Revolutionary Command Council. People here, in the center of an empire built on global exploitation, should not join in the racist characterizations, ridicule and demonization of Gadhafi that saturate the corporate media.

Even if Gadhafi were as quiet and austere as a monk and as careful as a diplomat, as president of an oil-rich, previously underdeveloped African country he still would have been hated, ridiculed and demonized by U.S. imperialism if he resisted U.S. corporate domination. That was his real crime and for that he has never been forgiven.

It is important to note that degrading and racist terms are never used against reliable U.S. pawns or dictators, regardless of how corrupt or ruthless they may be to their own people.

U.S. threats forces concessions

It was after the U.S. war crime billed as “shock and awe,” with its massive aerial bombardment of Iraq followed by a ground invasion and occupation, that Libya finally succumbed to U.S. demands. After decades of militant, anti-imperialist solidarity, Libya dramatically changed course. Gadhafi offered to assist the U.S. in its “war on terror.”

Washington’s demands were onerous and humiliating. Libya was forced to accept full responsibility for the downing of the Lockerbie aircraft and pay \$2.7 billion in indemnities. That was just the beginning. In order for U.S. sanctions to be lifted, Libya had to open its markets and “restructure” its economy. It was all part of the package.

Regardless of Gadhafi’s many concessions and the subsequent grand receptions for him by European heads of state, U.S. imperialism was planning his complete humiliation and downfall. U.S. think tanks engaged in numerous studies of how to undermine and weaken Gadhafi’s popular support.

IMF strategists descended on Libya with programs. The new economic advisors prescribed the same measures they impose on every developing country. But Libya did not have a foreign debt; it has a positive trade balance of \$27