WikiLeaks documents shed light on US-backed intervention in Libya

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US diplomatic cables released by WikiLeaks expose some of the real reasons and diplomatic tensions behind NATO's ongoing bombardment of Libya. Far from initiating a "humanitarian" intervention to protect civilians against Muammar Gaddafi's government, Washington backed the NATO intervention for one reason only—the installation of a regime that better serves the strategic interests of the US, as well as the operations of the giant oil and gas companies.

The cables date back to 2007, some three years after the Bush administration had lifted sanctions and formally re-established relations with the Gaddafi regime in a bid to secure access to Libya's highly prized resources. Until the outbreak of revolutionary uprisings across the Middle East this year, Gaddafi was welcomed with open arms in Washington and internationally.

As the cables show, as recently as August 2009, US Senator John McCain led a high-profile bipartisan congressional delegation to meet with Gaddafi. McCain characterised the "overall pace of the bilateral relationship as excellent". Senator Joe Lieberman said "we never would have guessed ten years ago that we would be sitting in Tripoli, being welcomed by a son of Muammar al-Qadhafi," before calling Libya an "important ally in the war on terrorism."

It comes as no surprise that the cables refer to Libya's "hydrocarbon producing potential" and the "high expectations" among international oil companies. Significantly, the Gaddafi regime held out to Washington the prospect of even greater riches. According to a September 2009 cable, then acting head of Libya's National Oil Corporation (NOC), Ali Sugheir, told the US embassy that major "sedimentary basins with oil and gas resources had been discovered in Libya," with seismic data indicating "much more remained to be discovered across the country."

The scramble by dozens of international oil and gas companies to cash in on the lifting of sanctions, however, soon produced two major problems for the US government. Firstly, in the words of a November 2007 cable, "Libyan resource nationalism"—policies designed to increase the Libyan government's "control over and share of revenue from hydrocarbon resources." The cable ominously concludes that the US should demonstrate "the clear downsides" to the Libyan regime of such an approach.

Gaddafi's policy forced oil and gas corporations to renegotiate their contracts under the latest iteration of Libya's Exploration and Productions Sharing Agreement (EPSA IV). Between 2007 and 2008, major companies such as ExxonMobil, Petro-Canada, Repsol (Spain), Total (France), ENI (Italy), and Occidental (US) were compelled to sign new deals with the NOC—on significantly less favourable terms than they had previously enjoyed—and were collectively made to pay $5.4 billion in upfront "bonus" payments.

A June 2008 cable says that the Oasis Group—including US firms ConocoPhillips, Marathon and Hess—was reportedly "next on the block," despite having already paid $1.8 billion in 2005. The cable questions whether Libya could be trusted to honour the new EPSA IV contracts, or would again "seek a larger cut."

The cable further discusses the broader implications of the EPSA IV contracts. While the contracts were "broadly beneficial" for oil companies, which stood to make "a great deal more money per barrel of oil produced," the threat of forced renegotiation of contracts created a dangerous international precedent—a "new paradigm for Libya that is playing out worldwide in a growing number of oil producing countries."

The oil giants and the US government were alarmed by threats Gaddafi made, in a January 2009 video-conference to Georgetown University students, to nationalise the oil and gas industry. A January 2010 cable recounts that "regime rhetoric in early 2009 involving the possible nationalization of the oil sector … has brought the issue back to the fore."

Gaddafi also attempted to force the international oil companies (IOCs) to contribute to the US-Libya Claims Compensation Agreement. Signed in August 2008, the agreement established a fund for victims of bombings involving the two countries. Two February 2009 cables report that Libya presented the oil companies with an ultimatum: contribute to the fund or "suffer serious consequences." NOC chairman Shukri Ghanem explicitly referred to the threats made by Gaddafi to nationalise the oil industry. The US ambassador warned that "putting pressure on US companies 'crossed a red line'." He "urged Ghanem and his colleagues to consider the long-term relationship with the United States."

The second unwelcome consequence of the lifting of sanctions was that it enabled Libya to develop closer relations with US rivals, notably in Europe, China and Russia. A June 2008 cable describes a "recent surge of interest in Libya on the part of non-Western IOCs (particularly from India, Japan, Russia and China), who have won the bulk of concessions in the NOC's recent acreage bid rounds."

A March 2009 cable describes how Italian PM Silvio Berlusconi witnessed the ratification of the Italy-Libya "friendship and cooperation" treaty, under which Italy was to pay $200 million per year for 25 years as compensation for "colonial wrong-doing," in exchange for guaranteeing "Italian companies preference for development projects." An Italian official told the US embassy that the order of Italy's interests in Libya was "oil, oil, oil, and migration."

China's growing presence also generated concern. According to a February 2009 cable, China Railway was awarded an $805 million contract that year and a $2.6 billion contract the year before. A May 2009 cable reports that Gaddafi told the Commander of US African Command General William Ward that "China would prevail" in Africa "because it does not interfere in internal affairs." A September 2009 cable said, "Chinese companies have carved out some niches for themselves in the Libyan market, namely in construction and telecommunications."

Several cables point to closer Libyan relations with Russia. In April 2008, Russian President Vladimir Putin reportedly flew into Libya, accompanied by 400 assistants, journalists and executives, to secure an "agreement to swap Libya's $4.5 billion Soviet-era debt to Russia" for "a large railroad contract and several future contracts in housing construction and electricity development." Several memoranda of understanding were signed with Russian energy giant Gazprom. At that meeting, Gaddafi expressed opposition to NATO's expansion to Ukraine and Georgia, both sensitive issues for Russia.

Most significantly from a US strategic perspective, Gaddafi apparently "voiced his satisfaction that Russia's increased strength can serve as a necessary counterbalance to US power, echoing the Libyan leader's frequent support for a more multi-polar international system."

In this context, the US cultivated relations with certain figures in Gaddafi's regime, and secretly discussed the benefits of Gaddafi's removal from the scene. A July 2008 cable relates how Ibrahim el-Meyet, a "close friend" of Ghanem (and a source to "strictly protect") told the US embassy that he and Ghanem "concluded that there will be no real economic or political reform in Libya until al-Qadhafi passes from the political scene," and this "will not occur while al-Qadhafi is alive."

Another cable from January 2009 said there were reportedly "two strains of thinking" within the Libyan government—a "pro-US camp and a group that remained suspicious of US motives and steadfastly opposed to a broader suite of engagement." While Gaddafi and his sons apparently belonged to the "pro-US group," Gaddafi "supported increased US-Libya cooperation, but with 'conditionalities' born of an *abiding concern that the eventual goal of US engagement with Libya was regime change*" (emphasis added).

Gaddafi's fears were well-founded. Behind the scenes, tensions increased with the advent of the Obama administration. A February 2009 cable says the Libyan government was "anxious that the new US administration could adopt markedly different policies toward Libya." It refers to "powerful individuals in Libya who strongly oppose an improved relationship with the United States, who stand to lose a great deal if the existing system changes significantly, and who view the US as a likely catalyst of such reform."

The cables show that the US government closely monitored political opposition to Gaddafi's regime in eastern Libya, where the "rebel" Transitional National Council is now based. A February 2008 cable refers to a reportedly deliberate Libyan government policy to "keep the east poor as a means by which to limit the potential political threat to Qadhafi's regime," which led "many young eastern Libyan men" to believe they had "nothing to lose by participating in extremist violence at home" and against US forces in Iraq.

Relations were also stepped up with elements inside Gaddafi's government. When Foreign Minister Musa Kusa met General William Ward in May 2009, he reminded the general that he "shared his views frequently and openly with his US contacts in the Central Intelligence Agency (CIA) and the Department of State." Kusa fled Libya to England by private jet on March 30 this year.

The WikiLeaks cables further demonstrate that the Obama administration's bid to topple the Libyan government and its recognition of the unelected "rebel" regime in Benghazi have nothing whatever to do with "humanitarian" concerns. On the contrary, the White House responded to the destabilising impact of the struggles erupting throughout Arab countries, including in Libya, by turning sharply against its erstwhile "important ally."

The Obama administration activated preparations, stretching back to at least 2007, to seek to oust the regime and install one more closely aligned to American interests. Far from protecting civilians, the US government sought to head off any genuine popular revolt against Gaddafi, with the entire shift based on calculated economic and strategic considerations, driven by mounting great power rivalries and corporate profit demands.