

RELEASE IN FULL
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CONFIDENTIAL

April 2, 2011

For: Hillary  
From: Sid  
Re: France's client & Qaddafi's gold

1. A high ranking official on the National Libyan Council states that factions have developed within it. In part this reflects the cultivation by France in particular of clients among the rebels. General Abdelfateh Younis is the leading figure closest to the French, who are believed to have made payments of an unknown amount to him. Younis has told others on the NLC that the French have promised they will provide military trainers and arms. So far the men and materiel have not made an appearance. Instead, a few "risk assessment analysts" wielding clipboards have come and gone. Jabril, Jalil and others are impatient. It is understood that France has clear economic interests at stake. Sarkozy's occasional emissary, the intellectual self-promoter Bernard Henri-Levy, is considered by those in the NLC who have dealt with him as a semi-useful, semi-joke figure.
2. Rumors swept the NLC upper echelon this week that Qaddafi may be dead or maybe not.
3. Qaddafi has nearly bottomless financial resources to continue indefinitely, according to the latest report we have received:

On April 2, 2011 sources with access to advisors to Saif al-Islam Qaddafi stated in strictest confidence that while the freezing of Libya's foreign bank accounts presents Muammar Qaddafi with serious challenges, his ability to equip and maintain his armed forces and intelligence services remains intact. According to sensitive information available to these individuals, Qaddafi's government holds 143 tons of gold, and a similar amount in silver. During late March, 2011 these stocks were moved to SABHA (south west in the direction of the Libyan border with Niger and Chad); taken from the vaults of the Libyan Central Bank in Tripoli.

This gold was accumulated prior to the current rebellion and was intended to be used to establish a pan-African currency based on the Libyan golden Dinar. This plan was designed to provide the Francophone African Countries with an alternative to the French franc (CFA).

(Source Comment: According to knowledgeable individuals this quantity of gold and silver is valued at more than \$7 billion. French intelligence officers discovered this plan shortly after the current rebellion began, and this was one of the factors that influenced President Nicolas

Sarkozy's decision to commit France to the attack on Libya. According to these individuals Sarkozy's plans are driven by the following issues:

- a. A desire to gain a greater share of Libya oil production,
- b. Increase French influence in North Africa,
- c. Improve his internal political situation in France,
- d. Provide the French military with an opportunity to reassert its position in the world,
- e. Address the concern of his advisors over Qaddafi's long term plans to supplant France as the dominant power in Francophone Africa. )

On the afternoon of April 1, an individual with access to the National Libyan Council (NLC) stated in private that senior officials of the NLC believe that the rebel military forces are beginning to show signs of improved discipline and fighting spirit under some of the new military commanders, including Colonel Khalifha Haftar, the former commander of the anti-Qaddafi forces in the Libyan National Army (LNA). According to these sources, units defecting from Qaddafi's force are also taking a greater role in the fighting on behalf of the rebels.