The Italo-Libyan Relationship between 1969 and 1976

By Mattia Toaldo*

Abstract

Based on the papers of former Italian statesman Aldo Moro and on several secondary sources, this article investigates the Italo-Libyan relationship between the rise to power of Qadhafi in 1969 and the mid-1970s. Qadhafi initially pursued a policy of confrontation with the former colonial power: he expelled the remaining Italian citizens in Libya, asked for post-colonial compensations and a revision of the 1956 treaty.

Gradually, however, a new relationship developed: Italy badly needed Libyan oil, especially in view of the closing of the Suez Canal because of the Arab-Israeli wars, while Qadhafi needed to secure a fixed amount of oil revenues in order to build up domestic and international support for his revolution. Italian companies were also granted public works which were meant to improve Libyan infrastructure while Libyan oil profits could be invested in Italian stocks. Finally, Italy would provide Qadhafi with weapons and support for his regime, as the revelations about the 'Hilton Assignment' demonstrate. The author argues that this relationship gave both actors a wide freedom of manoeuvre within the context of the Cold War.

Introduction

There are several reasons to look with some interest at the relationship between Italy and Libya in the early 1970s, a peculiar mix of political confrontation over post-colonial compensation coupled with intense economic and, to a lesser extent, political cooperation.

Oddly, the Italian government helped to shore up Qadhafi's regime despite its expulsion of 20,000 Italian citizens in 1970 and the subsequent annual celebrations of the event on 7 October, renamed 'Revenge Day.' Libya was to provide oil to energy-thirsty Italy which, in turn, would help in the modernisation of the Libyan economy and, more discreetly, supported Qadhafi's hold on power with weapons and intelligence. The two countries would eventually sign a framework agreement in 1974, while 1975 would be a year of further economic integration that would lead, on 1 December 1976, to the Libyan purchase of 10% of the car-producer Fiat, Italy's most important company, both economically and politically.

Anti-colonialism and anti-imperialism were two key features of Qadhafi's regime and for obvious reasons Italy was at the heart of this ideological endeavour. Nevertheless, both countries needed each other. On the one hand, Italy needed Libyan oil, all the more after the closure of the Suez Canal in 1967 had made purchases of oil from the Persian Gulf more expensive. With the oil shock in 1973 and the austerity measures taken by the Rumor cabinet the following winter, Libyan oil became even more important. On the other hand, the strategy of the Italian Minister of Foreign Affairs, Aldo Moro, was not to place Italy at the mercy of the 'revolutionary' oil producer. The two economies were complementary as Italy had the know-how to help in the modernisation of the Libyan economy, building refineries, houses and roads. Moreover, Italy was a significant weapons producer – and a viable alternative to the two superpowers. In 1971 Italy had earned crucial credit with Qadhafi when it foiled a coup attempt against him led by former members of King Idris' regime. Finally, especially after 1973, Qadhafi needed substantial and dependable oil revenues to boost the consolidation of his regime through generous welfare payments, which effectively helped to build an atypical form of rentier state.

The relationship between Italy and Libya in the early 1970s was thus full of challenges and opportunities. In the end, the latter would prevail over the former, strengthening both countries and constituting one of the most interesting features of Qadhafi's regime, namely its ambiguity towards the West. Despite this relationship, the crucial issue of colonial reparations was not solved, as the tacit consensus was that the problem would be put aside while negotiations went ahead on business matters.

To understand these developments, one has to look first at some important aspects of Italian policy in the Mediterranean at the beginning of the 1970s. There follows a description of the Italian reaction to Qadhafi's coup in 1969 and an analysis of the motives behind the expulsion of Italians living in Libya, as well as the Italian reaction to it; the period that preceded the signing of the Framework Agreement is then investigated. Lastly, some conclusions are drawn.

This article is based on Italian records and on literature both in English and Italian. Some of this literature (for instance: Cricco and Cresti 2011; Varvelli 2009) is based also on British and American records. Accounts based on Libyan records are, for the moment, missing, although a great deal of the Libyan stance can be reconstructed thanks to foreign records.

* The British School at Rome, Italy.

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

Italian Mediterranean policy at the beginning of the 1970s

The 1970s were a turbulent decade in Italian history. If 1969 had been a revolutionary year for Libya, Italy's instability had begun with the student revolts of 1968, the first terrorist bombing in 1969 and the steady rise of the Italian Communist Party (PCI), which would eventually win as much as one third of the votes in the 1976 elections.

Political instability coincided with the end of the economic miracle: the energy and monetary crises of the early 1970s severely slowed Italian growth, producing inflation and unemployment. The 1970s are therefore seen as a decade of decline by some authors (Mammarella and Cacace 2006; Santoro 1991; Varsori 1998) who stress the lack of relevance of Italian foreign policy. Italy was marginalised in the international system, deemed by its European partners as the 'sick man' of the Economic Community. Its economic troubles aside, Italy was seen as troublesome because of its political instability. The Americans, especially Secretary of State Henry Kissinger, looked with suspicion at the efforts of Aldo Moro (then Minister of Foreign Affairs) to include the PCI in the ruling majority. At the same time Moro also pursued a policy of rapprochement with the same Arab countries that had implemented the oil embargo and threatened the existence of the state of Israel.

Nowhere were Italian and American policies more distant than on Mediterranean issues, and Libya provides the clearest example: while relations between Qadhafi and the US would sour throughout the 1970s, Italy would sign a framework agreement with the Colonel in 1974, enhancing economic, military and political cooperation.

As a matter of fact, the two elements of Moro's strategy were intertwined (Varsori 1998, 190): the 'dialogue' with Italy's Arab neighbours and the 'understanding' for the decolonisation and national liberation movements in the Third World were instrumental to the rapprochement with the PCI. Moro, as Varvelli writes, sought to demonstrate to the Communists that it was possible to pursue a democratic and progressive foreign policy in the Mediterranean while remaining within the political constraints of the Atlantic Alliance (Varvelli 2009, 30). More generally, understanding and sympathy for the former colonised countries would be the centrepiece of a bipartisan consensus between the Marxist and the Christian Democratic parties (Panebianco 1997, 248).

The connection between Moro's foreign policy and his endeavour to include the PCI in the ruling majority could be seen further afield than just in the Mediterranean: Italy's recognition of the Popular Republic of China in 1970, well ahead of other Western countries, was also part of the same strategy (Brundu 2004). The balance between Moro's domestic and foreign policy goals would be reflected also in his political appointments. As Minister of Foreign Affairs (1969–1974) he would mainly pursue his foreign policy agenda with an eye on his domestic goals, while as Prime Minister (1974–1976) he would focus on domestic politics, capitalising on what he had achieved at the Farnesina, the seat of the Italian Foreign Affairs Ministry.

Moro was actually continuing the Italian policy of the past two decades as, increasingly throughout the 1950s, the Mediterranean and the Near East had been seen as the only area of the world where Italy could pursue a relatively autonomous agenda from the United States. This was the area where empathy for decolonisation could be shown and where Italy could distance itself from what, in the years of the Vietnam War, was perceived at home and abroad as American imperialism (Calandri 2003, 368; Saiu 2006, 126–129).

North African countries had been at the heart of this effort since the 1950s. During the 1956 Suez crisis, Italy had tried to distance itself from the other European countries. In the same years, the oil company ENI (Ente Nazionale Idrocarburi), lead by Enrico Mattei, would pursue fifty-fifty deals with oil producing countries. In 1957, Italy sold weapons to the newly independent Tunisia without reliable guarantees that they would not be used against the French in Algeria (Saiu 2006, 127). Italian policy, differing from what the United States was doing in the same years, did not distinguish very much between 'moderate' (i.e. pro-Western) Arab states and 'radical' regimes such as Algeria and Libya, with whom bilateral relations would be strengthened throughout the 1960s and early 1970s (Varsori 1998, 183).

Italian foreign policy was navigating carefully in one of the increasingly critical scenarios of the Global Cold War (Westad 2005). The USSR was trying to gain a foothold in the Mediterranean, an effort made all the more pertinent by the growing tensions with the Egyptian regime, which eventually led to the expulsion of Soviet advisers in 1972. Particularly after Sadat's volte-face, Libya and the USSR shared a common goal: the containment of American inroads in the region following the quick shift of the largest Arab country toward the United States. Between 1974 and 1975 the Soviet Union and Libya signed some very important agreements regarding arms transfers and the Soviet provision of a 10 megawatt nuclear facility (Pajak 1981). Interestingly enough, the timing of these agreements ran parallel to the Framework Agreement with Italy.

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

Indeed, since the mid-1960s, the Atlantic Alliance had become increasingly concerned with the growing Soviet presence in the Mediterranean, both directly through the Soviet fleet and indirectly through friendship treaties, arms deals and alliances with Egypt, Syria, Algeria and Libya. Consequently, the US and its Western European partners feared the increased Soviet military capabilities on NATO's southern flank, along with the possibility that one of these countries might side with the Communist bloc in case of an East-West confrontation. While Italy could face these threats only by relying on the Atlantic Alliance, the emergence of new threats on NATO's southern flank also highlighted Italy's strategic importance and allowed for a relatively greater freedom of manoeuvre (Cremasco 1988, 200).

The Italian reaction to Qadhafi's coup must be seen within this framework. Italy had had an excellent relationship with his predecessor, King Idris, with whom a treaty had been signed in 1956: Italy gave economic aid, not post-colonial compensation, in exchange for the safety of the Italian community in the country.

Oil was first discovered in Libya by the Italian geologist and explorer Ardito Desio in 1938 (Wright 1969, 244–245). Several Western companies had conducted preliminary reconnaissance in 1947–1948, although the real oil rush began with the Petroleum Law of 1955, which set out the rules for the exploitation of this national resource. By the late 1960s, Libya supplied one-third of the oil demands of Western Europe (First 1974, 187).

Economic relations with Italy had consequently improved. Trade had sky-rocketed from 23 billion lire in 1960 to 407 billion in 1970. Two years later, this figure would grow to 463 billion (Calandri 2003, 364). A remarkable result, given that in the meantime there had been a regime change in Tripoli and that one of the first acts of the new rulers had been the expulsion of Italian citizens from the country.

The Italian reaction to Qadhafi's coup

On 1 September 1969, a group of 70 officers from the Libyan army overthrew the monarchy of King Idris. The Revolutionary Command Council became the new supreme authority of the country, although the names of its 12 members were not disclosed until the early days of 1970 (Toaldo 2012, 26).

Despite this uncertainty, Italy had been the first non-Arab country to recognise the new regime (FAM-ACS, 28 July 1970). At this stage, Moro had shown respect for and interest in the new regime, presenting Italian policy as sincerely post-colonialist and respectful of the autonomy of the states on the southern shore of the Mediterranean. This position, Moro warned, was the only way to preserve these states from other types of interference, namely from the Soviet bloc (FAM-ACS, 22 October 1969). Italy actually aspired to become a bridge between the West and these countries, as stated by Moro on 21 September 1969 before the House of Deputies (FAM-ACS, 21 October 1969).

Along with the more domestic goals discussed above, the Italian foreign policy aim at this stage was not to abandon Arab nationalism, and Qadhafi's specifically, to the Soviets because this would have seriously endangered the security of southern Europe. As emphasised during a meeting of Italian ambassadors in the Middle East in the spring of 1970, the Soviet goal was to put pressure on Western Europe from the south and isolate it both from Africa and Asia. The Soviets were not interested in establishing socialist regimes, but rather in 'exploiting Arab passions against the West in order to strengthen and make their presence irreplaceable.' Libya, therefore, was 'a serious reason for concern, not only for Italy,' but for the whole Atlantic Alliance, because it was 'an immense strategic platform overlooking the Mediterranean and most of Africa.' A note from the Farnesina explained that 'in the deplorable case of a conflict, given the difficulties of navigation in the Mediterranean (also underwater), Libya's features are such that they offer an extraordinarily vast field for operations in the air and from the sea in all directions' (all above quotes FAM-ACS, 30 April 1970). While it is hard to say whether Italian policy-makers really feared Libya would become a Soviet proxy in the southern Mediterranean, it is plausible that this kind of argument would be used to justify Italian policy on Libya vis-à-vis American policy-makers.

In fact, in the first weeks after the coup, Moro had emphasised both political and economic reasons to be optimistic about the new Libyan regime. In his speech before the Senate on 24 September 1969, he stressed how much the two economies dovetailed and how relevant, for the pursuit of Libyan economic development, the safety of the local Italian community was. Secondly, Moro had underlined the nationalist nature of the revolutionaries, who aimed at preserving the country's and the regime's independence, despite any Soviet attempt to lure them into the Communist camp (FAM-ACS, 24 September 1969). In a similar vein, the Italian ambassador in Tripoli at the time wrote that 'Libyan anti-communism is a crucial component of the 1 September 1969 revolution, which is a political trend inspired by the Quran' (FAM-ACS, 31 August 1971).

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

Nevertheless, right from the start, the new regime had bought weapons from the Soviet Union, leading Italian Intelligence to wonder whether this was the beginning of Soviet influence in this part of the Mediterranean or just a way to diversify its procurement system (FAM-ACS, 26 August 1970).

Fascinated by their effectiveness in the Six Day War, Qadhafi had also bought Dassault Mirage aircraft from France. By 1974 there would be 100 of them in Libya, almost an entire air force. Nevertheless, as in many other cases, these weapons were meant only for prestige, as Libya did not have the pilots or the capability to fly them (Wright 2010, 202).

Qadhafi's regime would carefully navigate between arms deals with the Soviet Union, France and Italy and an original ideology which would re-define Arab nationalism, anti-imperialism and Islam, while shying away from Communism (on Qadhafi and Islam, see Cricco 2012, 51–55).

The ideas enshrined in Qadhafi's Green Book were presented as the Third Universal Theory, the ordinal number clearly indicating the intention to go beyond both capitalism and communism. Based on Qadhafi's own distrust of bureaucracy and political parties, the implementation of the Green Book would constitute the basis for the creation of the Jamahiriyya, a neologism created by the *qa'id* ('the guide' as Qadhafi would later define himself) to indicate 'a country directly governed by its citizens, without the intervention of intermediaries' (Vandewalle 2006, 97).

As can be seen from the note by the Italian ambassador in Tripoli, continued reference to the Quran would actually reassure Italian policy-makers of the inherently anti-Communist stance of the regime. The link between Qadhafi's own version of Political Islam and his anti-communism would continue to reassure Italian policy-makers also in the following years. This optimism, however, would be temporarily shattered by the expulsion of Italian citizens from Libya which took place in the summer and fall of 1970.

The expulsion of the Italian settlers and its consequences

Despite the end of Italian colonialism, at the time of Qadhafi's rise to power there was still a significant Italian community in Libya. The 1956 Treaty between Tripoli and Rome had safeguarded their rights and their properties while their economic activities were a good reason for them not to leave the country. Libyan Jews, some holding Italian nationality, were another, more unfortunate story: successive pogroms had forced them to leave between the end of World War 2 and 1967 (on Italians in Libya and the Jews of Libya see Spadaro 2013).

In Qadhafi's eyes, however, this community was a reminder of imperialism against Libyans and thus had to be purged, as a means of giving Libya the post-colonial compensation that Italy had refused to pay. Nevertheless, in more practical terms, the battle against Italians was a means through which Qadhafi could strengthen his hold on the regime and prove his revolutionary credentials.

Qadhafi began his anti-Italian campaign with a speech in Misurata on 9 July 1970. This turning-point was part of a power struggle between what Italian diplomats defined as the 'pro-Egyptian faction' and the 'pro-Palestinian faction' which opposed the Rogers Plan, the American initiative for peace between Israel and its Arab neighbours. The pro-Egyptian faction, which was fascinated by Nasser's pan-Arabism, had provoked tension with the former colonial power in order to divert attention from more contentious Middle Eastern issues. Four days later, Qadhafi met with the Italian ambassador, to whom he expressed his wish to meet with a broader Italian delegation. Nevertheless, the *qa'id* made clear that 'the presence of the Italian community is an obstacle to be removed because it hampers the establishment of a new relationship between Italy and the free Libya.' Meanwhile, Italians had started to leave the country en masse, with more than 200 departures per day, and the high-level Italian delegation could not be sent to Tripoli because a cabinet crisis had occurred in Rome (FAM-ACS, 17 August 1970).

Qadhafi could not wait for a new Italian cabinet. On 21 July 1970, two laws were approved by the Revolutionary Command Council (RCC): they provided for the forced evacuation of all Italians and Jews present in Libya and the confiscation of their properties. These laws also unilaterally repealed the 1956 Libyan-Italian treaty which, in exchange for 5 million pounds sterling of economic aid, guaranteed the legal framework for the presence of the Italian nationals in Libya (Cricco and Cresti 2011, 59).

Qadhafi argued that the treaty did not provide for post-colonial compensations as the limited Italian funds were granted only as economic aid. The Libyan minister Buwaysir would later claim that Italy owed 100 million Libyan dinars merely for the confiscation of farming land carried out during its colonial rule (Del Boca 1998, 130–131).

The Italian government tried to arrange for third-party mediation through several foreign governments from the Arab world, all the major Western powers, Turkey and Yugoslavia. These all failed and Italy had to resume direct negotiations with the Libyans. The

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

meeting between Moro and his Libyan counterpart Buwaysir took place on 31 July in Beirut.

The minutes of this meeting are important for two reasons: they highlight the Libyan narrative of its post-colonial relationship with Italy and they show Moro's pragmatic approach to the expulsion of Italians. Buwaysir had started the meeting with a long description of Italian crimes during the colonisation of the country in which hundreds of thousands of Libyans had died: 'Libya has been kept away from civilisation, the number of its inhabitants reduced, its properties stolen.' He went on to say that the Italian community had never integrated and that Qadhafi had already publicly raised the issue. Moro noted that those were the typical actions of a dictatorship, and that Mussolini had behaved similarly in Italy as well, adding that 'We, as democrats, have a different ideological background.' A new relationship could be established, Moro continued, 'If Italians are no longer welcome, we will fetch them away' because Italy wanted to keep good relations with Libya 'but does not need to keep its community there.' He only asked that a solution be found, because at that moment Italians were neither allowed to stay nor to leave and, domestically, he could no longer contain the impatience of public opinion and parliament (FAM-ACS, 31 July 1970).

In fact, in Rome Moro was advocating restraint, resilience and pragmatism. Diplomats advised against the use of force because it would antagonise the Arab world and would help 'the Russian presence in the Mediterranean.' Sanctions were also ruled out, because they would 'preclude' further business opportunities and Libyan oil imports could hardly be replaced (FAM-ACS, 22 July 1970a and 22 July 1970b).

Replacing Libyan oil supplies would have been costly for Italy. According to a private note from Ambassador Soro to Moro, in 1969 Libyan oil amounted to 28% of Italian petroleum imports. Substituting this supply with oil coming from the Persian Gulf would have cost Italy 94 billion lire for the remainder of 1970 and a total of 225 billion lire for all of 1971. Nevertheless, preserving Italian purchases was important for Libya as well, given that they were 22% of oil exports (FAM-ACS, 23 July 1970).

Moro was also personally convinced that the use of force would be politically wrong and counterproductive, as he had explained to the House of Deputies two days before leaving for Beirut. Speaking about the use of force, he labelled it as an 'absurd and inconceivable thesis for those who understand the inevitable historical drive towards peoples' emancipation' and invoked a policy 'adherent to the decolonisation age in which we live' (FAM-ACS, 28 July 1970). Only the tiny neo-fascist MSI party was agitating against Qadhafi, and Moro did not face serious opposition in the Italian parliament. The Italian Communists, much more important than the MSI, were actually asking that Italy recognise its colonial mistakes (Del Boca 1998, 49).

At the same time in which the Libyan regime was expelling Italian citizens, it was also signalling that a new phase of cooperation could start with Italy on more equal ground, as a letter from Foreign Affairs Minister Najm to Moro let it be understood (FAM-ACS, 21 September 1970). Another signal that Libya did not want to sever business ties was that the local companies owned by the Italian conglomerates ENI and Fiat were not part of the confiscation decrees issued in July 1970 (Del Boca 1998, 129). Moro reacted promptly to Najm's letter, promising to send a special envoy to lay the foundations for a negotiation which would end with a visit by him to Libya (FAM-ACS, 30 September 1970). The idea behind the Italian diplomatic strategy was to obtain compensation for the expulsions and confiscations indirectly, through new business relations. (FAM-ACS, 28 September 1970)

The evacuation of the last Italians was completed in October and the 7th of that month became, in the following years, an opportunity for Qadhafi to celebrate his 'victory' over the former colonial power with abrasive anti-Italian rhetoric.

In fact, the expulsion of the Italians had been read by Western diplomats as a way of strengthening Qadhafi's position, after rumours of his removal had again circulated prior to the first anniversary of the coup (FAM-ACS, 28 August 1970). The threat to Qadhafi's hold on power in the summer of 1970 had been further confirmed by the French Foreign Affairs Ministry (FAM-ACS, 31 August 1970).

Nevertheless, Moore, the American Deputy Assistant Secretary for Africa, had warned that Libya's place in the Cold War was not at issue, and the establishment of Soviet bases on its soil was not very probable: 'the new Libyan leadership is far too nationalist to even consider the return of foreign nationals on its soil just months after the departure of the British and Americans from their old bases' (FAM-ACS, 31 August 1970b). Qadhafi's regime, indeed, was relying on the Western camp to survive, as the 'Hilton Assignment' demonstrates.

The 'Hilton Assignment' and a new beginning in Italo-Libyan relations

On 21 March 1971, Italian Intelligence sequestered the vessel *Conquistador XIII* in the harbour of Trieste. It was meant to travel to Libya, loaded with weapons and mercenaries under the command of Omar

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

Shalhi, former strong man of Kind Idris' regime. As Patrick Seal and Maureen McConville reconstructed (1973), the coup was averted thanks to cooperation between the Italian, the British and the American intelligence services. The British role was confirmed also by a document dated 14 May 1973, in which Sir Alec Douglas-Home commented on the recently published book. The three Western countries were all opposed to the overthrow of Qadhafi for concurring reasons. The British did not trust the Libyan opposition while the Americans feared 'radicalisation resulting from American opposition to Qadhafi.' Italians did not want to subvert their past pro-Arab (and pro-Arab nationalism) policy by overthrowing one of the youngest and most prominent leaders (Varvelli 2009, 186–194).

In fact, records show that Italy had done more than just abstaining from lending support to the men on *Conquistador XIII*. Italian Intelligence had intercepted the vessel because it was giving essential help to Qadhafi to check the activities of Libyan exiles, as confirmed by a meeting between the Italian Colonel Iucci and Mr El-Huni, a member of the RCC and one of the top figures of the regime. Iucci reassured El-Huni of Italian cooperation on the problem of 'Libyan political exiles in Italy,' over whose activities the Italian government promised to 'exercise a strict control' which would now be increased. Iucci had also added that it was best for Libya that 'the exiles remain in Italy and not move to, for instance, Morocco or Tunisia.' El-Huni agreed and asked for arms deals, explaining that his government preferred 'receiving weapons from Italy rather than from France or the United Kingdom' (FAM-ACS, 22 September 1971).

Italy had thus earned credit with Qadhafi's regime, just months after the expulsion of Italian citizens from the country. Business relations had improved dramatically since the beginning of 1971 (FAM-ACS, 21 September 1971). Political relations, too, improved very quickly. On 5 May, just weeks after the failure of the Hilton Assignment, Moro met Qadhafi in Tripoli. Qadhafi had reiterated the request to review the 1956 Libyan-Italian treaty, to which Moro had replied with a proposal to set aside this issue and work on what the *qa'id* had defined as a 'new page in Italo-Libyan relations.'

Weapons were a crucial part of the dialogue. Moro responded to a precise request on this by Qadhafi, saying that 'in principle' Italy was against supplying weapons to Libya but 'I cannot exclude that on the Italian part we could consider a supply of vehicles and helicopters' (FAM-ACS, 5 May 1971).

Two weeks later, Moro wrote to Qadhafi's deputy Abdussalem Jallud, inviting him to Italy to discuss 'initiatives on infrastructure, land reclamations, supplies of defence materials, etc.' He then asked for 'autonomous deliberations' by the Libyan government in order to reassure the Italian people of its intentions. Nevertheless, he also added that 'if that is not going to occur, we would still continue our efforts, although our goals would be more limited' (FAM-ACS, 18 May 1971).

The weapon supplies under consideration were indeed far from limited. When presenting his credentials to the *qa'id* on 1 November 1971, the new Italian ambassador, Belcredi, said that the Italian government was considering several proposals: ammunition from SNIA Viscosa, a missile system by Contraves and 105 mm howitzers produced by OTO Melara (FAM-ACS, 1 November 1971).

Italian arms would become an important bargaining card in the forthcoming oil crisis. One of the first measures of the new Libyan regime was to renegotiate oil contracts with Western companies in Libya, leading to a surge in prices and, ultimately, to the nationalisation of most companies with the notable exception of Italian AGIP (Wright 2010, 203). Qadhafi had shown the way to other Arab oil producers who would skilfully use oil as a weapon in 1973, in reaction to perceived Western support of Israel, by cutting off supplies and raising prices. Thanks to a clever use of its political relations with Libya and to its arms deals, Italy could safely navigate this storm.

Italo-Libyan relations continued to improve throughout 1972 and 1973 with what appeared to be mutual benefits: Italy received oil supplies while Libya bought Italian weapons. The close connection between the two aspects of the exchange was confirmed by a note by Moro's diplomatic advisor on 13 April 1972 in which he reported that Libya was delaying the approval of an oil contract with ENI because of delays in deliveries of Italian weapons. The United States did not approve of this procurement and thus Italy could not proceed without further lobbying Washington (FAM-ACS, 13 April 1972).

This was all part of a complex scheme orchestrated by the Italian politician Giulio Andreotti in 1972, in which Italy would receive licenses from the US to produce weapons that would in turn be used to ease oil transactions with Libya, in exchange for Libyan guarantees against a complete takeover of Libyan-based oil companies (Varvelli 2009, 223).

Thanks to this unscrupulous policy Italy was able to face the 1973 oil crisis and its consequences with some degree of hope. Its relationship with Libya had greatly improved, especially through the 1974 Framework Agreement.

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

The 1974 framework and beyond, a new post-colonial relationship

Jallud visited Rome from 21 to 25 February 1974 when he signed an 'agreed minute regarding economic and technical cooperation.' It included several provisions: Libya promised to supply Italy with up to 30 million tons of oil per year, while the figure until then had been 23 million. Italy would supply Libya with factories, industrial and consumer goods, oil tankers and ships. Joint investments would be carried out in the two countries, a provision which opened the door for the Libyan purchase of Fiat stock two years later. This, Moro clarified to Italy's diplomats around the world, was just a framework agreement which needed further specifications (FAM-ACS, 3 March 1974).

Politically, Italy approved of Qadhafi's religion-based anti-Communism and his opposition to Soviet penetration into the Mediterranean. Italian diplomats also assessed that the failure of his unification attempts with Egypt and Tunisia could push him further into European arms (FAM-ACS, February 1974a). The two unspoken elements of the deal were Libyan military purchases and the idea that the revision of the 1956 treaty would be, for the moment, set aside (FAM-ACS, February 1974b).

The full extent of the deal became clearer one year later, when Jallud visited Rome on 28 April 1975. From the memorandum of the conversation it is possible to infer the main exchange that lay behind the Rumor-Jallud protocol, signed on 25 February 1974: Italy would guarantee a fixed amount of oil purchases every year, Libya would deposit its oil revenues in Italian banks and buy Italian weapons. Joint ventures would be created and Italian firms would invest in Libya (FAM-ACS, 28 April 1975a). Jallud proposed to extend Libyan investments in Italy to the banking and financial sectors, as well as joint ventures to invest in other countries. Most of the major Italian companies were involved in projects and investments in Libya: ENI had the lion's share of an alliance with the state-owned giant IRI (Istituto per la Ricostruzione Industriale), the chemical giant Montedison and the car producer Fiat as well as 'other state and privately owned groups.' With the Framework Agreement, the Italian Embassy in Tripoli explained, Jallud pursued three goals: to boost Italian purchases of Libyan oil to tackle the 'growing Libyan economic hardships'; to give priority to Italy over other European and Western countries, not least 'for some personal reasons'; and finally, the agreement with Italy was also a way to build a bridge towards Europe 'rather than the United States or the Soviet Union.' Weapon supplies were also a crucial part of the new relationship: Italy had sold Libya 'ships, helicopters, means of transportation' while other supplies were under consideration, including 'submarines and missile systems,' along with military training. On this particular point Jallud did not hide his satisfaction with an unspecified 'military mission in Libya' during his talks with the Italian Embassy.

Ambassador Marotta noted also that 'for the past two years no one has raised the issue of the 1956 agreement', while between 1973 and 1975 the number of Italians working in Libya had increased from 2,000 to 5,000. Italian diplomats considered that Jallud's influence within the regime was growing: 'the redirection of Qadhafi (probably because of pressure from Egypt) towards pontifical roles' (FAM-ACS, 28 April 1975b) had shifted some power from the revolutionary leader to Jallud, although Qadhafi maintained 'strategic leadership in the government,' given his control over the armed forces.

In terms of foreign policy, the regime's relationship with the Soviet Union was improving, although it remained purely tactical. Libya tried to avoid isolation and bought Soviet weapons along with Italian ones. Nevertheless, 'the basic anti-communism and anti-Sovietism of Qadhafi and the RCC' remained in place, as was confirmed during a visit by a delegation from the Italian Socialist Party (FAM-ACS, 28 April 1975b).

Thus, trade and investments linked Libya and Italy, and this had political consequences. Indeed, one should remember that Moro had both economic and domestic political goals in mind: the relationship with Libya was also part of his strategy to bring the PCI closer to the ruling majority, improving Italy's standing within the decolonised world while enhancing its relevance within the EEC and the Atlantic Alliance. These goals were summarised in the discussion points prepared for Moro's 1975 meeting with Jallud. The rationale of the Italy-Libya relationship, as seen from the Italian Foreign Affairs Ministry, focused on strengthening Euro-Mediterranean stability and showing sympathy for reunification movements in the Arab world (FAM-ACS, 7–14 May 1975).

In respect to these broader goals, however, one ought to take Varvelli's scepticism seriously: the 'new page' in Italo-Libyan relations did not start a new Euro-Mediterranean dialogue, but rather highlighted the limits of Italy's importance within the context of Western European politics during those years (Varvelli 2009, 290). Italy had achieved the protection of its interests, above all stability, not the enhancement of its power-broking role in the Mediterranean – something which had been the aim of the Italian elite since the 1950s (Ianari 2003, 394). The remaining years of the 1970s would witness an improvement

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

of the business relations and a deterioration of the political partnership (Calandri 2003, 371).

Further confirming the growing connection between the two economic systems, on 1 December 1976 the president of Fiat announced that the Libyan Arab Foreign Bank had bought 9.5% of Fiat's stock, injecting 415 million dollars into the company (Varvelli 2009, 299). This money was badly needed at a time of dire crisis for the automobile industry.

Seeking freedom of manoeuvre in the midst of the Cold War

At the beginning of the 1970s Italy and Libya had many reasons not to have good relations: Italian colonial damages had not been recognised and had been only partially compensated financially under the terms of the 1956 treaty; Libya was a revolutionary Arab regime, while Italy was part of the Atlantic Alliance; Libya was an oil producer (and indeed, one of the most rigid oil producers in its relationship with the West) while Italy was an energy-thirsty country. Ultimately, the two countries were on different sides of the fence on many issues.

Nevertheless, from 1969 to 1975, thanks especially to the efforts of Aldo Moro, the two countries built a fairly solid relationship which would last for decades, despite serious challenges throughout the 1980s.

The Italian post-colonial relationship was built on two shared interests, one pertaining to economics and the other to politics. The two economies dovetailed, and this had been Moro's argument right from the start: Italy needed Libya's oil but Libya needed Italian technology and know-how to modernise its economy. Moreover, its 'revolutionary' leader needed Italian support for his regime.

Politically, though part of two, virtually opposite camps, Italy and Libya shared the need to have some freedom of manoeuvre in the international system of the time: starting in the 1950s, Italy had seen the Mediterranean as the only field where it could have an autonomous foreign policy which would in turn increase its leverage both with the United States and with the European Economic Community; Libya was trying to escape the bipolar confrontation, pursuing Qadhafi's Third Way also in terms of military supplies.

The relationship navigated through the East-West confrontation, although it could not escape its constraints altogether, as the 1972 arms deal orchestrated by Andreotti further demonstrates. Nevertheless, while addressing the bipolar confrontation, this relationship set aside the post-colonial burden: while being a pragmatic way to consolidate the relationship in the 1970s, the absence of Italian compensations would remain a leitmotif of Qadhafi's regime and an ideological weapon in his hands until the early 2000s.

The Italian and Jewish communities in Libya were the real losers in these events: no compensation was paid for their confiscated property and assets. Italy would get compensation indirectly through energy supplies and several forms of business, but in these they had little or no share.

Ultimately, Moro's policy on Libya provided a blueprint for successive Italian policy-makers which lasted until the spring of 2011: implicit support for Qadhafi's regime through arms deals and trade while seeking to exploit the complementarities between Libyan energy supplies and Italian technological expertise. This relationship would survive, albeit with some difficulties, the international sanctions imposed on Libya after the Lockerbie attack of 1988 in which 259 people were killed at the hands of Libyan terrorists. In the late 1990s Italy would be at the forefront of Western rapprochement with Qadhafi, and in 2008 a Friendship Treaty would finally guarantee the post-colonial compensations for which Qadhafi had longed (Varvelli 2010).

This longstanding relationship, forged by Aldo Moro, resisted through the first weeks of the Libyan uprising in 2011, only to deflate under the weight of pressure from NATO to intervene against the Libyan dictator.

References

Brundu, P.O. 2004. Pietro Nenni, Aldo Moro e il riconoscimento della Cina comunista. *Carte e la storia* 10.2: 29–51.

Calandri, E. 2003. Il Mediterraneo nella politica estera italiana. In Giovagnoli, A. and Pons, S. (eds), *Tra Guerra Fredda e distensione*. Rubbettino, Soveria Mannelli: 351–81.

Cremasco, M. 1988. Italy: A New Role in the Mediterranean? In Chipman, J. (ed.), *Nato's Southern Allies: internal and external challenges*. Routledge, London: 229–33.

Cricco, M. and Cresti, F. 2011. *Gheddafi*. Carocci, Rome.

Cricco, M. 2012. L'Islam in Libia. In Mezran, K. and Varvelli, A. (eds), *Libia. Fine o rinascita di una nazione?* Donzelli, Rome: 39–60.

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

Del Boca, A. 1998. *Gheddafi, una sfida dal deserto*. Laterza, Bari.

First, R. 1974. *Libya. The Elusive Revolution*. Penguin, Middlesex.

Ianari, V. 2003. L'Italia e il Medio Oriente: dal neoatlantismo al peace-keeping. In Giovagnoli, A. and Pons, S. (eds), *Tra Guerra Fredda e distensione*. Rubbettino, Soveria Mannelli: 383–95.

Mammarella, G. and Cacace, P. 2006. *La politica estera dell'Italia*. Laterza, Bari.

Panebianco, A. 1997. *Guerrieri democratici*. Il Mulino, Bologna.

Pajak, R.F. 1981. Arms and Oil: The Soviet-Libyan Arms Supply Relationship. *Middle East Review* (winter 1980–1981) 52: 51–56.

Saiu, L. 2006. *La politica estera italiana dall'Unità a oggi*. Laterza, Bari.

Santoro, C.M. 1991. *La politica estera di una media potenza*. Il Mulino, Bologna.

Seal, P. and McConville, M. 1973. *The Hilton Assignment*. Maurice Temple Smith Ltd, London.

Spadaro, B. 2013. *Una colonia Italiana. Incontri, memorie e rappresentazioni tra Italia e Libia*. Le Monnier, Milano.

Toaldo, M. 2012. Dalla Monarchia alla Jamahiryia. In Mezran, K. and Varvelli, A. (eds), *Libia. Fine o rinascitadi una nazione?* Donzelli, Rome: 21–38.

Vandewalle, D. 2006. *A History of Modern Libya*. Cambridge University Press, Cambridge.

Varsori, A. 1998. *L'Italia nelle relazioni internazionali*. Laterza, Bari.

Varvelli, A. 2009. *L'Italia e l'ascesa di Gheddafi*, Baldini Castoldi Dalai, Milano.

Varvelli, A. 2010. Italy and Libya: Renewing a Special Relationship. *International Spectator* 45.3: 117–30.

Westad, O.A. 2005. *The global cold war: third world interventions and the making of our times*, Cambridge University Press, Cambridge.

Wright, J. 1969. *Libya*. Benn, London.

Archival sources

FAM-ACS = Fondo Aldo Moro-Archivio Centrale dello Stato, Rome, Italy.

FAM-ACS, 24 September 1969 Telegramma n. 17854 da MAE ad ambasciata italiana a Tripoli. 'Passaggi del discorso dell'On. Ministro a Commissione Esteri Senato.' 24 settembre 1969, busta 139.

FAM-ACS, 21 October 1969, Direzione generale degli Affari Politici. Estratto dal discorso dell'On. Ministro alla Camera dei Deputati, 21 ottobre 1969, busta 139.

FAM-ACS, 22 October 1969, Direzione generale degli Affari Politici. Estratto dal discorso di replica del Ministro degli Esteri On. Aldo Moro a conclusione del dibattito di politica estera alla Camera dei Deputati, 22 ottobre 1969, busta 139.

FAM-ACS, 30 April 1970, Note per la riunione ad Istanbul dei capi missione nei Paesi del Medio Oriente, 30 aprile – 1 maggio 1970, cc. 88, busta 124.

FAM-ACS, 22 July 1970a Appunto del vice direttore generale degli affari politici per il ministro, 22 luglio 1970, busta 139.

FAM-ACS 22 July 1970b Appunto dell'ambasciatore Soro per il Ministro, 22 luglio 1970, busta 139.

FAM-ACS Appunto da Soro per il Ministro. 'Stima dei maggiori costi dell'approvvigionamento petrolifero nella ipotesi di sostituzione del greggio libico con greggio proveniente dal Golfo Persico.' Luglio 23 1970, busta 139.

FAM-ACS, 28 July 1970, Intervento dell'onorevole ministro alla commissione per gli affari esteri della camera dei deputati, sui recenti avvenimenti in Libia, Roma 28 luglio 1970, busta 139.

FAM-ACS, 31 July 1970, Incontro tra il ministro per gli affari esteri d'Italia On. Prof. Aldo Moro e il Ministro per l'Unità e gli Affari Esteri di Libia, Sig. Salah Bueissir, Beirut 31 luglio 1970, busta 139.

FAM-ACS, 17 August 1970, Appunto della Direzione generale degli affari politici, Roma, 17 agosto 1970, busta 139.

FAM-ACS, 26 August 1970, Appunto per l'On.Ministro. Libia – Evoluzione della situazione militare nel quadro dei rapporti con la RAU, Roma 26 Agosto 1970, busta 139.

FAM-ACS, 28 August 1970, Telegramma n. 35268, ambasciata italiana a Tripoli. Aggravamento situazione in seno Consiglio rivoluzionario. 28 agosto 1970, busta 139.

FAM-ACS, 31 August 1970a, Telegramma n. 35603, ambasciata italiana di Parigi, Aggravamento situazione in seno Consiglio rivoluzionario libico, 31 agosto 1970, busta 139.

FAM-ACS, 31 August 1970b, Telegramma n. 35617, ambasciata italiana a Washington, Aggravamento situazione in seno Consiglio rivoluzionario libico, 31 Agosto 1970, busta 139.

FAM-ACS, 21 September 1970, Lettera del Maggiore Mohammed Najim (membro del CCR e Ministro dell'Unità e degli Affari Esteri) ad Aldo Moro, 21 settembre 1970, busta 139.

FAM-ACS, 28 September 1970, Appunto del Segretario Generale per l'On. Ministro, 28 settembre 1970, busta 139.

FAM-ACS, 30 September 1970, Lettera di Moro a Najim, 30 settembre 1970, busta 139.

FAM-ACS, 5 May 1971, Progetto di verbale delle conversazioni Moro-Gheddafi, Tripoli, 5 maggio 1971, busta 139.

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press

FAM-ACS, 18 May 1971, Lettera di Moro a Jallud, 18 maggio 1971, busta 139.

FAM-ACS, 31 August 1971, Telespresso n. 1786, Rapporto di fine missione in Libia (20.12.69 – 31.8.1971), 31 Agosto 1971, busta 139.

FAM-ACS, 21 September 1971, Elementi di competenza dell'Ufficio III della DGAE per il discorso dell'On. Ministro in Parlamento, 21 settembre 1971, busta 139.

FAM-ACS, 22 September 1971, Appunto del Segretario Generale per l'On. Ministro, 22 Settembre 1971, busta 139.

FAM-ACS, 1 November 1971, Rapporto riservato dell'ambasciatore Belcredi al Ministro, 'Presentazione delle credenziali al Colonnello Gheddafi', 1 novembre 1971, busta 139.

FAM-ACS, 13 April 1972, Appunto riservatissimo del Consigliere diplomatico del Presidente del Consiglio dei Ministri. 13 aprile 1972, busta 139.

FAM-ACS, February 1974a, MAE. Rapporti italo-libici nel campo politico. Cartellina: Visita in Italia del Presidente del Consiglio dei Ministri libico Maggiore Abdul Salam Jallud, febbraio 1974, busta 157.

FAM-ACS, February 1974b, MAE. Elementi di conversazione. Cartellina: Visita in Italia del Presidente del Consiglio dei Ministri libico Maggiore Abdul Salam Jallud, febbraio 1974, busta 157.

FAM-ACS, 3 March 1974, Telegramma n. 824/C. Aldo Moro verso numerose ambasciate in MO e nel mondo. 'Visita del Primo Ministro di Libia.' 3 marzo 1974, busta 163.

FAM-ACS, 28 April 1975a, Visita a Roma del primo ministro di Libia Jallud in Italia, Verbale dell'incontro, 28 aprile 1975, cc. 53, maggio 7–14 1975, busta 120.

FAM-ACS, 28 April 1975b, Nota dall'ambasciata italiana a Tripoli, cc. 53, 7–14 maggio 1975, busta 120.

FAM-ACS, 7–14 May 1975, Elementi per conversazione con Jallud. cc. 53, 7–14 maggio 1975, busta 120.

https://doi.org/10.1017/S0263718900009675 Published online by Cambridge University Press