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Abstract: This paper is a highly contextualised study of the political, diplomatic, economic and military relations between Romania and Libya during the regimes of Colonel Muammar Gaddafi and Nicolae Ceaușescu, from the Libyan Revolution in September 1969 to the Romanian Revolution in December 1989. The analysis is based, in a significant amount, on the official archives of the Romanian Communist Party, as well as of the Romanian Minister of Foreign Affairs. The study aims to integrate the ideological, economical and politico-diplomatic ambitions of the two leaders in the realities of the Cold War and the Middle Eastern conflict.

Keywords: Romania, Libya, Cold War, oil, industry

Background

Throughout the second half of the twentieth century, two main aspects governed the stage of international relations: the constant struggle between the US and the USSR for supremacy and control over the other power’s sphere of influence – known as the Cold War – and the process of decolonization – through which peoples and nations tried to carve their own destiny. Within the Cold War, Romania emerged as a potential dissident inside the socialist camp, eager to enter the diplomatic stage as a neutral and reliable player. Out of the decolonization process, the Libyan state was established by the Allies in the wake of the Second World War, in order to dismantle the Italian colonial empire and to prevent any modification to the balance of power in the Mediterranean.

After consolidating their power and transforming the state to suit their ideological blueprints, the Romanian Communists remained loyal to Moscow during the Hungarian Revolution in 1956. They were, thus, rewarded by the USSR

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in 1958 with the withdrawal of the Soviet troops stationed in Romania\textsuperscript{1}. By the early 1960’s, the Communist leader of Romania, Gheorghe Gheorghiu-Dej, began distancing himself from Soviet influence, dismissing further interference by Moscow into Bucharest’s economy and internal affairs. His successor, Nicolae Ceauşescu, came to power in 1965 at a time of détente between the Soviet Union and the United States and of relative internal stability for Romania, which allowed him to focus his attention to an international agenda\textsuperscript{2}.

Generally, after the proclamation of the Romanian Popular Republic in 1947, Bucharest’s foreign policy revolved around supporting initiatives of the USSR and maintaining a latent commerce which, through the Sovrom system, eventually benefited Moscow. Romania’s presence in the Middle East was inherited from the previous regime and most of the actions involved liquidating previous contracts or recovering assets seized during the Second World War.

After Ceauşescu’s rise to power in 1965, Romania started to deepen its commercial ties with Middle Eastern countries, establishing new diplomatic relations with the rest of the newly-independent states. These included the ones with a pro-western attitude, some of which were ruled by monarchs (such as Iran or Morocco). Despite the obvious neglect of communist ideology, the new leader from Bucharest intended to attract new markets for Romanian industrial products and new providers for strategic resources like oil and natural gas\textsuperscript{3}.

Following the complicated process of rallying Libya’s three historical provinces – Cyrenaica, Tripolitania and Fezzan – to the idea of a unified state, the new king, Idris al-Sanussi, was still perceived as a British vassal and ruled over a feeble country dependent on international aid\textsuperscript{4}. Libya’s potential grew after the discovery of oil and gas deposits in 1959, becoming a destination for Italian and British investments.

\textsuperscript{4} Carole Collins, “Imperialism and Revolution in Libya”, \textit{Middle East Research and Information Project Reports}, no. 27, 1974, pp. 11-12.
The presence of foreigners, along with the general corruption in the king’s administration led to general dissatisfaction with the regime. Under the influence of Arab nationalism spread by Egypt’s Gamal Abdel Nasser, the Libyan Free Officer’s Movement overthrew king Idris on 1st September 1969 in a bloodless coup. Colonel Muammar Gaddafi managed to establish himself as leader of the new Libyan Arab Republic and immediately sought to assert his country’s new international status by gaining position at the expense of the British and the Italians. Both Nicolae Ceaușescu and Muammar Gaddafi thus governed would-be rogue states which aimed at raising their countries from the status of mere cogs in the international mechanism of the Cold War.

**Early contacts and main setbacks**

When Libya declared independence on the 25th of December 1951, Tripoli’s MFA sent a telegram to Bucharest calling for official recognition. The Romanian authorities ignored the request on the basis that Libya was host to foreign military bases. Its independence was therefore perceived as artificial or illegitimate.

Later, in 1956, the communist leaders reassessed their position by attempting to engage the Libyan side in commercial ties via the Romanian economic agency in Cairo. They tried again, in July 1966, through an official delegation to Tripoli led by Valentin Steriopol – deputy Foreign Trade Minister – to sign a commercial agreement, unsuccessfully. The next year, the Romanian government became even more persistent, orchestrating a lobby campaign at the Libyan embassies in Beirut and Prague. Then, they pursued a direct negotiation between ambassadors in Rome on the 27th of September 1967, in order to sign both energy and diplomatic deals. In spite of an agreement being signed in Rome, the Libyan government refused to ratify the treaties due to Romania’s official neutral stance during the Six Day War.

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In 1968, galvanized by the surge in international credibility after the condemnation of the events in Prague, Ceaușescu further pressed the issue of diplomatic relations with the Kingdom of Libya. Commercial ties soon followed without any legal framework, exclusively through the export of some Romanian goods like textiles, shoes and foodstuff destined for the potentially attractive Libyan market. The trade volume more than doubled shortly, from 34.4 million lei in 1968 to 70 million lei in 1969.

During the events which followed the revolution of September 1st, 1969, the official press of the Romanian Communist Party described the events as a bloodless military coup. It placed the presence of foreign military bases and the continuous underdevelopment of the tribal society as causes of the officers’ intervention. As the events unfolded, the official newspaper began to criticize the former king’s association with the British and to appreciate the new regime’s intentions to reduce poverty and work on a more equitable redistribution of oil venues, from the international companies to the Libyan people.

New lobby actions were organized by the Romanian MFA after the 1969 revolution at the Libyan representatives in Cairo, Beirut, Ankara, Belgrade and New York. All of these efforts were rejected by the new leadership in Tripoli. Even with the fact that Colonel Gaddafi’s ideology was steering left and promoting an Arab version of Socialism, the initiation of diplomatic relations between Bucharest and Tripoli’s new regime was improbable throughout the first years after the September revolution. This was due to Romania’s decision on 17th of August 1969 to raise its diplomatic representation with Israel to an embassy level. As a reaction, Sudan and Syria broke off diplomatic relations with Bucharest, while Egypt and Iraq reduced their representation level in the Romanian capital.

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8 Idem, Problem 220/1968 Libia, Stabilirea de relații diplomatice între RPR și Regatul Libiei.
9 Romanian Central National Archives (hereafter ANIC), CC of RCP-Chancellery, file 11/1972, f. 82.
10 AMAE, Problem 220/1970 Libia, Relațiile cu alte state; Fișa de relații, ff. 57.
11 Scânteia, September 02-05, 1969.
13 AMAE, Problem 220/1970 Libia, Relațiile cu alte state; Fișa de relații, ff. 56.
The Libyan leaders were also sceptical about prospective relations with satellite states of the USSR, whom they viewed as a disruptive force in the Arab world, especially in Iraq. Furthermore, Gaddafi’s new brand of Arab Socialism was meant to be an alternative to Soviet-style communism, which was seen as unacceptable because of its atheism.\textsuperscript{16}

After the September revolution, Muammar Gaddafi, the newly appointed Libyan leader, had to deliver on the promises of a better living for the common people and of gaining control of the national resources. This was particularly difficult due to the fact that oil was the only significant resource available, with almost no industry or infrastructure. The oil fields were leased to western companies by the former regime with significant advantages for the contractors.\textsuperscript{17}

The series of ultimatums given by Gaddafi in 1971 to the international oil companies present in Libya were synchronized by secret accords with those of Iraq and Algeria and led to what was to become the First Oil Crisis. By raising taxes for foreign companies and the royalties from oil exploits, Libya significantly improved its revenues and gained notoriety among the western world.\textsuperscript{18} This discouraged European and American investments in the critical infrastructure and industry sectors. Furthermore, Libya’s oil exports were affected by the decision to seize the assets of the uncooperative British Petroleum, who previously owned the rights for 60\% of the Libyan oil resources. Gaddafi invoked this decision as means of punishment for Great Britain’s Middle Eastern policy which favoured Iran at the expense of the Arabs.\textsuperscript{19} This sparked a commercial war with Great Britain who confiscated Libyan oil shipments in international waters and initiated legal procedures in Italy, the country where Libyan oil was refined before export.\textsuperscript{20}

It is in this climate of political and economical volatility in the Middle East that the first official contacts between the Arab Republic of Libya and the Socialist Republic of Romania were initiated. In January 1972, a delegation of representatives of the Ministry of Foreign Trade and experts from the Ministry of Oil, Mines and Geology of Romania arrived to Tripoli at the invitation of the

\textsuperscript{16} Maxime Rodinson, “L’URSS et les pays arabes”, \textit{Politique étrangère}, vol. 36, no. 5-6, 1971, pp. 677-678.

\textsuperscript{17} Helen Chapin Metz (ed.), \textit{op. cit.}, p. 119.


\textsuperscript{19} ANIC, CC of RCP-Chancellery, file 11/1972, f. 86.

\textsuperscript{20} AMAE, \textit{Problem 220/1975 Libia}, vol. 3500, ff. 4-5.
Libyan Ministry of Economy. This delegation began new negotiations for the signing of trade and economic cooperation agreements between the two countries. The Libyans were interested in buying oil equipment, military hardware and constructing new housing facilities and administrative buildings, as well as factories, refineries, roads, naval ports and silos. The most imperative need for the Libyan economy was the lack of technical expertise from foreign engineers in order to accommodate the new ideological ambitions of the Revolution. In exchange for all of this, Romania would receive oil in excess of 3 million tons per year starting with 1972.

But Bucharest was in no hurry to buy anything, having already settled the energetic necessities of the internal economy for 1972 from Algeria and Iran. They were looking for alternative sources for 1973 and, most importantly, prospective markets for exporting industrial goods. Given the fact that the consequences of the Oil Crisis were still in effect, with rising prices affecting the demand for oil, Libya was also pressured by the dispute concerning the rights for the revenues originating from the former British Petroleum oil fields. As the Libyans conditioned any future relations between the two countries to the immediate import of oil by the Romanians, Bucharest, at the delegation’s suggestion, decided to reduce the amount of oil imported from Iran. This was due to the fact that the Iranians demanded the oil be paid in US dollars, while the Libyans accepted a credit from Romanian state banks to be paid back in oil.

The credit was undertaken in order to import technology and industrial goods, as well as long-term contracts for industrial complexes to be built by Romanian construction firms in Libya’s main cities. At that time, Great Britain boycotted the import of oil products from Romania; therefore the Romanian authorities’ hesitations were only regarding the technical aspects of delivering the high-density Libyan oil and not concerning potential repercussions from the British government-owned company21.

However, amplification in relations between the two countries did not occur after this series of negotiations because of two events from 1972 which further compromised Romania’s image in Libya and in the Arab world in general. The first was the visit of Israeli prime-minister Golda Meir in Bucharest in May which, in addition to the events of August 1969, led the Arab League’s Central

\[\text{21 ANIC, CC of RCP-Chancellery, file 11/1972, ff. 79-85.}\]
Bureau for the Boycott of Israel in Damascus to start enquiring about Romanian companies\textsuperscript{22}. The second was the takedown of a Libyan passenger plane by Israeli artillery above the Sinai which determined Arab leaders to call upon a boycott of any flight companies which land in Israel. This especially meant Romania’s TAROM which was the main carrier used by Jews who were immigrating to Israel\textsuperscript{23}.

Major Abdel Salaam Jalloud, Gaddafi’s right hand man, was in Romania in April 1972 in an improvised state visit at the time when the international press leaked the news that Golda Meir was officially invited to Romania\textsuperscript{24}. This and the events that followed determined Jalloud, who was prime-minister in the summer of 1973, to cancel communicating president Gaddafi’s invitation for Nicolae Ceaușescu to visit Libya. Jalloud took this decision after the Romanian authorities refused to break-off relations with Israel. Eventually, Bucharest found out from diplomatic sources that Gaddafi was interested in meeting Ceaușescu and, in December the same year, they sent Mircea Malița, renowned scientist and diplomat, to present the Libyan president with a letter from Ceaușescu\textsuperscript{25}. The letter contained Romania’s position regarding the Arab-Israeli conflict which called upon Israel’s withdrawal from the occupied territories, an end to hostilities and affirmed the Palestinian people’s right to national determination and to be included in eventual political negotiations\textsuperscript{26}.

Trade relations were also affected by the events of 1972-1973. Taking the example of Iraq, the Libyan government attempted to influence negotiations with Bucharest by giving ultimatums, at a time when Romania’s position in the Arab World was precarious. They ceased delivery of crude oil in the spring of 1973 in order to force the Romanian side to concede further benefits in other contracts such as the ones for cement acquisition\textsuperscript{27}. During this time, Colonel Gaddafi was undertaking a second unification project with Tunisia and negotiating for a less formal union with Egypt\textsuperscript{28}. The Romanian MFA tried to influence Tripoli’s

\textsuperscript{22} AMAE, Problem 220/1972 Israel, vol. 3595.
\textsuperscript{25} Aurel Turbăceanu, op. cit., pp. 280-281.
\textsuperscript{26} ANIC, CC of RCP, Foregin Relations– Nicolae Ceaușescu, 4L, ff.1-2.
\textsuperscript{27} AMAE, Problem 212/1973 Libia-RSR, vol. 2775, ff. 3-4.
position by talks with their Tunisian and Egyptian counterparts. This sparked hostility from Libyan representatives who threatened to further reveal Bucharest’s diplomatic duplicity to the rest of the Arab Community. The cooperation eventually resumed as political relations warmed up, establishing an “oil for machinery and installations” program. Therefore, Romania profited from the British Petroleum dispute, continuing to place its rising industrial production on a receptive market in exchange for oil that was unattractive to wealthier western buyers²⁹.

**Relations develop and become personal**

As the Israeli victory in the October War left Arab countries in a state of disagreement regarding what to do next, the Romanian government endeavoured to expand its Middle Eastern policy. Relations with Syria and Sudan were re-established and the ones with Egypt and Iraq improved. To build upon these achievements, the Romanian president went on a diplomatic tour in February 1974 in Libya, Lebanon, Syria and Iraq. This was the first official encounter between Gaddafi and Ceaușescu and marked the official establishment of diplomatic relations between the two countries on February 14th, 1974. During the visit, the two leaders signed an Agreement for economic and technical cooperation in the fields of oil, construction, agriculture, transports and shipping as well as a General Accord of Cooperation between Libya and Romania and a Common Communiqué. The latter reasserted Romania’s position towards the Middle Eastern conflict as well as the joint condemnation of racism, colonialism, neo-colonialism and imperialism in Africa³⁰.

In April 1974, the Romanian embassy in Tripoli was inaugurated with Aurel Turbăceanu as chargé d’affaires en pied – a precursor to the resident ambassador Nicolae Verdeș, who followed in autumn the same year. In the summer of the following year Libya opened its embassy in Bucharest with Yahia Zakaria as resident ambassador³¹.

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After the initial first encounter between the two leaders – Muammar Gaddafi and Nicolae Ceaușescu – most of the subsequent lower level negotiations were based upon verbal agreements settled by top level discussions. This practice was meant to smooth relations in contentious issues such as the price of oil, credit interest or delivery terms for products. Despite the fact that both Gaddafi and Ceaușescu’s foreign policies were founded more and more on personal diplomacy\(^\text{32}\), the exponential growth of trade and cultural ties intended was improbable. This was mainly due to a continuous rupture between the top leadership and the grass-roots reality in both countries.

Most of what was agreed or proposed wasn’t technically or logistically feasible. The Romanian side offered extremely low prices for hypothetically high quality goods and services\(^\text{33}\). Tripoli continuously demanded additional concessions causing delays, shortages or disputes in the realisation of the new Libyan infrastructure by Romanian companies\(^\text{34}\). When the inevitable problems surfaced, the Libyans blocked payments and the Romanians couldn’t carry on their contracts\(^\text{35}\). Much to the frustration of the middle management from both countries, Libyan-Romanian trade was a sinuous process. However, the two leaders considered all these issues to be minor setbacks on the road to a close and equitable relationship between the two nations\(^\text{36}\). Ideology overshadowed pragmatism, thus explaining why inefficient contracts were perpetuated and restructured instead of liquidated.

In the style of personal diplomacy, private visits between the two leaders became synonymous with state visits. The issues were settled upon by Ceaușescu and Gaddafi during protocol events while the lower ranking leaders materialized their decisions in contracts and agreements. A critical moment for this state of affairs occurred in September 1981, when, during a hunting party organised by the Romanian government for Gaddafi and his acolytes, the Libyan leader’s Head of Security was accidentally killed by a Romanian official. Given that he was also a cousin of Gaddafi\(^\text{37}\), the visit was abruptly cancelled and everything agreed upon

\(^{32}\) Ibidem, pp. 284-286.

\(^{33}\) ANIC, CC of RCP-Chancellery, file 118/1974, ff. 52-53.

\(^{34}\) Idem, Economics section, file 22/1977, passim.

\(^{35}\) Idem, Economics section, file 11/1977, f. 72.

\(^{36}\) Aurel Turbăceanu, op.cit., pp. 283-284.

During that visit was scrapped, including fixed oil prices, infrastructure plans and new trade deals.\footnote{ANIC, \textit{CC of RCP-Foreign Relations}, file 68/1981, ff. 34-37.}

\section*{Oil and politics}

For both leaderships, pursuing and maintaining the relationship had a specific purpose. Initially, the Romanian authorities were looking for potential markets for their industrial products, but their focus eventually shifted towards establishing a stable and reliable energy source. For the Libyans, Bucharest was a source of technical expertise, additionally becoming a dependable political partner in the quest for an Arab alternative to socialism. While the main objectives remained throughout the two decades, secondary objectives arose gradually, overshadowing the commercial relationship of “oil for machinery and installations”.

Romania began expanding its foreign policy to the Middle East in the early 1960’s, before the longevity of its national reserves and previous arrangements proved insufficient\footnote{Ronald D. Bachman (ed.), \textit{op. cit.}, pp. 154-155.}. The Bucharest government aimed at establishing a large scale industrial system, thus beginning the search for new markets with low competition from western or Soviet products. As the initial commercial policy grew, so did its industrial basis, eventually reaching a point where existing energy arrangements wouldn’t suffice\footnote{Dinu C. Giurescu (ed.), \textit{op. cit.}, pp. 288-293.}. However, there was a transition period from 1965 to 1969, where oil contracts with countries such as Iran, Algeria, Iraq or Libya were seen as gestures of good faith in the spirit of mutually advantageous trade. Another reason was to ensure profitability for Romanian exports in developing countries that possessed no other consistent means of payment.

After 1971, when Romania’s foreign and commercial policies started to grow exponentially, so did the price of oil. The Oil Crisis of 1971-1973, caused by Iranian and Libyan ambitions, had an effect on the Romanian economy as well. Fuel shortages caused temporary shutdown of production sectors, as well as domestic consumption disturbances\footnote{\textit{Ibidem}, p. 345.}. For the communist system in Romania to survive both economically and politically, the authorities got further involved in

\begin{thebibliography}{9}
\item Ronald D. Bachman (ed.), \textit{op. cit.}, pp. 154-155.\footnote{Ronald D. Bachman (ed.), \textit{op. cit.}, pp. 154-155.}
\item Dinu C. Giurescu (ed.), \textit{op. cit.}, pp. 288-293.\footnote{Dinu C. Giurescu (ed.), \textit{op. cit.}, pp. 288-293.}
\item \textit{Ibidem}, p. 345.\footnote{\textit{Ibidem}, p. 345.}
\end{thebibliography}
world diplomacy. As the Romanian government attempted to escape the Soviet sphere of influence by getting close to the US, they tried to acquire the Israeli lobby\textsuperscript{42}.

However, the main objective of engaging the West jeopardized the trade system established in the Arab World, as well as the viability of the industrial system at home. Arab League officials and national governments decried the Romanian-Israeli connection and began sporadic boycott measures, designed to force the political leaders to abandon the ambivalent foreign policy\textsuperscript{43}. The Ceauşescu regime started to respond to criticism by promoting neutrality as the main driving force of Romanian diplomacy but neither the Arabs, nor the Israeli and American camps decreased their pressure\textsuperscript{44}.

Bucharest tried to stay ahead of the boycotts by an extensive negotiations campaign throughout the Arab World and beyond. By the middle of the 1970’s, Romania’s foreign policy was at a point where getting involved in mediating the Arab-Israeli conflict was inevitable\textsuperscript{45}. The boycott had reached a maximum and the political and economic concessions made by Bucharest to Arab countries were upsetting Tel Aviv\textsuperscript{46}. But the peace process wasn’t well received in the Muslim World and Romania’s image deteriorated further\textsuperscript{47}.

Gaddafi’s Libya had only one important resource – petroleum, and a huge disadvantage compared with the other neighbouring states – a very small population\textsuperscript{48}. Therefore, the only way to achieve any of the ambitious, ideologically-charged projects was to maximize profit and political capital by way of oil transactions. But in order to pursue any agenda, the revolutionary government had to take control of the privatized oil fields from British, American and Italian companies\textsuperscript{49}. In the tense diplomatic climate that followed the nationalization measures, Tripoli’s new leadership couldn’t reverse its position.

\begin{thebibliography}{99}
\bibitem{Dobre} Mihail Dobre, \textit{op. cit.}, p. 94.
\bibitem{St John} Ronald Bruce St John (ed.), \textit{op. cit.}, p. 289.
\bibitem{Mărgineanu} Ion Mărgineanu, Mircea Moarcăș (eds.), \textit{op. cit.}, pp. 10-14.
\end{thebibliography}
without succumbing politically. Therefore, Colonel Gaddafi decided to use the newly found notoriety to manipulate world oil prices, in synchronization with Iran, Algeria and other energy players. This gave rise to the First Oil Crisis\(^5\). To escape the diplomatic isolation and relative economic constraints, the Libyan Arab Republic had to replace the western-operated installations and to find new technical support if large scale production was ever to bring the expected income. For this they initially turned to the former colonial power – Italy. However, the British and American pressured Rome and led to serious losses by the Libyan state\(^51\).

They eventually approached Romania due to its reputation as a traditional supplier of oil installations, as well as extensive technical expertise in the field of exploration and exploitation. This expertise was the only major bargaining chip that Bucharest had in discussions with Tripoli, but the fact that the Romania was not as susceptible to the oil prices’ fluctuations as were other industrial players was also an advantage in the negotiations\(^52\). The relation proved mutually beneficial, in spite of the setbacks previously mentioned. This was mainly due to Libya’s developing potential and Gaddafi’s eccentricity. The latter left many western companies unwilling to deal with him and his representatives, allowing the Romanians to place their counteroffer on anything from construction to automobiles, foodstuff, textiles and even weapons\(^53\).

Gaddafi’s plans to transform Libya into a great power meant that the country had to become a major energy player, not just a crude oil supplier. The British Petroleum affair had made refining in Sicily a potentially risky endeavour. Thus, the Libyan government had to acquire their own refining technology, as well as find reliable markets unaffected by the British and American political pressure. They inevitably turned towards the Eastern Bloc, in the pursuit for quasi-permanent supply arrangements. The project intended to build a pipeline from a Yugoslav port in the Adriatic Sea, across Hungary, Czechoslovakia, and Poland, to the USSR. The negotiations for the “Adriatic” pipeline were stalled by the different agendas of each player involved. Most of them were hesitant to invest in

the pipeline’s infrastructure, while emphatically requesting advantageous oil prices, guaranteed by Tripoli for at least 10 years. But the experience of the Oil Crisis made Gaddafi unwilling to bind the oil price to any long-term contract, regardless of other benefits. Therefore, the pipeline project was abandoned and Libya renegotiated separate, short-term contracts with each of the Eastern Bloc states.\(^{54}\)

The Romanian government refused any participation in the “Adriatic” project from the beginning, preferring bilateral negotiations in detriment to any arrangement which would further bind it economically to the other communist states.\(^{55}\) Moreover, Bucharest attempted to become an autonomous energy player in its own right, by use of technical expertise, diplomatic efforts and other economic issues they could use as leverage in negotiations.

The Romanian authorities expressed interest in the Iranian projects for a pipeline into Europe through Turkey as a result of a much closer political and economical relationship with Teheran. Also, Iran’s reputation of being an American ally meant that this would also be a step in the intended direction of drifting apart from the Soviet bloc. In parallel with these negotiations, Bucharest was courted by both Iran\(^{56}\) and Libya to build and equip refineries in these countries, as alternatives to refining abroad. However, the Misurata refinery in Libya wasn’t even initiated and neither was the Iranian one due to the fact that the technology available to the Romanian companies was outdated, with some former clients like Portugal or Pakistan complaining of inefficiency.\(^{57}\)

Given that many other players tried to take advantage of the political and military tensions in the Middle East by overpricing alternative solutions to the pre-existing oil routes, Romania preferred to utilize another technological advantage – its fleet of oil tankers.\(^{58}\) In spite of difficulties, Bucharest had sufficient ships and enough perceived political neutrality to continue shipments even during hostilities in the wake of the October War.\(^{59}\)

This experience convinced Libyan authorities that a partnership with Romania could be beneficial for them in ensuring continued shipments of Libyan

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oil to other markets. Therefore, the Libyan-Romanian naval shipping company ROLISHIP was created in 1976 in the Romanian port of Constanța, beginning its operations in 1979. Despite being one of the more successful business enterprises between the two countries, ROLISHIP mainly operated commercial ventures between Libya and Romania, as well as contracts initiated by the governments of Tripoli and Bucharest in other countries. However, the shipping company also generated disputes between the two parties, causing setbacks as well as administrative restructuring. ROLISHIP was eventually liquidated after 1990, as were most of the foreign trade ventures of communist Romania.

Libya only became the central focus of Bucharest’s energy policy after the Islamic Revolution of 1979, which overthrew Ceaușescu’s main Middle Eastern ally – Shah Mohammed Reza Pahlavi of Iran. Up to then, Iran provided most of Romania’s oil, being the seventh foreign trade partner. But as the new establishment of Tehran was analyzing the wisdom of continuing its relations with Romania, Tripoli seemed the only reliable and stable economic partner, unaffected by any connection to Israel. Moreover, Gaddafi’s close relations with the Islamic State had the potential of mending the communist government’s reputation in Iran.

In light of the new economic disturbances caused by the Oil Crisis of 1979, Romania’s leadership decided to pursue, with even more determination, the idea of becoming a major destination for refining crude oil. This would have involved foreign investment in Romania, as well as priority in acquiring petroleum products. Thus, they started negotiations with governments and private companies for the future investment and participation in the Black Sea Petrochemical Complex. This was supposed to be the largest refining system in Europe and was intended to process most of the oil exports designated for the continent.

Many oil producing countries were approached to participate, either as a cofounder or a supplier, but so were many international petroleum companies for their technological expertise and as a guarantee of quality. Libya was one of the states with which negotiations were initiated. However, the project wasn’t
considered attractive by any of the major oil producing nations, nor for western oil companies. The Petrochemical Complex was eventually built and operated at a diminished capacity. Its activity was a result of particular contracts, not long-term strategic supply agreements as initially designed. Libya’s traditional objection towards large-scale projects was invoked again, the authorities refusing any kind of stabilization of oil prices\textsuperscript{64}.

The biggest western oil companies were hesitant to sign any new contracts with the North African country after the nationalizations of the early 1970’s. In order for Tripoli to expand oil production to new areas they began to attract Eastern European companies. In May of 1980, Libya’s National Oil Corporation signed a 25 year contract with Romania’s Rompetrol, for exploration of new oil perimeters in the south-western desert, near an area under exploration by Bulgaria’s Geocom. The terms of the contract stipulated that the risk was entirely attributed to the Romanian side, in exchange for a right to 15% of the discovered quantity\textsuperscript{65}. The performance of the two Eastern Bloc companies was negligible for the 16 years of exploration. Nevertheless, Rompetrol, as well as other new players, were needed especially after the 1986 withdrawal of all American companies and personnel from Libya\textsuperscript{66}. In 1990, the new authorities in Bucharest decided to end Rompetrol’s involvement with Tripoli. An agreement was signed, transferring the rights and obligations to a consortium comprised of Spain’s Repsol Oil, France’s Total and Austria’s OMV\textsuperscript{67}.

**Pariah states**

Both Colonel Gaddafi and Nicolae Ceauşescu had personal and national ambitions in the attempt to place their countries on the political and economic world stage. However, the evolution of the Cold War and the Middle Eastern situation towards de-escalation was not beneficial to either of the two states.

In Romania’s case, its dissidence from the USSR was the starting point of its closeness with the West, while its involvement in the Middle East was meant to ensure diplomatic and economic visibility throughout the Third World.

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\textsuperscript{65} *Ibidem*, ff. 38-39.
\textsuperscript{66} Ronald Bruce St John (ed.), *op. cit.*, p. 72.
\textsuperscript{67} Aurel Turbăceanu, *op. cit.*, p. 295.
Ceaușescu’s role in the Israeli-Arab peace process should have been the peak of this campaign however, his contribution was deemed minimal in the grand scheme by the Western Bloc. Moreover, Romania’s association with Israel and Egypt was detrimental to the rest of Bucharest’s foreign policy in the Middle East. Tel Aviv gradually diminished its partnership with Romania after the mediation objective was already achieved through other, more important parties such as the US, Morocco or Pakistan. As a consequence, the pro-Bucharest lobby in Washington vanished. Ceaușescu’s Romania became more and more unimportant as the détente between East and West progressed. The Reagan administration eventually withdrew the “most favoured nation clause” in 1987 on the grounds of reported human rights violations.

In parallel, the national economy was collapsing because of looming foreign debt and obsolete technology. Romanian exports lost any competitive edge that they held while Bucharest was an important diplomatic player. Low-quality goods and services were turned down by western buyers and were being channelled mostly towards Third World economies that were willing to receive them but were unreliable buyers. Thus, with economic downfall and further diplomatic isolation, Romania became a de facto pariah state in the eyes of the West, a far cry from the ideological ambition of becoming a leader of the Nonalignment movement.

However, throughout the difficult 1980’s, Libyan-Romanian relations remained intense and the relationships between the two leaders flourished. As Gaddafi’s economic and political ambitions of Arab Unity failed repeatedly, he pursued a national and regional ambition by way of enhancing Libya’s military capacity. He courted any and all weapons producers in the attempt to overcome the numerical weakness of his military and paramilitary forces. The main supplier was the USSR, eager to discard outdated technology in exchange for oil dollars.

72 Dinu C. Giurescu (ed.), *op. cit.*, pp. 723-726.
73 Helen Chapin Metz (ed.), *op. cit.*, pp. 246-252.
The Libyan leader also contacted other Soviet Bloc states such as Czechoslovakia, Hungary, Poland, Romania, and even Yugoslavia\footnote{Helen Chapin Metz (ed.), op. cit., pp. 274-278.}

Bucharest was a weapons manufacturer of medium size, present mostly in the Third World countries, the biggest consumers of weapons. Romania and Libya signed a military agreement in 1983, through which Bucharest delivered weapons, vehicles and explosives for infantry\footnote{Ronald D. Bachman (ed.), op. cit., pp. 271-293.}. But Tripoli’s interest was extended to all categories of military equipment, as well as instruction techniques for its air force, police and armoured divisions. The Libyans were even interested in investing in Romania’s development and production of weapons, munitions and helicopters\footnote{ANIC, CC of RCP-Foreign Relations, file 68/1981, ff. 42-43.}

As Gaddafi’s ambitions grew, he began taunting the West by supporting and funding all types of terrorist groups, whom he saw as instruments of political and ideological pressure. However, his standoff with the US reached its peak in 1985 after Libyan authorities were involved in planning and supplying the explosives for a terrorist attack in West Berlin that killed several American soldiers\footnote{Helen Chapin Metz (ed.), op. cit., pp. xxvi-xxvii.}. Washington’s reaction was firm, with a large-scale bombing campaign in Libya’s major cities. The aim was to make a display of force in order to deter Gaddafi from further actions.

But the measure had the unexpected effect of mending Libya’s international reputation, especially in the eyes of the Muslim World. State officials throughout the Third World condemned the American aggression and supported Gaddafi’s regime as the clear victim of Cold War bullying\footnote{David Blundy, Andrew Lycett, op. cit., pp. 1-15.}. Romania’s state-run press agency Agerpress expressed the public opinion’s concern about the escalation of events in the Mediterranean due to the US’s bombing campaign\footnote{Aurel Turbaceanu, op. cit., p. 290.}. Gaddafi responded to the US raid by reiterating the 1978 threat of adhering to the Warsaw Pact Treaty. However, the Soviet Union’s leaders were unwilling to jeopardise the détente and their country’s security by associating with the bellicose Arab dictator\footnote{Ronald Bruce St John (ed.), op. cit., pp. 238-240.}.
Romania had been warned by Washington in 1985 to cease any military shipments to Tripoli or risk being labelled as supporting terrorism\(^\text{82}\). This may have contributed to the further deterioration of Bucharest’s relations with the US. Moreover, in the second half of the 1980’s, Ceaușescu met several times with terrorist leaders such as Abu Nidal or militant Fatah members\(^\text{83}\). Gaddafi’s support for terrorists diminished in visibility after 1986 and, after the international condemnation for the Lockerbie incident in 1988, apparently stopped directly organizing other terrorist acts\(^\text{84}\). However, in the last days of Ceaușescu’s regime unidentified professional gunmen terrorised the population in the hope of extinguishing the anti-regime protests. Some of the revolutionaries later pointed at Ceaușescu’s relations with the infamous, terrorist-funding regime of colonel Gaddafi as a possible answer\(^\text{85}\).

In parallel with the arms procurement strategy, the Libyan leadership tried to obtain nuclear technology under the slogan of achieving energy sustainability. Tripoli aimed every possible lead in the struggle to create its own nuclear weapon as a possible deterrent against any foreign threat, but also as a major pressure point in negotiations with neighbours and other powers\(^\text{86}\). In December 1981, a Libyan delegation led by the secretary of nuclear energy, Abdel Magid Al-Kaud, met in Bucharest with Romania’s Cornel Mihulcea, the president of the State Committee for Nuclear Energy. The delegation expressed the Libyan government’s willingness to finance and participate in any nuclear research project or endeavour undertaken by Bucharest\(^\text{87}\).

Tripoli’s terrorist activities and nuclear program brought on western economic sanctions against Libya. The US-lead campaign hoped to either force Gaddafi’s hand in giving up his ambitions, or to obtain the collapse of his entire regime\(^\text{88}\). The political, military, commercial and technological pursuits of the two regimes led to situations close to bankruptcy.

As Ceaușescu’s intense foreign policy relied on trading technology and industrial products, Romania took up several international loans. Although external

\(^{83}\) Dinu C. Giurescu (ed.), *op. cit.*, p. 722.
\(^{84}\) Helen Chapin Metz (ed.), *op. cit.*, p. xxvii.
\(^{85}\) Aurel Turbăceanu, *op. cit.*, p. 291.
\(^{86}\) Helen Chapin Metz (ed.), *op. cit.*, p. 279.
\(^{87}\) ANIC, *CC of RCP-Foreign Relations*, file 91/1981, ff. 3-3v.
\(^{88}\) Helen Chapin Metz (ed.), *op. cit.*, p. xxvii.
trade had a comfortable surplus up to 1970, the Arab League’s boycott and the dictator’s expanding ambitions further postponed paying back the loans. Through 1980 to 1982, the country’s foreign trade deteriorated due to rising oil prices and creditors decided to push forward the starting point for payments. Ceaușescu decided to expedite paying back all the loans before 1990 in order to regain the country’s economic independence. All the national production was prioritized for export. Food and energy shortages led to popular unrest and the eventual collapse of the communist regime in the wake of the 1989 anti-communist revolutionary movement throughout Europe.\(^\text{89}\)

Unlike the fate of the Romanian dictator, Colonel Gaddafi benefited from the vast oil resources at his disposal, managing to partially elude the embargo. In spite of grandiose and costly infrastructure projects such as “The Great Man-Made River”, Libya did not fall into economic collapse.\(^\text{90}\) It was not the impact of the western sanctions that convinced Gaddafi to abandon his arms race with the US, but the fate of Saddam Hussein’s Iraq in 1991, when the entire international community turned against him.\(^\text{91}\) The impact of isolation convinced him, in 1999, to accept disarmament and hand over the two suspects from the Lockerbie bombing, thus rejoining the international community.\(^\text{92}\) However, his main advantage was the lack of popular unrest during the embargo, the Libyan nation supporting his foreign policy in the face of imminent war.\(^\text{93}\)

**Conclusions**

The two regimes were products of the geopolitical situation of the post-war period. Their inevitable interaction was the result of convergent national interests and objectives, as well as the pro-active determination of the two leaders. The relations between the two countries evolved in an ideologically-charged manner, divergent from the grass-roots reality which was incompatible with the visions of Gaddafi and Ceaușescu.

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89 Dinu C. Giurescu (ed.), *op. cit.*, pp. 723-731.
90 Ronald Bruce St John (ed.), *op. cit.*, pp. 278-280.
92 Ronald Bruce St John (coord.), *op. cit.*, p. 306.
93 David Blundy, Andrew Lycett, *op. cit.*, pp. 210-218.
The closeness of the two heads of state influenced and even directed the course of their economic, political and military interactions. Both regimes evolved in a way that would oppose them to other global or regional powers. In such moments of crisis the authorities in Tripoli and Bucharest supported each other, while also attempting to transform the other’s disadvantage into an opportunity. For Romania, Libya was one of the most stable and reliable partnerships, especially from an economic point of view. For Libya, Romania was a good example in ideological, economical and political development, Gaddafi admiring his European ally. The two regimes represent controversial and exotic pieces in the Cold War jigsaw. Their interdependence makes analyzing the two countries together, through the perspective of their relationship, a pertinent endeavor.

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