Roberto Cantoni, *Oil exploration, diplomacy, and security in the early cold war: the enemy underground*  

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Roberto Cantoni’s book *Oil exploration, diplomacy and security in the early cold war* offers a historical account of both oil policies in France and Italy in the 1950s and the early 1960s, and the international political consequences of the rise of Soviet oil production. His analysis is firmly grounded in the context of both the cold war and the commercial and political deal-making world of transnational petroleum companies. Cantoni seeks to examine the impact of the techno-scientific knowledge of oil in international politics and the ways in which concerns about the availability, source, price and distribution of oil shaped the national security conflicts of the cold war, including internal western relations.

Cantoni starts with the reconstruction of the shattered Mussolini-created oil company, Azienda Generale Italiana Petroli (AGIP), into Ente Nazionale Idrocarburi (ENI), under the leadership of Enrico Mattei, and the parallel efforts of the French oil company, Compagnie Française Des Pétroles, (CFP) to restore its position in Iraq, and then develop an energy base for France in its north African colonies free from Anglo-American influence. He then turns to the conflicts generated by France’s North African energy ambitions, first and foremost in Algeria. He shows how CFP’s activities in Algeria and elsewhere in North Africa turned France into an oil exporter whilst ENI cultivated close relations with the Algerian National Liberation Front, in doing so strengthening the nationalist revolt against which the French were fighting. He examines the role of successive American administrations in the Algerian war of independence and the strategic dilemmas created for the US by the presence of oil and gas in Algeria. Finally, he considers the internal conflicts within the West, generated by the increase in Soviet oil production from the mid-1950s, focusing on the agreement struck between ENI and the Soviet Union for the sale of Soviet oil to Italy, and the push by the Kennedy administration for an embargo on western companies selling the physical material required by the Soviet Union to facilitate the construction of a pipeline across eastern European for the sale of oil into western Europe.

Above all else Cantoni makes a persuasive case that it is simply not possible to understand either France’s travails in Algeria from 1954 to 1962, or the internal conflicts within the western alliance in the early cold war period, without putting oil near the centre of the analysis. Oil is often neglected in the analysis of the first thirty years of the cold war.
100 years of the post-war world, because what came next in the 1970s was much more dramatic. Yet Cantoni is entirely correct to insist both that the ways the US and its western European allies behaved in international politics from the second half of the 1940s through the 1960s cannot be separated from energy matters, and that the actions of oil and gas companies matter as much as states in explaining this history.

Compared to what had happened during the inter-war years the international politics of oil in the early cold war appeared relatively benign. The outcome of the Second World War ensured that neither of the principal defeated great powers, Germany and Japan, would seek energy autonomy again. Their governments accepted an international political world in which the US acted as guarantor of their oil interests, and the consequent strictures on their domestic political possibilities. Strikingly, however, Italian politicians were neither encouraged to accept, nor wished to accept, quite such restrictions on their state’s freedom of action. Certainly the Truman administration invested massively in maintaining Italy within the western bloc, not least because of Italy’s oil refining facilities and the risk that a Communist-Italy could halt the supply of oil to Western Europe from the Middle East through the Mediterranean. Just as importantly, the United States made it possible for Italy, like other western European countries, to pay for oil through the Marshall Plan, and to buy the majority of that oil from American companies. Yet by the mid-1950s the Italian state had turned the oil company Mussolini had created into a state-run oil company, ENI, led by Enrico Mattei, a Christian Democratic Member of Parliament from 1948 to 1953. Mattei was determined to develop an independent energy strategy for Italy, even if it challenged the assumptions of western unity in relation to the Soviet Union, the Middle East, and France’s attempt to dominate the early European Economic Community. In 1957 ENI signed contracts with the Iranian and Egyptian governments that gave 75 per cent of the profits from oil production to the producer-country, in contrast to the 50–50 deals offered by the American and British oil majors. Meanwhile ENI established its own diplomacy in North Africa to try to gain control over oil in the Sahara. Mattei’s manoeuvres led to ENI’s support for the Algerian nationalists against the French. In the most significant show of Italian defiance, Mattei began negotiations with the Soviet Union in 1958 for a large-scale oil-for-technology deal. These talks culminated two years later in an agreement for Italy to import significant amounts of oil from the Soviet Union and ENI to provide equipment for new Soviet pipelines. ENI’s Soviet move quite probably cost Mattei his life in 1962 when the plane on which he was travelling came down in what several decades later were revealed to be murderous circumstances. But since the ENI-Soviet agreement the US has never been able to maintain unity among the west European states about purchasing Soviet/Russian oil or withholding support for the country’s oil infrastructure.

For France, the post-war world raised a difficult set of energy difficulties. It did have a commercial presence in the world’s fastest growing oil-producing region, but of the three western powers in the Middle East it was the weakest, only having influence in Iraq. From the onset of the post-war world French governments were determined that France had to have energy autonomy, and could not rely on the Americans or British to protect their oil interests. As soon as the war was over French geo-scientific personnel started exploring Algeria for oil and gas where the American and British oil companies were not present. The imperative for those efforts to yield reward was intensified as CFP’s influence in Iraq deteriorated, and
when the Eisenhower administration demonstrated in the Suez crisis that Washington would not tolerate its allies acting in the Middle East in ways to which it had not agreed. In this geo-political context, the prospects for French energy independence were non-existent without retaining a hold on Algeria where oil and gas were indeed discovered in major quantities in the mid-1950s.

Yet France’s bid for energy independence via North Africa was fraught with tensions. French companies surveying the Sahara were dependent on the technical expertise of American geo-physical contractors, and once oil and gas was found those same companies required foreign capital. Moreover, by the time of the Suez crisis French rule in Algeria was already threatened by the Algerian National Liberation Front, and the French government needed at least tacit American support in order to continue the war against Algerian independence. For Washington there was no prospect of outright opposition to the French fight for the heart of its North African empire. Yet neither could it risk North African nationalism leading to Soviet intervention in the region, or French atrocities in prosecuting the war generating problems with its Arab allies. Moreover, the Eisenhower administration did not want the American oil companies to be excluded from the prospect of profits available from Saharan oil and gas production.

As Cantoni clearly shows, with an abundance of interesting detail, the Algerian war for independence was much more than the story often portrayed of a conflict between the French military and the French settlers on the one side and the Algerian nationalists on the other. Algeria was a site of international conflict with the involvement of a range of states and energy companies with substantial oil and gas resources at stake. If de Gaulle appeared to risk French democracy in 1962 for the Évian accords that gave Algeria its independence, he also ensured that the existing interests of French oil companies in the Algerian Sahara were protected in those accords. Cantoni also demonstrates that the story of France’s war in Algeria for oil and gas, and the determination of French governments to find markets in Western Europe for oil produced in Algeria by French companies, was an important advantage that French governments sought from the European Economic Community (EEC). This too is a story that has had insufficient attention from scholars of the early EEC.

In his overall account of the early cold war Cantoni provides an important corrective to any notion that serious divisions in the West over energy began to materialise in the 1970s. Nowhere is this more than the case than his account of the American moves after the Soviet-ENI deal to establish an embargo on western companies selling pipe material to the Soviet Union. By the late 1950s the Eisenhower administration feared that the Soviet Union’s oil recovery after World War Two gave the Soviets the capacity to disrupt western oil markets and enhance Soviet power. This American fear was intensified in the 1960s when the Soviet Union began selling oil to European countries at a prices significantly below those of Middle East and Venezuelan producers. Yet even the British government, which had already implemented a temporary ban on Soviet oil in 1959, was reluctant to support the pipeline embargo, and in 1966 the Johnson administration agreed to end it, after pressure from France and West Germany.

Oil rarely receives the analytical attention it should have in international relations scholarship. Perhaps precisely because it seems to explain as much as it does, scholars will often leave it out of their accounts of how international politics works, so that they can concentrate on the variables, whether geopolitical or ideational, to which
they would rather attend. Cantoni deserves significant credit for showing both how complex oil makes international politics, and why international relations scholars and historians should not think they can understand crucial episodes in the early cold war and post-war west European history without recognising its importance.