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## **Between Energy Crisis and Cold War Tensions: How an Incohesive European Community Saved the Siberian Gas Pipeline (1980-1985)**

**Résumé**

Between 1980 and 1985, a cooperation project between the Soviet Union and some Western European countries led to the construction of the so-called “Yamal” pipeline, the first that crossed the Iron Curtain and the one that marked the beginning of Western European dependence on Soviet gas. The risks connected to such dependence prompted the US administration to oppose the project by any means, thus splitting the Western alliance. Given the economic and geopolitical implications of “Yamal”, an analysis of the role of the European Community (EC) in the project provides an interesting view of the margin of action the EC could enjoy in the early 1980s and shows that while European institutions could exert a strong influence on international relations, their attempt to promote a common approach in the field of energy failed once again in the case of “Yamal”.

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## INTRODUCTION: THE “DEAL OF THE CENTURY”

1 On 15 August 1981, the weekly number of *The Economist* published an article with the evocative title “Supping with Comrade Devil”.<sup>1</sup> The Devil to which the author referred was none other than the Soviet Union, the guests the countries of Western Europe, and the course on the table a majestic project known by the codename “Yamal”, aimed at the construction of a 4500-kilometres-long pipeline to transport the natural gas extracted in the Urengoy fields –in the Yamal region in Western Siberia– directly to consumers in Western Europe.<sup>2</sup> The origins of “Yamal” are directly related to the 1973 and 1979 oil shocks, which increased the importance of Soviet natural gas as a cheap and reliable alternative to oil for European countries.<sup>3</sup> The “deal of the century”, as the project was often defined, was conceived from the beginning of the negotiations (1980) as a massive clearing operation, following a consolidated scheme for East-West transactions in the energy field. Western European countries would provide credit and technologies and then be repaid by the Soviets with the profits on gas supplies once the pipeline was completed. But not only are the proportions of the deal –*Time Magazine* described it as “the largest commercial transaction in history between East and West”– that make “Yamal” a remarkable subject of historical research.<sup>4</sup> Although the relevance of Soviet natural gas in the energy mix of Western Europe had been progressively increasing since the late 1960s (in 1968 the first gas deliveries reached

the West, in Austria, and in the following years Finland, Italy, and West Germany quickly followed),<sup>5</sup> it was the new pipeline, with its flow of 40 billion cubic metres of gas per year, that more than doubled the volume of imported gas and really marked the beginning of Western European dependence on Soviet natural gas.<sup>6</sup>

Therefore, it is no surprise that the construction of the new pipeline was surrounded by harsh debates concerning the economic, political, strategic, and even moral implications of dependence on the Soviet Union. In particular, the “Yamal” project caused a fracture within the Western bloc, between European countries and the United States, which has been the subject of a number of scholarly works. These provide a detailed account of the debates about the Siberian pipeline in the United States and Reagan’s attempts to jeopardise the project,<sup>7</sup> highlighting the connection between the “deal of the century” and world politics. The literature also shows how European countries succeeded in opposing the Reagan administration, letting business interests prevail over geopolitics<sup>8</sup> and with a view to “keeping détente alive”.<sup>9</sup> Historiographic accounts of the Transatlantic dispute over “Yamal” provide information about the stance of national governments on the affair, describing, for instance, France’s firm opposition to American diktats and Italy’s prolonged “pauses for reflection”.<sup>10</sup> As for the supranational level,

<sup>1</sup> *The Economist*, 15 Aug. 1981, 17–18, cited in Hubert Bonin, “Business Interests versus Geopolitics: The Case of the Siberian Pipeline in the 1980s”, *Business History*, vol. 49, n° 2, 2007, 242.

<sup>2</sup> The pipeline is indicated with different names in both archival sources and scholarly works, such as “Trans-siberian pipeline” and “Urengoy pipeline”. It should not be mistaken for the “Yamal-Europe” pipeline, which also transports natural gas produced in the Yamal region but was built during the 1990s.

<sup>3</sup> Jeronim Perović and Dunja Krempin, “‘The Key Is in Our Hands’: Soviet Energy Strategy during Détente and the Global Oil Crises of the 1970s”, *Historical Social Research*, vol. 39, n° 4, 2014, 116.

<sup>4</sup> *Time Magazine*, 16 Feb. 1981, cited in Bonin, “Business Interests versus Geopolitics”, 241 (cf. note 1).

<sup>5</sup> For a detailed account of the making of Europe’s dependence on Soviet gas, see Per Högselius, *Red Gas: Russia and the Origins of European Energy Dependence* (New York: Palgrave Macmillan US, 2013).

<sup>6</sup> Jeronim Perović, “The Soviet Union’s Rise as an International Energy Power: A Short History”, in *Cold War Energy: A Transnational History of Soviet Oil and Gas* (Cham: Springer International Publishing, 2017), 23.

<sup>7</sup> Ksenia Demidova, “The Deal of the Century: The Reagan Administration and the Soviet Pipeline” in Kiran Klaus Patel and Kenneth Weisbrode (eds.), *European Integration and the Atlantic Community in the 1980s* (Cambridge: Cambridge University Press, 2013), 59–82.

<sup>8</sup> Bonin, “Business Interests versus Geopolitics” (cf. note 1).

<sup>9</sup> Maria Eleonora Guasconi, “‘Keeping Détente Alive’: European Political Cooperation and East-West Dialogue during the 1980s”, *De Europa*, vol. 2, n° 2, 2019, 87–101.

<sup>10</sup> Giorgio Petracchi, “L’Italia e la ‘Ostpolitik’”, in Ennio Di Nolfo (ed.), *La Politica estera italiana negli anni Ottanta* (Manduria, Piero Lacaita Editore, 2007), 276.

the role of NATO and the Coordinating Committee for Multilateral Exports Control (CoCom) is also amply considered,<sup>11</sup> while there is an actor whose presence is often neglected, that is, the European Community. Maria Eleonora Guasconi's article is a relevant exception in this regard, as it presents the successful opposition to US interference as an example of attempts by the EC countries to speak with a single voice in international relations. However, the "Yamal" affair not being the main focus of the article, the author does not describe in detail the debates taking place at the European level and, most of all, no potential autonomous role of the EC institutions is mentioned.<sup>12</sup>

3 The limited space given to the EC institutions in the literature on "Yamal" is undoubtedly related to the likewise limited influence they could exert in the field of energy policies in the period considered, which scholarly works did not fail to emphasize already at that time.<sup>13</sup> Until at least the Lisbon Treaty in 2009, when energy was sanctioned as a competence of European institutions, the lack of a common energy policy remained a "discordant note" in the process of European integration, despite the fact that two of the three European communities (ECSC and EURATOM) were based on energy sources.<sup>14</sup> In the Treaty of Rome, no specific competence to promote a common energy policy was attributed to the EEC, and therefore energy remained "a pocket of resistance to integration" for decades.<sup>15</sup>

<sup>11</sup> Andrea Chiampan, "'Those European Chicken Littles': Reagan, NATO, and the Polish Crisis, 1981–2", *The International History Review*, vol. 37, n° 4, 2015, 682–699; Susan Colbourn, "An Interpreter or Two: Defusing NATO's Siberian Pipeline Dispute, 1981–1982", *Journal of Transatlantic Studies*, vol. 18, n° 2, 2020, 131–151.

<sup>12</sup> Guasconi, "'Keeping Détente Alive'", 90–92 (cf. note 9).

<sup>13</sup> Georges Brondel, Joel Morton, "The European Community: An Energy Perspective", *Annual Reviews – Energy*, vol. 2, 1977, 343–364; Ali M. El-Agraa, Yao-Su Hu, "National versus Supranational Interests and the Problem of Establishing an Effective EC Energy Policy", *Journal of Common Market Studies*, vol. 22, n° 4, 1984, 333–350.

<sup>14</sup> The quote is from the title of Jonathan D. Fishbane's article "The Troubled Evolution of Energy Policy in the EEC: A Discordant Note in the Harmonization Process", *Akron Law Review*, vol. 27, n° 3, 1994, 301–353.

<sup>15</sup> European Community Information Service, *Europe and Energy* (Luxembourg, 1967), 10, cited in Alberto Tonini, "The EEC Commission and European Energy Policy: A Historical

This does not mean that the European institutions did not try a number of initiatives for greater coordination, but these led to very few concrete results due to the resistance of the Member States and oil companies. This could also be ascribed to the lack of strong incentives for cooperation during the "golden years" marked by cheap and abundant energy, but even a strong enough incentive such as the oil shock of 1973 did not change the picture. On the contrary, the crisis led to a "politicisation of energy", as Francis McGowan puts it, which led national governments to increasingly assume responsibility for energy issues and thus hampered the numerous initiatives of the EC to manage the crisis through common actions.<sup>16</sup>

4 The second oil shock in 1979 was another missed opportunity in this sense, as the Member States continued to resort to national initiatives to face the crisis, while an EC action was hindered by the absence of a legal framework supporting it. The "Yamal" project provides a fitting example of such dynamics since it was born on the initiative of individual states. Although national companies found some forms of association and coordination –as frequently happened in the case of projects concerning natural gas– the EC was never seen as the designated framework for negotiation. However, as Jean-Pierre Williot illustrates in an essay on the role of gas in EC energy policies, since the beginning of the 1970s the EC encouraged the construction of a European network of gas pipelines, not only within its borders but also by coordinating the imports of gas from third countries, which became more and more important after the oil shocks.<sup>17</sup> "Yamal", the first direct gas pipeline from the Soviet Union

Appraisal," in Rossella Bardazzi, Maria Grazia Pazienza, Alberto Tonini (eds), *European Energy and Climate Security* (Cham: Springer, 2016), 15.

<sup>16</sup> Francis McGowan, "Putting Energy Insecurity into Historical Context: European Responses to the Energy Crises of the 1970s and 2000s", *Geopolitics*, vol. 16, n° 3, 2011, 487–488.

<sup>17</sup> Jean-Pierre Williot, "Le gaz naturel : une énergie nouvelle au centre de l'Europe entre les années 1960 et 1980 ?", in Alain Beltran, Éric Bussière, Giuliano Garavini (eds.), *L'Europe et la question énergétique: Les années 1960/1980* (Bruxelles: Peter Lang, 2016), 303, 305, 309.

to Western Europe, represented a perfect occasion in this regard and that is why this article, by examining the role of the EC institutions in its construction, can contribute to the literature on the energy policies of the EC by highlighting how the second oil shock and the switch to Soviet gas resulted in a convenient but missed opportunity for their development. Furthermore, if we consider the evolution of energy policies in Western Europe at large, the article shows how the EC, despite the lack of authority in the field, nevertheless contributed to a pivotal moment for European energy dependence on foreign sources. The analysis presented draws on primary sources from the Historical Archives of the European Union (Florence, Italy) and integrates them with archival material from the French Diplomatic Archives (La Courneuve, France) and ENI's Historical Archive (Castel Gandolfo, Italy).

### THE EFFECTS OF A MISSING COMMON ENERGY POLICY

5 The negotiations for a new pipeline connecting Siberia and Western Europe started in January 1980, when a group of West German companies organised a meeting with Soviet officials. The initiative was soon followed by French and Italian companies, led by national energy companies Gaz de France and ENI (Ente Nazionale Idrocarburi), respectively. In the following months, other Western European countries began talks for the purchase of Soviet gas (Austria, Belgium, Greece, the Netherlands, Spain, Switzerland) or participated in industrial provisions for the pipeline (the United Kingdom, in particular), but France, Italy, and West Germany remained by far the most involved. It was, indeed, the French company Creusot-Loire, the West German Mannesmann, associated in a consortium, and the Italian Nuovo Pignone, which obtained the role of main contractors when the general contracts were signed in September 1981. This arrangement ensured that the share of industrial provisions allocated to the companies of each country was approximately equal to the share of natural gas that these countries purchased from the Soviets, as repeatedly requested by the French government. A similar kind of informal

coordination happened for the financing of the project since all the national governments or private investors (as in the case of West Germany) agreed on very similar terms, that is, financial coverage for 85% of the cost of supplies (the remaining 15% was to be paid in cash by the Soviets) at an interest rate of 7.80% and with a repayment term of eight and a half years starting from 1985.<sup>18</sup>

6 Although this coordination allowed Western European contractors to avoid the Soviet strategy of promoting competition, the negotiations were conducted through strictly bilateral talks, which did not include the EC institutions, as recalled by a motion tabled by the Liberal and Democratic Group of the European Parliament in February 1982. This was, according to the MEPs, just “a new illustration of the harmful and deplorable consequences of the lack of a common energy policy”.<sup>19</sup> On the benches of the EP, the issues related to “Yamal” were widely discussed since the beginning of the negotiations and many voices continued to call for the involvement of the EC institutions in the project, for not only did the autonomous action of some EC countries disregard the recommendations of the Commission for a “genuine solidarity” between gas importers,<sup>20</sup> but the implications of the deal would also affect the Member States that were not directly involved.<sup>21</sup> But while some MEPs saw the new project as a convenient opportunity for the Commission and the Council to try to relaunch a common energy policy, others asked the EC institutions not to coordinate, but to stop the project instead. The risk of dependence on the Soviet Union was in fact seen as particularly dangerous not only because natural gas created more binding links with producers than any other energy source, but also because it involved a country that had

<sup>18</sup> Note on credits offered by European countries for the pipeline, 15 September 1981, Archivio Storico ENI (ASE), Box 259, Folder 45.

<sup>19</sup> Motion for a resolution n° 1-1018/81 by MEP Berkhouwer, 15 February 1982, Historical Archives of the European Union (HAEU), PE1-3720.

<sup>20</sup> Written question n° 1629/81 by MEP Galland to the Commission, 2 November 1981, HAEU, PE1-11200.

<sup>21</sup> Oral question for question time n° 188/81 by MEP Lalor to the Council, 15-17 June 1981, HAEU, PE1-20536.

already used economic pressure to comply with its “hegemonic designs”, as MEP Vincenzo Bettiza (Liberal and Democratic Group) put it.<sup>22</sup> According to the critics of the project, the EC countries could avoid importing Soviet gas by recurring to internal deposits (such as those in the Aquitaine basin or the North Sea) or more reliable providers than the Soviet Union, such as Norway.<sup>23</sup>

- 7 Whether it was to coordinate or to halt the project, the Commission and the Council had limited room for manoeuvre. As Etienne Davignon (European Commissioner for Industrial Affairs and Energy in the Thorn Commission) explained to MEP Luc Beyer de Ryke, the Commission could regulate the price of gas to promote the transition from oil, but it was unable to play a coordinating role in the purchase of gas because of the private nature of contracts and all the more because the Soviet Union refused to recognise the EC as an interlocutor.<sup>24</sup> As for halting the project, the Commission’s officials remarked that the natural gas production of the EC was expected to decrease in the following years and both the new internal deposits and the Norwegian fields were not supposed to be available before the end of the decade. Therefore, the objective of self-sufficiency in the field of natural gas could only be achieved by reducing its consumption, but this would run counter to the objective of diversification of energy sources and detachment from oil.<sup>25</sup> Therefore, there appeared to be no viable alternatives to Soviet gas, at least in the short term, and while acknowledging the problems of

energy dependence, the Commission favoured the “Yamal” project for two reasons. First, its sources estimated that in 1990 the natural gas from the Soviet Union would count for 19% of the EC’s total gas supplies and only 4% of the total energy supplies. Therefore, in the event of voluntary or involuntary interruptions, EC countries could circumvent the problem without much difficulty recurring to their gas reserves, oil, and other energy sources.<sup>26</sup> Second, the dependence on Soviet gas would not only be unproblematic, but it would also be useful to limit the “much stronger” dependence of the EC on imported oil, as Davignon pointed out.<sup>27</sup>

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## THE AMERICAN OPPOSITION: A NEW ROLE FOR THE EC

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### Cold War tensions and their effects on “Yamal”

8 While both the Commission and national governments privileged the economic value of the deal with the Soviet Union over the problems related to energy dependence, there was an actor that did not cease to evocate such problems, namely, the United States. From the very first hints about an East-West cooperation project to bring Soviet gas directly to Europe, the Americans never failed to profess their opposition, but the Carter administration did not issue much more than warnings to the European allies.<sup>28</sup> Things changed with Ronald Reagan’s mandate. Since his electoral campaign, the Republican President began denouncing the risk of an “energy Finlandization” of Western Europe due to Soviet gas.<sup>29</sup> After taking office in January 1981, the Reagan administration started an economic war against Moscow and tried to co-opt Western European countries into it via the CoCom. In October 1981, US Under Secretary of State for Economic Affairs Myer Rashish made

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<sup>22</sup> Written question n° 1894/81 by MEP Bettiza to the Commission, 8 February 1982, HAEU, PE1-11465; see also Oral question for question time n° 7/81 by MEP Turcat to the Council, 10 March 1981, HAEU, PE1-20357 and Motion for a resolution n° 1-0653/82 by MEPs Purvis and Seligman, 1 October 1982, HAEU, PE1-4107.

<sup>23</sup> Oral question for question time n° 648/81 by MEP Lalor to the Council, 12 December 1981, HAEU, PE1-20992; Written question n° 1629/81 (cf. note 20); Motion for a resolution n° 1-0653/82 (cf. note 22).

<sup>24</sup> Written question n° 326/82 by MEP Beyer de Ryke to the Commission, 27 April 1982, HAEU, PE1-11892.

<sup>25</sup> Written question n° 456/82 by MEP Pedini *et al.* to the Commission, 10 May 1982, HAEU, PE1-12022; Oral question for question time n° 286/82 by MEP Galland to the Commission, 8 July 1982, HAEU, PE1-21491.

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<sup>26</sup> Weekly telegram for EC external delegations and press offices, 15 October 1982, HAEU, BAC-250/1980\_1479, 384; Comeur (EC Commission) to Roy Denman (EC Delegation in Washington): “Gas from the USSR”, 14 September 1982, HAEU, BAC-250/1980\_1474, 566.

<sup>27</sup> Written question n° 1629/81 (cf. note 20).

<sup>28</sup> Colbourn, “An Interpreter or Two”, 132 (cf. note 11).

<sup>29</sup> Bonin, “Business Interests versus Geopolitics”, 241 (cf. note 1).

a tour of visits to European leaders to reiterate American concern about the dependence on Soviet gas and propose some alternatives, which the European partners judged unrealistic and untimely, for at that point they had already signed the general agreement for the whole project.<sup>30</sup> Just a month later (13 December 1981), the introduction of martial law in Poland by General Wojciech Jaruzelski provided the “hawks” in the Reagan administration with a new opportunity to obstruct the “Yamal” project.

9 On 30 December 1981, after Jaruzelski’s coup, the US administration introduced economic sanctions against Poland and the Soviet Union, including a full embargo on American technology that overtly aimed to block the construction of the pipeline.<sup>31</sup> European countries declared their determination to move forward with the project, with the ambitious purpose of starting the first gas stream in 1984,<sup>32</sup> and on 2 January 1982, as an act of defiance, Gaz de France signed an agreement with Soyuzgasexport to purchase 8 billion cubic metres of gas per year from the new pipeline. However, concerned about the risk of sanctions against the companies that tried to circumvent the embargo, European national governments eventually resorted to the framework of the EC to coordinate their actions, and the Community institutions, whose role in the merely economic part of the agreements had been rather limited, took an increasingly active part in the whole affair.

10 At the Council meeting of 23 February, the Ministers of the Ten declared themselves in favour of limiting imports from the Soviet Union to reassure Washington and give a warning to Moscow.<sup>33</sup> The measure was officially adopted by the EC on 15 March: all EC countries (except Greece, which had opposed it) banned the

import of fifty-eight categories of products.<sup>34</sup> Although it was little more than a symbolic gesture, since the products involved constituted only 1,34% of the total imports of the EC from the Soviet Union, the Soviet authorities protested vigorously.<sup>35</sup> The US administration was also not satisfied, because the measures had been applied to “non-essential” products, but it persisted with the strategy of slowing down the construction of the pipeline while avoiding drastic measures that could provoke a too heated reaction from the European allies.<sup>36</sup> The Americans also appeared willing to reduce their obstruction of the pipeline in exchange for European support in suspending –or at least limiting– export credits to the Soviet Union.

The visit of James Buckley (US Undersecretary of State for Security Assistance, Science, and Technology) to Europe in March 1982 aimed precisely at gathering this support. In his meeting with the President of the European Commission Gaston Thorn and the Vice-Presidents Wilhelm Haferkamp and Étienne Davignon (19 March 1982), Buckley congratulated the measures taken by the EC but asked for other concrete actions to reduce or eliminate all artificial advantages that the Soviet Union had accumulated thanks to competition between Western suppliers.<sup>37</sup> At the end of April, the first meeting on the issue of credits was held in France, followed by others in May, but Washington was dissatisfied with the results achieved.<sup>38</sup> In the view of the Commission, only if the “biggs” of the EC (France, Italy, the United Kingdom, and West Germany) had decided to take measures on the credit issue could a common position be reached since the smaller Member States would probably have

<sup>30</sup> Background brief for the European Council of 28-29 June 1982, 25 June 1982, HAEU, BAC-250/1980\_1480, 483.

<sup>31</sup> Colbourn, “An Interpreter or Two”: 132 (cf. note 11); “Limitation to the export of US goods to the Soviet Union”, undated, ASE, Box 259, Folder 45.

<sup>32</sup> Background brief for the European Council of 28-29 June 1982, 483 (cf. note 30).

<sup>33</sup> 751<sup>st</sup> session of the Council: Foreign affairs, 22-23 February 1982, HAEU, CM2/1982-00009/001, 11.

<sup>34</sup> Regulations (EEC) n° 596/82 and 597/82 of the Council, 15 March 1982, HAEU, CM2/1982-00155/001 and CM2/1982-00156/001.

<sup>35</sup> Background brief for the European Council of 28-29 June 1982, 21 June 1982, HAEU, BAC-250/1980\_1480, 382.

<sup>36</sup> De Kergorlay (EC delegation in Washington) to the Commission: “Pipeline”, 31 August 1982, HAEU, BAC-250/1980\_1469, 178.

<sup>37</sup> Memorandum for the Versailles Summit, 27 May 1982, HAEU, BAC-250/1980\_1480, 427.

<sup>38</sup> Background brief for the European Council of 28-29 June 1982, 384-386 (cf. note 35).

followed their example, but it was precisely the “biggs” that were the most interested in keeping trade with the East more alive and profitable than ever. France’s firm opposition to any “discriminatory” action against the Soviet Union, in particular, made any joint action impossible. Therefore, the EC institutions were asked not to make any commitment in the name of the Ten, and their representatives had a little role at the eighth G7 Summit held in Versailles from 4 to 6 June 1982.<sup>39</sup> However, they joined the heads of state and government of the Seven in signing the final declaration of the meeting, where it was agreed to manage the economic policy toward the East according to political and security interests, which was exactly what the US administration asked.<sup>40</sup>

### The June 1982 embargo

12 The statements at the Versailles summit proved to be nothing but fig leaves, which were soon swept away by French President François Mitterrand. “Nothing had been agreed to”, he declared, “that would hamper French trade with the Russians”.<sup>41</sup> At this point, Reagan eventually took the decision that had been averted so far. On 18 June 1982, the US President announced the extension of the 30 December embargo to subsidiaries of US companies abroad and oil and gas equipment produced abroad under American licences.<sup>42</sup> Alstom-Atlantique, which owned the General Electric licence for turbine rotors and since December had been supplying rotors to AEG-Telefunken, John Brown, and Nuovo Pignone, could no longer produce any machinery for the Siberian gas pipeline. And neither the other companies could deliver the twenty-four turbines they had already manufactured using the rotors that General Electric delivered before the enactment of the embargo.<sup>43</sup>

<sup>39</sup> Memorandum for the Versailles Summit, 430 (cf. note 37).

<sup>40</sup> Declaration of the seven heads of state and government and representatives of the EC after the Versailles Summit, June 1982, HAEU, BAC-250/1980\_1480, 414.

<sup>41</sup> “Lifting of U.S. Sanctions fails to soothe Europeans”, *International Herald Tribune*, 16 November 1982, HAEU, BAC-250/1980\_1479, 117.

<sup>42</sup> Statement by President Reagan on the new measures, 18 June 1982, HAEU, BAC-250/1980\_1480, 387.

<sup>43</sup> Note: “Consequences of US sanctions for European countries”, 23 June 1982, Archives Diplomatiques (AD),

Public declarations against the new measures 13  
 were immediately issued by the officials of the four national governments, and the EC, too, had the opportunity to express its voice as a whole during the official visit of a delegation from the European Parliament in Washington on 20 June. The MEPs manifested a resentment shared by all political parties. Indeed, even representatives of the European People’s Party and the Group of European Democrats, who had previously expressed their doubts about the new pipeline, strongly condemned the US decision.<sup>44</sup> In Brussels, the Socialist Group tabled a motion calling for a common European reaction, rather than measures taken individually by the Member States concerned, and the European Council was proposed as the best forum to coordinate actions against Washington.<sup>45</sup> As early as 22 June, the General Affairs Council approved a “muscle” statement on US measures drafted by the Article 113 Committee.<sup>46</sup> French President Mitterrand, German Chancellor Schmidt, and Italian Premier Spadolini were particularly supportive of such a hard line. The British government, on the contrary, appeared to be more open to dialogue, and the statement that emerged from the 29 June Council eventually displayed a “quite right balance” between protest and willingness to find an agreement, as British Secretary of Foreign Affairs Francis Pym communicated to the press.<sup>47</sup> This Council also confirmed the role of the EC institutions in the matter, “in view of the major Community interest in this matter”.<sup>48</sup>

Box 674, Folder *Gazoduc d’Ourengoi*.

<sup>44</sup> EC Delegation in Washington to the Commission: “European strongly opposed to sanctions, EP delegation tells Senate”, 25 June 1982, HAEU, BAC-250/1980\_1480, 11-12.

<sup>45</sup> Motion for a resolution n° 1-462/82 presented by the Socialist Group, 5 July 1982, HAEU, PE1-3996.

<sup>46</sup> Report about Article 113 Committee and Council meetings, 23 June 1982, HAEU, BAC-250/1980\_1480, 352; Note on COREPER’s meeting on 24 June 1982, 25 June 1982, HAEU, BAC-250/1980\_1480, 9.

<sup>47</sup> Note by Roy Denman attached to the draft conclusions for the European Council, 29 June 1982, HAEU, BAC-250/1980\_1480, 56; Various newspaper articles, 30 June 1982, HAEU, BAC-250/1980\_1480, 66-67.

<sup>48</sup> Note: “Effects of U.S. sanctions in the Community”, 29 June 1982, HAEU, BAC-250/1980\_1480, 53.

14 The Commission, too, manifested its interest in the “challenge” US measures posed to the EC and Member States’ jurisdiction, even though its officials had to consider some practical limitations.<sup>49</sup> In particular, it did not seem possible to bring legal action against the American measures in the courts of the Member States if not indirectly, since these courts could only adjudicate disputes between private entities. Nor could the International Court of Justice be considered since the EC as such could not be a party in cases and only a few of its Member States (Belgium, Denmark, Luxembourg, the Netherlands, and the United Kingdom) had accepted its jurisdiction.<sup>50</sup> Even the EC legislation did not provide much support. In fact, the US measures could be considered illegal under three articles of the Community Treaty, but these could only be used to judge the potential enforcement of the measures by the Member States and not the measures themselves.<sup>51</sup> Upon proposal by Sir George Roy Denman (Director-General for External Affairs of the Commission), a working group with members of the Legal Service and Directorate-General III (Internal Market) of the Commission was entrusted with the drafting of a written protest to be addressed to the Department of State by the EC and the four countries most touched by the embargo (France, Italy, the United Kingdom, and West Germany; henceforth, the “Four”). The team would then work on a more detailed document to be delivered before 21 August, when the public comment period for US measures would end and the sanctions would become official in all respects.<sup>52</sup>

<sup>49</sup> Background brief for the European Council of 28-29 June 1982, 389 (cf. note 35).

<sup>50</sup> Note by the Commission’s Services: “Effects of U.S. sanctions in the Community”, 30 June 1982, HAEU, BAC-250/1980\_1480, 89-90.

<sup>51</sup> Article 86, about the “abuse of dominant position”, and articles 30 and 34, about measures having equivalent effect to quantitative restrictions on imports and exports.

<sup>52</sup> Note for the EC delegation in Washington on US sanctions, 1 July 1982, HAEU, BAC-250/1980\_1480, 112; Note by Mr. Toffano, 7 July 1982, HAEU, BAC-250/1980\_1480, 126-128; Note on COREPER’s meeting on 8 July 1982, 9 July 1982, HAEU, BAC-250/1980\_1480, 171-174.

15 Despite the involvement of all the EC institutions, there were some doubts about their specific competencies. In particular, Member States manifested a certain reluctance to accept an intervention of the Community in the economic aspects of the affair. When Roy Denman suggested that the Commission ought to have more information on the contracts signed by companies with the Soviets, the representatives of the Four made it clear that there were limits to the sharing of such information at the Community level, and those limits were to be set by companies themselves.<sup>53</sup> For their part, the representatives of the companies had already shared the same reluctance on 5 July, when they met with the Commission officials. In the words of Creusot-Loire and Mannesmann’s managers, which also represented Nuovo Pignone, the “psychological value” of the support provided by the EC was highly appreciated as protection from US repercussions, given that the companies had no intention of giving up on the project. However, although agreeing on the need for coordination between the three general contractors and the officials in Brussels, they were very clear in limiting the role of the EC. Only national governments, they specified, were meant to manage the negotiations with the Soviets and the completion of the project.<sup>54</sup>

16 Therefore, the EC institutions focused on the controversy with the United States. On 14 July, the representatives of the Presidency and the Commission delivered to the Department of State in Washington a memorandum in which the EC formally requested the US administration to withdraw the measures issued in June, while rejecting all the assumptions on which they were based and highlighting their damaging effects on the economic and political stability of the Western bloc.<sup>55</sup> The officials made

<sup>53</sup> “US embargo on the Siberian pipeline”, 14 July 1982, HAEU, BAC-250/1980\_1480, 202.

<sup>54</sup> Note on the meeting with Creusot-Loire and Mannesmann’s representatives, 5 July 1982, HAEU, BAC-250/1980\_1480, 102; Note by Mr. Möhler on the Siberian pipeline, 13 July 1982, HAEU, BAC-250/1980\_1480, 197.

<sup>55</sup> Memorandum for the US Department of State, 14 July 1982, HAEU, BAC-250/1980\_1480, 210-211.



it clear that this “unusually strong protest” was a sign of the seriousness with which the Ten as a whole condemned the US decision, even though the measures only involved companies from four Member States.<sup>56</sup> While the working group of the Commission immediately started preparing a more detailed protest, the governments of the Four and the companies continued to look for ways to comply with the contracts with the Soviet Union,<sup>57</sup> since it did not seem that the “family quarrel” with the US –as West German Chancellor Schmidt defined it– would be resolved soon and the embargo lifted.<sup>58</sup> However, despite the same intent, there was no common strategy on how to achieve it. The West German government adopted an extremely cautious approach. It encouraged the fulfilment of the contracts, but in a way that it could not be held accountable for violations of the embargo, to avoid providing compensation to companies if affected by American sanctions.<sup>59</sup> The stance of the Italian government was similar. Despite some statements from the Ministry of Foreign Affairs and Premier Spadolini asserting that the contracts for the pipeline would be honoured, the choice of how to proceed was left to the companies themselves and the “pause for reflection” regarding the purchase of Soviet gas, which had begun in December 1981, was maintained.<sup>60</sup> Paris and London, for their part, did not share such caution. The French government decided that it would requisition the companies involved in the deal “for the good of

the country”, according to a law of 1959, if this would prove necessary to honour the contracts on time.<sup>61</sup> UK Secretary of State for Trade Lord Arthur Cockfield announced some directives, based on the *Protection of Trading Interests Act*, to prevent four British companies (John Brown Engineering, Smith International, Baker Oil Tools, and American Air Filters Limited) from respecting the US embargo.<sup>62</sup> By mid-August 1982, the companies too were ready to defy the embargo, and AEG-Kanis, John Brown, and Nuovo Pignone took on the manufacture of the forty rotors initially assigned to Alsthom-Atlantique.<sup>63</sup>

Nevertheless, the Ten did not give up on their 17  
 diplomatic efforts towards Washington, and on 12 August the two documents prepared by the working group of the Commission –a *Note verbale* and *Comments*– were delivered to the US administration. Although the *Note verbale* focused more on the political aspects and the *Comments* more on the legal details regarding the US measures, both documents denounced the groundlessness of the American measures in the light of international law, but also of American law, criticising, in particular, the extraterritorial extension of the embargo and its retroactive action. They stressed the ineffectiveness of the measures in delaying the construction of the pipeline and denied the risk of a dangerous dependence since even in 1990 Soviet gas was expected to count for only 4% of the EC’s total energy supply. The real danger, according to the Ten, consisted of the consequences of the embargo on European companies, the economy of the EC, and the world economy at large.<sup>64</sup> However, even this attempt by the EC was once again ineffective. The 21 August 1982 arrived, and the measures officially came into force, without any retraction by the Reagan administration.

<sup>56</sup> “Europeans approve protest over US Soviet pipeline sanctions decision”, *U.S. Export Weekly*, 20 July 1982, HAEU, BAC-250/1980\_1469, 575.

<sup>57</sup> Note by Mr. Möhler (DG III) on the Siberian pipeline, 13 July 1982, HAEU, BAC-250/1980\_1480, 197.

<sup>58</sup> EC delegation in Washington to the Commission: “Monthly meeting of the Ambassadors of the Ten”, 29 July 1982, HAEU, BAC-250/1980\_1480, 291; Note on COREPER’s special meeting on 11 August, 12 August 1982, HAEU, BAC-250/1980\_1469, 310.

<sup>59</sup> Note for Mr. Davignon on US sanctions, 2 August 1982, HAEU, BAC-250/1980\_1469, 565–566.

<sup>60</sup> Telegrams from the Embassy of France in Rome to the French Ministry of Foreign Affairs on Italy’s stance in the pipeline affair, 26 July 1982 and 4 August 1982, AD, Box 5674, Folder *Gazoduc d’Ourengoi*; see also Giorgio Petracchi, “L’Italia e la ‘Ostpolitik’”, in Ennio Di Nolfo (ed.), *La Politica estera italiana negli anni Ottanta* (Manduria, Piero Lacaita Editore, 2007), 279.

<sup>61</sup> Ordonnance 59-63, 6 January 1959; see “Juridical aspects of the pipeline affair”, August 1982, AD, Box 5674, Folder *Gazoduc d’Ourengoi*.

<sup>62</sup> Press notice from the UK Department of Trade, 2 August 1982, HAEU, BAC-250/1980\_1469, 568.

<sup>63</sup> Embassy of France in Bonn to French Ministry of Foreign Affairs: “Siberian pipeline”, AD, Box 5674, Folder *Gazoduc d’Ourengoi*.

<sup>64</sup> *Note verbale* and *Comments*, 10 August 1982, HAEU, BAC-250/1980\_1469, 478–493.

### Trade war and the limits to the EC action

18 It was then that a real trade war began between the US and the countries of Western Europe. On 23 August 1982, French authorities requisitioned Dresser-France, this being the first company required to deliver equipment to the Soviets according to the contracts signed by Creusot-Loire with Machinoimport on 28 September 1981.<sup>65</sup> On 24 August, three compressors produced by the French company were dispatched to the Soviet Union and on 26 August –“35 minutes after the news that the compressors had been shipped arrived [in the US]”, as the *New York Times* reported–, the US Department of Commerce (DOC) issued two temporary denial orders against both Dresser-France and Creusot-Loire, forbidding the two companies to receive any kind of goods, technical data, and services exported, directly or indirectly, from the US.<sup>66</sup> Such measures were an explicit warning to France and the other European countries, “all too willing to be led by France’s socialist president”,<sup>67</sup> and were defined as “brutal” by the French authorities, as well as inaccurate from a legal point of view.<sup>68</sup>

19 Overcoming a chronic irresolution regarding the “Yamal” project –which was also due to strong political divides on the matter– Italy too took a strong stance. On 30 August, the newly renewed Spadolini II Cabinet publicly took a position on the need to respect the pipeline contracts and the Minister of Foreign Trade, Nicola Capria, prompted Nuovo Pignone to deliver the turbines produced with General Electric rotors. The equipment left the port of Livorno

on 4 September, and the DOC immediately issued a temporary denial order against the Italian firm and its subsidiary Inso.<sup>69</sup> The same measure was also destined for John Brown on 9 September. The company had, in fact, delivered six turbines with the support of the British government, which seemed not at all intimidated by the sanctions.<sup>70</sup> The day after the temporary denial order was issued, the British Secretary of State ordered two subsidiaries of American companies (Walter Kidde & Company and Andrew Corporation) to also comply with the contracts.<sup>71</sup> At the end of September, the West German company AEG-Kanis delivered the first two turbines and received its temporary denial order on 5 October.<sup>72</sup> Meanwhile, Creusot-Loire and Dresser-France, followed by the other European companies, had started legal action against the DOC in the US courts.

A month and a half after Dresser-France’s requisition, there was no sign that the “summer storm” over the Atlantic was calming down,<sup>73</sup> and Gaston Thorn’s appeals to avoid a “suicidal” trade war remained unheard.<sup>74</sup> The Commission continued to promote a community approach to resolving the Transatlantic dispute. According to the Head of the EC Delegation to the US, Roland de Kergorlay, while “day-to-day problems” could be managed by individual states or companies, a solution to the issue of US sanctions had to be found between the EC and the US.<sup>75</sup>

<sup>65</sup> Requisition order against Dresser-France, 23 August 1982, AD, Box 5674, Folder *Réquisition Dresser-France*.

<sup>66</sup> EC Delegation in Washington to Roy Denman (DG I): US press review for 27 August, 27 August 1982, BAC-250/1980\_1469, 204; EC Delegation in Washington to Sir Roy Denman (DG I) on temporary denial orders, 27 August 1982, BAC-250/1980\_1469, 200.

<sup>67</sup> EC Delegation in Washington to Roy Denman (DG I): US press review for 26 August, 26 August 1982, BAC-250/1980\_1469, 224.

<sup>68</sup> Embassy of France in Washington to French Ministry of Foreign Affairs on sanctions against Dresser-France and Creusot-Loire, 26 August 1982, AD, Box 5674, Folder *Réquisition Dresser-France*.

<sup>69</sup> Embassy of France in Rome to French Ministry of Foreign Affairs on Italy’s stance in the debates about the pipeline, 1 September 1982, AD, Box 5674, Folder *Gazoduc d’Ourengoi*; Note verbale from the Embassy of Italy in Washington to the Department of State, 29 October 1982, HAEU, BAC-250/1980\_1479, 237-238.

<sup>70</sup> US press review for 26 August, 225 (cf. note 67).

<sup>71</sup> Note for President Thorn on US embargo, 10 September 1982, HAEU, BAC-250/1980\_1469, 24.

<sup>72</sup> Newspaper articles: “Same policy on pipeline”, 8 October 1982, HAEU, BAC-250/1980\_1474, 76; “German industry appears certain to defy US ban,” 28 September 1982, HAEU, BAC-250/1980\_1474, 202.

<sup>73</sup> The quote is from *Atlantic News*, 3 September 1982, HAEU, BAC-250/1980\_1469, 158.

<sup>74</sup> Summary of Thorn’s speech in Alpbach, 2 September 1982, HAEU, BAC-250/1980\_1469, 170-171, 225.

<sup>75</sup> De Kergorlay to the Commission: “Pipeline”, 176-177 (cf. note 36).

The Commission's officials closely monitored the judicial battle against the measures of the DOC, proposed a meeting with the legal departments of the European companies, with the participation of national governments, and suggested that the Commission hire a US law firm. The action of the EC was encouraged by the companies themselves – particularly by Nuovo Pignone – <sup>76</sup> and also by US officials in the National Security Council and the US Trade Representative.<sup>77</sup> Despite such support, at the beginning of September 1982, a case occurred that pointed out one of the main obstacles to an incisive action by the EC institutions.

- 21 Although there were some differing views, the Four had been keeping constant contact and taking action in parallel. On 3 September, the economic directors of the Four met with representatives of the US in London, in a meeting that was supposed to be secret. EC officials, however, were informed by the Americans, and Davignon formally requested that the Commission be invited to the meeting (as well as future ones). A plea that the Four denied, causing a scandal in Brussels.<sup>78</sup> At the COREPER meeting on 9 September, the Belgian and Dutch representatives declared their indignation against the tendency of the “gang of four” to exclude the other EC Member States from the talks with the US. Davignon, while conceding that bilateral negotiations were certainly possible, given that the issue involved some countries more than others, expressed his deepest reservations about all approaches aimed at separating the “so-called political” (which was supposed to be the only area of competence of the EC) from the “so-called economic”.<sup>79</sup> The representatives

of the Four, visibly embarrassed, explained that the London meeting only had a preliminary character and at the end of the session they were much more prone to have the whole pipeline issue “communitised”.<sup>80</sup> Moreover, the London meeting had been inconclusive, mainly because France opposed the very idea of official talks with the US until the Reagan administration proved some interest in finding a compromise.<sup>81</sup> The Commission intervened once again to ensure that such a compromise could be reached. The services of the Commission met on 14 September 1982 to elaborate some “face-saving” technical solutions that the US could adopt and Davignon organised some soundings with US Assistant Secretary of State Richard Burt, the representatives of the Four, and the Commission.<sup>82</sup> At the end of September, the Foreign Ministers of the Ten and the EC officials debated with US Secretary of State George Shultz about the sanctions on the sidelines of the UN General Assembly, but the position of the Reagan administration had not changed much.<sup>83</sup>

22 Meanwhile, a new issue had emerged that worked against the efforts to realise the “Yamal” project. In August 1982, news reached Western Europe that the labour employed by the Soviets for the construction of the pipeline included 100.000 convicts, including women and 10.000 political prisoners, hosted in labour camps with inhumane conditions. The indignation this information aroused within the European Parliament was cross-party, and many MEPs demanded the pipeline agreements be suspended until the matter was clarified and cancelled if the accusations turned out to be true.<sup>84</sup> The Commission,

<sup>76</sup> Note on the meeting with Dresser-France, Nuovo Pignone, Mannesmann, and John Brown, 7–8 September 1982, HAEU, BAC-250/1980\_1469, 121–132, 140–141, 150–153.

<sup>77</sup> EC Delegation in Washington to the Commission on the pipeline issue, 8 September 1982, HAEU, BAC-250/1980\_1469, 145–147.

<sup>78</sup> Note: “State of play on the gas pipeline”, 10 September 1982, HAEU, BAC-250/1980\_1469, 101–102; Embassy of France in London to French Ministry of Foreign Affairs on the meeting of the Four, 3 September 1982, AD, Box 5674, Folder *Gazoduc d'Ourengoi*.

<sup>79</sup> Meeting between Mr. Davignon and the Permanent representatives (9 September), 10 September 1982, HAEU, BAC-250/1980\_1469, 74.

<sup>80</sup> “State of play on the gas pipeline”, 103 (cf. note 78).

<sup>81</sup> Embassy of France in London to French Ministry of Foreign Affairs (cf. note 78).

<sup>82</sup> 1086<sup>th</sup> COREPER meeting in Brussels, 15–17 September 1982, HAEU, CM2/1982-00109/001; “State of play on the gas pipeline”, 102 (cf. note 78).

<sup>83</sup> Note on the 1088<sup>th</sup> COREPER meeting (30 September 1982), 1 October 1982, HAEU, BAC-250/1980\_1474, 147.

<sup>84</sup> Oral question n° 62/82 by MEP Schall *et al.* to the Council, 13 August 1982, HAEU, PE1-18716; Motion for a resolution n° 1-612/82 by MEP Schall *et al.*, 14 September 1982, HAEU, PE1-4120; Oral question for question time n° 400/82 by MEP Galland to the Council, 16 September 1982, HAEU, PE1-21605.

however, due to the lack of diplomatic relations with the Soviet Union, had no means of investigating, and not even the Foreign Ministers of the Ten were able to confirm or deny the accusations, which presented some inconsistencies.<sup>85</sup> The Soviets defined the accusations as a “fairytale” invented by the US administration<sup>86</sup> and much to the Westerners’ surprise invited a delegation from the International Labour Organization to visit the worksites.<sup>87</sup> The delegates found nothing, and despite Reagan’s reiterated accusations, the possibility of human rights violations did not convince either the EC or the single governments to give up with “Yamal”, and they instead persisted in finding a compromise with the US about the embargo.

### The compromise with the US and the completion of Yamal

23 It was Canada –concerned, like the other partners in the Western bloc, about the EC-US controversy– that took the initiative, proposing a quadrilateral meeting between the US, Canada, Japan, and the EC. However, the Commission asked for the individual Member States to be included, and the talks were eventually held as a meeting of the foreign ministers of NATO countries, taking place on 2 and 3 October in Val David, Canada.<sup>88</sup> What emerged from the talks was the lack of a specific forum for discussing East-West trade. Following the Council of Ministers of Foreign Affairs on 25-26 October 1982 (in Luxembourg), the EC proposed to split such

discussion on East-West trade between three fora, that is, CoCom (for the issue of strategic exports), NATO (for security issues), and OECD (for trade issues, together with the IEA for energy-related questions). It was also suggested to create a discussion group of Nine on the model of the Versailles summit, with the US, Japan, Canada, the Four, the President of the Commission, and the President of the Council. This configuration was meant to guarantee the communitisation of the discussions –Thorn explained– and avoid the creation of a “directorate” of great powers, as the smallest EC countries feared.<sup>89</sup> The new talks between the EC countries and Shultz followed this scheme and led to the drafting of a non-paper. Among the points of the document, there was the commitment for European countries not to enter into trade agreements that would provide a strategic advantage to the Soviet Union and the abolition of all preferential treatment in trade with the Soviet Union (this point referred notably to export credits). It was also decided to establish, under the auspices of the OECD, a study on Europe’s energy needs and ways of reducing its energy dependence. Until that study was still ongoing, European countries agreed not to sign new contracts for natural gas with the Soviet Union.<sup>90</sup>

24 Although some disagreements with the US remained, a solution to the transatlantic confrontation seemed imminent, not least due to the blatant ineffectiveness of the embargo and the following sanctions. As a long report by the US Congress’ Office of Technology Assessment officially demonstrated, American measures had harmed the US more than Western European countries, the Soviet Union, or the “Yamal” project.<sup>91</sup> On 13 November, in a radio address, Reagan summarised the points of the agreement reached by the US and its European allies on the issue

<sup>85</sup> Draft answer by the Council to oral question for question time n° 339/82, 27 August 1982, HAEU, BAC-250/1980\_1469, 598-600; Amendments to oral question n. 62/82 and oral question for question time n. 339/82, 1 September 1982, HAEU, BAC-250/1980\_1469, 595; Draft answer by the Presidency to oral question n° 62/82, 31 August 1982, BAC-250/1980\_1474, 181; Written question n° 1278/82 by MEP Schwartzenberg to the Council, September 1982, HAEU, PE1-12844.

<sup>86</sup> Embassy of France in Moscow to French Ministry of Foreign Affairs on the pipeline issue, 5 October 1982, AD, Box 5674, Folder *Gazoduc d’Ourengoi*.

<sup>87</sup> Written question n. 1278/82 (cf. note 85); “ILO invited to inspect the pipeline”, *Financial Times*, 10 November 1982, HAEU, BAC-250/1980\_1479, 201.

<sup>88</sup> The Commission to the EC Delegation in Tokyo on the pipeline issue, 13 August 1982, HAEU, BAC-250/1980\_1469, 586-588.

<sup>89</sup> “Gazoduc : Reagan prêt à lever l’embargo”, *Le Soir*, 27 October 1982, HAEU, BAC-250/1980\_1479, 297.

<sup>90</sup> EC delegation in Washington to the Commission: “Revised version of the non-paper”, 30 October 1982, HAEU, BAC-250/1980\_1479, 227-230.

<sup>91</sup> “Technology and East-West trade: An update” (report by the Office of Technology Assessment of the US Congress), undated, AD, Box 5673, Folder *Sanctions économiques*.

of credits and announced the lifting of all the restrictions imposed by the US between 1981 and 1982.<sup>92</sup> Thorn congratulated the choice as an important milestone in the relations between the EC and the US. Italy, the UK, and West Germany also expressed their satisfaction, and only from France a “*très différent son de cloche*” sounded.<sup>93</sup> According to the French government, the lifting of the embargo should not have been presented as the consequence of an agreement reached between the Allies on East-West economic relations, since the unresolved issues remained numerous. Nevertheless, EC officials were satisfied and optimistic. Emphasising the role of the Community in resolving the dispute at the American-European Community Association on 26 November, Thorn recommended that the new consensual approach with the US took fully into account the Community dimension.<sup>94</sup> At a meeting on 22 and 23 November, the Foreign Ministers of the Ten agreed that a common position on East-West relations should be defined as a precondition for any discussion with third countries, and also charged the Presidency and the Commission with organising the implementation of the agreed study on energy.<sup>95</sup>

25 European companies resumed their regular supplies to the Soviet Union for the construction of the pipeline, but the setbacks caused by the US measures had produced their effect and a delay in completing the project seemed inevitable. By July 1983, the laying and welding of all the 4500 kilometres of pipes were almost complete, but none of the compressor stations had been fully set up and they were not supposed to be operational until the end of 1986. However, the Soviets assured that such a delay could be compensated by resorting to the backup stations

of other gas pipelines in the Soviet Union,<sup>96</sup> and in January 1984 *Pravda* and *Izvestia* officially announced that “Yamal” had begun sending gas to France and West Germany.<sup>97</sup> Europeans were more inclined to think that the gas came from other Soviet pipelines instead, but the Soviet press did not deny or confirm the rumours, instead describing in triumphalist tones how the people and technologies of the Soviet Union had been able to remedy the US sanctions, punishing the arrogance of the Americans.<sup>98</sup>

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### THE EC BETWEEN ECONOMICS AND INTERNATIONAL RELATIONS

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Much less space was devoted in the Soviet 26 newspapers to the role that the Western European countries played in protecting the “Yamal” project from the interferences of the US administration. A crucial contribution to this result ought to be ascribed to the efforts spent by the EC institutions, which had a decisive influence in coordinating the opposition to the Americans. As shown above, when the US opposition to the pipeline intensified, the Commission and the non-affected Member Countries very eagerly stepped up to defend the European economic interests and sovereignty. The actions of the EC institutions had to face some limitations, starting from the procedural ones. While the diplomatic efforts, consisting of formal protests, close correspondence, and meetings with US officials, certainly sorted their effect, the Commission found it difficult to intervene through legal channels against the US measures or produce specific legislation to protect European companies. Most of all, all the attempts to produce a common stance within the Ten had to face the tendency of the four most involved countries to proceed

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<sup>92</sup> Text of President Reagan’s radio address, 14 November 1982, HAEU, BAC-250/1980\_1479, 193-195.

<sup>93</sup> News from *Europe : Agence internationale d’information pour la presse*, 15-16 November 1982, HAEU, BAC-250/1980\_1479, 169-171.

<sup>94</sup> Draft for Gaston Thorn’s speech, 24 November 1982, HAEU, BAC-250/1980\_1479, 81.

<sup>95</sup> Meeting of Foreign Ministers of the EC on 22-23 November 1982, undated, HAEU, BAC-250/1980\_1479, 77.

<sup>96</sup> Embassy of France in Moscow to French Ministry of Foreign Affairs on the progress of the pipeline, 13 July 1983, AD, Box 5659, Folder 8-4/3.

<sup>97</sup> Embassy of France in Moscow to French Ministry of Foreign Affairs on the progress of the pipeline, 10 January 1984, AD, Box 5659, Folder 8-4/3.

<sup>98</sup> Embassy of France in Moscow to French Ministry of Foreign Affairs: “First deliveries to France”, 16 January 1984, AD, Box 5659, Folder 8-4/3; “Pravda insists Siberian gas is on stream”, *The Times*, 16 January 1984, AD, Box 5659, Folder 8-4/3.

autonomously, and sometimes even in secret, as in the case of the London meeting in September 1982. Such behaviour was nothing new since those countries were the four largest economies in the EC and often tended to exclude the rest of the Ten from the decisions, but in this case, it was strongly favoured by the US administration, which encouraged restricted talks that excluded the EC as a whole. Nevertheless, despite the recurrent clash between supranationalism and intergovernmentalism, the EC was able to claim a leading role in resolving the EC-US dispute, which confirms a point that has been emphasised in recent years by the historiography on the process of European integration. Namely, the fact that in the 1970s the EC developed a stronger cohesion in the field of foreign policy, thus gaining a more independent stance in the Cold War international relations.<sup>99</sup> As the facts of “Yamal” demonstrate, in the early 1980s the Ten could take advantage of the Community framework to assert their voice in the world politics dominated by increased East-West tensions to promote their peculiar interests, which also included the creation of strong economic and diplomatic links with the Eastern bloc.<sup>100</sup> However, the 1970s also marked the end of the post-World War II golden age, and the economic

and energy crisis made it evident that in other areas the integration process was far less successful. The case of “Yamal” clearly shows the reluctance of national governments and companies to share decision-making when it came to a sector as strategic as energy. The public and private actors involved in the project did not create a real pool, and even less they looked for coordination in the EC framework. If we add the lack of diplomatic relations with the Soviet Union, the EC could not do much to coordinate the project in its commercial and financial aspects, as the officials themselves admitted. Thus, the division Davignon worried about, between what he defined as the “so-called economic” and the “so-called political” –which were “so-called” precisely because they were difficult to distinguish– had thoroughly come true. Regarding the energy field, the case of “Yamal” demonstrates that the EC was unable to take advantage of the decisive turn of Europe toward Soviet gas as a good opportunity to implement a common energy policy. However, if the history of energy in Western Europe is considered at large, it is noteworthy to see the role that the EC had in saving a crucial infrastructure such as the Siberian pipeline by recurring to its developing influence in the field of international relations.

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**99** A noteworthy contribution on this topic is the volume edited by Ulrich Krotz, Kiran Klaus Patel, and Federico Romero, *Europe's Cold War Relations: The EC towards a Global Role* (London: Bloomsbury Academics, 2020).

**100** See Angela Romano, “Untying Cold War Knots: The EEC and Eastern Europe in the Long 1970s”, *Cold War History*, vol. 14, n° 2, 2014, 153–173. By the same author, see also “The EC and the Socialist World: The Ascent of a Key Player in Cold War Europe”, in Krotz, Patel, Romero, *Europe's Cold War Relations* (cf. note 99).

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