INSIDE: ITALY DAILY LOCAL NEWS IN ENGLISH, PUBLISHED WITH CORRIERS DELLA SERA

PUBLISHED, WITH THE NEW YORK TIMES AND THE WASHINGTON POST

CALY DAILY CORRIERE DELLA SERA

Milan, Saturday-Sunday, August 7-8, 1999

Spedizione in A.P. - 45% - art. 2

DISTRIBUTED WITH THE Herald Eribune

Italy and Libya Hope New Era Will Cover Old Scars

By Christopher Emsden

Fresh from his trip to Libya, Foreign Minister Lamberto Dini announced Friday that relations between Italy and its former colony were poised to improve as officials from both countries had made head-way in settling some of their outstanding claims against each other.

Next month, Mr. Dini said, the two countries would draft a timetable for the repayment to Italian companies of some 800 billion lire confiscated by the Libyan government since the rise to power of Colonel Moammar Gadhafi in 1969. Mr. Dini said the Libyan central bank had expressed "full willingness" to pay back claims it recognized as legitimate. -

The foreign minister's visit to Libya also included a meeting with Col. Gadhafi in one of the Libyan leader's secret residences near the northeastern town of Al Beida. Col. Gadhafi said Italy and Libya could provide bridges for each other to the rest of Europe and Africa, and said both countries were working hard to put an end to "a difficult past" and

embark on a "new era."

While both Col. Gadhafi and Mr. Dini seldom miss a chance to hail the "new spirit," their countries are both marked by misgivings linked to their convoluted relation over this

Since 1996, and beginning in earnest in July 1998, Italy's center-left government has been leading the campaign to bring Libya back into the international community, and has stepped up its pace since Col. Gadhafi handed over two suspects in April for trial in the 1988. bombing of a Pan Am flight over Lockerbie, Scotland, in which 270

people were killed.

The United Nations responded by

suspending its sweeping sanctions and Britain — which, ironically, against trade with and air travel to freed Libya from Italian rule in 1943 Libva, and the next day Mr. Dini flew to Tripoli, becoming the first high-ranking official of a Western government to do so in a decade.

Between then and this week's visit, there have been a host of developments, including a multi-billion dollar deal to build a gas pipeline from Libya to Sicily, the resumption of commercial flights, a cooperation pact between both countries' statecontrolled airlines, and - on the eve of Mr. Dini's visit this week -Libya's release of an Italian fishing boat impounded since May.

Mr. Dini said it was "unthinkable" that the U.N. sanctions, which have only been suspended, be reinstated, adding that Italy would press other European countries to push for their formal withdrawal. Italy's relations with Libya "have already been normalized," he said.

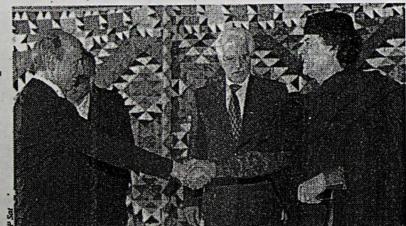
However, both the United States

still have unilateral sanctions of their own against the North African country, where both of them had military bases until 1970, when Col. Gadhafi ordered them out.

Later that same fateful summer, he also ordered at least 20,000 Italians residing in Libya to leave the country, and confiscated property ranging from farms and small factories to sewing machines and pension funds. Those citizens - some of whose families had lived in North Africa since Italy colonized what is now Libya in 1911 - claim they suffered damages worth 400 billion lire in 1970 prices.

Giovanna Ortu, chairwoman of the association of Italian deportees from Libya, blasted Mr. Dini for neglecting to mention that outstanding problem in the talks this week. "The gov-

See LIBYA Page 2



Foreign Minister Lamberto Dini, left, met with Colonel Moammar Gadhafi in a bedouin tent in Sabha, in the Libyan desert, in April. After meeting with the Libyan leader again Thursday, Mr. Dini reported that the two countries were poised to settle a set of disputes arising from Italy's colonial rule and Libya's expulsion of Italians in 1970.

LIBYA From Page 1

ernment is taking care of big business, which is fine, but ignoring our plight," she complained.

Promises that she and other deportees would be allowed to return to Libya to visit have been routinely broken, she said, and the Foreign Ministry had done little to help their cause.

"We were expelled because Libya wanted to punish Italy for its colonial past, not for anything we as individuals did," Ms. Ortu lamented, saying that for this reason the government should seek to help those deported in 1970. "We are interested in dignity," not money," she said. "We object to the conspiracy of silence and forget-

ting."
She said the government had largely ignored her association's 30-year campaign to seek restitution and the right to return, even as tourists, to the land where they were born, claiming this was due to the continuing benefits Libya had offered to big industrial intérests like state-controlled oil giant ENI and Fiat, Italy's largest industrial company, which was saved from the brink of bankruptcy by Libyan capital in the 1970s.

Italy remains one of Libya's closest commercial partners, importing 41 percent of Libya's oil production and providing 20 percent of Libya's imports. In exchange for Italy's diplomatic support, Libya has also promised that Italian firms will be given

"favorable" consideration in postsanctions contracts, which could amount to more than \$15 billion in large-scale projects alone, including the plan to build a new railway along Libya's 2,178 kilometer coastline.

The Foreign Ministry said the matter of the deportees' property was being discussed, but that it was a thorny issue and not the top priority. "We're in the front line of bringing Libya back into the international community," said a spokesman at the Ministry, stressing that specific grievances could be addressed at a later date.

Both the Italian and Libyan governments want to foster closer and more lucrative ties. ENI already does billions of dollars of business with Libya, and the Libyan government is poised to double its five percent stake in Banca di Roma. Both Rome and Tripoli also seek to cooperate politically, as Italy hopes to include Libya in Mediterranean security conventions and Libya hopes to use Italy as a gateway into Europe.

However, even as leaders from both countries trumpet the potential advantages of increased trade, their peoples bear scars inflicted by each other. While Italy worries about the confiscations, Libya demands that Rome shoulder the responsibility for cleaning up thou-sands of land mines left in the North African desert during World War II.

Col. Gadhafi rose to power on the

crest of Arab nationalism and, aided by enormous oil wealth, has long demanded that Italy recognize the damage wrought during the colonial era, when as many as one-fourth of the native population may have perished. Last year, Italy — which coined the name Libya under Fascism in 1934 — expressed "regret" for that period, but stopped short of issuing a formal apology.

Likewise, Libyan authorities, after agreeing last year to end a ban on the deportees ever returning, last month canceled at the last minute the tourist visa given to Ms. Ortu and several fellow members of her association. Col. Gadhafi's regime, for its part, has never recognized as legitimate a 1956 treaty in which Italy paid 4.8 billion lire to the regime of Idris el-Senussi, who became king of an independent Libya in 1951, to settle its colonial

On Wednesday, Mr. Dini's counterpart, Omar Mustafa el-Muntasser, demanded that Italy also return historical documents and archeological treasures he said had been illegally smuggled out of Libya.

Despite the numerous tangles — and the touchy pride of both nations - Mr. Dini said that this week's meeting had established an "extremely coherent framework that would allow concrete solutions even to the more sensitive questions pending between the two countries."