

**THE DIVIDENDS OF NEUTRALITY:
THE RISE OF “ACTIVE NEUTRALITY”
AS SAN MARINO’S POLICY DURING THE COLD WAR**

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Introduction

This paper presents the results of historical research on San Marino’s (RSM) foreign policy evolution along the Cold War, particularly from aftermath of WWII to the Seventies.

The final phase of decolonization and the collapse of the USSR and Yugoslavia led to the rise of many small and micro-states between the 1970s and 1990s. These developments drew increasing - though still niche - interest from political scientists studying such entities in political science and comparative law¹.

Microstates, with their ‘extreme’ features, offer heuristic value for political scientists. They act as theoretical sandboxes: their sovereignty prompts reflection on the concept itself, and their diplomacy helps test models, like patron-client relations. Their entry into international organizations also informs institutional evolution.

This study does not aim to contribute directly to political science debates on microstates. However, the literature I consulted reveals significant historical flaws regarding microstates, and especially San Marino.

Most international scholarship views RSM through an ‘exoticized’ lens. It suffices to say that one French scholar claimed that “the ad-

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¹ For a broader introduction to the current academic debate, see G. BALDACCHINO, A. WIVEL (eds.), *Handbook on the Politics of Small States*, Cheltenham, Edward Elgar Publishing, digital edition, 2020; also J. DUURSMA, *Fragmentation and the international relations of Micro-States*, Cambridge, Cambridge University Press, 1996.

venturous history of the Republic of San Marino blends myth and reality”², as though it emerged from fairytale. This perception stems less from mystery than from unfamiliarity: San Marino’s history is poorly known.

For example: nearly all international analysts of San Marino’s politics, institutions, or diplomacy overemphasize its foundation myth. This legend centers on Marino of Rab, a presumed Christian stonecutter from the 3rd–4th century, after whom the Republic is named. The *Vita Sancti Marini*, written no earlier than the 10th century, is filled with supernatural elements and clear anachronisms.

While the best work on European microstates notes that “some historians doubt the authenticity of the legend”³, some scholars still conflate myth and history. Kulali claims San Marino “declared independence in 300 A.D.”⁴, while Simpson⁵ and Veenendaal⁶ opt for 301 A.D., a slightly better estimate, but only if one accepts the narrative promoted by Sammarinese national ideology⁷.

Despite being cited in peer-reviewed literature, the legend is of little use for understanding San Marino’s actual emergence as an independent polity, except when considering how it was later used for self-legitimation in the Middle Ages and early modern period⁸.

Another example of the limited historiographical awareness of the current literature on the subject: in fifty-seven pages of the most prestigious publication on San Marino’s foreign policy, the term “Cold

² P.A. BLEVIN, *Les micro-États européens: étude historique, juridique et fiscale*, Paris, L’Harmattan, 2017, paragraph 159. I accessed the digital edition provided by Perlego, in which page numbers are not shown, but paragraphs are numbered.

³ J. DUURSMA., *Fragmentation and the international relations of Micro-States*, cit., p. 208. I doubt that even a single historian would consider the *Vitae Sancti Marini* a reliable source for these purposes.

⁴ Y. KULALI MARTIN, *Foreign Policy Priorities of European Landlocked Microstates* in “Marmara University Journal of Political Science”, n.2, 2024, pp. 218-236, p. 231.

⁵ A.W. SIMPSON, *The security of the European micro-states*, in C. ARCHER et. al (ed.), *Small States and International Security*, London, Routledge, 2014, p. 167.

⁶ W.P. VENEENDAL, *Politics of the four European microstates: Andorra, Liechtenstein, Monaco and San Marino*, in G. BALDACCHINO, A. WIVEL (eds.), *Handbook on the Politics of Small States*, cit., p. 150.

⁷ The “Independence Day” in San Marino is the 3rd of September.

⁸ For basic knowledge of Sammarinese history, see L. GORGOLINI & S. PIVATO (eds.), *Storia di San Marino*, Rimini, Bookstones, 2022.

War” appears only once⁹ - and entirely in passing - despite most of the events described (i.e. the RSM’s integration in international organizations) falling within that historical period and are extremely linked to Cold War.

Analyzing all the errors and misconceptions in the historical background of RSM found in current international literature would be a vast task, and this is not the place for it.

To be fair to these scholars - whose work remains valuable in many ways - accessing reliable historiography on San Marino is nearly impossible without knowing Italian and visiting the national library (*Biblioteca di Stato*). Most historiographic works are printed, not digital, published in limited runs, sold mainly in San Marino, and rarely acquired by foreign libraries. This paper is likely among the very few articles on Sammarinese history in English based on primary sources.

The lack of accessible and sound academic literature on San Marino, an issue probably common to other microstates, significantly limits political science research beyond San Marino itself. Since comparative approaches are widely used in microstate studies, distortions in even one case can compromise the broader analysis. Without a solid historical framework, scholars risk misinterpreting the evolution and functioning of institutions, which can lead to flawed comparisons and analytical weaknesses.

This research on RSM’s international relations during the Cold War offers an overview of its foreign policy during that era. Given the limited secondary sources, it draws almost entirely on primary documentation. I hope it proves useful to scholars studying microstates and/or San Marino’s policies.

1. *San Marino and Italy: a brief overview*

In the 19th century, RSM supported Italian unification by sheltering many patriots, including Giuseppe Garibaldi, yet chose not to join the

⁹ J. DUURSMA, *Fragmentation and the international relations of Micro-States*, cit., p. 222.

new state. The Kingdom of Italy recognized its independence, and in 1862 the two countries signed their first treaty¹⁰.

At the start of the 20th century, San Marino's oligarchic regime was dismantled. According to the 1600 Statutes, the Grand and General Council had been composed of sixty lifelong members, replaced only by co-optation. This system ended in 1906, when a referendum introduced the first free elections. These democratic gains were soon erased with the rise of Fascism in Italy and then in San Marino.

In 1939, the *Convenzione di amicizia e buon vicinato* was signed¹¹. Together with its later amendments, it remains the foundation of Italo-Sammarinese relations. San Marino's foreign policy cannot be analyzed without reference to Italy and this treaty.

The crucial point here concerns Italo-Sammarinese fiscal relations. The *Convenzione* was based on mutual concessions: San Marino ceded certain sovereign prerogatives to protect Italy's treasury, in exchange for compensation.

The key concession involved monopolies on goods (like tobacco) and control of petroleum prices¹². San Marino could have profited by selling these goods cheaper than Italy, encouraging smuggling.

To offset this, Italy agreed to a yearly lump-sum payment as compensation and to sell San Marino enough state-monopoly goods to meet domestic needs.

It is worth noting that, up until the 1970s, San Marino's public revenues depended almost entirely on indirect taxation. For this reason, the annual lump sum - known as the *Canone doganale* - was crucial to the Sammarinese treasury.

2. Red San Marino and the Cold war

During World War II, San Marino remained neutral and sheltered dozens of thousands of Italians (Sammarinese propaganda claims

¹⁰ See *Convenzione fra la Repubblica di San Marino e il Regno d'Italia*, 23.03.1862,

¹¹ *Convenzione di Amicizia e Buon Vicinato fra la Repubblica di S. Marino e il Regno d'Italia*, 31.03.1939.

¹² See also *Scambio di Note tra San Marino e Italia in materia doganale per i prodotti petroliferi ed i residui della loro lavorazione da impiegare per l'agricoltura*, 18.08.1941.

100.000). In 1944, the SAF bombed the Republic, probably mistakenly believing it hosted German forces, causing casualties and damaging infrastructure, including the never-rebuilt railway to Italy.

In March 1945, free elections brought a Communist-Socialist coalition to power, the only such government in Western Europe. Despite preserving freedoms, tensions with Italy escalated. Rome withheld *Canone* payments, pressuring the government.

In 1949, San Marino opened a gambling house to compensate for lost revenue, sparking a diplomatic crisis. Italy imposed a blockade until 1951, when a unity government replaced the left coalition and shut down the casino.

The 1949-1951 crisis did not originate - as some works have claimed¹³ - from competition tax-related dispute over the casino. Rather, it stemmed from the Italian Christian Democratic government's fear that "the revenue generated by the gambling house would prevent the opposition parties (i.e., the PDCS) from being able to take part in government in the near future [because, NdA])(...) the money now flowing to the government would render any economic boycott ineffective"¹⁴.

In the snap elections of 1951, the social communists once again secured a majority. In the broader context of the Cold War, the political orientation of San Marino's government also attracted the attention of Washington. The CIA was concerned about the relationship between the social-communist government and Max Edlestein, an individual suspected of having ties to Warsaw Pact intelligence. Edlestein was allegedly interested in financing the casino to launder funds connected to a controversial Romanian magnate in exile, who was reportedly linked to the Romanian communist regime. What worried most American intelligence was the suspicion that Edlestein "planned to set up a radio station (locality not indicated, but possibly San Marino) in Europe"¹⁵.

¹³ See J. DUURSMAN, *Fragmentation and the international relations of Micro-States*, cit., pp. 225-226.

¹⁴ From the Italian Consul to the Interior minister Mario Scelba, 12.06.1950, cit. in L. ROSSI, *Il movimento sindacale a San Marino 1900 - 1960*, Centro studi storici sammarinesi, San Marino, 2003, p. 138.

¹⁵ Directorate of Digital Innovation's Information Management Services (DDIIMS), FOIA Electronic Reading Room, Nazi War Crimes Disclosure Act, CIA-RDP82-00457R002100130004-4, *Nicolae Malaxa* voll. 3, pp.1-2.

In the lead-up to the 1955 elections, the United States - through its embassy in Rome and the consulate in Florence, which was accredited to the Republic of San Marino - actively supported the Christian Democratic cause. As the CIA explained, American concerns were both ideological and geopolitical, since “the continuance of this situation damages the prestige of the West and gives encouragement to all Communist parties. In addition, the presence of such a state within Italian borders is embarrassing to Italy’s Western-oriented (...) government...”¹⁶.

The value of the elections, for Italians and Americans, lay in their psychological impact on Italian opinion. Despite Dulles’s push for stronger action¹⁷, US diplomats in Italy chose low-profile support for the PDCS, aiding propaganda and encouraging anti-communist expatriates to vote. This approach aimed to avoid accusations of US interference¹⁸. The 1955 victory of the Social-Communists was expected, reinforcing the logic behind Washington’s cautious strategy¹⁹.

3. *Overthrowing the red government*

In the aftermath of the electoral defeat, the secretary of the PDCS (Federico Bigi) presented to the U.S. Consul in Florence a plan he had discussed with the then Italian Prime Minister (Antonio Segni) and with the secretary of the Christian Democratic Party (Amintore Fanfani). The plan outlined three possible courses of action aimed at overturning San Marino’s political balance in an anti-communist direction:

¹⁶ DDIIMS, FOIA Electronic Reading Room, General CIA Records, CIA-RDP91T01172R 000300070009-4, *San Marino Elections of 14 August 1955*, p. 3.

¹⁷ National Archives and Record Administration (hereinafter NARA), Record Group 59, General Records of the Department of State, 1955-1959, Central Decimal Files, 750D.00/6-2155, from Secretary Dulles to US Embassy in Rome 21.06.1955.

¹⁸ NARA, 750D.00/6-3055, from US Embassy in Rome to Secretary Dulles, 30.06. 1955, p. 1

¹⁹ NARA, 750D.00/8-1755, dispatch from Firenze Consulate to Dept. of State, 17.08.1955, pp.1-2.

- 1) Exploitation of any split between the Communists and the Socialists (An apertura a sinistre?). 2) Application of pressure by Italy against the San Marino government. (...) It would include mostly financial pressure (...) 3) A *coup d'état*²⁰.

The fact that two heavyweights of Italian politics - Fanfani and Segni - were willing to consider even extreme measures against San Marino (in order to overturn its political balance) was a crucial element from the perspective of American diplomats, who from that moment began to intensify their cooperation with Bigi.

After the 1955 elections, Italy continued to pressure San Marino by withholding *canone doganale* payments. In response, the Social-Communists established ties with Hungary and the USSR (1954 and 1956), formally maintaining neutrality but echoing Soviet-aligned rhetoric. Though largely symbolic, such as Soviet delegates at official ceremonies, these ties raised U.S. concerns. Dulles requested updates on a possible Soviet embassy in San Marino, viewed as a potential intelligence risk, though no such mission was ever opened²¹.

By late 1956, amid financial strain, Soviet repression in Hungary, and growing tensions within the Socialist Party, five councilors broke away to form the Independent Socialist Party, following discreet talks with US diplomats about political and economic backing. As Consul William D. Fisher noted, these dissidents likely believed Italy would act more effectively if urged by the US than on its own initiative²².

Meetings between the head of the PDCS and US diplomats continued until September 1957, when the anti-communists won over a PCS member. The ruling parties then resigned, leading to new elections.

Fearing defeat, on October 1 the anti-communists barricaded themselves near the Italian border and proclaimed a “provisional government.” Italy, pressured by the US, closed the borders and supported the provisional authorities with military personnel. After eleven days,

²⁰ NARA, 750D.00/9-1555, dispatch from Florence Consulate to Dept. of State, 15.09.1957, p.1.

²¹ NARA, from Dulles to US Embassy in Rome “*Establishment of Consular relations between USSR and S. Marino*”, 15.06.1956.

²² NARA, 750D.00/1-1657, meeting memorandum of 16.01.1957, p.1.

the Sammarinese government surrendered, and on October 14 the anti-communists took power²³.

These events highlight both San Marino agency and its constraints. During the Cold War, Sammarinese neutrality was seen by Italy and the US as alignment with the Soviet bloc. San Marino had become a symbol of “communism” in the Italian press, so much so that American diplomats later warned: “psychological impact (of) our failure to assist San Marino democrats (...) should not be underestimated. (...) return (of) San Marino to communist domination may have impact even on Italian elections”²⁴.

It is fair to say that, during that phase, the “dividends” of Sammarinese neutrality were decidedly negative: in the years that followed, a substantial alignment with Western and anti-communist policies proved to be far more rewarding. In the immediate aftermath of the overthrow of the socialist-communist government, in fact, such alignment granted San Marino access to US economic assistance programs²⁵. Political science research on the topic, noting the (apparent) total absence of microstates among the beneficiaries²⁶, has considered this absence capable of “raise questions about selection bias insofar as size could be a proxy for strategic importance”²⁷ in the allocation of resources: at that time, the United States perceived San Marino’s

²³ About those events, see B. BAGNATO, *L'Italia, gli Stati Uniti e "I Fatti Di Rovereta" (settembre-ottobre 1957)*, in “Nuova Antologia”, Ottobre-Dicembre 2020, pp. 69-87; S. CRUCIANI, *Passioni politiche in tempo di guerra fredda*, Centro studi storici, San Marino, 2010; C. BUSCARINI, *La lotta politica a San Marino nel decennio 1950-1960* in “Studi Romagnoli”, n. 47, 1996, pp. 768-827; D. MICHELONI, *La Repubblica rossa*, San Marino, AIEP, 1997.

²⁴ NARA, 850D.10/3-1858, telegram from U.S. embassy in Rome to Dulles, 18. 03.1958.

²⁵ See folder “aiuti americani e risarcimento britannico”, in Archivio Storico del Ministero degli Affari Esteri, Direzione generale affari politici, ufficio I, b.310.

²⁶ U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT (USAID), *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945–September 30, 2020*. In fact, no aid to any microstate is recorded. As for San Marino, the gap stems from the fact that assistance was accounted for under the budget chapters allocated to Italy within Public Law 480.

²⁷ J. LEE, *Foreign Aid, Development, and US Strategic Interests in the Cold War*, in “International Studies Quarterly”, 1, n. 66, 2022, pp. 3-4.

strategic value as exceeding its modest physical and demographic dimensions, due to the symbolic weight the republic had come to embody within the broader framework of the Cold War. Consequently, it was granted access to a level of economic assistance that was notably substantial, especially when considered in relation to its size.

As the paper will show, the 1970s marked a radical shift in the situation, shaped by the broader process of détente in the context of the Cold War.

4. *Towards the 1970s: from neutralism to “neutrality, but active”*

Bruno Kreisky, Austrian Foreign Minister between 1959 and 1966 and Chancellor from 1970 to 1983, played a key role in the shift from Austrian “neutralism” understood as passive abstention from conflicts and military alliances, to “active neutrality,” enabling him “to convert an initial abstract concept of neutrality (acquired as a function of independence) into active support for the policies of détente, containment, and disarmament”²⁸.

RSM adopted during the Seventies, and still maintains, the definition of “active neutrality” to describe its own approach to foreign affairs, possibly quoting Kreisky’s concept, but RSM did it gradually. The degree of Sammarinese exercisable “activity” was proportional to its level of integration into the international community. At the dawn of the 1970s, San Marino, although generally recognized as a State, was not a member of the United Nations and, apart from participating in the statute of the International Criminal Court and holding observer status in UN agencies, such as the FAO²⁹, it was not involved in any supranational or multilateral organization. In this context, San Marino’s neutrality tended essentially to express itself as non-participation in international forums, limiting its foreign relations, mostly purely ceremonial, to a certain number of countries, even if, for a microstate, all

²⁸ A. CICCHINELLI, *Bruno Kreisky and Austria’s Internationalist Active Neutrality*, in “Economia & lavoro, Rivista di politica sindacale, sociologia e relazioni industriali”, n. 2, 2021, pp. 73-86; p. 74.

²⁹ J. DUURSMA, *Fragmentation and the international relations of Micro-States*, cit., pp. 235-238.

diplomatic ties are vital for securing sovereignty and legitimacy, regardless of limited material benefits.

Three key developments in the Republic of San Marino's foreign policy marked the shift from "neutralism" to "neutrality, but active"³⁰ and eventually to "active neutrality." These were the establishment of diplomatic relations with the People's Republic of China, the revision of the *Convenzione* with Italy, and accession to the Conference on Security and Cooperation in Europe (CSCE). All three took place or were initiated in 1971.

5. *San Marino and the PRC*

The 1969 Zhenbao Island conflict marked not only the lowest point in Sino-Soviet relations, already strained throughout the previous decade, but also significantly contributed to the conditions that enabled the PRC–USA rapprochement³¹. Secretary of State Henry Kissinger played the "China card", pursuing a rapprochement with the Asian giant against the USSR.

Within this context, the early 1970s saw the first steps in relations between San Marino and the PRC.

Western recognition of communist China was not new in Europe: the UK acted soon after the PRC's founding, and France followed in 1964 to assert independence from the USA.

By the late 1960s, global tensions and a USA shift towards Red China enabled the PRC's relations with Atlantic bloc countries, including Italy, while internally, Pietro Nenni's appointment as Foreign Minister in 1969 accelerated the process³², leading to the establishment of Sino-Italian relations on the 6th of November 1970³³.

³⁰ ASRSM, Fondo del Partito dei Socialisti e dei Democratici (PSD), b.97, fasc. "Segreteria AAEE, documenti vari 1951 – 1991", *Linee di politica estera della Repubblica di San Marino*, from Berti's speech of 26.11.1973, p. 15.

³¹ See E. GOH, *Nixon, Kissinger, and the "Soviet Card" in the U.S. Opening to China, 1971–1974*, in "Diplomatic history", n. 3, 2005, pp. 475-502.

³² ISTITUTO PER GLI STUDI DI POLITICA INTERNAZIONALE (ISPI), *Annuario di politica internazionale: 1967-1971*, Dedalo, Bari, 1972, p. 402.

³³ See *Comunicato comune del Governo della Repubblica Italiana e del Governo della Repubblica Popolare Cinese sullo stabilimento delle relazioni diplomatiche tra l'Italia e la Cina*, made in Paris on 05.11.1970.

By then, talks between China and San Marino were already underway; between 1965 and 1966, San Marino's diplomats in Paris engaged with the Chinese embassy. However, negotiations stalled over two Chinese demands unacceptable to San Marino: 1) opening a Chinese embassy in San Marino; 2) San Marino's recognition of Taiwan as part of PRC.

The first condition conflicted with relations with the USA and Italy, which opposed any communist embassy in San Marino. The second offers insight into San Marino's foreign policy agency: as Foreign Secretary Federico Bigi explained, China's claims on Taiwan rested on its geographic and ethnic Chinese identity, an argument that, *mutatis mutandis*, could similarly be applied to San Marino, given its geographic and ethnic ties to Italy³⁴; for this reason the recognition of Taiwan as territory under PRC's sovereignty on these basis would have been unacceptable to RSM.

The deadlock was overcome in 1970. A week after China and Italy established diplomatic relations, on November 13, 1970, San Marino and Chinese diplomats resumed talks. In May 1971, China proposed an agreement similar to those signed with Canada and Italy³⁵, in which both countries acknowledged China's "position" or "declaration" regarding sovereignty over Taiwan. Additionally, China offered to fund a San Marino embassy in Beijing, provided they could open one in San Marino.

However, Bigi rejected any address to Taiwan and refused a Chinese embassy on Sammarinese soil. Instead, he proposed: 1) establishing consular relations; 2) recognizing the PRC as the sole legal government of China, but without any reference to Taiwan; and 3) securing PRC's respect for San Marino's neutrality³⁶. The Chinese accepted these terms, and the agreement was signed in Paris on May 6, 1971³⁷.

The following year, the PRC invited a Sammarinese delegation. Emilio Della Balda, then leader of the Social-Democratic Party and

³⁴ Archivio di Stato della Repubblica di San Marino (ASRSM), Segreteria istituzionale, records of the Great and General Council, sitting of 31.05.1971.

³⁵ ASRSM, Segreteria istituzionale, records of the Great and General Council, sitting of 31.05.1971.

³⁶ ASRSM, Segreteria istituzionale, records of the Great and General Council, sitting of 31.05.1971.

³⁷ *Protocole de la Republique de Saint-Marin et de la Republique Populaire de Chine sur l'établissement de relations officielles au niveau consulaire*, signed in Paris, 06.05.1971.

Secretary of State for Internal Affairs³⁸, and Giancarlo Ghironzi, Christian-Democrat and Bigi's successor at Foreign Affairs, traveled to China.

The protocol of the visit was equivalent to that reserved for major powers: to the delegation's surprise, they were welcomed with full diplomatic and military honors at Beijing Airport³⁹. They held a five-hour meeting with Foreign Minister Ji Pengfei and a two-hour meeting with Premier Zhou Enlai⁴⁰. During these talks, the PRC shared its views on major global issues and asked about RSM's point of view. According to Della Balda, Zhou demonstrated a detailed understanding of San Marino's political situation and offered to finance, interest-free, a fresh-water reservoir project being discussed in San Marino at the time⁴¹. Despite Della Balda's efforts, the Christian Democratic-led government declined the offer, wary of accepting aid from Maoist China⁴².

The visit drew international media attention. As the *New York Times* noted, "President Nixon received no higher honor when he dined in the hall than did Mr. Ghironzi"⁴³, and the visit, held between October 5 and 13, 1972, matched the length of Nixon's historic trip earlier that year.

For San Marino, it was a political success, since the relations enhanced the Republic's international prestige and aligned with its long-standing foreign policy: as Bigi had reaffirmed in reference to a meeting with Nixon, building ties with major powers strengthened San Marino's position in bilateral relations, especially with Italy⁴⁴. However, the Sammarinese government was not willing to establish relations with China at any cost, maintaining a firm stance on excluding any reference to Taiwan, even if it conducted to derailing negotiations in 1965–1966. This demonstrated a strong sense of agency and deter-

³⁸ Della Balda, according to his own account, led the negotiations together with Bigi during 1970-71.

³⁹ *China: San Marino Secretary of State for Foreign Affairs arrives in Peking*, in <https://www.britishpathe.com/asset/219492/>, last visit 20.04.2025.

⁴⁰ ASRSM, Segreteria istituzionale, records of the Great and General Council, sitting of 27.10.1972.

⁴¹ *Interview with Emilio Della Balda of 07.04.2025.*

⁴² *Interview with Emilio Della Balda, cit..*

⁴³ *Peking Gives a Big Banquet for Little San Marino*, in "New York Times", 07.10.1972, p. 3.

⁴⁴ ASRSM, segreteria istituzionale, records of the Great and General Council, sitting of 07.03.1969.

mination in prioritizing RSM's national interests over the opportunity for a symbolic display in China.

China's consistent interest in San Marino, reaffirmed by other high-level visits in the following years, can be understood as a demonstration of its commitment to the principle of equality among states, aligned with its broader Third World and anti-colonial policies⁴⁵.

6. *RSM and the détente*

A revision of the agreement signed in 1939 between Italy and RSM occurred in 1971, few months before Federico Bigi's term of office. In the new version was introduced a reference to San Marino's policy of neutrality, which explicitly entered the 'material constitution' of the Republic's foreign policy⁴⁶.

The promotion of "neutrality" (then "neutrality, but active" and after "active neutrality") developed alongside San Marino's integration into the international community, particularly within the European security architecture.

The early 1970s inaugurated a decisive phase in East-West relations with the initiation of the Helsinki process, culminating in the 1975 Helsinki Final Act.

Emerging from the broader framework of the "long détente" that had evolved since the late 1950s⁴⁷, the CSCE was conceived to stabilize Europe's postwar order while regulating peaceful competition between opposing societal models⁴⁸. The Helsinki process reflected not only political transformations within Europe, but also strategic shifts after the crises

⁴⁵ *Peking Gives a Big Banquet for Little San Marino*, in "New York Times", 07.10.1972, p. 3.

⁴⁶ *Accordo aggiuntivo alla Convenzione di amicizia e buon vicinato*, signed in Rome, 10.09.1971, art.1.

⁴⁷ G. NIEDHART, *East-West Conflict: Short Cold War and Long Détente*, in O. BANGE, P. VILLAUME (eds.), "The Long Detente: Changing Concepts of Security and Cooperation in Europe, 1950s and 1980s", Budapest - New York, Central European University Press, 2017, pp. 23-24.

⁴⁸ C. BÉKÉS, *The Long Détente and the Soviet Bloc, 1953–1983*, in O. BANGE, P. VILLAUME (eds.), "The Long Detente: Changing Concepts of Security and Cooperation in Europe, 1950s and 1980s", Budapest - New York, Central European University Press, 2017, pp.36-39.

of the past decades, notably the need to manage systemic competition in an increasingly interconnected world, while détente evolved from sporadic diplomatic contacts into structured negotiations aiming to prevent crises and institutionalize peaceful coexistence and represented a critical redefinition of East-West relations, in order to move away from confrontational strategies toward a regulated form of competition⁴⁹.

In April 1971, Secretary Bigi was invited to Finland to meet his counterpart and the President Urho Kaleva Kekkonen; on that occasion, for the first time, San Marino became involved in preparing the Helsinki Conference⁵⁰.

The RSM participated from the preparatory meetings at the end of 1972⁵¹, confirmed its presence at the Conference's first phase in 1973⁵², and adhered to the Helsinki Accords in 1975, thus becoming a full member of the Conference on Security and Cooperation in Europe (and later of the OSCE).

San Marino's participation in the preparatory work for the 1975 Helsinki Accords involved constant attendance at meetings and the submission of three documents with proposals on security, humanitarian law, and environmental protection⁵³.

Thanks to the permissive environment of détente, RSM could gradually pursue the policy of "neutrality, but active"⁵⁴ stated by Ghironzi's successor, Christian-democrat Gian Luigi Berti, which also led - in 1973 - to the recognition of East Germany⁵⁵, an issue raised during the ratification of the agreement with China⁵⁶.

⁴⁹ Urbana, University of Illinois Press, 1985, pp. 3-7.

⁵⁰ ASRSM, segreteria istituzionale, records of the Great and General Council, sitting of 31.05.1971.

⁵¹ ASRSM, segreteria istituzionale, records of the Great and General Council, sitting of 01.12.1972.

⁵² See participants in *Final recommendations of the Helsinki Consultations*, June 1973.

⁵³ ASRSM, segreteria istituzionale, records of the Great and General Council, sitting of 25.07.1975.

⁵⁴ ASRSM, Fondo del Partito dei Socialisti e dei Democratici (PSD), b.97, fasc. "Segreteria AAEE, documenti vari 1951 – 1991", *Linee di politica estera della Repubblica di San Marino*, from Berti's speech of 26.11.1973, p. 15.

⁵⁵ *Accordo sull'allacciamento dei rapporti consolari fra la Repubblica di San Marino e la Repubblica Democratica Tedesca*, 26.11.1973.

⁵⁶ ASRSM, segreteria istituzionale, records of the Great and General Council, sitting of 31.05.1971.

Participation in organizations like the CSCE acted as a ‘power multiplier’ for small states and microstates like San Marino, because “the operational modalities of the CSCE itself gave the opportunity for any state, regardless of size, to engineer influence”⁵⁷.

In this context, San Marino joined the group of Neutral and Non-Aligned states (NNA), strategically playing its “neutrality card” to establish more regular contacts with the United States and gain their attention, insofar as the latter could not take San Marino’s voting behavior for granted and thus had to consult on a regular basis. This strategy was successful: as recalled by the American Consul in Florence, Washington sought to know “the views of San Marino mainly because it was a member of the Helsinki Accord (CSCE). It was very much in our interest to be sure of the attitude of the government because they could just cause unnecessary pain (...) fortunately (...) they’ve been very helpful to us on things in the CSCE”⁵⁸.

For San Marino, transatlantic relations were a useful means to strengthen its position with Italy, following the “triangular” doctrine set out by Bigi in 1969, which shaped San Marino’s political doctrine throughout the decade⁵⁹, and participation in CSCE was one of the instruments of that strategy.

7. *The second socialcommunist government and the active neutrality affirmation*

Following the 1978 elections, a second left-wing government was formed in San Marino, made up of the “left wing” of the Social Democratic Party, the Unitary Socialist Party (PSU), along with the PSS and PCS. The PDCS was pushed into opposition after twenty years, and this political framework remained stable until 1986.

⁵⁷ M.W. MOSSER, *Engineering Influence: The Subtle Power of Small States in the CSCE/OSCE*, in E. REITER, H. GÄRTNER (eds.) *Small States and Alliances*, Heidelberg, Physica, 2001, p.68.

⁵⁸ C.S. KENNEDY, C.F. GORDON, *Interview with Robert C.F. Gordon, 25.01.1989*, “The Association for Diplomatic Studies and Training Foreign Affairs Oral History Project Series”, in Library of Congress, Manuscript/Mixed Material, <https://www.loc.gov/item/mfdipbib000434/>, 1989, p. 35.

⁵⁹ See again ASRSM, segreteria istituzionale, records of the Great and General Council, sitting of 07.03.1969.

San Marino's new foreign policy line was outlined in March 1978 by the socialist Giordano Bruno Reffi, Secretary for Foreign Affairs, who aimed to pursue a "foreign policy of active neutrality, of international collaboration and economic cooperation with all democratic states"⁶⁰.

This marked a formal - but also substantive - departure from the "neutrality, but active" approach of Reffi's Christian Democratic predecessor, Gian Luigi Berti. Moreover, even Reffi's notion of "democratic" states had slightly changed, now encompassing possibly not only the Western democracies but also the "democratic republics" aligned with the USSR. The American consulate took note, linking both San Marino's protest over political trials in the USSR (sent to all governments on 17 July 1978)⁶¹ and its participation in the Belgrade Conference of Non-Aligned Countries to a "desire to demonstrate recently stated new policy of "active neutrality"⁶².

American concerns about the return of the communists to government were no longer, as they had been twenty years earlier, tied to the symbolic influence that a "red" San Marino might have on Italian public opinion. Rather, they focused on the impact that a leftward shift in government would have on RSM's international conduct; namely, reduced cooperation with the United States within the CSCE and UNESCO, and the replacement of the "traditional neutralist stance with a clear leaning toward western points of view will" with a "distinct neutralist stance if not (...) one leaning somewhat towards the eastern European point of view"⁶³.

Participation in the Belgrade Conference of 1978 revealed a break between Christian Democratic and social-communist foreign policy. Berti, in fact, had defined "neutrality but active" as distinct from non-

⁶⁰ Wikileaks Cable, 1978FLOREN00510d, *Foreign policy statement of new San Marino government*, consular dispatch from Firenze to the Department of State (Dept.), 03.08.1978.

⁶¹ Wikileaks Cable, 1978FLOREN00510_d, *San Marino condemns sentences of soviet dissenters*, consular dispatch from Firenze to the Dept., 27.07.1978.

⁶² Wikileaks Cable, 1978FLOREN00511_d, *San Marino joins non-aligned conference as observer*, consular dispatch from Firenze to the Dept., 03.08.1978.

⁶³ Wikileaks Cable, 1978FLOREN00482_d, *Probable impact of formation of leftist government in San Marino on US/SM relations*, consular dispatch from Firenze to the Dept., 20.07.1978.

alignment, arguing the latter permitted armed struggle against colonialism and imperialism and thus excluded even observer status at Non-Aligned meetings⁶⁴.

Reffi also intensified San Marino's involvement in the CSCE Non-Aligned Nations process by hosting a conference of those states in early September 1978⁶⁵, a highly prestigious event for the tiny Republic.

The Americans viewed with concern Reffi's rapid series of meetings with Romanian, Czechoslovak, East German, Cuban, Hungarian, Swedish, and Indian representatives, held in preparation for upcoming CSCE and Non-Aligned events⁶⁶.

Coordination with the US was no longer guaranteed, and alignment with US positions in international forums became less predictable; and that could be a problem, because, in some cases, San Marino's vote proved decisive, such as at the Geneva Conference on the Law of War, where its vote in 1974 blocked the admission of the Provisional Revolutionary Government of the Viet Cong⁶⁷.

As seen, the "active neutrality" of the second social-communist government did not abandon previous principles but added greater openness toward the communist world and a more dynamic international posture.

The environment was more favorable, not only due to international détente, but above all thanks to the ongoing participation - from 1980 - of the Italian Socialist Party (PSI) in national governments (see the *pentapartito* formula). Given its close ties to the Sammarinese socialists, the PSI served as a reliable ally in Rome.

This context was crucial to shield the second socialist-communist government from the kind of dramatic attacks seen in the 1950s.

⁶⁴ ASRSM, Partito dei Socialisti e dei Democratici (PSD), b.97, fasc. "Segreteria AAEE, documenti vari 1951 - 1991", *Linee di politica estera della Repubblica di San Marino*, pamphlet containing Berti's speech of 26.11.1973, p. 15.

⁶⁵ Wikileaks Cable, 1978BERN04677_d, *meeting of neutrals & non-aligned, San Marino, 7-8 sept*, consular dispatch from Firenze to the Dept., 19.09.1978.

⁶⁶ Wikileaks Cable, 1978FLOREN00902_d, *San Marino: political/economic overview after six months of leftist coalition government*, from Firenze to the Dept., 29.12.1978.

⁶⁷ Wikileaks Cable, 1974FLOREN00075_b, *PRG invitation to diplomatic conference on law of war*, consular dispatch from Firenze to the Dept., 26.02.1974.

8. *The 1979's oil crisis: red San Marino calls, USSR answers*

In 1979, however, two setbacks struck the left-wing government: first, the end of the emergency cabinet following Aldo Moro's kidnapping led to elections in Italy and to the formation of Cossiga I, without PSI participation; second, the outbreak of the second oil crisis. Under existing agreements, San Marino depended entirely on Italy for petroleum supplies, and, within the peninsula, the prospect of a shortage was concrete⁶⁸.

In early 1979, the Sammarinese government began formulating contingency plans for potential diesel rationing, also because the fuel remained crucial for domestic heating⁶⁹, as the natural gas pipeline was still under construction.

On July the 19th, as the prospect of Socialist participation in the Italian government grew increasingly unlikely, the Sammarinese government instructed the Secretaries of Industry and Communications to take the "most appropriate international initiatives"⁷⁰ to secure the country's fuel supply.

Industry Secretary Umberto Barulli, head of the PCS, had strong ties with the Soviet Communist Party. According to Alvaro Selva, then Secretary of State for Internal Affairs and high-ranking Communist Party member, he was the first to suggest sourcing fuel directly from the USSR⁷¹.

Socialist Emilio Della Balda, then Secretary of State for Finance, later recalled that the government feared the new Italian administration might use the oil crisis as a pretext to cut off fuel sales to San Marino, putting the "red government" in serious trouble⁷². Selva, however, attributed such concerns not to Italian deliberate, politically motivated sabotage, but rather to the Italian will to prioritize its own citizens in times of crisis.

The groundwork was laid by the PCS's unofficial diplomacy. Alvaro

⁶⁸ See *Scambio di Note tra San Marino e Italia in materia doganale per i prodotti petroliferi ed i residui della loro lavorazione*, cit., 18.08.1941 and *Scambio di Note tra la Repubblica di San Marino e la Repubblica italiana per l'importazione a San Marino in esenzione I.G.E. dei prodotti petroliferi e dei G.P.L.*, 11.03.1968.

⁶⁹ Segreteria esecutiva del Congresso di Stato (SECS), records of Congresso di Stato, sitting of 16.02.1979, deliberation n. 23.

⁷⁰ SECS, records of the Congresso di Stato, sitting of 19.07.1979, deliberation n. 1.

⁷¹ *Interview with Alvaro Selva*, 11.03.2025.

⁷² *Interview with Emilio Della Balda*, 07.04.2025.

Selva also recalls accompanying Barulli and PCS president Ermenegildo Gasperoni to a meeting at the Soviet embassy in Rome, where they obtained a signal of Soviet willingness⁷³.

Though informal communist diplomacy is difficult to trace, some documentation exists. In early August, Anatoly Chernyaev - member of the Central Committee of the PCUS - recounted that Brezhnev scolded him for interfering in San Marino's oil negotiations, a deal Chernyaev had helped facilitate after meeting Barulli and Gasperoni. They had requested help to him, warning that "otherwise the Italians will overthrow their government, which is the only one in the capitalist world that includes communists, through an energy blockade"⁷⁴.

Later that August, Bigi appealed to the Americans, likely asking them to pressure the Italians into blocking the RSM - USSR deal⁷⁵.

However, in September, Reffi, Della Balda, and Communist Education Secretary⁷⁶ Fausta Morganti flew to Moscow⁷⁷, where they signed a "cover" agreement on cultural exchange and, more importantly, a deal for the supply of 90,000 tons of crude oil⁷⁸. The agreement was classified⁷⁹ and it is unavailable in the Sammarinese archives. According to Della Balda, the price was set at market level, but the Soviets offered an unofficial "commission" to the ruling parties (PSU, PSS, and PCS) to fund a shared party headquarters, but his party and the other socialist party refused the offer, while the PCS accepted the payment and allegedly kept the entire sum, including the share intended for the socialists⁸⁰. A critical evaluation of the source should note that Della Balda was PSU's leader.

⁷³ *Interview with Alvaro Selva*, cit.

⁷⁴ National Security Archives, *The Diary of Anatoly S. Chernyaev*, 1979, p. 32.

⁷⁵ In Wikileaks Cable see 1979STATE228567_e, *Possible USSR-San Marino oil convention*, from Dept. to Firenze, 30.08.1979 and 1979FLOREN00672_e, *Possible USSR-San Marino oil convention threatens increased soviet influence in the ministate*, from Firenze to Dept., 24.08.1979.

⁷⁶ At that time, the office of the Education Secretary was referred to as *Deputato* instead of Secretary.

⁷⁷ See SECS, records of Congresso di Stato, sitting of 04.10.1979, deliberation n.7/bis.

⁷⁸ *Accordo per la fornitura di 90.000 tonnellate di petrolio grezzo*, 20.09.1979. Full text unavailable.

⁷⁹ ASRSM, Segreteria istituzionale, records of the Great and General Council, sitting of 09.11.1979.

⁸⁰ *Interview with Emilio Della Balda*, 07.04.2025.

Meanwhile, the oil crisis triggered by the 1978 Iranian revolution had more than doubled crude prices⁸¹, hitting Italy, heavily dependent on oil, very hard⁸².

In this context, Italy's AGIP was more than willing to disregard political considerations and to refine San Marino's crude oil, keeping for itself all by-products not required by the Republic, which mainly needed diesel for vehicles and home heating⁸³.

American diplomats were less pleased. In a (possibly unpleasant) meeting shortly after Reffi's return from Moscow, the US consul in Florence expressed strong irritation, claiming that San Marino was abandoning its neutrality, while Reffi defended the Republic's right to pursue its own energy policy and assured that this would not alter San Marino's stance of active neutrality⁸⁴. Indeed, it should be noted that San Marino condemned the Soviet invasion of Afghanistan just a few months later⁸⁵.

San Marino avoided the potential Italian sabotage and secured ample fuel supplies for the population during the oil crisis: a significant achievement for the new leftist government. For the USSR, the deal was negligible in volume but offered propaganda and soft-power value and helped ensure the red coalition remained in power in the small Republic.

The second social-communist government overcame the oil crisis thanks to San Marino's shift toward a more proactive international posture, called since then *neutralità attiva*. This episode shows how this approach yielded significant political and economic gains: the dividends of the active neutrality policy.

It is worth noting that this is a pattern which partially repeated itself during another global crisis, the recent pandemic, when San Marino received vaccines from Russia after being denied them by Italy⁸⁶.

⁸¹ D.S. PANTER, *Oil and Geopolitics: The Oil Crises of the 1970s and the Cold War*, Historical Social Research / Historische Sozialforschung, Vol. 39, No. 4, 2014, pp. 186-208, p. 198.

⁸² S. LABBATE, *I difficili anni Settanta: l'Italia e la questione energetica*, in "Italia Contemporanea", 281, 2016, pp. 231 – 252; pp. 249 – 250.

⁸³ *Interview with Emilio Della Balda*, cit., and Wikileaks Calbe, 1979ROME29982_e, *San Marino-USSR petroleum agreement*, from Rome to Dept., 30.10.1979.

⁸⁴ Wikileaks Cable, 1979floren00829_e, *Conversation with San Marino foreign affairs secretary regarding petroleum agreement with the USSR*, from Florence to Dept., 11.10.1979.

⁸⁵ Secs, records of Congresso di Stato, sitting of 10.01.1978, deliberation n. 6.

⁸⁶ *From Russia with love: San Marino starts vaccinating with Sputnik jab*, in "Politico", 25.02.2021, <https://www.politico.eu/article/from-russia-with-love-san-marino-starts-vaccinating-with-sputnik-jab/>.

Conclusions

This article has demonstrated that San Marino, as a microstate, performed as an historically active subject whose foreign policy evolved in response to both internal dynamics and multiscale international pressures. The Republic was enmeshed in Cold War geopolitics, navigating between Italy, the US, and the Eastern Bloc to safeguard its independence. The notion of “neutrality” itself proved historically contingent, undergoing significant semantic and practical shifts.

Observing San Marino’s posture throughout the Cold War illustrates how a microstate developed an independent foreign policy doctrine to preserve its political independence and to increase its varying degree of effective autonomy in the face of shifting international contexts.

This study does not seek to intervene in political science debates on microstates but rather aims to provide a historically grounded context-based on primary sources, that can strengthen the historiographical foundations of political science research on European microstates. By offering a historically grounded reconstruction, this study advocates for a reassessment of microstate agency that can strengthen comparative analysis between microstates and linked studies.

Furthermore, this research aims to suggest a global and historically grounded approach to the study of microstates, one that recognizes that the existence of these inherently fragile political entities can only be studied and understood by situating them within a complex network of relations with other countries and supranational organizations, which constitute the main source of legitimacy for San Marino and, arguably, for every other European microstate.

Riassunto - Il saggio ricostruisce, sulla base di fonti primarie, l’evoluzione della politica estera sammarinese durante la Guerra fredda, dal neutralismo del dopoguerra alla “neutralità attiva” degli anni Settanta. Dopo il rovesciamento del governo socialcomunista nel 1957 e l’allineamento con il blocco occidentale, San Marino seppe ridefinire la propria posizione internazionale sfruttando le opportunità offerte dalla distensione. Tra il 1970 e il 1975, la revisione di accordi con l’Italia, l’apertura diplomatica verso la Repubblica Popolare Ci-

nese e l’adesione alla Conferenza sulla Sicurezza e la Cooperazione in Europa segnarono un punto di passaggio nella politica estera del microstato. Negli anni successivi, la “neutralità attiva” si caratterizzò per un equilibrio pragmatico tra Est e Ovest, culminando nell’accordo petrolifero con l’URSS del 1979. L’articolo mostra come un microstato, soggetto politico fragile e marginale, abbia attivamente adattato la propria politica estera allo scenario bipolare della Guerra fredda, perseguendo legittimazione diplomatica e vantaggi materiali.