

STRICTLY PERSONAL &  
CONFIDENTIAL

7th August 1962

Someone recently had a conversation with "a leading personality in the oil industry" who had recently been in touch with Mattei and who stated that Mattei had said to him :-

"It has taken me seven years to move the Government to the "apertura a sinistra"; I can tell you it is not going to take me seven years to move Italy out of NATO and to become head of the neutralist states."

There is no reason to doubt that this statement was, in fact, made.

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ur reference:

15th August, 1962.

our reference:

*See Mr. [unclear]*

CS1531/L

E.N.I.

1. We have been considering recently whether H.M.G. should be more active in trying to counteract the activities of Mattei and E.N.I. as a whole in so far as they are directed at attacking British oil interests overseas. To some extent this thinking was inspired by the prospect of the B.B.C. television programme on Mattei entitled "Portrait of a Tycoon" in which it was feared that Mattei might launch one of his virulent attacks against the "seven sisters". In the event the programme - at least in my view - gave a well balanced impression of Mattei's work and philosophy in that it gave a dramatic and complimentary account of his contribution to the industrial growth of Italy, whilst raising the right sort of question marks over his activities and prospects outside that country.

2. However, the fact that this programme passed off more quietly than we had at one time expected does not change our view that E.N.I. is becoming an increasing threat to British interests, not in the commercial sense since the amount of oil at their disposal is minimal compared with the resources available to Shell and B.P., but in the political sense of playing on the latent distrust of Western companies in many parts of the world and in encouraging oil autarchy at the expense of British companies' investment and trade.

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3. In February 1961 the Foreign Office issued a Chancery circular on the significance of E.N.I. It was composed of a short assessment of E.N.I. and an Annex giving details of E.N.I.'s oil activities. The assessment ended by posing the question whether H.M.G. should try to bring influence to bear either way on the problem of the relations between British companies and E.N.I. We came down against it on the grounds that we would not wish on the one hand to persuade major companies to be more accommodating towards E.N.I., or on the other, to encourage action against E.N.I. which might be counter-productive in view of the Group's close relationship to the Italian Government. We concluded that it was primarily for the oil companies to try to contain E.N.I. competitively although posts abroad should support the U.K. companies against unfair allegations or pressures whenever they occurred in official circles.

4. There has been no startling development in E.N.I.'s activities since the Chancery circular was written but there is no doubt that E.N.I.'s influence and offers of assistance has spread considerably during the last 18 months, particularly in Africa; that the Group have continued to make the lot of Western companies in Italy as uncomfortable and as unremunerative as possible and that they intend to expand their activities in this direction into the Community as a whole as well as the U.K.; that they are still attached to Russian oil and are one of the main obstacles to securing a sensible agreement on Russian oil in the Six; and that they are having their influence on Community thinking about future relationships with the producing countries of a kind that could only be detrimental to the Western oil companies. Our ideas for introducing stability into the European oil market will not reach fruition if E.N.I. extend their present practices unchecked, whilst their intervention in other parts of the world could be at least as damaging to Western oil interests as the activities of the Russians themselves.

I think we ought to consider, against this background, whether we ought to develop a more positive line against E.N.I. than that suggested in the Chancery circular. This is not an easy question to decide. It can be argued that any significant intervention against E.N.I. might bring us up against the Italian Government at a time when we are looking to them for support in our negotiations for entry into the Common Market, and that for this reason any action against E.N.I., at least in Europe, should await our accession to the E.E.C. It can also be argued that Mattei may be over-reaching himself to such an extent that the Italian Government will become disillusioned with him without outside influence being brought to bear on them. This involves a political assessment which you are better equipped to make than we are. We hear reports from time to time of the exasperation of senior officials in the Italian Ministry of Industry and their fear that he is getting completely out of hand so far as government is concerned; on the other hand, it seems unlikely to me that the Italian Government, particularly one of the present political complexion, could lightly abandon the man who has contributed so much to the Italian economy, as well as to the growing influence of that country in overseas trade.

If our view is that Mattei is likely to stay at the head of his empire for some time to come, then I think that something more positive is required from H.M.G. In particular, I think it is important that our representatives overseas should be briefed to take a more active role in defending British company interests wherever these seem likely to suffer from arrangements between E.N.I. and the national governments concerned which would give the former a preferential position. We should also be more active in our support of British companies in those circumstances in which E.N.I. offers to help governments to develop their own State oil industries by way of loans, technical training, seconded personnel, and so on. I think we have felt in the past that such action by British Government representatives might be counter-productive; I would still agree with this in those cases where there was a real prospect of governments resisting the blandishments of E.N.I., but I am beginning to wonder how many of these are really are.

I would like to make two suggestions for your consideration. The first is that we might try and work out with the companies a list of those countries in which E.N.I. activities seem to offer the greatest threat and in which counter-action by H.M.G. - properly briefed by the companies concerned - would be likely to have the greatest chance of success. Secondly, that we consider issuing further instructions to posts abroad generally by way of an Intel rather than a Chancery circular with a view to giving an up to date assessment of E.N.I.'s activities and more positive guidance to posts to intervene on behalf of British companies where E.N.I. appears on the scene. I have been talking to Shell recently about these questions and they gave me some material that they had worked up themselves, copies of which are attached, which would help in the preparation of such a document (you will see that they contain a very interesting memorandum, which was picked up by undisclosed sources, to the Government of Ethiopia, dated 1960, in which it was proposed, among other things, that the Imperial Government should have the right to take over all the plants and properties of foreign companies "without any payment or indemnity by the State". This document has only recently come to hand).

Perhaps the next step would be for us to meet when you have had a chance of thinking these points over.

(A. A. JARRATT)

Draft Memorandum For Use With E.M.G.

1. Political and Economic Objectives

It is difficult to understand a number of E.M.I.'s policies, the pattern of its expansion overseas, or its willingness to undertake apparently non-economic activities, unless it is kept clearly in mind that E.M.I. is used to a considerable extent for other than commercial purposes.

Two statements by Italian Ministers make it plain what these non-commercial purposes are:

"I desire to state that E.M.I. represents an efficient instrument for Italian economic penetration in several countries and that, as such, E.M.I. must be utilised; it is clear ... that E.M.I.'s actions must be closely co-ordinated with the requirements of our foreign policy ..."

Signor Fella, then Foreign Minister, in the Italian Senate, October 9th, 1967.

"Perhaps, Signor Mattei, the greater part of your collaborators and personnel do not realise that during all the hours of their hard and serene work they are making a notable contribution to the development of a foreign policy worthy of a people of fifty millions ... And, on behalf of the government over which I have the honour of presiding, I must express the firm intentions of continuing the experiment which the democratic governments have commenced by standing side by side with you in your endeavours, upholding them and defending them in the internal and international field."

Signor Fanfani, Italian Prime Minister, at Metanopoli on December 4th, 1961

Again, Signor Mattei himself has stated (in an interview published in "L'Opinion Economique et Financiere" on June 1st, 1961):

"I follow a national policy, and not a commercial policy ..."

It is not the intention of this paper to criticise the Italian Government in any way for using E.M.I. to expand Italian political and economic influence abroad; that is a matter entirely for the Italian Government.

However, such a policy has a number of inevitable consequences for countries or companies which do business with E.M.I. and it is legitimate to draw attention to them. For instance:



- (a) countries chosen for E.N.I.'s operations may well be selected not so much for their commercial possibilities as for the opportunities they afford for "Italian economic penetration" or for furthering the objectives of Italian foreign policy;
- (b) the apparatus of the Italian State will be used to promote E.N.I.'s expansion and to defend it from competition;
- (c) thus it follows that political or politico-economic considerations are likely to prevail over commercial ones in the conclusion of any agreement with E.N.I. and that any difficulty or dispute will lead to the exercise of diplomatic pressure in support of E.N.I.

A good example of the use of political pressure occurred on October 18th, 1967, when Signor Russo, the Italian Under-Secretary for Foreign Affairs, in a written answer to a Parliamentary question, stated:

"As soon as it had been expressed by the central management of E.N.I. about the difficulties the latter had encountered in Kenya and Rhodesia in carrying out its programme of activities in those countries, the Italian Government and in particular the Ministry of Foreign Affairs in agreement with the Ministry of State Participations and the Ministry of Foreign Trade, immediately instructed our consulates in Nairobi and Salisbury to contact the local governments in order to explain the particular interest the Italian Government attaches to the satisfying of E.N.I.'s legitimate expectations, since the company concerned is an Italian company and - what is more - a company controlled by the State. "

## 2. Promotion of other Italian interests

Not only is E.N.I. employed to further Italian foreign and economic policies abroad, it is also used to promote the interests of Italian industry in general. It is often the case that E.N.I. oil agreements are enlarged to include contracts not only for E.N.I. subsidiaries but also for other Italian concerns in which the State has a controlling or part interest as well as for private firms. In E.N.I.'s Argentinian agreement provision was made for contracts for ENIPET, ENIM and Nuovo Fagnone (E.N.I. subsidiaries), Finisider and Irida (companies in which the State has interests) and the private companies Fiat, Italcil Lombard, and Enelco Marilli. In its agreement with the Egyptian Government provision was made for Finisider, Fiat and Italcil Africa amongst others. Again in connection with E.N.I.'s Moroccan agreement, it is understood that a series of contracts were also obtained for a considerable number of Italian firms; the projects involved are said to have included a fertilizer plant, an iron and

interview published in "Le Monde" on December 1st, 1961, when he stated:

"... I must help Italian industry. I am an Italian, don't forget that."

### 3. Areas Selected for Expansion

It appears that the main areas selected for E.N.I.'s expansion are Africa, the Middle East, the Indian subcontinent, Latin America and Europe. It is, of course, the case that the organization has also concluded substantial agreements with the Soviet Union and other Bloc members.

Developing countries appear to be a priority target; at a press conference in Rome on February 14th, 1962, Signor Mattei declared:

"As regards our relations with underdeveloped countries and with countries requiring industrial expansion, we believe that we have an industrial organization to offer which is equipped with all the staff and facilities needed to fulfil a large scale task of collaboration. This collaboration has already been set in motion."

Again in an interview with the French journal "L'Opinion Economique et Financiere", on June 1st, 1961, Signor Mattei stated:

"We are coming to Togoland, to Dahomey, Senegal and the Cameroons and we shall expand even more in Africa ... over the whole of Africa as soon as it is possible to operate there in peace."

Paul Newman, writing from Rome in the "New York Times", of June 7th, 1962, discussed this aspect of the market and stated:

"A series of visits by Italian officials to Tunisia; Yugoslavia and the Soviet Union underlines what is termed here the new dynamism of Italian foreign policy. The approaches of Premier Amintore Fanfani's Centre-Left regime to non-aligned countries and to the Soviet Bloc are known to be in keeping with Italian economic interests. The politically influential head of the State-owned oil and gas enterprise, Enrico Mattei, is pioneering Italian economic expansion in Africa, the Middle East and Asia."

In this expansion in developing countries, special attention appears to be devoted to Commonwealth countries and countries presently or previously administered by the U.K. E.N.I. already has agreements with the governments of India, Ghana, Nigeria, Malta, Kenya, Tanganyika, Somalia and Sudan, for instance, and is currently showing interest in Pakistan, Ceylon, Sierra Leone and Mauritius. In view

is participating in the E.M.I. agreement with India.

As far as E.M.I.'s expansion in Europe is concerned, this is likely to lead to the increased use of Soviet oil, price weakness and political wrangling. Already E.M.I.'s policies have caused difficulties with Italy's partners in OPEC and the Common Market and these are likely to be intensified.

#### 4. Propaganda Campaign

In addition to enlisting diplomatic and other official support, E.M.I. customarily employs propaganda of a political nature to promote its expansion. This normally takes the following forms:

- (a) Accusations against Competitors. Signor Mattel, E.M.I. spokesman and certain publicity media controlled or influenced by the organization conduct a virulent campaign of abuse and misrepresentation against the policies and operations of the private oil companies; these are accused of being a cartel, of making excessive profits, of disregarding the interests of the countries in which they operate, etc. An unfortunate feature of this propaganda campaign is that the themes used by E.M.I. are so similar to those used by Soviet propaganda that they add to the damage done by the latter to the reputation and interests of the Western international oil companies.
- (b) Charges of "neo-colonialism". As part of its efforts to establish itself in territories currently or previously administered by the U.K., and other developing countries, E.M.I. propaganda has made special efforts to persuade that the private oil companies' operations represent "economic imperialism" or "neo-colonialism" and that their interests are hostile to the interests of developing countries. Indeed this type of propaganda goes beyond attacks on private oil companies and on occasions is critical of governments which have colonial territories. (See Appendix I.) In fact the activities of a State-owned entity, particularly one following E.M.I.'s declared aims, are much more likely to lead to accusations of "neo-colonialism" on the part of the host in emerging countries than the purely commercial relationship existing with a private company which does not have all the requisites of power and pressure so conveniently at the disposal of E.M.I.

#### 5. Advocacy of State to State Trading in Oil

These propaganda charges are used not only to promote E.M.I.'s expansion by damaging the good name of its competitors, but also to further E.M.I.'s major campaign to persuade governments to replace

public and in private to governments and to the public. In developing countries this theme is propagated with particular assiduity. E.N.I. representatives go to considerable lengths in making their case to government officials. One document presented by an E.N.I. representative to the government of a developing country, for instance, suggested that the best way to demonstrate to other countries its economic and political awakening was to form a State oil company "as had the majority of modern states". The document went on to suggest that it was "necessary and urgent" that the government should entrust a national company under the direct control of the State with the exclusive right of searching, exploitation, transportation and distribution of all underground products, as well as the supplying of such products from abroad; that the formation of such a company would cause a vigorous revision of all existing concessions; that this national company should have the right to re-examine the legitimacy of the ownership of all installations, industrial and commercial plants, etc., belonging to foreign companies; if the rights of the foreign companies proved to be "unwarranted or questionable", the national company should have the right to take any action deemed necessary and it would therefore be necessary for the agreement between the government and the national company to have a clause stating that the national company would have the right to "recover" all the plants and properties belonging to foreign companies without payment or indemnity by the State.

## 6. Attacks on Prices

A consistent feature of E.N.I.'s propaganda in recent years has been sharp criticism of price levels and the normal mechanism of prices, and this continues to be the case.

This criticism has been accompanied by action in Italy and though there have been no more price reductions recently, E.N.I.'s price cutting campaign in 1960/61 (four reductions in six months) resulted in Italian product prices before tax becoming among the lowest in Europe. Indeed standard grade petrol is still sold at a loss. There are signs that Signor Mattei is considering further price reductions in Italy.

It is not possible to predict whether E.N.I. will indulge in similar price cutting in the U.K., but three statements by Signor Mattei in this connection are of interest. When interviewed on I.T.V. on January 25th, 1962, Signor Mattei was reminded that he had "a pet theory that countries like Britain and Italy need cheap power for their industries" and was asked how this could be done. He replied:

"That's very easy - by lowering prices"

and went on to say that this was a problem which the U.K. must look into. Again at a press conference in Rome on February 14th, 1962, Signor Mattei declared:

"We are in favour of energy prices being as low as possible ... and I think we for our part will endeavour to follow the same policy that we follow in Italy wherever we operate."

And in an interview with Alan Gardner of the "Daily Mail" published on February 7th, 1962, Signor Mattei said:

"Your industry pays far too much for its fuel."

## 7. Attitude towards Coal

This price cutting, and attacks on prices, cannot but have its effects on the business of European producers of indigenous energy. It is clear that the impact of these tactics on coal producing countries is understood but discounted. At the press conference in Rome reported in the previous paragraph, for instance, Signor



the interests of a particular industry ... it would be unrealistic to impose quotas on coal and to charge high prices for it and to levy customs duty on oil that I do not feel it can possibly be achieved. At any event, it would be extremely unfair and the consequences would be very unfavourable to Europe as a whole."

Again, in an interview with Alain Bursien, published in "Le Monde" on December 1st, 1961, Giuseppe Lattai, then discussing prices, stated:

"Italy cannot be ignored: She exists. You ought to speed up the redirection of your miners. That would be easy with greater economic expansion. For that it is necessary to obtain cheap energy. Why don't your national oil companies initiate us and lower prices?"

The "Oil and Gas Journal", of October 16th, 1961, discussing support in Italy for E.C.E.'s policies stated:

"Perhaps the key to Lattai, however, is the widely held theory that there are two groups in Europe staging a battle over oil prices. One group, as the theory goes, wants to keep oil prices at a level which will enable the coal industry to survive. The other group wants the lowest cost oil supplies possible.

Italy, without major coal supplies, rell by the wayide as Germany, France and England - all of them with coal - become great powers. Coal is taking a beating today, but it still supplies half of Europe's over-all energy needs.

On the other hand, none of the major European countries has major domestic oil supplies.

Italy lies closest to the great oil fields, however, and many Italians believe their country's gains in economic power depend on how far Lattai and Co. can pull the price from under coal."

Finally, the E.C.E. paper presented at the Third Arab Petroleum Congress, held in October 1961, stated:

"Supplies of cheap oil would hasten the change-over process from coal to oil now under way in the nearest (Western Europe) to an even greater extent."

#### 8. Use of Soviet Oil

~~"It is a well known fact that the E.C.E. has pursued a consistent policy of maintaining independence in its oil supplies."~~ It is sufficient to say here that E.C.E. has pursued a consistent policy of maintaining independence

that in 1961 E.M.I. relied on Soviet oil for 68% of its Italian inland trade and, as a consequence, Italy became the largest importer of Soviet oil in the world.

As for the future a Central Renter message from Rome on June 15th, 1962, reporting that two Soviet Ministers were to have talks with Signor Mattei, stated:

"Soviet sales of oil to Italy are likely to be stepped up if concrete agreements are reached in the Italian-Soviet trade negotiations which are being held this month. Soviet sales of oil to Italy have more than doubled over the past three years ..."

See Appendix C

## 9. Bilateral Barter Agreements

A number of the agreements that E.M.I. concludes with foreign governments are of this kind, for instance those with the Soviet Union and Egypt. Such practices are, of course, contrary to the liberal trading policies supported by Italy's partners in E.E.C.

## 10. Credits

A number of the contracts E.M.I. has obtained in the past few years have been granted as a result of the offer of long-term credits. It is estimated that these credits now amount to over \$1,000 million.

## 11. Repercussions on U.K. Interests

As stated previously, it is in no way the intention of this paper to criticise the Italian Government for employing political and other pressures to promote E.M.I.'s expansion, nor for using this expansion as a means of further Italian political and economic influence abroad.

However, it is legitimate to point out that a number of the unusual policies followed by E.M.I. may well have adverse effects not only on the oil companies against which they are - ostensibly at any rate - directed, but also on a wide range of other British interests.

Some of the likely repercussions on U.K. oil and other interests are the following:

- (a) if E.M.I.'s major aim of replacing the present system of free enterprise trading in oil by direct dealing between state oil companies were successful, or indeed only partially successful, the effects on the British oil industry - which is by far the U.K.'s largest overseas investment - would be damaging in the extreme and would

- (b) it could result in an extremely serious dislocation of the U.K.'s oil supply system - and that of Europe as a whole;
- (c) the inevitable repercussions in the Middle East would endanger British interests there;
- (d) it is clear from paragraphs 6 and 7 above that if E.N.I. establishes itself in the U.K. market to any considerable extent, the competitive difficulties of the coal industry could become intensified;
- (e) if the statement by Signor Russo given at the end of paragraph 1 is anything to go by, E.N.I.'s expansion in the U.K. and in British administered territories is likely to lead to more than a little friction between the U.K. and the Italian Governments;
- (f) further successes by E.N.I. in its campaign to build up an important position for itself in Commonwealth countries and countries presently or formerly administered by the U.K. may be at the expense of:
  - (i) the U.K.'s special position in these countries, bearing in mind that Italian Ministers have stated that E.N.I. is used to further Italian political and economic interests abroad, and
  - (ii) British firms doing business in these countries, particularly those in Africa and the Indian sub-continent;
- (g) these two possibilities are enhanced by E.N.I.'s "anti-colonial propaganda themes and its promotion of the interests of other Italian concerns."

SECRET

I enclose a copy of a letter (without copies of the supplementary material referred to in it) from the Ministry of Power about the activities of E.N.I. and what steps we might be able to take to counteract them in so far as they are directed at attacking British oil interests overseas.

2. This is a matter which will obviously need careful handling and before it is discussed with the Ministry of Power it would be helpful to have your views. One thing of which we feel certain is that it would be out of the question at this stage, with the Common Market talks to be resumed in the not-too-distant future and our need there of what support the Italians can give us, to try to do more than bring up to date Chancery Circular No. 029 of March 30, 1961 on "The Significance of E.N.I." by means of a factual Intel.

3. Among the questions which such an Intel might attempt to answer are:-

- (i) To what extent does E.N.I. depend on Russian oil? Is it really part of the same problem or a problem on its own? Mattei was recently reported as saying that only 10% of the oil he handles is Russian. What is the true figure?
- (ii) Can one distinguish between E.N.I.'s activities and Italy's interest? Could Italy, even without Mattei, be expected to agree to what Mr. Jarratt calls "a sensible agreement on Russian oil in the Six"?
- (iii) Will Mattei have to change his tune about the wickedness of the international oil trade now that he is successfully exploiting an oil field in Persia and will have to post a price which will satisfy the Persians on the one hand and his customers on the other? Is this a side issue or is it eventually going to take the sting out of E.N.I. altogether?
- (iv) Can we find a way of tackling the problem of Mattei's virulent anti-imperialist and anti-oil company propaganda, of which the Note to the Ethiopian Government obtained by Shell is a particularly nasty and naive example?

We should welcome your views, in conjunction with Wardle Smith, on these points, and especially on (ii) and (iv), and also on Mattei's own position (paras. 5 and 6 of the letter from the Ministry of Power).



4. The Intel could also instruct H.M. Representatives, when Mattel appears on the scene, to report the facts as fully as possible. But for the reasons given I do not think that we would wish to go any further than this at present, and certainly not as far as the Ministry of Power suggest in their last paragraph. However, leaving aside the Common Market negotiations, I should be grateful for your views on the suggestion that in suitable cases posts might be instructed to intervene, though until we have discussed matters with the Ministry I am not sure what form such intervention would take.

(K.D. Jamieson)

# to Go?

By Our Rome Correspondent

Every three years since 1953 the usual sniping Signor Enrico Mattei, the Italian oilman, undergoes from his many adversaries becomes a barrage and the heavy guns are brought to bear. Italy's E.N.I. Oil Corporation was established in 1953 with Signor Mattei as its president, and every three years his mandate comes up for renewal by the Government. It is now due to expire next March and an even more determined bid than usual is being made by his opponents to prevent it being extended for another three years. He has already been under fire for some weeks and this time the shells are falling faster and thicker than on any of the previous occasions.

The irony of the situation is that one of the main weapons which is being used against him is the allegation that he cannot be fitted into the planned economy programme of Italy's present centre-left Government. In the past he had always been charged with Leftist sympathies and with exerting his political influence to bring to power a centre-left Government.

Now he is being accused of autocracy, and some of the most planning-minded members of the Government are said to want to replace him with a meeker and more pliable executor of their plans. Tycoons are rarely pliable instruments in the hands of the politicians and Signor Mattei is certainly no exception to this rule.

## A Failure?

Signor Mattei's failure to find any really big oil fields is usually considered a chink in his armour. By 1965 E.N.I. will have expanded so much that to supply its refineries, petrochemical plants and pipelines in Europe and in Africa it will require about 20m. tons of crude a year. It is said that, having inadequate supplies of his own, Signor Mattei will either become completely dependent on Russia, or have to come to terms with the big oil

in general and the likely trend of events in some of the main oil-producing nations of the world. First of all it is said that self-sufficiency in crude would be a real disadvantage for E.N.I. Unlike most oil companies the Italian group also includes companies which manufacture practically all the plant and equipment required by the petroleum and petrochemical industries and even



Enrico Mattei

end products such as textiles. Several of the associated companies of the group have to export a considerable percentage of their output of finished products and their services and technical know-how. The Eastern bloc of nations and the less-developed countries are among their most obvious markets. Many of these countries are unwilling to pay cash for the capital equipment and industrial products they need, but can pay for them with oil.

At the moment Italy is supplying to Russia 240,000 tons of steel pipes, six 40,000-ton tankers and other equipment, all of which is being paid for in crude oil and the contracts for which would not have been secured had E.N.I. not been able to take Soviet crude.

According to the pro-Mattei experts the world market for oil is not only very much of a buyers' market now, but will probably become even more so in the next few years. It is said

In Italy Signor Mattei is not only an industrial tycoon as president of E.N.I. but also a top ranking political figure. And, in fact, another accusation which is brought against him is that E.N.I. is alleged to pursue its own foreign policy with little regard to the Government's official attitude. Some people go as far as to wonder if he is controlled by the Government or the Government by him. This is naturally an exaggeration, but Signor Mattei undoubtedly wields a great deal of political influence. His removal from the presidency of E.N.I. would entail a very major political decision and would carry with it vast political repercussions.

## Elections

A general election will be held in Italy next year, probably in April or May, and it will not be an easy one for Italy's leading Christian Democrat Party which supports or is supported—it is not quite clear which—by Signor Mattei. The Government will have to make known its decision on the renewal of Signor Mattei's mandate at the peak of the electoral campaign. His removal then, even though it would be welcomed in some industrial and business circles, would not be a popular move in a wider field.

Signor Mattei, who was a war-time resistance leader, has always made a point of keeping in touch with and helping former members of the Resistance, and this still means a lot to thousands of people in Northern Italy. Many employees of the E.N.I. have a resistance background and are devoted to him. Furthermore, remembering his own hard early years trying to work his way up from his first job as a bedstead varnisher, he has provided E.N.I. with welfare services and holiday facilities which are probably unrivalled by any other group in Italy. His "crusade" against the big oil companies, none of which are Italian, has won him cheap popularity among nationalists