

at short-term, high interest rates because its planned building of plants to produce bioprotein (a cattle feed) has been stalled for months. It has had a supply contract with the Soviet Union that it has therefore been unable to fulfill, leaving it with a severe income shortfall.

This operation, to destroy the productive capability of Liguigas, however, has not yet succeeded, partly

because the Soviet Union has just offered to buy the bioprotein plants directly. This would be a direct blow against Cuccia's empire.

— Margaret Bardwell

SOURCES: Giuseppe Turani, *Montedison, il grande saccheggio*, Mondadori, 1977; Angiolo Silvio Ori, *L'affare Montedison Settedidenari*, 1974; Ori, *I faroni di Milano, Settedidenari*, 1971.

Blumenthal Demands Humphrey-Hawkins For Italy — Or Else

Italy must set up labor-intensive pilot projects as model for all OECD countries to solve unemployment or it may find U.S. investments cut to a trickle. This was the threat issued Nov. 2 to the Italian population by U.S. Treasury Secretary Werner Blumenthal, who has been in Italy since Oct. 22.

After a week spent in a flurry of meetings with the Italian cabinet members and Prime Minister Andreotti, Blumenthal issued his ultimatum on Rome television. Interviewed by a colleague from the London Institute of Strategic Studies (IISS), member Arrigo Levi, the editor of the Turin daily *La Stampa*, the U.S. Treasury Secretary called for increased taxation to raise 2 trillion lire for "make work" projects for unemployed youth.

In a Rome press conference Oct. 31, according to *Il Tempo*, Blumenthal made the point clear: "We are happy for the positive situation shown in the Italian balance of payments, but this doesn't mean that massive investments can immediately flow into Italy. Slashing of public expenses must occur first."

The embryonic Italian-U.S. collaboration for development, particularly of Italy's southern Mezzogiorno, is already endangered. The sale of a massive bankrupt Italian construction firm, Condotte d'Aqua, to U.S. industrialists allied to former Texas governor John Connally has been sabotaged — threatening insolvency to one of the leading Italian banks, Banco di Roma, as well as thousands of jobs lost.