

there was no possibility of finding oil in Gujarat. Privately, he said that he would drink every drop of oil produced there. He would have had monumental indigestion in later years had he carried out his threat!

It was a team from the U.S.S.R. led by Prof. N. A. Kalinin, that provided the optimistic dissent from this cacophony, and it shows Malaviyaji's capacity to judge at its best that he immediately took action on the recommendations of this team. . . .

The Oil and Natural Gas Commission practiced self-reliance from the very beginning, as a result of the insistence of K. D. Malaviya. Our first oil strike occurred within two years of the inception of the organization, at Cambay. . . .

We became a growing concern when oil was struck in the large periclinal Ankleswar prospect in 1960, after earlier seismic surveys in Gujarat. ONGC's own geophysical personnel had mapped this structure. So you see that in a very short period of time ONGC became self-reliant. After Ankleswar, there was no looking back. The field was drilled up by ONGC personnel and put under full production in two years. Subsequently, for the first time in India, pressure maintenance by means of a large water injection scheme was also started in 1966, and that scheme has been operational since then. Ankleswar has now become the grand old lady of the ONGC, still producing nearly 2 million tons of oil per annum. All this has been largely due to ONGC's own efforts in reservoir engineering, etc. The source of inspiration for all this was K. D. Malaviya himself.

It was during Malaviyaji's earlier stint as Minister in charge of Petroleum that discussions were initiated on exploration of the large continental shelf off the western coast of India. In 1965, a seismic survey ship was hired from the U.S.S.R. for carrying out reflection seismic surveys on our continental shelves, principally concentrating on the Arabian Sea side, as this is a continuation of the Cambay Basin where ONGC had its principal discoveries at that time. It was on the basis of the seismic surveys then carried out, with equipment which would appear incredibly primitive by today's standards, that the major prospects to the west of Bombay were outlined. . . .

It was due to K. D. Malaviya's early appreciation of the primacy of exploration in the petroleum industry, and his staunch support during the periods, which, alas, occurred only too often, when repeated failures occurred, that today we have built up not only a very capable organization in the ONGC, but also a very sizeable inventory of petroleum resources. We are in the process of planning for a really big increase in production from the known reserves, as well as for a big increase in exploratory effort in order not only to replace the produced oil and gas, but to find enough for the country's growing future needs. Malaviyaji always used to say that we should take the risks, be bold, and drill, drill, drill. We are translating his inspiration and instructions into concrete plans, and we shall astonish the world by our progress. . . .

Italy's state-sector is taken over by an

by Bonnie Mesaros

A coup carried out in the last week of September transferred control of the Italian state sector economy to a group of Aquarian technocrats. The appointments of new directors to the state-run consortia IRI, ENI, and Consob brings to fruition a long-term project of European oligarchs, especially Italy's fascist "black nobility," to use the state sector as the vehicle to dismantle Italy's post-war industrial achievements as a whole.

The most important appointments are: Romano Prodi to head IRI, the giant industrial conglomerate controlling over 120 companies; Umberto Colombo as president of ENI, the giant state-sector energy consortium; and Luigi Spaventa to run Consob, the agency that oversees the Italian stock market.

Prime Minister Giovanni Spadolini's recently recycled government is responsible for these appointments. Spadolini's five-party coalition was collapsed last August by the Socialist Party of would-be "Duce" Bettino Craxi, because of its failure to adopt the extreme austerity measures demanded by the International Monetary Fund. Spadolini, a leader of the tiny Republican Party, was only allowed to form a new government on the basis of promises to break the power of the trade unions, termed "lowering the cost of labor," and put an end, once and for all, to the control of the political parties by the constituency machines or lobbies, through what has euphemistically been termed "reform of the institutions."

The 'new management'

Romano Prodi, who will head the largest single industrial entity in Italy, is a top-level technocrat associated with the Aquarian thinktank, Il Mulino, which in the 1960s used funds supplied by the Rockefeller family's Twentieth Century Fund, to profile the relationship between Italy's two big parties, the DC and PCI, basic industry, and the working-class. Il Mulino's report denounced the ideological bent for progress inherent in this relationship. Standing by at Il Mulino to help consummate the new post-industrial order, are its director Giorgio Galli, who writes anti-labor editorials for the weekly

industrial base Aquarian faction

magazine *Panorama*; Francesco Alberoni, the Trento University professor who created the first cell of the terrorist Red Brigades; Altiero Spinelli, a Socialist and founder of the European Federalist Movement; Nino Andreatta, currently the minister of finance in Spadolini's transitional government and a leading spokesman for IMF austerity policies in Italy.

Umberto Colombo, who will now preside over ENI, formerly headed the related energy firm ENEA, where he steered emphasis away from nuclear development into "soft" energy sources. Colombo is a member of the Club of Rome, founded by Aurelio Peccei, himself a former member of the Olivetti Corporation.

Luigi Spaventa, named to head Consob, was elected to the Parliament as an independent on the PCI list. He has a special use to the oligarchy: the PCI, tripping over its feet in a rush to get into the government, is willing to accept so obvious a "submarine" as Spaventa as a "plus" for them. If the Communists swallow Spaventa, potential trade-union resistance to the fascist takeover and resulting deindustrialization will be killed in the cradle.

The massive industrial conglomerate IRI, which runs the bulk of Italian banking, steel production, shipbuilding, telecommunications and transportation, has been especially targeted for retooling. Established during the last depression by Benito Mussolini to rationalize industry for the war effort, in the post-war period IRI has served as the engine of Italian industrialization by providing an infrastructure for the economy, pouring capital into basic industry and developing and improving transportation and communications. Perhaps most importantly, IRI has channeled huge amounts of funding into ailing industries like steel, keeping them alive when similar industries were going under in other industrialized countries.

Within one week of Prodi's takeover at IRI, Finsider, the huge steel concern, announced the possibility of up to 20,000 layoffs. Since then, the just-announced "temporary" nine-month shutdown of the Bagnoli (outside Naples) steel plant, with layoffs of over 5,000 workers, has provoked angry protest strikes and clashes between steelworkers and police

in Naples.

The oracle at Olivetti

The primary task of the "new managers" will be the dismantling of the system whereby the two mass-based political parties, the Christian Democrats (DC) and the Communists (PCI), are controlled by constituency machines. This system, similar in many ways to the old Democratic Party machine system in the United States, has been the political vehicle for the economic development of the nation. As in the United States, a certain amount of political corruption has provided the pretext for cleaning out the "porkbarrels"—and for their replacement with something far worse, the imposition of fascist autarky from the top down.

The foremost spokesman for this policy is the man Henry Kissinger has called the best business leader in Europe, Carlo De Benedetti, director of the Olivetti Corporation. De Benedetti, whom insiders refer to as the "Merchant of Venice" because of his ties to the oligarchical families of that city and because of his demands for a "pound of flesh," recently gave an interview to the newspaper *La Repubblica*, echoing Henry Kissinger's Georgetown speech of mid-September in which Kissinger called for a "new order" to "arise out of the chaos."

Asked, "Do you think that we are close to a collapse now?" De Benedetti impatiently responded, "Please, let us not start this kind of discussion. The crash is not ahead of us—we are in the middle of it. The only thing, though, is that they are all so frightened that nobody will speak about it, or assume the responsibility of managing the crash. . . ."

"Developing countries and the East bloc cannot pay [their debt]. Many [countries] have already announced that they do not intend to honor their commitments. . . . They have more serious things to deal with." When asked what the international banking system can do, he replied, "Nothing. . . . Nobody wants to send the gunboats, as in the 19th century. All the West can do is to realize that it lent a trillion dollars for nothing. On the Western [banks'] books, there are a thousand billion dollars missing—that is the crash."

"It was wrong to lend to the Third World," said De Benedetti. "Nobody wanted to realize that these countries are inefficient, that they have spent too much to keep up their populations." Now, he said, "we must eliminate from the books this trillion dollars that does not actually exist, by means of cancelling [the debt]."

But who will pay, he is asked, and answers coolly, "The western banking system made a mistake. The depositors and the community of states will have to pay. Every inhabitant of the industrialized West carries \$2,000 of [that debt] on his head. Then we can lower interest rates worldwide. We only need the courage to act." However, he added, "The ruling classes of the Western countries know that they cannot present the facts and figures of that crash. . . . Ruling classes never relinquish their power of their own accord. . . . *This time, we will have the crash, and only after that [will come] the new management.*"