

Italy Pushes Nuclear Power Development; Expands Trade Deals With Soviets

The government of Italian Prime Minister Giulio Andreotti has decided to push ahead with nuclear energy development, and has just signed a series of trade, technology, and raw materials transfer agreements with the Soviet Union. The agreements are to stabilize the country's faltering economy in the short-term, while strengthening Italy's industrial underpinnings in the long term. These Soviet-Italian agreements will go hand-in-hand with the recently concluded energy transfer agreements made with Canada, Poland, and West Germany, and the projected trade agreements Italy hopes to sign with U.S. multinationals.

The pacts for proceeding with joint Italian-Soviet nuclear development are a result of the Italian-Soviet Energy Conference that took place in Moscow the week of Nov. 20. The conference was attended by the heads of the major Italian state energy sectors, including National Research Center (CNR) technology head Silvestri, national electrical energy sector (ENEL) chief Angelini, national nuclear energy sector (CNEN) director Clementel, and representatives of state-sector heavy industries.

What has emerged from the conference has been the institution of a joint commission to study the feasibility of fast breeder nuclear reactors as the most reliable electrical energy transfer technology, based on the existing common Italian-French-West German project, for Italy to play a role in the Soviet five-year energy development plan, and to study the possibility of linking Soviet and European energy grids. The Soviets have made it clear that they are particularly interested in vastly expanding nuclear energy throughout the East bloc and Siberia. Both Italy and the Soviet Union have issued statements pledging only peaceful uses of nuclear energy.

The Italian daily *La Stampa* reported Nov. 25 a statement by Soviet Energy Vice-Minister Zhores Lavrenko

that "nuclear plants are an important part of our energy development plan, and we are intensifying our efforts." CNEN head Clementel echoed this for Italy, and noted that "delays in nuclear plant construction are suicidal for energy intensive societies." The two major Italian financial dailies, *Il Fiorino* and *Il Sole 24 Ore* expanded on this, stating that "if we want zero growth, we should say so; otherwise, if we want development, we need the Soviets' energy resources." Both sides dismissed environmentalist charges on the radioactive dangers of nuclear plants, with Clementel saying, "One thing is sure: nuclear plants do not explode, and they do not fly."

While the energy conference was going on, Italian Foreign Trade Minister Ossola was also in Moscow to finalize the details of the \$650 million credit line Italy extended to the Soviets earlier this year. The Soviets have asked for European technology transfers in exchange for Soviet raw materials, particularly oil. Soviet Prime Minister Kosygin, meeting with Ossola, apparently agreed to buy all production from the chemical firm Liguigas, which is now virtually bankrupt. Liguigas, importantly, is outside of the financial control of Italy's London-backed Cuccia network.

Other agreements signed by Ossola and Soviet Foreign Trade Minister Patolichev will bolster the rest of the Italian chemicals sector, including a \$90 million Euro-tecnica fibers plant; a \$60 million Balestra detergents plant; and two dye and plastics plants furnished by Tecnimont (a subsidiary of the public utility, Montedison), and Snia Viscosa, worth \$200 million total. There are also agreements slated for a Montedison chemicals plant, a Finsider steel plant, a Fiat-Allis machinery plant, and a Finmeccanica-built energy plant.

The West German newspaper *Frankfurter Allgemeine Zeitung* reported on Nov. 29 that the Soviet-Italian agreement is particularly favorable to Italy, since that financially strapped country won't have to lay out money to actuate the deals. The Euromarket will be glad to get Soviet bills of exchange with Italy that are backed by the European Economic Community, and Italy's tottering chemicals sector, which is half state-owned, will be considerably strengthened, the West German *Frankfurter Allgemeine Zeitung* stated.