

Middle East Report by Robert Dreyfuss

The Saudi-Italian stakes

Armand Hammer is masterminding an ENI-Libya deal that would displace economic ties with Riyadh.

Italian Socialist Party (PSI) chief Bettino Craxi is involved in a filthy scam aimed at breaking Italy's longstanding oil-for-technology relations with Saudi Arabia and undermining Italy's powerful state-owned oil company ENI.

The PSI, in collusion with certain Italian noble families, is maneuvering to make the proterrorist Libyan regime Italy's prime source of oil, in place of Saudi Arabia. The traditionally fiercely independent ENI is supposed to be pushed into the multinational cartel of oil companies, through an agreement expected to be signed soon between ENI chairman Alberto Grandi and the chairman of Occidental Oil, Armand Hammer. The agreement will include the creation of a joint company, Enoxy, supplied with crude oil from Libya through Occidental, and with coal via Occidental's connections in Poland and Romania.

This plan to effectively sell ENI to the multinational cartel conforms to the last detail with a plan put forth in the New York Council on Foreign Relations *Project 1980s* studies, which call for undermining the dirigist progrowth factions within Europe's state-owned oil concerns in order to "reintegrate" those oil companies into a new global energy cartel premised on Malthusian energy austerity.

Since its founding in the early 1960s by the Italian entrepreneur Enrico Mattei, ENI has been in the forefront within Europe in chal-

lenging the Seven Sisters and seeking state-to-state oil agreements with Arab oil producers based on an aggressive policy of industrial and energy growth.

Last year Craxi ran a smear campaign against the ENI business relationship with Saudi state-owned oil company Petromin. The campaign forced a halt in the delivery of badly needed Saudi crude, and forced the resignation of ENI chairman Giorgio Mazzanti, who was allied to Craxi's arch-enemy former Prime Minister Giulio Andreotti of the Christian Democracy.

Since then ENI has adopted an energy plan dictated by Italy's bloody-minded Venetian nobility based on energy austerity. The policy, which includes transforming Italy into a coal-based economy, was implemented by former Italian Industry Minister Toni Bisaglia.

Shortly after it was announced that Italy would adopt a program for energy based on coal, Libyan banker Abdullah Saudi, recently exposed in the Italian press for funding Italian terrorism, gave ENI a \$500 million loan. Saudi, who ran the Libyan-Arab Foreign Bank until last year, remains a close adviser to Muammar Qaddafi and now runs the Bahrain-based Arab Banking Corporation.

Early this January, Saudi Arabian Foreign Minister Saud al-Faisal visited Italy and agreed to a renewal of the state-to-state oil agreements that provide Italy with

250,000 barrels a day of crude.

Shortly thereafter a new spate of scandals on the ENI-Petromin connection was instigated by Italian journalist Fulvio Grimaldi, an aristocratic supporter of Italian terrorism who personally established the link between the Irish Republican Army and Italy's anarchist group Lotta Continua. Grimaldi hails from a drug-connected noble family.

In an article this week in the London-based *8 Days*, Grimaldi coolly stated Craxi's design for ENI. Grimaldi asked: "Will the agreement, due to be signed this month between Italy's ENI and Occidental Petroleum represent an Italian step away from the state oil company's traditional Arab suppliers, and toward increasingly tight links with non-Arab producers and American multinationals?"

The PSI strategy is to consciously provoke disruptions of oil imports to ENI's hungry refineries, forcing the company into the hands of Occidental, which in turn would supply the Libyan crude.

Qaddafi, whose connections to Italian terrorism came to light in the Billygate scandal, is slated to visit Italy sometime this spring to firm up a series of lucrative Italian-Libyan trade agreements. The PSI and its bedfellows in the Italian Mafia are arguing that Rome should override the loud objections from France to Qaddafi's visit.

Last month French President Valéry Giscard d'Estaing personally urged the Italian government not to sanction Qaddafi's visit. Giscard, who faces an electoral challenge from the Socialists, fears the trip could set a precedent jeopardizing France's strong economic links with Saudi Arabia.