

the influential leader of the German Association of Chambers of Commerce. "Innovations, research, and realization of production palettes are gaining more significance in corporations' activities," he said in a television interview this week, "but dropping profits are not motivating corporations to undertake risky investments."

The most crucial aspect of any solution to this problem, Wolff said, is "more growth along with stability — and

therefore also more employment in the medium term." This is a full reversal of his statement one month ago that West Germany was "overindustrialized" and needed to cut back on all forms of technological growth.

Wolff also called for the reconvening of the "Concerted Action" council of labor, industry, and government representatives in order to realize these goals. This council has not met for two years because of the inability of labor and industry to find common ground.

Schmidt: 'We Need Nuclear Energy Despite Carter's Reservations'

Helmut Schmidt, Federal Chancellor of West Germany, outlined the fundamental features of his government's economic policies in an Oct. 28 address to the London International Institute for Strategic Studies. Excerpts are reprinted below:

I would like at this juncture to dwell on three tasks which the West will have to resolve in the economic sector, also for the sake of its common security.

The first task is constructing and safeguarding a liberal, flexible and hence working world economic system.... The recession has become a great threat to our world economic system because the tendency to try to solve the problems by means of protectionist measures has increased. We must ward off this threat with a united effort.... In practice, nations have lost their autonomy of economic policy. Any attempt to make room for a return to national measures would be disastrous. The only way out is through closer economic cooperation.

The Western democracies are about to embark on this road. Since the recession, we have successfully intensified our efforts to coordinate economic policy. We have agreed to pursue growth and full employment without repeating the old inflationary mistakes.

Let me make this point clear: There are no economic panaceas which can be recommended to or prescribed by governments by majority decisions, as it were....

The Western countries depend on massive imports from the Third World. This means that there are two sources of danger as regards our raw materials supplies. These supplies can be endangered, for one thing, by the outbreak of war or civil war in Third World regions, and, for another, by insufficient production due to insufficient investment....

To avert the dangers arising out of Third World instability, the West has to pursue a policy aimed at the peaceful solution of conflicts and a peaceful conciliation of interests.... Raw material investment in developing countries is no longer financed and undertaken the way it used to be. In the mining sector in particular, exploration and prospecting in the Third World have largely come to a standstill. There can be no doubt about the long-term consequences of this.... In other words, the said danger to our raw material supplies does not affect us today, but it

is today that we must act to avert it.

The indispensable cooperation between industrial and developing countries in the opening up of raw material resources must be restored and intensified. The job cannot be done without increasing private direct investments of the industrialized countries of the world. For a stable and close cooperation between industrialized and developing countries I consider it necessary and justified that guarantees of those private investments should be given by the host countries....

More than half of the Western world's energy

FBIS Caught In Distortion Of Schmidt's IISS Speech

The Foreign Broadcast Information Service (FBIS) of the U.S. Department of Commerce, which is the United States government's major public record of foreign government and foreign press statements, seriously distorted West German Chancellor Helmut Schmidt's Oct. 28 address to the London International Institute for Strategic Studies. The FBIS account of Chancellor Schmidt's speech, which they claim was based on the English text distributed by the Bonn Federal Press Office, omitted Chancellor Schmidt's endorsement of nuclear energy and his criticism of President Carter's antinuclear outlook.

According to FBIS, Schmidt said: "... oil supplies may not suffice to cover requirements already in the 1980s. And I am afraid this fundamental fact won't even be changed to any large extent by the new oil wells you (Britain —ed.) have discovered under the sea. The main conclusion of this is that the wasteful use of energy of which we have made a habit must stop."

On Nov. 1, the West German daily *Kieler Nachrichten* reported Schmidt as saying: "We are facing an oil shortage in the 1980s. No North Sea oil can prevent that. We need nuclear energy... even though President Carter has his own reservations in respect to the non-proliferation aspects."

requirements is at present being met by oil.... We need nuclear energy ... even though President Carter has his own reservations in respect to non-proliferation....

The third major task of Western security policy in economic terms is to establish balanced and stable economic relations with the state trading countries of the East. Since 1970 East-West trade has practically quadrupled.... This strong intensification of trade and cooperation is the result of political detente and also of the economic interests of both sides. The economies of the communists have reached a stage of development where they also depend more and more on increases in productivity for their growth. That is why the East has a strong and lasting interest in importing Western

technology....

Who, then, derives the greater benefit from East-West trade? There are critics in the West who say that the West, by its exports of technology, indirectly helps the Soviet military build-up. Critical voices in the East will probably object to helping the West preserve jobs as supporting the capitalist system. I believe that these conflicting arguments in themselves indicate that East-West trade benefits both sides. And so, after all, it should be and must be. If the Western countries act jointly, the development of trade relations and of industrial cooperation with the East can, I am convinced, be essential for both our own economic security and the safeguarding of peace.

How Cuccia Destroyed Montedison

The name Enrico Cuccia is not known at all outside of Italy, unlike for example, the famous Agnelli brothers of FIAT or Mr. Olivetti. Yet, in Italy, Cuccia is known to be at the pinnacle of economic power, the chief among what Italians term the "razza padrona," the race of bosses. Cuccia's power is located, in part, in his directorship of

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Mediobanca. This gives him a degree of control over the entire Italian banking system, since Mediobanca is an interbank lending institution upon which all other Italian institutions of credit depend for investment banking functions.

The deeper reality of the matter, however, is that Cuccia, through Mediobanca, exercises power over the Italian economy on behalf of those London-centered financiers whose chief political connections are to the British crown and its independent intelligence services and financial capabilities. These are the real resources at Cuccia's disposal.

In this connection, Cuccia's Mediobanca was in fact specifically created for him by André Meyer, the principal in the international investment group called Lazard Brothers in London, Lazard Freres in New York, LF, Inc. in Paris—but in Rome, Mediobanca. Meyer's Lazard faction is chief among the monetarist forces of London actually dominant in Italy. And Cuccia, the financial and black operations power behind the well known Agnellis and others, is Meyer's flunky — Her Majesty's Italian Viceroy.

At present, because of Meyer's Cuccia, Italy's giant petrochemical-based conglomerate, Montedison, which controls key sectors of Italian heavy industry including steel, is on the verge of bankruptcy. How this came to be exemplifies Cuccia's character.

Montedison's is not a story of "mismanagement," but mismanagement for a purpose, deliberate mismanagement as a powerplay by London through Cuccia, and Cuccia's mask for this purpose, Eugenio

Cefis, to achieve an unchallengeable position in Italy's chemical industry and on that basis, the critical state-owned Italian industrial sectors.

Montedison's central corporate position in Italy's private sector also makes this a story of how the basic industrial strength of the Italian economy has been significantly weakened. Cuccia has damaged Montedison, and through it, is damaging several state-owned sectors.

In Montedison's case, Cuccia has launched crippling attacks against the concern's "competitors" while pyramiding the concern's debt-service. Funds allocable for maintenance of infrastructure, modernization of productive plant, and research and development have been diverted into the apparently speculative but actually political purchase of equity in other concerns and sectors, including such transparent investments for power as newspapers and magazines. Similar monetarist policy interest has come to be exerted by Cuccia on state-owned concerns in several industrial sectors through the incestuous ties Cuccia has developed between these and Montedison.

The outcome is that since 1971, Montedison's short term debts have doubled from 928 billion lire to a total in 1976 of 1900 billion lire. The total number of employees has dropped from 174,000 in 1971 to 145,000 at the end of 1976. Various profitable sectors have been sold to pay off back debts. Cuccia's latest scheme is the so-called "pax chimica," a bailout plan that gives Montedison and the rest of the chemical sector some ready cash, but primarily gives Cuccia the means to consolidate his control over the entire sector.

Montedison's History

It is useful to look at the history of Montedison to see just how the typical operation of Meyer's Cuccia is run.

Montedison was founded in the spring of 1966 in a merger of the Montecatini and Edison companies. Montecatini was a chemicals company founded in 1888 as a Tuscan mining concern and expanded into chemicals, textiles and pharmaceuticals after World