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ROUTING AND RECORD SHEET

SUBJECT: (Optional) 22 *JP*

FROM: *R/AN* NO: *(CIMA) 431*
DATE: *16 AUG 55*

TO: (Officer designation, room number, and building) DATE OFFICER'S INITIALS COMMENTS (Number each comment to show from whom to whom Draw a line across column after each comment.)

	DATE		OFFICER'S INITIALS	COMMENTS
	RECEIVED	FORWARDED		
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ABSTRACT INDEX
DATE *Oct 4, 55*

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FORM 1 USE 66 **610** USE PREVIOUS EDITIONS SECRET CONFIDENTIAL INTERNAL USE ONLY UNCLASSIFIED

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per CSN 43-26

DISPATCH NO. (OIMA) 431

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KAPOK 4825
BOFINESE

CLASSIFICATION

TO Chief, WE
Via Chief of Station, (Rome)
FROM Chief of Base, (Milan)

DATE 11 August 1955

SUBJECT: GENERAL Operational

SPECIFIC: U.S. Embassy and Italian Petroleum Industry.

1. Following are DENTER's comments (22 July 1955), which he asserts reflect rumors circulating in "knowledgeable circles" in Rome, on the alleged activities of the Embassy in the matter of Italian petroleum resources.

2. The great majority of Italian petroleum companies, which until the IV World Petroleum Congress opposed ENI, are now presenting a united front with Enrico MATTEI in his opposition to the exploitation of Italian petroleum deposits by American interests. This new situation is the result of confidential information and advice furnished to the Italian petroleum groups and to MATTEI himself by Renigio Danilo GRILLO. GRILLO, vice-director general of political affairs in the Italian Foreign Ministry, is a former "squadrista" and pet of Galeazzo CIANO, through whose influence GRILLO reached the upper echelons of the Foreign Ministry.

3. When it was learned in Rome that Mrs. JUCE was to be appointed Ambassador to Italy, a secret meeting was held in the home of Valerio Junco BORGHESE to devise ways and means of latching onto the new ambassador. At this meeting GRILLO and three other "gentiluomini" were chosen to "get in with" the ambassador. These individuals, in Rome's high society, are known as "sommozzatori" (frog-men or under-water demolitions men).

4. GRILLO has reportedly succeeded in gaining good entree to the Ambassador and takes advantage of this to monitor her official activities. One result of GRILLO's contact with the Ambassador has been, according to these same rumors, the change of tactics adopted by the Italian petroleum companies toward the Americans.

5. American petroleum interests, allegedly being determined to absorb all Italian petroleum production, already have their representatives sounding out Italian petroleum personalities with a proposition involving American purchase of controlling stock in the Italian companies. (Gr. Off. Mand. FERETTI, president of API, Corso d'Italia, Rome, is one of the important Italians who have received such a proposition. FERETTI discussed the matter with (Com.) LO MONACO, high-ranking functionary of the Italian Ministry of Industry. LO MONACO immediately informed MATTEI, and a conclave of Italian petroleum industry directors was called forthwith.

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For reasons of secrecy the meeting took place in a locality in the suburbs of Rome early in July.

6. Ambassador LUCE's intense activity in favor of the seven big petroleum firms has slowed down since the fall of MELBA, but several of her representatives have begun to maneuver with the DECCI government. The attitude of Italian petroleum circles, informed as they are of the alleged American maneuvering, is hostile. They know that the Americans financially backed the Right in the recent Sicilian elections and fear that through wide use of the dollar, the Americans will succeed in demolishing all Italian resistance. Mistrust has reached such a point that a few days ago, when an American agent (of an oil company) asked for an appointment with MATTEI, the latter stated that he was out of town and immediately took off for the Amalfitana riviera.

7. ~~GARRI~~ (001-285224) MATTEI himself was a Fascist until 1945. He began to work into the Resistance after September 8 of that year, being careful at the same time to "keep in" with the Germans. As part of the process his wife became the mistress of an Austrian captain who was an important officer in the German SD. When it became clear that Allied victory was certain, MATTEI paid five million lire (1944 rate of exchange) to a DC partisan leader for the title of DC partisan chief and the rank of general of the Resistance in the CNL. MATTEI's appointment was O.K.'d by Gen. MORNA and Col. ARGENTON. The latter is now MATTEI's right-hand man.

Prepared by: Montecchi

Lester A. Simpson
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Distribution:
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2--Rome

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