

## Enrico Mattei, the Chronology

*Sources are listed at the end of the document*

**1945:** There is disagreement over the future of Agip. The company has already carried out extensive oil and gas surveys both in and outside Italy. At the end of the war, in addition to its prospecting operations, it owns or has holdings in a number of other oil and gas companies, most notably Anic, Snam and Ente Metano.

Agip's senior management is reconstituted in Rome on 17 February, followed on 10 April, again in Rome, by the board of directors (chaired by Petretti). The latter produces a report that speaks of "concentration" and "liquidation". In Milan, after the Liberation Day Parade on 25 April, the head of CLNAI's central economics committee, Merzagora, makes Mattei extraordinary commissioner in place of Carlo Zanmatti, who is seen as a Republican sympathiser. This is done as the suggestion of Ferrari Aggradi, who describes Mattei as an "able organiser and a very efficient man well versed in industrial matters". Conflict breaks out in the post-Fascist governments, with the Liberals in favour of liquidation. On 15 May the Bonomi government treasury minister, the liberal Marcello Soleri, sends to industry minister Gronchi a letter asking that Agip be liquidated. On 19 May Gronchi sends the letter to Agip asking for the company's views. On 29 May Agip declares itself in favour of the move and announces it has set up a special commission.

When he first started talking to Agip technicians, Mattei had immediately been struck by the fact that promising reserves of natural gas (the Caviaga 1 well) had been discovered in the Lodi region in 1944. Despite the discretion of the Agip technicians, who had been anxious to avoid bombing raids and to prevent the well falling into German hands, news of the discovery had leaked out. Even before Mattei had been put in charge of liquidating the company, many experts from large private companies – both Italian and, more significantly, non-Italian – had carried out numerous surveys, some of which had even been authorised by the Ministry of Industry, which already regarded the company's liquidation as a foregone conclusion.

As instructed, Mattei, now starts negotiating the sell-off of Agip plant and facilities, but the readiness of potential buyers to purchase the old equipment immediately puts him on his guard. The moment has come for him to confer in more detail with the technicians who with Zanmatti, an Agip oil engineer, had set up a prospecting office in Lodi. In his interviews with them, Mattei wins the trust of Zanmatti and the company's oil experts and

geologists. He does everything he can to instil pride and confidence in the company's offices and prospecting sites. A "Lodi conspiracy" is hatched when Mattei Zanmatti's team of engineers openly challenge civil servants, politicians and Agip chiefs, who have all decided that the country's oil and gas industry should be handed over to private companies.

On 12 July Mattei receives a note from Marchesini of Agip's research facility saying that company geologists regard Caviaga as a major oil deposit.

Mattei manages to halt the liquidation of Agip and the new prime minister Parri countermands Soleri's liquidation order with the agreement of industry minister Giovanni Gronchi.

On 17 July Mattei is awarded a Bronze Star by the American army and, at the end of the month, attends the first Christian Democratic Party Conference as representative of Italy's partisan groups.

On 1 September he becomes an Agip board member and sends a letter to Parri saying that the company should restore balance on the Italian market dominated by a foreign oil and gas monopoly. He assures Parri of his support in defending national interests and organising the partisan groups, and concludes that "Agip must be saved".

On 17 October Mattei sends the Economic Commission a brief report on his activities as commissioner and resigns from the post. Merzagora replies on 20 October, thanking Mattei for his "intelligence in handling Agip's affairs, and the "energy and dedication" he had already shown in the Resistance. He also congratulates him on refusing the severance payments he is entitled to.

Mattei becomes joint vice-president of Agip on 31 October.

**1946:** Mattei becomes a member of the Christian Democrat National Council and opens the first Party Conference at Rome University with a report on the activities of Christian Democrat partisans.

Though a National Council member, he is not made one of the 60 national councillors (24-28 April).

Back at Agip, Mattei realises that Caviaga is the key to Italy's economic and social recovery, but more wells need to be drilled if the deposit is to be exploited, and Agip is strapped for cash. Mattei throws himself into the task and arranges a meeting with Mattioli, an important banker, whom he probably knows already. The meeting gets off to a

disastrous start, but Mattei successfully offers his personal assets as collateral for the loan.

On his own initiative he orders resumption of drilling (Caviaga no. 2 well) and prospecting in the Po delta using the company's only three drilling rigs, which are worn out and obsolete. All his hopes are pinned on Caviaga 2 and he is not disappointed: large reserves of the long-for methane are discovered.

Thanks to a government loan, Mattei is able to upgrade the rigs and other equipment and immediately starts drilling other wells (Caviaga 3 and 4) but they fail to produce anything. His drilling policy is seen as unrealistic and unlikely to yield significant results.

His position at Agip worsens. Even more seriously, the Attorney General's office, after studying the report it received on 8 July 1945, writes to the chairman of the Provincial Commission on 3 January asking him to seize all Mattei and his wife's assets in order to recoup profits deriving from their political activity or the assistance of Fascist bosses. Mattei defends his life and future in a written statement listing all his professional activities since March 1923. The Milan judges throw out the accusation for lack of evidence

**1947:** The production potential of Caviaga 2, and the prospect of massive profits, reawakens the interest of private oil companies. They lobby government officials and public opinion to close down Agip so that drilling and development permits will be granted to them. In this year alone, 421 Italian and non-Italian companies apply for drilling rights in the Po delta.

On 30 April, Agip chiefs meet Valerio (Edison) and Marchesano (Riunione Adriatica di Sicurtà - RAS) to negotiate the purchase or privatisation of hydrocarbon prospecting in Italy.

Mattei resigns as vice-president on 9 May and stays on as an ordinary board member. His efforts to save the company now have no hope of success. Finding himself isolated on the board of directors, he takes the only course open to him and tries for a political solution. With the formation of De Gasperi's first Christian Democrat government, Mattei is no longer a political nobody and he presses his case. De Gasperi is favourable, but he declares his left-wing leanings and identifies with Vanoni, a spokesman of the Christian Democrat left, who comes to the rescue. He annuls the Petretti-Valerio-Marchesano agreement, saving Agip, and therefore Mattei, at the eleventh hour. He will exert a strong influence on Mattei, advising him on everything from politics to fishing.

**1948:** The Christian Democrats win the election on 18 April. Mattei, who had helped to engineer the split of the Catholic Partisans from the ANPI's Federation of Freedom Volunteers, stands as a Christian Democrat lower-house candidate for Milan-Pavia and comes in second last, less than he had hoped but more than could have been expected given the level of campaigning.

On 10 June the government appoints Agip's new board of directors. Boldrini is president and Mattei joint vice-president, swinging control over the company's management permanently in his favour.

One of the new board's first decisions is to resume drilling using every means at its disposal.

By 17 July a production research committee has been set up at Agip, comprising Mattei (chairman), Fabiani, a well-known geologist who had overseen drilling from the start, and Zanmatti, brought in once again to oversee a number of crucial operational functions. The committee becomes the real driving-force behind resumption of drilling, which will continue step by step until 1953 when the existing committee is replaced by a technical consulting committee.

For the second time Mattei becomes vice-president and president of Snam.

**1949:** The Cortemaggiore 2 well discovers gas in January, but despite the abundance of the deposit there are no immediate market prospects. But Mattei is not the sort of man who gives up the face of difficulties such as these. With amazing speed he designs and builds a network of gas pipelines in the Po delta capable of supplying the industrial furnaces of Lombardy's largest companies with methane. His main tool is Snam, which Agip now controls almost completely. To speed up the use of methane, Agip sets up Società Termoelettrica Italiana, whose power station at Tavazzano is the first in Italy to run on natural gas. The cost of methane is a crucial factor in persuading more customers to use it, so the same price is charged in all areas served by gas pipelines. Mattei himself lists among the direct and indirect benefits of natural gas for industrial consumers a reduction in manufacturing costs and, in some industries, improved product quality.

Conflict between the supporters of privatisation and state ownership flares up again. On 22 April the Social Democrat industry minister Ivan Matteo Lombardo presents in parliament a draft bill regulating the oil and gas industry. It proposes that private companies should be free to search for oil and gas in the Po delta.

On 13 June, when minister Vanoni is visiting Cortemaggiore, the long-for crude gushes from the well at last. Uproar ensues. The *Corriere dell'informazione* announces the news with banner headlines, causing an earthquake on the Stock Exchange. Mattei and Boldrini issue statements to Ansa about the “economic transformation of the country” and the fact that the discovery “affects major vested interests, unaware that the discovery would not meet up to expectations.

On 28 July *Il Popolo* covers a meeting of the Christian Democrat Lombardy Committee in which a report on hydrocarbons by Mattei is discussed.

During a meeting of the Christian Democrat National Council in Fiuggi (30 July-3 August) Vanoni says he favours an Agip monopoly of oil prospecting in the Po delta. Opinion swings largely in favour of a free-trade solution to the methane issue. Those who support the idea range from Don Sturzo, founder of the Popular party, who begins attacking Mattei, and Parri, “prime minister of the Resistance”, to the broad spectrum of political opinion between these two positions, including most of Italy’s private industry and its direct or indirect customers, with more than token support from their American sister companies.

On 3 August Agip’s technical committee discusses the company’s prospecting schedule in the Po in anticipation of forthcoming ENI legislation.

On 29 September the Milan daily *Il Tempo* carries an article by Don Sturzo, who openly attacks Mattei: “I find it unacceptable that [Mattei] is both a parliamentary deputy and vice-president of Agip, which incidentally has so far cost the Treasury something in the region of thirty billion liras.”

On 26 October, in a parliamentary debate over the Ministry of Trade and Industry budget, Mattei speaks out “against the hijacking of methane and oil” by private and foreign interests”.

Don Sturzo’s second article appears on 6 November. It rehearses the arguments of the first article, and is seen as part of a campaign against Mattei and his projects, though Agip is not explicitly mentioned. Mattei replies on 9 November in a statement to *Corriere della Sera* published the next day under the title “The subsoil of the Po delta is an open safe”. Mattei’s statement is highly controversial. Each of its seven sections points to contradictions in the case made by supporters of privatisation. Mattei makes much of the self-financing issue – “Agip has neither sought nor obtained even one lira” – and claims that the Po delta’s mineral wealth should benefit the entire community: “Should to opposite occur, it would inevitably fall prey to monopolistic interests eager exploit it for their own ends”.

**1950:** With the Caviaga, Ripalta and Cortemaggiore wells already producing gas, a new methane deposit is discovered at Cornegliano after a period of intensive exploration in which around forty wells are drilled.

Meanwhile, Italy's private industrial interests, backed by the multinationals, continue to pile on the pressure. Mattei is vulnerable to the accusation that he is slowing work down because he wants to do everything himself, contrary to his declared objective. He realises that another top-level political statement is needed, to prove to everyone that the Christian Democrats are irrevocably committed in his favour. He arranges for De Gasperi to visit Cortemaggiore and Caviaga on 23-24 April. At Cortemaggiore De Gasperi appears before a solid group of workers who sing Mattei's praises, explain what has been done and still needs to be done, and warn against greed of the private companies and the Seven Sisters. On behalf of all Agip workers, Mattei asks for "legislation entrusting Agip with the task of exploring the hydrocarbon deposits buried beneath the Po Plain and exploiting them for the benefit of everyone and not just a small section of the population". De Gasperi wins enthusiastic approval when he openly sides with Agip and declares his opposition to the idea that oil exploration should serve, legally or otherwise, to boost the wealth of private entrepreneurs and shareholders.

In July the Communist senator Montagnani presents a bill to make oil and gas exploration a state monopoly in Italy. It wins no support.

On 26 October Mattei answers parliamentary questions on hydrocarbon exploration.

**1951:** On 13 July Segni presents an ENI bill in parliament on behalf of the Ministry of Trade and Industry.

**1952:** At Mattei's urging, the Agip subsidiary Mineraria Somala is set up, marking the company's return to overseas operations after the forced interruption of the war.

**1953:** On 21 January the Senate approves the law that creates ENI and enables it to take over Agip. The new law grants ENI: 1) the exclusive right to look for and exploit hydrocarbon deposits in the Po delta; 2) the exclusive right in the Po delta to build and run to build gas and oil pipelines for Italian hydrocarbon deposits. ENI also takes over state holdings in Agip (which soon after splits into Agip Mineraria for hydrocarbon exploration and exploitation, and Agip, for trading operations), Snam (transport) and Anic (oil refining).

On 4 March, little more than a month after the Senate's final vote but before being appointed president of ENI, Mattei gives up his parliamentary position to meet legal requirements governing conflict of interest. In letter to President Gronchi he states: "I feel it is my duty not to abandon the companies to which I have willingly devoted my best efforts over the past few years. Although the results achieved in hydrocarbons since the resumption of operations after the war have been impressive and encouraging, much still needs to be done to consolidate and extend the operations and initiative that will certainly benefit the Italian economy and give the state-owned companies the pride of having opened up new technical and operational horizons." Mattei urgently needs to demonstrate his independence from the Christian Democrat Party because his success depends on the support of the Left. Thus, the ultimate paradox is that the survival of the Christian Democrat Party is ensured by opposition policies dictated by the Left's need to get the country's economy moving at all costs. Mattei preserves his independence even when Fanfani and his supporters, who seem to be championing the principles of efficiency, economic development and the enlargement of state enterprise that Mattei regards fundamental, achieve predominance if not actual power in the Christian Democrat Party. He supports Fanfani but prevents him from bearing down on ENI any more than he considers necessary.

ENI's sheer complexity is something totally new to Italian politicians and entrepreneurs at the time. Mattei takes advantage of this, giving the organisation a flexibility that outclasses even the best-run private enterprises of the day in terms of operational efficiency and speed of decision-making. Innovation derives not from general policy-making or abstract legal requirements, but from Mattei's ability to wage political and industrial war and come out on top.

Mattei's instinct proves right. Agip modernises its filling stations, which are an essential component of the Group's image. Mattei builds them bigger and better, enlarging their services and adding new facilities like cafeterias and motels. The famous six-footed dog becomes its logo. The original competition-winning design had only four legs, but Mattei had another two added to make the dog a "six-footed friend of four-wheeled people".

In Iran the Mossadeq government is overthrown in a coup d'état.

On 5 November, Mattei is awarded an honorary degree in mining engineering by Turin Polytechnic, and in civil hydraulic engineering by the University of Bari.

**1954:** Mattei is advised/asked by La Pira to buy Pignone, a bankrupt Florence-based company, which becomes Nuovo Pignone.

Eleven gas deposits are discovered in the Po delta and two in Sicily. The ENI Group's first direct involvement in petrochemicals comes with the discovery of abundant gas reserves at Porto Corsini near Ravenna. Anic builds a factory there to produce synthetic rubber and nitrogenous fertilisers.

At the end of the year Mattei is granted an audience with President Nasser of Egypt. Alarmed by the soaring cost of crude, sees Egypt as an interesting area for oil exploration and its leader as a "new man" who appreciates the global importance of petroleum the need to win goodwill and obtain trade outlets in Europe. They soon agree on the support Mattei needs to take over some existing oil concessions.

**1955:** To carry out its operations in Egypt, Agip acquires a major holding in leoc, which is already operating in the country. It discovered two oil deposits.

**1956:** After setting up Somiren (Società Minerali Radioattivi Energia Nucleare) in 1955) to search for uranium in the province of Cuneo, Mattei creates Agip Nucleare, which designs a gas-cooled natural uranium power station with the aid of a British company.

Agip develops and expands its overseas trading operations.

Mattei decides to draw attention to press attacks by journalists violently opposed to himself and ENI. He prints and privately circulates the first volume of *Stampa e oro nero* (Black Gold and the Press), revealing how much he resents the attacks and how dangerously inclined he is to ride roughshod over other people's opinions. The final volume will appear in 1963, after his death at Bascapè.

Mattei sponsors a new daily, *Il giorno*, to fight off criticism of the company, himself and his political policies.

**1957:** A new law governing hydrocarbon exploration and production in Italy comes into force.

leoc discovers its third petroleum deposit and the positive outcome of exploration in Egypt results in the creation Cope, jointly owned by leoc and the Egyptian state oil company.

An agreement is made with to set up the Italo-Iranian company Sirip, jointly owned by ENI and NIOC (National Iranian Oil Company). Agip Mineraria agrees to fund exploration while Sirip agrees to develop and exploit any reserves that are found. An additional clause

stipulates that fifty per cent of Sirip's net profits will go to the Iranian government, and the other fifty per cent will be divided equally between Agip Mineraria and NIOC. The result is that, for the first time, an oil-producing country secures for itself a profit of around 75%, significantly better than the fifty-fifty formula already regarded as "revolutionary", and is also actively involved in the production process. Iran is no longer a passive lessee, but an active partner in the oil company itself. This type of agreement has come to be known as the Mattei Formula.

In March Mattei has talks in Tripoli with the Libyan prime minister Mustafa Ben Halim and signs an agreement for an oil concession in the Fezzan area. At the end of the year, however, he is dealt a serious blow by the Americans, who exclude Italy from all their activities in Libya.

**1958:** Agip develops its business in Iran, Somalia, Egypt and, for the first time, in Morocco. ENI starts refining abroad as well as in Italy, leading to ongoing enlargement and improvement of its Irom and Stanic refineries.

Work starts on a nuclear power station at Latina. It will be completed in 1962.

**1959:** The Gela Mare 21 platform starts offshore drilling for the first time in Europe.

Oil exploration begins in Sudan.

Partly out of revenge, and partly because Anglo-American discoveries of oil reserves in Libya are making headline news, Mattei attempts a comeback in Tripoli. To circumvent the obstacles placed in the way of direct ENI access by the Seven Sisters, Mattei sets up Cori to look for oil reserves in Libya.

**1960:** The most important of the year's fourteen discoveries is the Ravenna Mare find, Europe's first offshore natural gas field. Agip signs its first agreement in Tunisia, and Mattei starts canvassing for a gas agreement with Algeria.

Agip cuts petrol and diesel prices twice, making them the lowest in Europe.

On 27 April Mattei is awarded an honorary degree in chemistry by the University of Camerino, and, on 4 December, an honorary degree in hydraulic engineering by the University of Bari.

**1961:** Sitep, an oil company owned 50-50 by Agip and the Tunisian government, is set up.

Work starts on an oil pipeline in Central Europe. Mattei, the brain behind the operation, brings in Snam, Snam Progetti and Saipem to design and build it.

In accordance with Mattei's wishes, ENI signs a long-term agreement with the USSR to import millions of tons of crude annually at an exceptionally low price in exchange for finished Italian goods, creating an outlet for some of ENI's chemical, mechanical and textile products and Snam Progetti's engineering and design capability. Strangled by the Seven Sisters' pricing policies, Mattei has had no option but to turn to Moscow. His agreement with the USSR is controversial, however, and unleashes a furious row. The Seven Sisters accuse him of opposing the cartel, depriving them of a major share of the Italian market, and pointing out new sources of supply to consumer countries.

**1962:** Mattei considers lowering petrol prices still further.

On 8 January, before taking off for Morocco with Mattei, the pilot discovers during routine check that a screwdriver has been fixed to some sheet-metal tubing inside the plane with sticky tape. The heat from the engine would have dissolved the adhesive, causing the screwdriver to fall into the engine and make it seize up. Mattei fears for his safety. Concluding that Sifar (Servizio Informazioni Forze Armate), the military intelligence organisation, can no longer be trusted, he employs a group of former partisans as bodyguards.

On 4 February Mattei is awarded an honorary degree in business and economics by the University of Urbino.

On 27 July the *Corriere della Sera* begins its coverage of the dispute between Mattei and journalist Indro Montanelli arising from the latter's analysis of and comments on the activities of ENI and its president. The controversy touches on a number of issues raised by Montanelli and rebutted by Mattei: oil and gas exploration; the cost of methane; blunders in Italy and abroad; relations with the big oil companies; ENI's monopolistic behaviour; trade with the USSR; obscurities in ENI's financial statements; the lack of external control over ENI's operations.

On 27 October Mattei's Morane Saulnier 760 crashes at Bascapè in the province of Pavia as it flies from Catania to Milan Linate. Mattei, the pilot Irnerio Bertuzzi and the American journalist William McHale are killed.

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