

# AND MATTERS

FINANCIAL TIME

22/12/77

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be weaned from the military subventions that have got it this far." He reels out statistics about the undeniably massive costs of nuclear programmes, makes your flesh creep with visions of the vulnerability of centralised power supplies to trade union blackmail. He claims that civil servants incline to nuclear power, which must involve central management, because they are the central managers *par excellence*.

In some ways, Lovins reminds you of Ralph Nader, his compatriot who has given Detroit's car-makers so much torment. Not surprisingly, his "new thinking" appeals to a populist president such as Jimmy Carter, whom he has met. In the U.S. Congress his ideas gain ground. Some indication of his impact, for better or worse, is the pronuclear response to Lovins's sardonic references to the constant drop in projections for nuclear power output in the U.S. at the end of this century. "If it wasn't for Lovins and his friends," they say, "the nuclear programme would be much further ahead to-day."

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t 30, after a restless acaugh, Harvard sure he knows uclear lobby" Fiat, a classic example of onk's of brainence? Lovins way of giving Libya a direct stake in the economic prosperity and stability of Italy and Europe.

## Dusty reply from Tripoli

It is now just over a year since Gianni Agnelli, the chairman of Fiat, took on board the Libyan Arab Foreign Bank as a substantial minority shareholder.

The complex deal provided Fiat with a very useful cash injection of \$415m, and gave the Libyans the right to two representatives on the Fiat Board and under 10 per cent. of the equity.

It was widely acclaimed at the time as a major coup for Fiat, a classic example of constructive re-cycling and a useful way of giving Libya a direct stake in the economic prosperity and stability of Italy and Europe.



"It seems that our son of York is the only one who wants a winter of discontent!"

The spectacular nature of the operation, and wider potential ramifications, were underlined when Agnelli subsequently flew to Moscow to meet the Libyan leader Colonel Gaddafi for the first time.

That meeting took place inside the Kremlin, which hitherto had not been generally thought of as the ideal venue for a shareholders' meeting. This provoked intriguing speculation about the possibility of future triangular deals involving Libyan cash and Fiat expertise, in the Soviet Union or elsewhere.

In spite of these heady prospects, however, there were considerable misgivings in Italy at the time about the wisdom of becoming so closely linked to Libya through this deal.

So far, these misgivings have proved unfounded. The two Libyan shareholders' representatives Regeb Missellati, deputy governor of the Libyan Central Bank and Abdulla Saudi, chairman of the Libyan Arab Foreign Bank, turn up for the regular

Board meetings to keep an eye on their investment while Fiat carries on with the basic power structure unchanged.

But now a tiny cloud has appeared on the Libyan horizon, coming from an entirely unexpected direction. It is in the shape of two construction companies from Genoa, which are claiming \$5.7m. from Libya in compensation for equipment left abandoned at the port of Tripoli when Colonel Gaddafi seized power eight years ago and then expelled the Italian community.

Having tried unsuccessfully for years to press their claim, lawyers acting for the two companies sent off a letter directly to Colonel Gaddafi which has just come back marked "addressee unknown." At which point the lawyers have started proceedings in a Genoa court to try to freeze part of the Libyan holding in Fiat until the claim is settled.

## Those were the days

Meeting we wished we had attended: The annual meeting of the Soviet-Chinese Friendship Society which, according to the latest issue of Soviet Weekly, has just been held in Moscow. No news of whether a good time was had by all. But apparently it was agreed that the armed uprising by workers in Canton in 1927 was a good thing.

## Practical view

A colleague's wife, expecting another baby, asked her seven-year-old daughter which she would prefer—a brother or a sister. "Well," the daughter said, "if it wouldn't be too much trouble, I'd rather have a pony."

Observer

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