

Fredrick A. Rothhaar

**FARO IV**

From the series  
MANAGEMENT – MY LIFE

Managing Director Behind Bars

**TEN YEARS ITALY**

Rick's Publishing  
Budapest



## TABLE OF CONTENTS •

---

PREFACE .....	5
A REAL ITALIAN .....	7
FARO'S JOURNEY TO ITALY .....	11
BEAUTIFUL VERONA .....	17
TASTY VERONA .....	21
THE TROJAN HORSE .....	25
ITALY IN UPHEAVAL.....	33
A STORY FROM MOGADISHU .....	41
THE SALE OF A COMPANY .....	43
THE NEW BOSS .....	49
PANDORA'S BOX .....	51
THE TAMING OF THE FIELD STAFF .....	55
THE TEMPORARY INJUNCTION OF MONTINI TROTTI.....	59
THE PROSECUTION .....	61
THE STAFF'S BETRAYAL.....	63
A STORY FROM PALERMO .....	65
POLITICS, ECONOMICS AND EARTHQUAKES .....	73
THE GORDIAN KNOT AND THE EGG OF COLUMBUS.....	77
WINNING THE BATTLE BUT LOSING THE WAR.....	79
THE AMERICAN OFFENSIVE .....	83
COMPANIA ITALIANA DIETETICI AND ITS DIRECTORS .....	89
A STORY FROM NAPLES .....	91
MONEY FROM THE BATHTUB .....	97
ITALY WITHOUT A SEATBELT .....	101
NAPLES – THEN AND NOW.....	105
A STORY FROM ROME .....	109
IN GOD'S NAME? .....	119
MARIO MUTTI – WORTH MORE THAN ALDO MORO? .....	123
MARIO MUTTI – A FREEMASON?.....	125
FROM ITALY TO AMERICA.....	131

---



## PREFACE

Sun, sea, wine, good food, song and beautiful women come to mind when we think of Italy. Frequent earthquakes, political scandals and mafia mobsters are the other side of the coin. The mafia is typically defined in dictionaries and newspaper reports as follows:

"The mafia originally denoted a strictly hierarchical secret society with its roots in the Sicily of the 19th century that sought to build up and consolidate its power by means of blackmail, violence and political influence. Today the Sicilian mafia is also known as the *Cosa Nostra* or the *Corleonesi*. The term 'mafia' is also used to refer to other Italian criminal organisations such as the *Camorra* from Naples, the '*Ndrangheta* from Calabria and the *Sacra Corona Unita* from Apulia. The word 'mafia' was also applied and is increasingly applied to other organised crime groups such as the American *Cosa Nostra*, the 'Russian mafia', the 'Albanian mafia', the 'Japanese mafia' and the 'Chinese mafia'. The term is traced back to very different sources in Arab, Spanish and Italian dialects."

## • PREFACE

---

In other words, the mafia is generally viewed as a criminal organisation. It gets forgotten, however, that the mafia, as it originally was established in Sicily, was a respectable secret society. It was founded by and consisted of men whose aim was to help those in need and to form a positive counterweight to other, inefficient powers, such as local authorities or even the government itself.

On that basis it is most likely that the term "mafia" derives from the word "mafiusu", which is still used in the Sicilian dialect today. In Sicily a "mafiusu" is a confident, brave and handsome man.

ANTONIO FUGAZZETTI, born on 13 March 1929 in Barcelona, Pozzo di Cotto, Province of Messina, Sicily<sup>1</sup>

---

<sup>1</sup> Don Antonio, as I call him, confirmed the stories from Naples and Palermo told by me in the book. He emphasises, however, that his knowledge is based not on personal experience, but on the reports of events told to him by those present at the time.

---

## A REAL ITALIAN

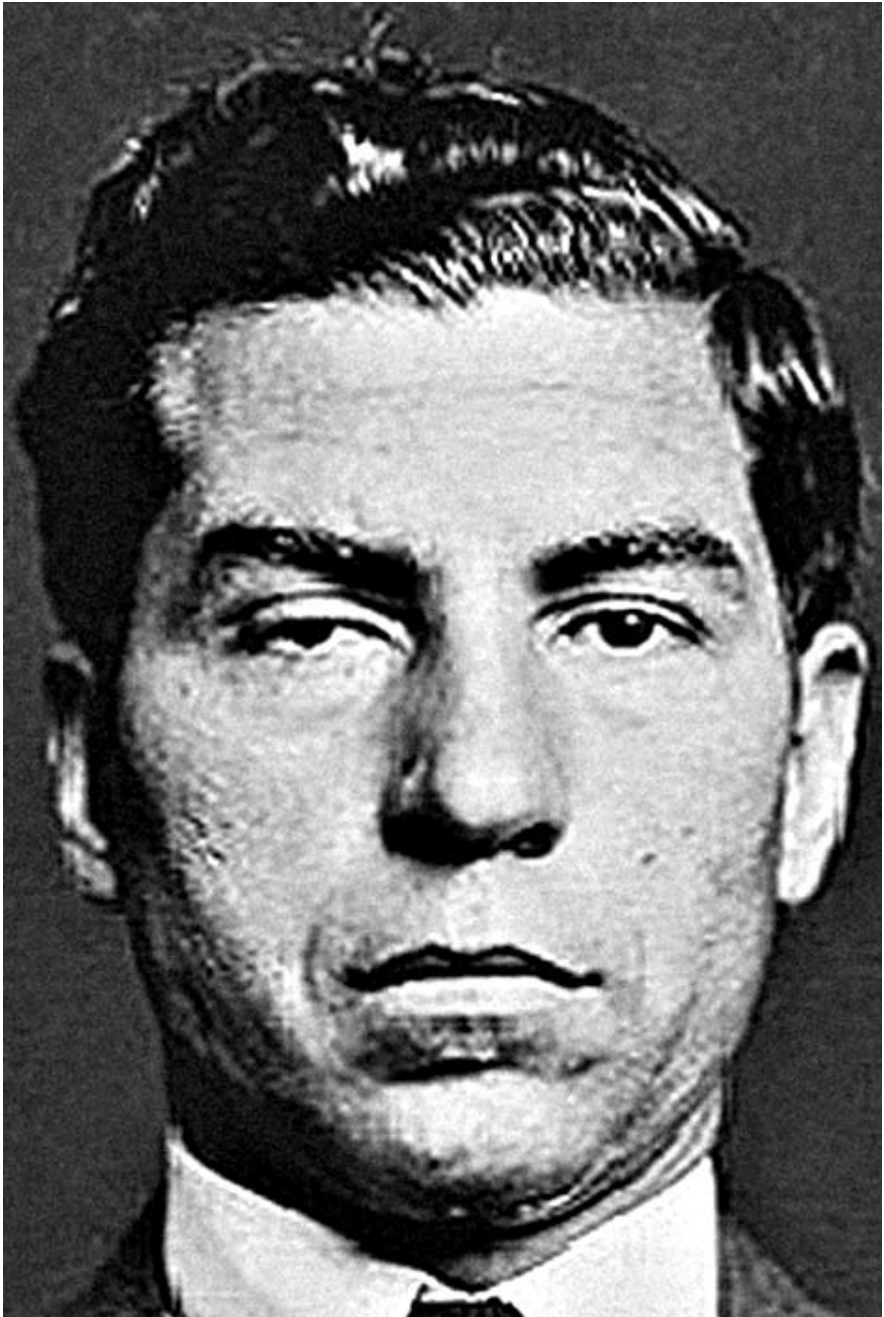
Real Italians are and were men like Garibaldi, Mussolini, Carlo Ponti, Gianni Agnelli, Adriano Celentano and Al Capone. When I was born on 13 January 1941, shortly after 1pm Central European time, one of the best-known real Italians was already 44 years old. At the time of my birth he lived in America. His life reflects in a dramatic way everything that I also experienced in Italy in later years. That is why the telling of his story is the fitting introduction to this book about a country full of contradictions.

Salvatore Luciano, alias Salvatore Charles "Lucky" Luciano, better known as Lucky Luciano, was born on 24 November 1897 in Lercara Friddi, Sicily and died on 26 January 1962 in Naples. He was a *mafioso*, or, to be less specific, an Italian-American criminal. Luciano is seen as one of the most powerful and significant personalities of the American mafia. He was the undisputed boss of the national gangster syndicate, the famous Commission.

Luciano received the nickname "Lucky" not by chance, but as a result of an ambush ordered by the boss of the Maranzano family. At that time Luciano was still an apprentice, working for the mafia Don Masseria, a rival of the Maranzano family. During the fight Luciano was severely "roughed up". He was left with a droop in his right eye that marked his face from then onwards. His throat was slashed from left to right. A meat hook was driven into his back. He was hung from that and left for dead.

Yet Luciano managed to free himself, and dragged himself to a doctor. The police officers who recorded the case wrote that he was incredibly lucky to have survived such torture. The nickname "Lucky" derives from that police record.

*Lucky Luciano*



*...A real Italian*

Luciano began his rise to the top of the Italian-American mafia when he had his boss, Joe Masseria, murdered at a dinner in an Italian restaurant in New York and took his position. The night of 10 September 1931, when Luciano had all the mobsters still affiliated with the Maranzano and Masseria clans killed, was known as the "Night of the Sicilian Vespers". The exact number of deaths is not known, but it is rumoured to have been more than 40. The dead disappeared according to the old mafia custom ... into concrete!

Luciano was the undisputed head of the mafia. He was responsible for many murders that he either performed himself or ordered. His name is associated with a prostitution and drugs ring, as well as a deal cut with the American secret service to prepare for the military landing of the Americans in Sicily during the Second World War.

He was a member of the *Camorra*, as the Neapolitan mafia is called. That is an organisation that differs in many ways from the Sicilian mafia, the *Corleonesi*. It was thanks to Luciano, however, that these frequently rivalling criminal groups were on peaceful terms both in Italy and in America.

Lucky Luciano spent the last years of his life in "exile" in Naples. He died there of a heart attack after drinking a cocktail supposedly given to him.

No autopsy was performed. Luciano was laid out in an elegant coffin. A spectacular burial was prepared. The corpse was sent to America. There he was buried in the Queens cemetery in New York. It was exactly ten years later that I made my first journey to Italy.



## FARO'S JOURNEY TO ITALY

The yellow Ford Mustang had a three-litre, 230-horsepower engine. Strapped to the angled top were cross-country skis. On the passenger seat was a calf-leather travel bag containing a Colt 38, a double-edged hunting knife and an iron knuckleduster. I set out on my assignment in Italy with a car, skis, the travel bag with the contents described and sufficient cash. I would remain there for ten years.

I was tasked with "crisis management of the Milupa company". At that time I would have rather sold weapons, but the job struck me as interesting and lucrative.

Milupa was an infant food producer in Germany. It was established at the beginning of the '50s in Friedrichsdorf near Bad Homburg. The founder was Emil Ludwig Pauly, from whom the firm takes its name (MI from Emil, LU from Ludwig and PA from Pauly). Milupa! The later owners were Koch, a businessman, and Bender, a food engineer.

Koch and Bender both loved Italy and in particular Abano Terme, a spa town near Padova. They lived there in the most exclusive hotel of the town: the Orologio. Koch and Bender were wealthy German businessmen, who ate well even at the beginning of the '60s. Owing to a cunning business decision they were among the first of those to avoid tax by taking up residence abroad. They founded an Italian Milupa in Padova Brusegana – 10 kilometres from their luxury hotel. As a result their stays at the spa resort mostly qualified as deductible travel expenses under the generous German taxation law still in effect at that time.

In 1969 Bender and Koch sold the Milupa German parent company to the Quandt family of entrepreneurs from Bad Homburg. The family owned big-name firms such as BMW Automobile, Varta Batterien and Byk Gulden Pharmazeutika. Bender sold all his shares because he

wanted a quiet life. Koch sold because he didn't want to be a minority shareholder. However, he came up with a rather bizarre agreement, to which the Quandt family agreed, either because it was ill advised or because its hands were tied. Koch retained Milupa France and Milupa Italy, with the only concession that Milupa Germany, by then belonging to Quant, would have right of first refusal should Koch decide to sell the companies still in his possession.

Koch, the head of another family of industrialists from Bad Homburg, died relatively young. The new, ambitious company leader in Italy and France was his son, Koch Jr. He was controlled by his mother, a respectable businesswoman. The people from Quant brought in a Swiss businessman who had made it to the executive level at Pfizer in the USA to be chairman of Milupa Worldwide, August W. Kobler. Like his counterpart Koch Jr. he was also ambitious, but he was even craftier ("ausgekochter", as we would say in German) and also more financially powerful thanks to the Quandt connection. Kobler served as my mentor and managerial role model for many years after I arrived at Milupa as a budding young head of internal audit and safety officer. At that time Milupa had an export boss named Günther Olesch. A sly fox. One of his tasks was to resolve the contradiction between "Milupa Worldwide" and "Milupa Koch". Picture an international paediatrics conference in Brazil, in the USA or in Europe. Imagine the confusion among the nurses, paediatricians and their assistants when they came across a second Milupa exhibition stand in addition to that of Milupa Worldwide. And that was not the only conflict that arose.

Kobler's aim and Olesch's task was to bring the Milupa companies in France and Italy owned by Koch to their knees and to make use of the right of first refusal to bring these two firms home to the parent company. At whatever cost.

Olesch had founded a firm in Italy, based in Verona, to that end. The Italian managing director was Dr Giuseppe Salizzoni. A pharmacist by profession. Salizzoni was Machiavellian in spirit and stature. I was to assist him in the task of bringing Koch's Milupa companies to their knees. But my task was also to keep an eye on him!

On that first journey to Italy in November 1971 I stayed in a cosy guesthouse in Wattens near Innsbruck run by an attractive widow. It became a pleasant place to stay for several years on the many journeys back and forth between Germany and Italy, even if I never became more closely acquainted with the widow. Another hotel that I used often was the "Greif" in Bolzano. Salizzoni, Silvano Monico (a later colleague) and I once consumed 90 snails in one evening, washed down with wine. On the next morning of my first journey, my yellow Mustang took me in a few hours over the Brenner Pass, where the motorway ended at that time, via Bolzano and Trento to Verona. There I was welcomed by Giuseppe Salizzoni at Via Paccinotti 2, the office of the substitute company in Italy set up by Kobler and Olesch.

*The Brenner...*



*...Goethe also used this pass*

*Hotel Greif, Bolzano...*



*...a pleasant place to eat and drink on the journey to and from Italy*



## BEAUTIFUL VERONA

Verona is the capital of the Province of Veneto in Northern Italy. Like most Italian towns, it has a long and interesting past. The heroic figure of German legend Dietrich von Bern was in fact Dietrich von Verona, since Verona was called Bern in antiquity. Likewise, Bern in Switzerland today is called Verona in Latin.

Verona was a city of the Raeti in pre-Christian times. It was conquered by a Gallic tribe in 500 BC and only became a Roman colony from 89 BC. Alaric was defeated by Stilicho in Verona in 403. Attila plundered and laid waste to the city in 452. Then it became the residence of the Ostrogoth king Theodoric, who overcame Odoacer here in 489. From 952 Verona belonged to the Duchy of Bavaria. It was not until the beginning of the 12th century that Verona gained its independence and its city charter. In the battle against Frederick I Barbarossa, Verona was among the cities at the head of the Lombard League. Afterwards it was shaken by the power struggles of two noble families, the Montecchi and the San Bonifazios. At the beginning of the 13th century the Ezzelini, the protectors of the Montecchi, took control of the city. Following the death of Ezzelino da Romano in 1259, the Veronese elected Mastino della Scala as leader in 1260. His family ruled the city for 127 years. Verona flourished under Cangrande della Scala. Verona came under the rule of Milan in 1387, and of Venice in 1405. In 1797 it was in the hands of Austria and in 1866 of the Kingdom of Italy. The city, which I would soon regard as the most beautiful in the world for many years, was as interesting as its history diverse.

Romeo and Juliet lived in Verona. An amphitheatre dating back 2,000 years stands on the large square, called the Brà, in the city centre. It was built at the same time as the Coliseum in Rome. Earlier gladiators fought one another or wild animals there.

Today a world-famous opera festival is held in the arena every summer.

---



*Verona on the Adige*

Each year different productions of works such as "Aida" and "Nabucco" by Giuseppe Verdi or "La Bohème" and "Turandot" by Giacomo Puccini are staged.

The well preserved structure is 152 metres long and 123 metres wide and has a circumference of 435 metres. The classical facade consists of arcades on two levels. The original, however, also had an additional exterior wall made of pink marble. I was told all that by a tourist guide. The inside of the arena has 45 rows, which are 45 cm high and 45 cm deep, seating some 22,000 people. Over ten years I saw all the operas performed there several times. When the operas were not on, I also used the arena to train. Situated right by my flat, it was the ideal sporting venue for me and my schnauzer Leila. Leaping up the 45 cm high stone steps either straight or diagonally, then running down again to the bottom row ... and up again to the last row, the 45th row. That's a sure-fire way to build strength and stamina.

I lived for three years on the Piazza Brà in a typically Italian flat together with my significant other Ilse S. and my dog Leila. We were an inseparable trio. It was paradise by German standards of the early '70s. The restaurants and terraces on the listone, the world's widest pavement, located on the west side of the piazza, were pleasant meeting places from April to November thanks to the southern climate. The Via Mazzini, Verona's luxury shopping street, leads to the Piazza delle Erbe, a centuries-old fruit and vegetable market. All that is surrounded by ancient buildings, some dating back 1,000 or more years. This enchanting part of the city is surrounded and demarcated by the Adige, a river that, according to Hoffmann von Fallersleben would one day form the border of the German fatherland.

From the Meuse to the Memel ...

From the Adige to the Belt ...!

That went through my mind and soul when I stood for the first time on the bank of this waterway, which flows with a swift current in late autumn.



*The amphitheatre  
Faro's place to train*



## TASTY VERONA

The other thing that the city offers is restaurants. In the Bottega del Vino in the Via Mazzini, at that time an original wine bar and today a first-class restaurant, guests were served *polenta* with *cottecino*. That is cornmeal flatbread and a type of salami, both boiled and served hot. Or *gorgonzola* with *polenta*. And perhaps some *prosciutto*, Parma ham or *San Daniele*. In the Tre Corone (Three Crowns) restaurant on the *listone* and in the Dodici Apostoli (Twelve Apostles) in the city centre I became familiar with Italian pasta. *Spaghetti*, the long, thin cylindrical pasta, *tagliatelle*, long, flat ribbons, and *penne*, thumb-sized tubes. Eaten with sauces made from meat, chicken liver or hare liver, salmon in cream, or *al aglio, olio e peperoncino*. Spaghetti in a garlic sauce with olive oil and sweet Italian peppers. For the main course meat *al Carello*. The waiter brings to your table a trolley with all kinds of boiled, roasted and grilled meats named *bollitto misto*. You say what and how much you want, and the waiter cuts it for you onto your plate. A real pleasure.

For dessert there is *zabaglione* – the yolks of at least two fresh eggs whipped with sugar in wine over heat. And to wash the food down: *vino*. In Verona that means a white *Lugana* from the south of Lake Garda as an aperitif. Then *Valpolicella* or *Bardolino* to accompany the main course. Red wine. To top it all off an espresso and a grappa. The best are *Nonnino*, *Fior di Vite*, *Nardini* and *Grappa della Morte* (grappa of death!). The story goes that a family of distillers from the Verona region lost grandchild, grandmother and father because the child fell in the *grappa* vat and the grandmother and her son, the child's father, jumped in after. All three choked in the vapours from the vat, hence the name *Della Morte*. Of death. The taste, however, is heavenly!

*Ristorante Bottega del Vino*



*Ristronte Dodici Apostoli*

*Piazza Brà and the listone viewed from the amphitheatre*



*Trattoria Tre Corone*



## THE TROJAN HORSE

Our firm in Verona was called DIELE Srl., an abbreviation of *Dietetici di Lessinia* (diet products from Lessinia). Lessinia is a mountain plateau stretching from Verona from the right of the Adige valley to the north. The foothills of the Trentino and Bolzano Alps. The company took its name from Dr Salizzoni. He was a dab hand at inventing code names. All the secret campaigns carried out by the small team of Diele to make life difficult for Milupa in Padova and, if we couldn't manage to bring it to its knees, to establish DIELE Srl. as a new firm on the Italian infant food market were given code names by Salizzoni. Nobody knew exactly, what the company's purpose was, but it was clear that, like a Trojan horse, it was intended to ensure that we were near to Milupa Padova and present on the market.

Srl. is an abbreviation for *Società con Responsabilità Limitata*, meaning limited liability company. Picture a pirate ship. Salizzoni was the captain with a small team that he had gathered around him.

The best known characters at the company at that time were Bruno Malesani in Veneto, Benjamino Chioffalo, a Sicilian, in Turin and Giovanni Gianvenuti in Rome. Despite backup from the industrious Milupa parent company in Germany, the company's sales activities were none too serious. That was down to Olesch, the export boss from the head office, who based his successes on wiliness. It was also down to Salizzoni, the captain in Italy, who performed his tasks not as a manager but as a man of instinct. The team was cut from the same cloth. A group of likable risk-takers. Two stories are told about Chioffalo's unprofessional, but effective sales methods.

The German Milupa head office at that time was just experiencing its first product launch flop with a powdered malt drink in a tin. The product was called Bika. Chioffalo launched this item in Italy by visiting the paediatricians in his area with a beautiful hostess who carried

## • THE TROJAN HORSE

---

a tin of Bika in her briefcase. Following the introductory words about the product, Chioffalo would say to his companion: show the doctor the Bika. That was a play on words. In Italian there is a similar word *figa*, which mean the paradise between the legs of a woman.

Chiofalo used another sales trick at a gala evening financed by Diele at the famous Saint Anna paediatric clinic in Turin. When it was time to dance, Chiofallo led one paediatric nurse after the other onto the dance floor. He had placed a coke bottle, filled with warm water, in the pocket of his trousers. That greatly increased his appeal, or so he said. I once told this second story on New Year's Eve in Abano Terme. Afterwards I danced a tender blues with the wife of a friend and asked her if she was having a good time: "Yes," came her shy answer, "even without the coke bottle."

The clash between Diele Srl. from Verona and Milupa Srl. from Padova was like a battle between David and Goliath. To create distribution for Diele's products in Italy, Salizzoni employed the "Rommel at night" strategy. Rommel had ordered that a tank be driven in a circle all night long to deceive the English about the tank strength of the Germans, Salizzoni told us. Salizzoni sent the wives of his few employees to many different pharmacies in their respective cities. They requested a Diele infant product, which of course was not available, but which the pharmacist then ordered from the wholesaler. The wife, however, never went to pick up the product. That meant the item was on the shelf in case a mother wanted to buy such infant food as prescribed by her paediatrician.

The same tactic was used under the codename "Campaign of the Vikings" to create distribution in the summer at the Italian resorts, at the Adriatic Sea, the Ligurian Sea or in Calabria.

Italian mothers spend the summer with their children not in Milan. Rome or Naples, but by the sea. Each employee was assigned a sea-side region. I was also one of the Vikings. We disembarked in Rimini, Portofino or Brancaleone Marina and visited all the pharmacies. We ordered products that we didn't go to pick up. That meant the infant

food was available for a mother from Milan, say, who might request the item the following week.

I was in the guise of *direttore amministrativo* – administrative director. In every company that is the second most important position after the *amministratore delegato*, the managing director. In addition to Dr Salizzoni and his sales leader Bruno Malesani, I also got to know another Italian character on the day of my arrival: Dr Giovanni Glisenti. If Salizzoni was a robber baron, then Glisenti was a landgrave. He was a true Veronese with a Milanese wife. In Verona or in the Veneto region as a whole, the people are simple, cheerful and rural. In Milan or Lombardy, the northern region next to Piedmont and Liguria, the people are typically urbane and discreetly arrogant. Glisenti lived in the centre of Verona at Corso Cavour 10. A number of impressive mansions are situated there between the Castelvecchio and the Porta Borsario. A splendid patrician house dating back several centuries, at number 10, was owned by the Glisenti family. The flats of the brothers and the sons occupied several floors. On another floor, with windows overlooking the main street, were the offices of the law firm. Glisenti was a *commercialista*. In Italy that is something like a bookkeeper, tax advisor, auditor, and also notary to a minor degree. He was responsible for dealings with the authorities and the tax affairs of our company. Since I was in the guise of administrative director, naturally I was also tasked with overseeing all bookkeeping tasks. That was one link to Glisenti. He became a good Italian friend in the ten years that followed. We experienced many adventures together.

Glisenti was incorruptible. He also made a point of me not engaging in any such misconduct. We were what I have described in one of my other books as “clean”. In addition to the patrician house in Verona, Glisenti also owned large estates and vineyards in Soave, a village and wine region on the way from Verona to Padova. At that time I purchased a litre of white Soave wine from the wine cooperative of Soave, of which Glisenti was president, for less than a litre of mineral water. That is where the slogan so often used today comes from: “Save water, drink wine”.

---

## • THE TROJAN HORSE

---

Although Diele Srl. was intended to develop a new market in Italy for Diele products in case the sale of Milupa Padova didn't go through, we didn't overexert ourselves in that regard. That was especially true in my case, since I was not yet involved in sales at that point. I made use of the time to learn Italian. I also purchased a mahogany boat on Lake Garda. Ilse S., Leila and I spent every weekend and every holiday in the summer there on the lake in the boat. In the winter we exchanged the boat for cross-country skis, which we used in San Giorgio, a settlement consisting of a hotel and two apartment buildings. It is situated just after Bosco Chiesanuova in the Hills of Lessinia, 50 kilometres from Verona. Snow was guaranteed from November to May. An ideal spot for cross-country skiing. We skied until 2pm on Sunday and in March, April and May were already sitting by 3pm on the *listone* of the Piazza Brà in the spring sunshine. I learnt Italian enthusiastically, consistently and intensively. My teacher, as I had insisted, did not know any German. We spoke solely in Italian. The first word I learnt was ashtray: *posacenere*. It was standing on the table. *Posare* means place or put down and *cenere* means ash. That was very simple. My teacher showed me with a cigarette how it works. I learnt hundreds and perhaps even thousands of words that way. Starting with the menu. When my boss, the chairman of the parent company, August W. Kobler, shortened to AWK, came to Verona for an inspection after my first six months in Italy, I surprised both Kobler and our 20-strong team of Italian employees with the following speech in Italian at the gala evening:

"Mr Kobler, gentlemen,

Six months ago I would have not have believed that one day I would speak Italian. Today I can. I can speak at least as much Italian as to express what needs to be said on a day like this. And that is the following:

Today we are celebrating the birthday of our small Italian company, in which you, gentlemen, have the important task of achieving and maintaining success. We cannot reach that goal without you, the team. Good management, however, is also needed. I had the fortune of attending

---



*Glisenti's vineyards in Soave*

*Lago di Garda...*



*...a summer paradise*

*Bosco Chiesa Nuovo...*



*...a winter paradise*

## • THE TROJAN HORSE

---

a management school during the past three years at Milupa Germany, and the master, the teacher at that school is our guest of honour today and our chairman, Mr August W. Kobler. This man taught me all that is needed to lead our small company to success with healthy management, your skill and Dr Salizzoni's experience. Let's drink a toast to Mr Kobler, Dr Salizzoni, to you, this team, and to the success of our company. Salute."

I garnered the most applause for my essentially simple speech because I gave it in almost perfect Italian. AWK in particular regarded me as a great guy because of that speech for many years.

As it happens I thought out the speech spontaneously, without notes and in Italian while I was on the way to the Marco Polo airport in Venice that afternoon to pick up AWK, who was landing there from Frankfurt. After the visit from our chairman we were naturally all motivated and set about the work of conquering Italy with enthusiasm.

## ITALY IN UPHEAVAL

At the end of the '60s, shortly before my arrival in Italy, the economic and political situation in Italy had begun to change dramatically. One reason was the student movement, while the other was that trade unions and workers rose up with unreasonable demands.

*La Zanzara* ("The Gnat"), a student newspaper from Milan, wrote the following heretical words in the eyes of Italy, the Vatican and the aged political system: "We want all people to be free to do what they want so long as they do not limit the freedom of others in doing so. Such freedom applies to sexuality and a total change of mentality. Sexuality must begin to be taught in schools. Religion damages sexual freedom because it burdens everything sexual with guilt complexes."

These words, composed by young people, contain nothing radical from a modern perspective. However, they were taken deadly seriously by politicians and the fusty Italian administrative apparatus. The embers smouldering beneath the ashes were taken no heed of. The reaction was to arrest and bring charges against the editors of *La Zanzara*.

The student front began to form. Rebellions, which had begun at Berkeley University in California, spread in Germany and France like wildfire and an ideological cocktail of the provocative ideas of Marx, Marcuse, Ho Chi Min, Che Guevara, Freud and Mao propagated in Germany by Rudi Dutschke and in France by Cohn Bendit, also took hold at universities in Italy.

On 1 March in 1968 in Rome the student movement, which until then had not been violent, showed another side: running battles with the police, hurled paving stones and Molotov cocktails. In Valle Giulia near to the Villa Borghese at the foot of the University of

## • ITALY IN UPHEAVAL

---

Architecture, students and police officers engaged in fierce combat with stones and petrol-filled bottles on the one side and smoke canisters and water cannons on the other.

There were hundreds of wounded and many arrests. Politicians and the public were shocked at the aggression with which the student movement had raged against the police. The escalation of that initial unrest meant that Italy in the '70s, precisely the time when I was working here, lived under a kind of terrorism that was in some cases even more brutal than that experienced in Germany at the hands of Baader and Meinhof. In Italy the equivalents of Baader and Meinhof were Renato Curcio, Margherita Cago and Marco Boato. They kept the country on edge for ten years and gave the epoch its name: the decade of lead ... and blood.

The ideological revolution at the universities repeated itself in the "Hot Autumn" of 1969 in the Italian factories. Although the economic situation of the working class had improved to a great extent in the previous years, the demands for more – and not just for more wages – were put forward increasingly forcefully and militantly in the years when I was tasked with achieving economic success in Italy. This battle of the workers against the management was supported by the three large trade unions Cgil, Cisl und Uil.

Their slogan was: What do we want? Everything!

Decision-making rights. No dismissals. The right to decide working hours. Reduced production line speeds as decided by the workers. These demands were accompanied by acts of sabotage at work, strikes and attacks against superiors and company owners in the effort to achieve their goals. Strong trade unions, weak politicians and businessmen intimidated by such aggression resulted in new labour statues being enacted precisely at the time when I began working in Italy, which caused considerable damage not only to me, but also to Italian industry and the Italian economy as a whole. This rebellion of the workers and trade unions was bolstered by terrorism born of the student revolution. At the same time a third destructive force also



*Students form a battle line in  
the Galleria in Milan...*



*...students in even greater  
numbers in Rome*



*The student movement escalates to terrorism...*

*...and rages*



*...first against the police*

*Workers and trade unions...*



*...blockade their companies*

## • ITALY IN UPHEAVAL

---

reared its head. The far right. The fascists. It is still not known today whether many of the assassinations in the '70s were carried out by those on the left or the right of the political spectrum.

Time passed in Verona. We were active, but secretly hoping that we would not really need to build up our own market, because at some point Milupa Padova and its large share of the infant food market would fall into our lap. That did indeed happen and it did so faster than we had thought.

At Milupa Padova the main mover and shaker was Koch Jr. The still relatively young businessman co-owned the company with his mother. He was bent on continuing the company, the legacy of his father, although his mother was of a different opinion and knew that David cannot always win against Goliath. The sale of the company in accordance with the mother's wishes was prompted by a terrorist attack that took place far from Padova, Verona and Italy.

## A STORY FROM MOGADISHU

On a late afternoon in October, the Lufthansa aircraft named Landshut took off in Palma de Mallorca for Frankfurt am Main with tourists on board. On that flight numbered LH 181 were two men and two women who turned out to be members of a Palestinian terrorist commando. They hijacked the plane.

The terrorists had brought two pistols, four hand grenades and around 50 grams of plastic explosive on board, hidden in vanity cases and a radio. Their leader was the 23-year-old Zohair Youssif Akache, who named himself Captain Martyr Mahmud. On board the plane, in addition to the hijackers, were 82 passengers and five crew members. Of the passengers 23 were German.

The plane was hijacked in French airspace and flown to Rome, where it was refuelled and Mahmud first made known the hijackers' demands: the release of 11 Baader-Meinhof terrorists detained in Germany, two associates held in Turkey and a sum of USD 15 million. From Rome the Landshut flew via Larnaca and Bahrain to Dubai. It then travelled to Aden in South Yemen. There the terrorists killed the captain of the plane with a shot to the head. They wanted to show that they were serious. The plane, flown by just the co-pilot, then made its way to Mogadishu, the capital of Somalia.

Since Larnaca the hijackers had been pursued by a plane carrying officers of the German counter-terrorism group GSG 9. This commando managed to storm the plane in a spectacular rescue operation in Mogadishu. Three terrorists were shot dead. All hostages remained unharmed. Among those stepping from the replacement aircraft used to bring the rescued passengers to Frankfurt was Mrs Koch, the mother of Koch Jr. and the majority shareholder of Milupa Padova.



*The Landshut*

## THE SALE OF A COMPANY

The negotiations about the sale of Milupa Mulhouse (France) and Milupa Padova (Italy) were carried out in Germany. We learned later in Padova, however, that Koch Jr. had been dead set against selling. A few days earlier he had sworn to the team in Padova that he would never sell. He had even tried to obtain a temporary injunction against the sale based on the Italian law on inheritance. All his efforts were to no avail. His mother, worn down by Mogadishu, sold. At the end of October we then received instructions from the head office to take over Milupa Padova the next day. Dr Salizzoni and I drove there. Günther Olesch and Theodor Stukenkemper, export coordinator in charge of the southern hemisphere, were already there. The company was located in Padova Brusegana on the road between Padova and Abano. Brusegana was a quarter of the city where a lunatic asylum known in the region was also located. When you told people that you worked in Brusegana, the locals gave and still give an understanding smile.

With 150 employees, 20 of them office staff and 130 in sales and clinic visitors throughout Italy it was rather bigger than our previous outfit in Verona. The infant food was supplied from the French Milupa factory. Two directors, the head of accounts and nine regional leaders working as field staff were in charge of management of the company. The sales director was a certain Dr Zanessini, a pharmacist by training from Venice, the counterpart of my Dr Salizzoni. The administrative director was a young German from Westphalia, Willi Klapheck. A capable young man. In terms of position he was my counterpart. As far as his ambitious goals were concerned he was my enemy.

When Salizzoni and I arrived, Olesch and Stukenkemper had already been on site for some time and had been talking with Klapheck and Zanessini. That was a management error that indicated little intelligence or loyalty to us, their own people, but which was typical of the behaviour of many German managers abroad. A certain submissive-

*Abano Terme...*



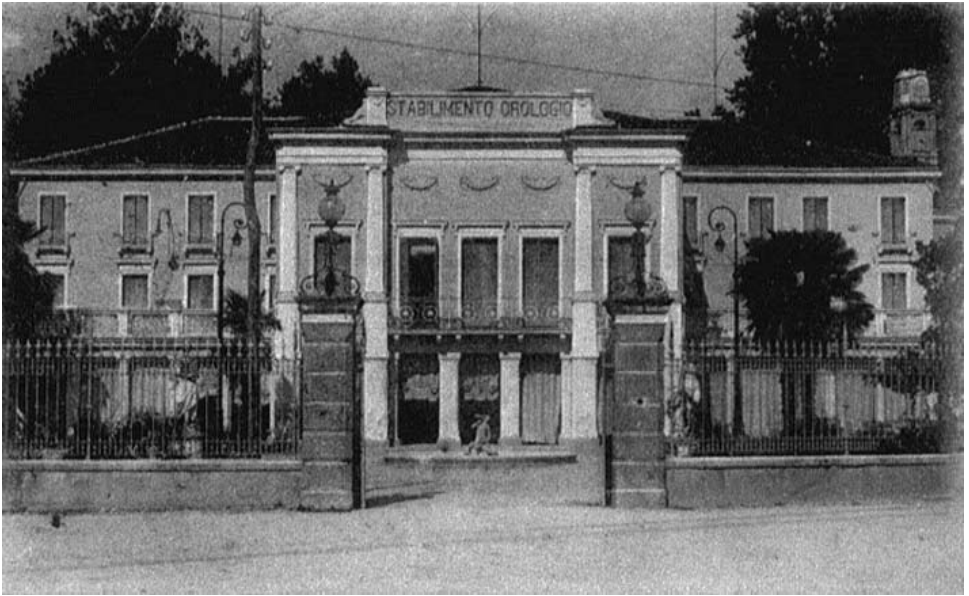
*...a health resort for a thousand years*

ness towards foreigners. In doing so they had already given the two directors there the impression that they continued to be the leaders of the company and only had to report to the two Germans from the head office. Our room for manoeuvre was limited as a result. In addition to all the problems that we came across in Padova and that we solved for the home front in Germany, we also had to fight to assert our positions.

Nor was our coordinator, Stukenkemper, whose management philosophy was based on neutrality, any help in these struggles. Nevertheless, he was a good manager. Dr Zanessini and the head of accounts, Dottoressa Dovico, who was hand in glove with him for a long time, were our secret adversaries. They were the enemies not only of me and Dr Salizzoni, but also of the new German owners. It was only after two years that we discovered that Zanessini, who during our talks both in Padova and at the head office in Germany had everything interpreted from German to Italian, spoke perfect German, I was later informed that he always spoke of the Germans as the "square-heads". Zanessini also had a very tense relationship with Dr Salizzoni, who was to take the post of Zanessini in the new firm and who was anticipating that he would be the new *amministratore delegato*, i.e. the top boss – a position which the former owner Koch Junior had held until then. "The difference between you and me is that I, Zanessini, am a romantic, while you, Salizzoni, are a sentimentalist," Zanessini told Salizzoni.

I moved my place of residence from Verona to Abano Terme. There I lived initially, like Koch and Bender many years before, in the Orologio. Afterwards I moved to a lavish and spacious flat in the Via Calle Pace on the edge of the exclusive city centre.

*The Orologio...*



*...in the day of Koch and Bender*

*The Orologio...*



*...in Faro's day*



## THE NEW BOSS

Everyone was out to become the top boss. The only person who had never had their eye on the job was me. I then happened to be called to Germany and offered the position. Naturally everyone believed that my youthful ambition had driven me to seek that title and the power that went with it in ruthless fashion. I had similar experiences later when I was made president of various companies in the USA, Canada, Hungary, Russia, Romania and Switzerland without having striven for the post. Those positions were always proposed to me and often I was even pushed to take them.

There were always enviers who had been waiting in the wings and believed that I had snatched something away from them. The catalysts in these struggles were mostly the wives of those who lost out on the job. Back in Italy my appointment caused great surprise. But people learnt to respect me. That was always how it went in my life. Thanks to my having ancestors from Italy and Russia as well as from Germany, I was never a German "square-head". There were people who loved me, but also many who hated me.

Others weren't sure which won out: hatred or love. I always remained the same. An "arrogant" bearing. A modest nature.



## PANDORA'S BOX

What awaited me in Padova was an economic war zone with many fronts. The Koch companies were acquired not by Milupa Germany, but by the Quandt Group. However, the purchase was like that of a matchbox whose content was unknown. It turned out to be a veritable Pandora's box. Koch had inflated the turnover by pumping the market full with infant food, which at that time carried no best-before date, in the year before the sale. The Italian firm was a Srl. limited liability company. A "joint-stock company" needed to be merged into the German joint-stock company. I therefore needed to change Milupa Srl. to Milupa Spa. (*Societa per Azioni* – joint-stock company) and transfer the shares of the new company from the Banca Ambrosiana in Milan via the Banca della Svizzera Italiana in the Swiss city of Lugano to Bad Homburg before 31 December of the year in question. The deadline was so important because otherwise the Quandt Group would not be able to take advantage of the write-off possibilities provided for in sections 6 and 7 of the German tax law. We were talking about millions of deutschmarks. And the time passed because I was occupied with many other unexpected tasks and because at that time everything in Italy went more slowly than we would have liked.

However, on 22 December I made it to Lugano by train from Padova via Milan. The shares of Milupa Padova had been sent there from the Banca Ambrosiana in Italy to the Banca della Svizzera Italiana in Lugano through banking channels because such shares could not simply be taken across the border. I was authorised to collect the shares. I took them on the night train to Frankfurt, where I delivered them the next morning to the Quant House in Bad Homburg. Dr Trömel received me. He was responsible for Milupa Infant Food and Byk Gulden Pharmazeutika. I was warmly welcomed and took a seat in his office. He then called to his secretary: "When Kobler arrives, he should report to me straight away". That was music to my ears. Hearing such words about my superior, whom we had treated with the greatest respect and who ruled like a king in the Milupa House in Friedrichsdorf, 30 km from the Quandthaus in Bad Homburg. Suddenly here he had to report to his superior. When Kobler arrived, Trömel, who

*Quandt House in Bad Homburg ...*



*...centre of power*

was clearly in good spirits because the shares had arrived on time before 31 December, said to him: "I present to you your best employee". That was again music to my ears. Of the many tasks that had awaited me as managing director of the firm in Padova, changing Milupa Srl. to Milupa Spa. was just a technical question and was performed by my solicitors, tax advisors and bankers. However, the pressure to get it done on time had been on me. Now it had been managed and successfully wrapped up with my visit to the Quandt House.

The change from a company with limited liability to a joint-stock company, in addition to the tax write-off benefits, would soon also bring us a legal advantage that helped to minimise certain financial damages, although these were large enough as they were.



## THE TAMING OF THE FIELD STAFF

Our field staff consisted of 130 employees. There were nine *capi area* (regional managers), 60 pharmacy sales reps, 60 clinic sales reps and a man in charge of relations with the health ministry, the *Ministero della Sanità* in Rome.

Both our office staff and our field staff were a jittery team. That was owing to the years-long uncertainty about what would become of the company – Milupa Koch or Milupa Quandt. There were rivalries in the field – a Padovan sales rep coming across one of our Veronese sales reps in a clinic and almost coming to blows over which of them would replace the other in the new company. There were also strong trade union movements. Both the trade unions of the office staff and the field staff has formed so-called internal committees. The result was that the team was like a herd of wild, fretful horses.

The first showdown came at my first encounter with this herd, immediately after my appointment as *amministratore delegato*, the boss of the company. A national meeting was called in Bologna, at a good hotel in the city centre. All members of the team had travelled on the previous evening – from Sicily in the south and from Piedmont in the north – and were to travel back to their sales areas the next day after a joint dinner.

The meeting began at 9am. Dr Zanessini introduced me as the new German managing director. Without any applause or comment on the appointment, a man rose from the rows of 130 Italians sitting opposite me, named his name and stressed that he was leader of the internal committee and wished to make the following opening remark:

“If the first item on the agenda today is not salary increases for all staff, then the entire team will head home at once.”

## • THE TAMING OF THE FIELD STAFF

---

My response was that I would return to my room to rest a little and that if I returned and everyone had left, all those living nearby should resume their work that afternoon and those with a longer journey should do so the next day. The travel costs of the sabotaged meeting would not be refunded, I added.

Otherwise, if they were still there when I returned, I saw no reason not to discuss the question of salaries during the day's meeting, I told them. "However, I will determine when, how and with what outcome we will discuss it." I returned after 30 minutes. They were all sitting in their places. The meeting was a good one. Yet the main reason that it stayed in the minds of all those concerned was that the railway station of Bologna became an inferno in the night after our joint dinner and just a few hours before our 130-strong team travelled back home. A bomb had exploded in the Italicus Express train at San Benedetto Val di Sambra station, just a few kilometres from Bologna's main station. It killed 12 passengers and injured more than 20. As with many of the acts of terrorism in the '70s, it is still unknown today whether the bomb was planted by leftists or fascists.

Bologna and its station were shaken by another tragic attack some years later. On 2 August 1980 hundreds of passengers were waiting on the platform for a train to take them to the south of Italy for their holidays, when a bomb placed there detonated. This time there were 80 dead as well as many injured. This act of terrorism, despite many arrests, prosecutions and trials, also remains unsolved today.

A second conflict with the field staff came just a few weeks after that event in Bologna.

When changing the company to a Spa. we adapted the packaging of all the items in the product range and introduced a best-before date of 24 months, which was a considerable innovation on the infant food market in Italy. By then we knew that Koch Jr. had inflated the turnover by pumping the market full with products in the previous years. In order to remove those aging products from the market, I instructed the sales staff not to sell for several weeks. The snooty clinic sales reps were

*Bologna...*



*...the terrorist attack in which 80 people were killed*

• THE TAMING OF THE FIELD STAFF

---

also told not to visit the clinics during that time. Instead the task was to retrieve the products from all pharmacies in Italy. Many of them did not grasp the future value of this campaign. Some grew a beard to show that this “clean-up” task was demeaning to their image and their position. However, I got my way. We retrieved hundredthousands of products that were past their best.

## THE TEMPORARY INJUNCTION OF MONTINI TROTTI

Those two business decisions, introduction of the best-before information and retrieval of old products, however, did not help to ensure that the Italian courts upheld justice. The duty of care of every company director forms the basis of their running of the company. If the director violates that duty of the care, they can be prosecuted. However, even if the director acts with care, they can be, unjustly, punished, by unserious courts, such as those in Italy at the time.

On the morning of 1 August, the day when all Italians usually go on their summer holidays, three officials from NAS, a police health authority, entered our offices in Brusegana. They demanded to see our warehouse, which was ten kilometres away in an industrial area. I sent Willy Klapheck there with the officials. I was unruffled since the first lorry-loads of infant food that had arrived the previous week with the imprint Milupa Spa. and the newly introduced best-before dates were stored here. The combined value of these goods was some DM 2,000,000.

Half an hour later Klapheck called me. All our goods in the central warehouse had been seized based on a written temporary injunction that the officials had pulled out, he told me. The temporary injunction was signed by a prosecutor from the Padova Court of Justice. One Montini Trotti.

The facts of the case were as follows. According to Italian law in the past consumer claims were heard in the city where the consumer had submitted their claim. A new law that had entered into force a few months earlier determined that the claim had to be heard by the court of justice in the city where the producer or seller of the products had their head office and place of jurisdiction. Six claims had been made in

## • THE TEMPORARY INJUNCTION OF MONTINI TROTTI

Padova on that basis in the previous weeks. From Palermo, Syracuse, Agrigento, Naples, Bari und Cagliari in Sardinia. All places that were very hot and where a worm had easily developed in a cereal product.

The upshot, and this was the outrageous part of it, was that Montini Trotti had ordered that our central warehouse and 14 regional warehouses across Italy be seized. He charged me as managing director with having sold infant food that was hazardous to health. Then he left on his holiday for six weeks on 1 August.

That was a big deal. In our 14 regional warehouses we had goods worth an additional DM 4.6 million. All our sales would collapse. Despite the fact that we were innocent and such complaints did not justify the judicial decision because of the minimal risk – rice and a worm in it. First we needed the right lawyer. One or several who went in and out of the Padova Court of Justice. I found Guzzon and Molnari, the best lawyers in the city. Molnari was even a university professor. Guzzon was the son of a lawyer whom I knew from Verona. The next morning we had an appointment with the prosecutor serving as Montini Trotti's deputy. Our chief aim was to avoid the imminent seizure of the products in the regional warehouses and to get the central warehouse free. We were helped in that by the recent change in company form. Montini had brought the temporary injunction against Milupa Srl. We were Milupa Spa. and the products belonged to Milupa Spa. The deputy prosecutor went along with that brilliant argument.

His decision was that the seizures in the regional warehouses that had not yet been performed were to be annulled. Montini would decide on the seizure in the central warehouse that had already occurred after his return from his holidays. That was a big relief. However, the goods worth DM 2,000,000 in the central warehouse were only released after two years. That was the same time as the expiry of the best-before dates. We turned it into animal feed.

## THE PROSECUTION

The temporary injunction hanging over us was naturally a time bomb. What would Montini Trotti decide on his return? And there was also the charge against me for endangering life. We found out that he sympathised with the left-wing terrorist group *Brigate Rosse* (the Red Brigades). It was also said that he had an aversion to everything German on racist grounds. Even today I can recall his wide eyes when he stood opposite one another for the first time. I wore my favourite coat. Long, black leather!

We needed to prepare ourselves. I sought Italy's best food lawyer. I approached ten companies, including Buitoni, Barilla, Parma Latte, Nestlé and Coca-Cola. One name was mentioned seven times: Lorenzo Corte, Via Cappuccio 18, Milan. He was no longer in his youth. A star lawyer. Brilliant. We met perhaps a hundred times in the next three years. In Milan, Verona and Padova. Those were the scenes of the trial, the appeal and later the amnesty.

We were able to prove to Montini Trotti that it was not I that had sold the products complained about, but the previous management. During the hearing, he changed the charge as a result. I charge you with *per aver omesso di far ritirare dalla rete esterna i prodotti pericolosi* – having omitted to have the hazardous products removed from the market by the field staff. The ruling was ten months' prison, with probation. As the devil would have it, a consumer complaint arrived one month later from Genoa. For that Montini Trotti gave another 40 days and cancelled the probation. That meant I was to be jailed for 11 months and ten days. Lorenzo Corte appealed. Before the appeal was even heard, an amnesty was announced as so often because of the overcrowded prisons in Italy. Those who had less than two years left to sit, were released. Those whose sentence was for less than two years did not need to go to prison at all.

That saved me from knowing the insides of an Italian jail.

This story serves as an example, however, of the responsibility of every company director and how quickly they can be punished for irregularities. Often even when the director is not to blame himself for the offence.



*The Court of Justice of Padova*

## THE STAFF'S BETRAYAL

We made great efforts for both the office staff and the field staff. I have clear memories of a trip to the head office in Germany that we made with the 130 sales reps and clinic visitors. Factory visit, presentation of all products and marketing strategies, accommodation in one of the best hotels in Bad Homburg and a gala evening with a warm and cold buffet that was first class by the standards of the time. We pulled out all the stops. During the gala evening I suddenly came across a group of southern Italians sitting in a corner and eating spaghetti. They had spurned the buffet, found an Italian waiter and ordered their favourite dish. We drew from that the conclusion that all our efforts were in vain. Perhaps we should not have made so much effort, and simply given them spaghetti.

In addition to the economic damage done to our company by the unscrupulous Montini Trotti, we also had to recognise, that neither the office staff or the field staff was our team, although personally I had good relations with these people, who also treated me with great respect. But the trade union movement in particular was too great. Imagine that you want to move an employee from one department to another, which would benefit both the company and the employee. Yet the employee wants to stay put and both the internal committee and the regional trade union representative start making life difficult for you. I can recall one of the first negotiations with the head of the internal committee. The arrogant man, still young at the time, from the field staff took a place in the chair opposite my desk. He didn't sit. He sprawled. I have no idea how I already knew the following Italian by that time, but I said to him: "Con un uomo stravaccato come Lei, io non tratto" (I will not negotiate with a man sprawled like a cow). Although he sat immediately, he did not manage to push through his demands. I blew him off.

## • THE STAFF'S BETRAYAL

---

Or you summon a regional leader to the head office on the suspicion that he personally or people from his team are engaged in underhand activities. The man swears blind to you that he will never do the slightest damage to you or the company. After sending him home in good faith, we learned the next day from the regional newspapers – in this case those of Sicily – that the man, one Fimognari, belonged to a gang of fences that had stolen three lorry-loads of infant food from a rival company and sold it to our customers on the sly. Several of our lorries were also stolen at that time. We then found them after around a week in various parts of Italy. Empty! After that episode we grasped that this was not our team.

We never saw or heard anything of Fimognari again. He lay low in Macchi. A bush-like forest in Sicily, which bandits of those days and centuries past used as a hideout.

## A STORY FROM PALERMO

Sicily's most famous bandit of the period following the Second World War was Salvatore Giuliano. He spent the great part of his life as an outlaw in the hills around Palermo. In the Sicilian forest. In Macchi. The lawless live in Macchi, where they are guaranteed the silence of their fellow citizens. The Sicilian farmers know nothing and hear nothing. They keep their eyes fixed on the earth that they tend. No police officer will ever get a word out of them. Those living in Macchi can be sure that someone will provide them with a hide-out, supply them with food and warn them of imminent danger.

The introduction to the second volume on the results of the inquiry of the anti-mafia commission states the following: "Salvatore Giuliano killed 430 people during his long career of crime. Kidnapping and blackmail brought him more than a billion lire in total." A bounty of 50 million lire was placed on his head. Giuliano made a trip across the world even before he was out of the womb: with his mother across the Atlantic from the USA to Sicily. That anecdote is worth bearing in mind, because a longing for the continent where he was conceived can be read from between the lines of his life story. A longing for that huge country, America, which he hoped to annex Sicily to by amputating it from Italy.

The Giuliano family emigrated in 1904 to the United States. In the year of the first general strike in Italy, his parents made the voyage with no money but great hopes together with some 400,000 other Italians. In the USA Giuliano's father did not find the pots of gold that he had dreamed of.

What he did end up with was the miserable wage of a load carrier in Brooklyn. The family grew. The sons grew up and the family decided to save up the little money earned and to return to Sicily and buy a house with a little land. In the year that the Giulianis returned, at

## • A STORY FROM PALERMO

---

the end of 1922, the first crime statistics began to be compiled in Italy. The figures were far from encouraging. 6,278 murders, including 1,357 in the Province of Palermo alone. The province set another inglorious record: 2,365 cases of banditry, robbery, blackmail and kidnapping. Palermo alone accounted for a quarter of the total 8,847 crimes committed in Italy as a whole.

Salvatore Giuliano was born on 16 November 1922 in Montelepre, a small town in the Province of Palermo. Even as a 12-year-old he worked hard on his father's field. However, he soon discovered that there was more money to be made by trading olive oil. "I discovered by chance that the price of oil was higher in Camporeale than in Montelepre, the farming village where I lived. I decided to hire a bicycle and to purchase oil in Montelepre and sell it in Camporeale, 30 km away. Farm workers at that time earned four lire a day, while I took home six to seven lire by trading like that," he later told a journalist. Trade in oil, grain and sugar became his occupation and source of income in the years that followed. At the beginning of the Second World War, that business became black marketeering.

Salvatore Giuliano fled at the age of 18 to Macchi, after shooting dead a *carabiniere* who inspected him while he was trading in flour and sugar on the black market in the second year of the Second World War. Deciding to head to "Macchi" also meant another choice in Sicily ... the choice of a life with a weapon in the hand, a weapon that sooner or later would inevitably be used to kill.

Salvatore became a coldblooded and merciless bandit. Yet he was also a "Robin Hood", who helped people in need and was revered by the poor. As a gallant romantic he also set women's hearts aflame. More than one girl is said to have run away from her parental home to him in the hills and to Macchi. As a "personality" of worldwide fame about whom many column inches were written in the press, he is also reputed to have had a love affair with a famous Swedish journalist.

Giuliano fraternised with two power strongholds in Sicily. One was rooted in tradition, secret, untraceable ... the mafia embraced him with the admiring words of the then boss of the Palermo chapter: "Look, what a gutsy youth". The other was the explosive separatist movement that had only recently come into being. "We need to associate with the world of crime, because Garibaldi did the same" was how the leader of these separatists, a Sicilian Baron, justified the inclusion of Giuliano and his 80-strong gang in the movement.

In the uncertain post-war years, many Sicilians believed that the government in Rome and exploitation by the "mainlanders" were to blame for the deprivations suffered by the island. That widespread dissatisfaction was paired with the fears of Sicilian landowners that Italy was on the brink of sliding into communism. Hallucinations, delusive political diagnoses, adventuresome dreams and criminal groups came together in the project to separate Sicily from Italy, to make it an independent island and to annex it to the USA as the 49th state. The links between the Sicilian and American mafia and the American occupying force on the island had encouraged this project from the last days of the Second World War onwards.

Salvatore Giuliano enthusiastically decided to join the movement. He handed an American journalist who visited him in Macchi a letter to President Truman. It read as follows: "Our dream is to detach Sicily from Italy and then annex it to the United States of America. As we lost the war, we are in a disastrous state and easily fall prey to foreigners [...] in particular the Russians [...]. In 87 years of national unity or, to be precise, in 87 years of slavish dependence on Italy, during which we were robbed of all our treasures and treated like a miserable colony [...] our desire to be united with the USA was born. We are a powerful organisation. We have an anti-Bolshevist party and we are ready to exterminate communism on our beloved island. We can no longer tolerate the spread of the red shirts. Their leader Stalin, who, as you know well, is sending millions and millions to win the hearts of our people, preaches a policy of falseness. Fortunately our organisation does not believe in the paradise that Stalin has promised us."

---

• A STORY FROM PALERMO

---

*Salvatore Giuliano...*



*...Sicily's most famous bandit*

The dreams of the separatists and the successes of Salvatore Giuliano's gang came unstuck because of the strength of mainland Italian politics – the Communists had come to power in 1947 – and the creation of a hard-hitting police force. That spelled the end for Giuliano and his partners in crime. In the night of 5 July 1950 he was found dead in the courtyard of the lawyer De Maria in Castelvetro, in the Province of Trapani. The carabinieri claimed that they had set him a trap and shot him dead in a gunfight after a chase of more than 30 minutes.

His deputy and right-hand man, Gasparre Pisciotto, however, also claimed to have killed Salvatore, while he was sleeping, in the house of the lawyer. The true facts of the matter are shrouded in mystery. Yet there must have been people who know what really happened. The events following the "death" of the bandit were certainly mysterious enough to suggest that was so. Pisciotto received neither the bounty of 50 million lire or the freedom that he had hoped for. On 9 February 1954 he was silenced for good by a strong dose of strychnine, dissolved in a cup of coffee, in his cell in the Palermo prison. Of the others who may have known the truth, 14 were eliminated in a chain of deaths lasting until 1978.

It was in that context that Borisi, chief of the mobile police command in Palermo, once told a journalist that you could still be killed in Sicily 30 years on for crimes in breach of the "codex".

In 1979, when I heard of Salvatore Giuliano for the first time, Pasquale Sciortino, cousin and member of Salvatore Giuliano's gang, was released from prison after 29 years. He said the following: "I am convinced and have evidence that Giuliano is still alive. He fled first to North Africa, to Algeria, and then to Spain. From there he certainly headed to the USA."

"But his corpse was identified," protested those asking him. "Yes, but my mother and my aunt, Giuliano's mother, only saw a lifeless body lying on the floor in the morgue of the police station from a distance of more than 20 metres. They began to shriek, fainted and

*Salvatore Giuliano...*



*...found dead in a courtyard*

were still unconscious when they were carried outside by the *carabinieri*. According to the police report, that was sufficient to identify the dead. Anybody could have been lying on the marble floor of the morgue." Fantasy and truth are interwoven. In many cases only Macchi is in the know.



## POLITICS, ECONOMICS AND EARTHQUAKES

Italy suffered an economic slump in the middle of the '70s that worried not only the Italians, but also the allied states of the West. That was accompanied by the fear of many Italians and western governments in particular that the communists could win a majority again for the first time since 1947 in the coming general elections on the back of political and economic shocks.

The balances of payments were dire in 1974 and 1975. Inflation, officially reported to be 17%, was unofficially estimated at 25%. Some 15% of young people aged between 15 and 24 were unemployed. The lira kept on falling in value. That did our bottom line no good because we were importing all our goods from Germany and France at Deutschmark prices. The economic effects were equivalent to an earthquake. Petrol, gas and oil prices rose drastically. The discount rate rose from an already high 12% to 15%. The purchase of foreign currency and therefore payment for our imported goods was hampered by the requirement for a statutory deposit to be lodged with the bank, on which no interest was paid.

The higher the income, the greater the rise in taxes, while at the same time the pension provisions for those income classes were lowered. All in all, it was a political and economic earthquake.

We were visited by an auditor and financial advisor from the head office. Klaus Dieter Naujokat. He was to offer me professional advice on handling all these problems. We were sitting together on a café terrace in Abano Terme, which is known for its hot mud coming from below the ground, after having dinner. A heavy lorry rounded the corner. The earth shook. Cracks appeared in the walls. "Is the ground moving?" Naujokat asked. Not long after we realised that Italy had been struck by one of the most powerful earthquakes in decades.

## • POLITICS, ECONOMICS AND EARTHQUAKES

The quake was caused by the slow movement of the African Plate and the Adriatic Plate, a breakaway section of the African Plate. The pressure of those two plates on the Eurasian Plate builds up over centuries and is then suddenly discharged. That was what happened on 6 May 1976. At 10.05pm. The epicentre was at Udine in Friuli, 100km from us as the crow flies. Some 1,000 people lost their lives. The earth continued to shake for many days. I have unpleasant memories of that time. I had a flat in Via Calle Pace in Abano Terme. My bed moved every night from the waves of the aftershocks coming from Udine. It took a long time for the chandelier in my bedroom to stop swinging.

*The earthquake of Friuli...*



*...only the church tower is still standing*

*Friuli...*



*...thousands of people lost their lives here*



## THE GORDIAN KNOT AND THE EGG OF COLUMBUS

The economic situation of the company, the working atmosphere and the persecution by Montini Trotti forced us to take drastic measures. We had already tried to improve the situation with the help of Italian advisors such as Alfredo Rizza, an Italian who had worked as a finance manager in Germany and therefore knew German matters from an Italian perspective, and Silvano Monico, a man who had come from the pharmaceutical industry and already knew Milupa from earlier years. Yet Montini Trotti in particular made it necessary for us to leave the jurisdiction of Padova.

Shutting up shop and leaving Italy would have been simple. But essentially we were a healthy company. We wanted to continue. Increase our share of the Italian infant food market. But closing in Padova and continuing in another Italian city was not permitted just like that by Italian law.

There was a section of the law on "Continuazione della attività commerciale in altro luogo", meaning continuation of the business activity at another location. That was essentially prohibited by law.

For example, it was not permitted to let any employees go in such a case, while we would have gladly fired the majority of the team. If we closed and opened elsewhere under a different name then all employees and workers would have to come with us.

We found the Gordian knot: liquidation! We would give up our direct activities in Italy. We would let all the employees go. Finito! We no longer wanted to do business in a country where the trade unions had us under their thumb and we were unjustly hounded by the state prosecutors. That was our official version. And that

## • THE GORDIAN KNOT AND THE EGG OF COLUMBUS

was that I told the press. But we were clever. We found the egg of Columbus.

An American firm opened a subsidiary in Italy. Its business activity was the sale of infant food. It purchased the knowhow of Milupa Italy from Milupa Germany. That meant our product registrations, product names, customer lists and contacts with paediatricians. It also signed an agreement with us that, in exchange, it would import all the products that it sold solely from Milupa Germany and France.

Via a third party, we saw to it that the American company belonged to us. It was a stroke of genius. We "square-heads" got one over on the Italians.

## WINNING THE BATTLE BUT LOSING THE WAR

The plan was a good one. The task was a large one. Who would lead the new company? Where would it be located? What would its name be? How long would it take for it to be up and running. Because of the legal provision on "Continuazione della attività commerciale ..." none of the current directors could be active in the new company. We would let Klapheck and Zanessini go. Dottoressa Dovico, with a premonition of the way things were going, had submitted a medical certificate. But that did not save her from dismissal. Dr Salizzoni would be kept on as an external adviser. However, Kobler had already decided that his days at the company were numbered. I needed to stay in the country as a guarantee for the Germans. To perform the liquidation, supervise the establishment and business activity of the new firm and, as an "éminence grise" to ensure its future success.

First we needed the man for the new firm. Kobler found him through an international headhunting company. An expatriate Italian who was living with his wife and two young sons in Marbella in Spain. He spent the majority of the time on his yacht. His name was Mario Mutti.

When Kobler and I picked up Mutti in Linate, Milan's main airport at that time, and he strolled towards us through the gates, my first thought was: this is the greatest bandit I've ever come across. I told him that after in friendship. We both were laughing about this joke. Mutti was in his mid-30s, tall, slim, black-haired, moustachioed, elegant and arrogant. Like Lucky Luciano, a true coldblooded Italian. This time from Northern Italy.

Mutti was assigned two important tasks. First, he was to provide back-up to me in liquidating the company in Padova.

• WINNING THE BATTLE BUT LOSING THE WAR



*Faro's chauffeur Giovanni rescues his car from the factory site*

Second, as managing director he was in charge of building up the new American company in Italy. There I was in the background and was tasked with making sure everything was carried out in our interests.

We began with the liquidation in Padova.

When our employees got wind of it, they occupied the company. They shut the main gate to the factory site, blocking off the whole building to the outside world. I had feared as much and had luckily instructed my chauffeur Giovanni to take my company car to the carwash. Otherwise the car would have been blocked on the company site and I would have been without wheels for six weeks. That was how long the occupation lasted. Imagine your employees suddenly start living together in your company. Men and women. Eating there. Drinking there. Sleeping there. Sometimes with one another. Their aim was to prevent our liquidation from becoming legally valid. They hung a large placard in front of the main gate reading: "I tedeschi hanno vinto una battaglia, ma come sempre perderanno la guerra". In English: "The Germans have won a battle, but like always they are losing the war".

As it happens, we won the war, with a time delay. Even that was not disastrous, because we were working at the same time on the opening of the new company at the new site.



## THE AMERICAN OFFENSIVE

We were now operating in Italy as a new American company. Mario Mutti and I.

Mutti was egoistically competent. Everything that he proposed, initiated and carried out had to also be to his personal advantage. The choice of the new location, Varese, was a case in point. Varese is the capital city of the Province of Varese, in the northwest of Lombardy, in Upper Italy. Located near the Swiss border, between Lake Maggiore and Lake Como. Ilse S., Leila and I spent five interesting years there thanks to that choice of location. We lived in a luxury flat in the private park of the Villa Ponti in the heart of the city. Varese boasts many sights. One of them is the Sacro Monte. The Sacro Monte di Varese is a hill lined with chapels, at the end of which lies the pilgrimage site of Santa Maria del Monte. I used that pilgrimage path as a training route, just as I had done with the arena in Verona. The route is paved with round stones, each the size of a fist. Around three kilometres long. Pretty steep. I ran it barefoot. After five years the soles of my feet were like leather. Ilse S. and I earned our sailing licences on Lake Varese. I trained almost every evening in various karate clubs between Milan and Varese. At the end of those five years I was awarded my black belt in the discipline of shotokan in the sports arena of Milan under the critical eyes of the Japanese master Hirohito Shirei. Those were five fantastic years that I would not have wanted to pass up.

Naturally there was a reason for choosing Varese. According to Mutti, the reason was a purely business-related one. Our French factory, from which the infant food came to Italy, delivered the goods by lorry. The lorries travelled via the Monte Bianco or the Brenner Pass. Both were very long and therefore expensive routes. Mutti drew a line from Mulhouse in France, where our factory was situated, through Switzerland to Varese. That was the shortest way as the crow flies. He neglected to mention that there was a ban in Switzerland on night driving at that

*Parco Villa Ponti...*



*...Faro's residence in Varese*

*Sacro Monte di Varese...*



*...the way up was Faro's training route*

time and the lorries could carry a maximum of 12 tonnes. He also kept quiet about the fact that the only European school in Northern Italy was in Varese, which his sons then attended.

When Mutti and I travelled to Varese for the first time, Mutti already knew what he wanted. We met with Luigi Carcano, owner of a large transport and forwarding company in Northern Italy. The company with massive warehouses and an enormous lorry handling yard and park grounds lay behind Varese at the start of Vallganna. Vallganna is a romantic, 22 km-long valley that connects Varese to Ponte Tresa. Ponte Tresa is a border crossing from Italy to Switzerland. Ten kilometres past the border lies Lugano. Lugano – city on Monte Bré, city on a lake «Lugano Stadt am Monte Bré – Stadt an einem See». I did not suspect on that first day in Varese that I would often make the trip to Lugano – where I had performed the financial transactions concerning the company shares a few years earlier – to conduct further financial transactions for our new company.

Still less did I suspect that I would come to live in Lugano some ten years later, after my adventures in North America. Immediately behind the warehouse site of Carcano was a restaurant where the owners, the Venanzos, cooked themselves. The restaurant was called “Da Venanzo” (meaning “At Venanzo”), and guests were served by the extremely attractive daughter. I must have visited this restaurant more than 100 times in the coming years while I was living in Varese and also later in Lugano. On the first occasion, invited by Carcano, we ate tagliatelle – wide ribbon pasta with bolognese, a meat sauce. Or with mushrooms as desired. Even better.

Among my later acquaintances and colleagues one of the things I became known for was always carrying a fresh white handkerchief in my trouser pocket and using it too. You unfold it before blowing your nose. Then you fold it again carefully, in full sight of everyone, and wipe your nose and upper lip to the left and then right repeatedly, before returning the handkerchief to the pocket. Observe how many top managers wearing bespoke suits use a crumpled tissue to blow their nose with. Then you’ll understand why such things matter.

I learnt that from Mutti, and much more besides.

For example, how to do deals. Deals that make both parties very happy. On that day we did such a deal with Luigi Carcano. We entrusted him with the entire warehousing for our infant food, transportation from France and distribution in Italy. In exchange Carcano acquired the 500-square-metre office space that Mutti and I had selected in the morning in the city centre. We then rented the premises from Carcano. That was a contract worth millions for the next ten years. Malicious tongues said that Mutti was still drawing his advantage even after we parted with him some years later. I find that hard to believe.



## COMPANIA ITALIANA DIETETICI AND ITS DIRECTORS

We named the new company in Varese "Italian Company For Dietary Products". Or CID for short. *Compania Italiana Dietetici*. It was men from Mutti's circle of acquaintances and friends that set up the entire company organisation under Mutti's leadership. Vicenzetto, Santorsola, Forte and Corti. Arrogant Northern Italians. Energetic. Efficient. None of them became my friends. They all envied my position. Mutti and I had a love-hate relationship. We found each other likable though, which is something I could not necessarily say of the other directors. That was also related to the fact that these guys knew that I knew which of them was on the take in all the deals that they arranged for us. Even if, as so often in such cases, that couldn't be proven. However, what resulted with the help of these directors was a dynamic company. An entirely new field staff. A modern, computer-controlled order system using what was state-of-the-art technology in the Italy of the time. Most important, besides the field staff, were of course our contacts with paediatricians. Here we came up with a system that did not require state-of-the-art technology. It was as old as time itself ... money! You'll be surprised.

Money from a bathtub.

But I was still busy winding things up in Padova. Despite the occupation of the company, we were able to complete the liquidation, which meant that I was soon preparing my move from Padova and Abano Terme to Varese.

*Grand Palace Varese...*



*...meeting place with a mafioso?*

## A STORY FROM NAPLES

At the start I stayed in a hotel in Varese. In the best hotel of the town. In the Palace Hotel. A pleasant place to stay, with tennis courts. I got into the habit of beginning my day by playing tennis with a young man whom I had met by chance. He later became a good friend. Giovanni Buonsole. In his early 20s. A smart guy. A Neapolitan.

After our morning tennis, I soon discovered under the showers that Buonsole had already experienced a lot in his still relatively young life. The scars from shot wounds on his body suggested somebody must have set about him, just like Lucky Luciano. I never asked Giovanni about it, and he never brought it up. It was only after some years, when we had really become firm friends, that he told me a story of events that had taken place in Naples some 20 years earlier. Although he gave no indication that he, Giovanni, was involved, I began to suspect who Giovanni Buonsole might really be.

A Camorra don's son, who had gone into hiding in Northern Italy using a new name. The mother of the son was a certain Pupetta Maresca, wife of the leader of the Neapolitan Camorra, who was shot dead in 1955. Pupetta avenged the death of her husband by herself killing the person who she believed had ordered the murder of her husband.

Antonio Esposito, aka Totonno, the new boss of the Camorra, entered Bar Grandone on Corso Novara. Like every morning at that time, it was packed with traders and sellers from the nearby vegetable market. Esposito ordered a drink and threw the barman 50 lire as a tip. A man like him didn't pay in Naples and a tip of that amount was a generous sum at that time.

Esposito turned to his governor, Luigi Ordituro, nicknamed "Brill" because his patent leather shoes were always shining, and told him to take him home, where lunch was waiting. When he turned, his eyes

## • A STORY FROM NAPLES

---

met those of a woman dressed in black. She was heavily pregnant. When Totonno saw the woman, his hands shook a little and a few drops of his drink fell on his shirt. He acted as though it were nothing and merely murmured: "What are you doing here?"

"I've got something to say to you," the woman answered in an icy tone. Her name was Assunta Maresca, but she was commonly known in Naples as Pupetta (little doll), because she had the face of a child on the body of an attractive woman.

"What do you want? Totonno murmured again. "I've told you, Don Antonio, we need to talk. Come outside for a moment," she answered. And Pupetta moved towards the door without giving him time to reply. The guests in the bar fell silent, since those words represented a genuine challenge of the kind that normally preceded bloody duels in Naples. "Be careful, this woman has death in her eyes," hissed Brill. But Totonno gestured him to be silent. He knew himself that he had ordered the murder of her husband, one Pasquale Simonetti, known as Pascalone, but he felt certain that he could calm her down.

"Drink a glass to my health!" he called to the guests, who were staring at him with curiosity. Then he walked outside. Meanwhile Pupetta had got of the car, with her brother at the wheel. Totonno put his head through the open window the car and said calmly: "... stop pestering me with the figments of your imagination. I have nothing to do with the death of your husband." But his words were cut short with a sudden detonation. He jumped away from the car and pulled out his pistol. But a shot had already hit him in the thigh and he fell. Then came the inferno. Pupetta shot with several pistols. By the time her rage had abated, thirty cartridge cases and the lifeless body of the king of the market halls were left lying on the pavement.

Pupetta became a heroine of the people. A year before she had won the beauty contest in Rovignano at the age of 18. It was then that she met the man who would determine her life. Pasquale Simonetti. The undisputed, coldblooded, violent and tough boss of the Neapoli-

---

*Pupetta Maresca...*



*...avenged the death of her husband  
with 30 pistol shots*

---

## • A STORY FROM NAPLES

---

tan mafia. Yet he was also one of the last romantics of the Neapolitan Camorra. If a young man seduced a young girl in Naples and then jilted her, Pasquale sent him the message:

“I have 100,000 lire for you. Do you want it as a wedding gift or as a wreath on your coffin?”

Pasquale's spent several lengthy periods in jail for violent crime. Yet he always remained the boss, running the show from his prison cell with the help of his governor. On Christmas Eve in 1954 he received proof of his unbroken dominance and status as the most famous mafioso of Naples. Pasquale Simonetti was released from prison and returned to his home, flanked by two rows of cheering spectators on both sides of the street. Thousands of people applauded ecstatically. Only the mayor was absent. But Pasqualone only had an eye for one girl, a beautiful woman dressed in grey, who was standing somewhat aside and watching him with admiration.

“Who's she?” he asked. “That's Pupetta Maresca, of the Marescas from Castellamare di Stabia” was the reply. Her father Alberto, was a Camorrist who was known locally. His nickname was lampetiello, meaning “little flash of lightning”, owing to his skill at killing quickly with a knife. Pupetta and Pasqualone went on to meet at the beauty contest in Rovignano. The wedding followed shortly after. It was attended by 500 guests, and the couple received gifts worth 10 million lire. The best man was Pasqualino's right-hand man, Antonio Esposito, aka Totonno. The couple spent their honeymoon in Rome. Totonno, who had been dreaming of becoming boss, took advantage of the opportunity to seize power in Naples. After his overhasty return Pasqualone made two errors. As a newly married man he turned to the court of the Camorrist committee of honour, rather than settle the feud with fists, guns or knives. That was taken to be a sign of weakness.

Then, in a confrontation with Totonno, he shouted that he would kill him. “I'll kill you first” was Totonno's reply, and that was indeed how it played out. Pascale was shot dead on the first day that he regained his high spirits after losing his top spot. The good mood, so he said ,

was owing to the news that Pupetta had given him that morning. She was expecting a son.

The boy was christened Pasqualino. Pupetta did her utmost to keep him away from the Camorra, from the crimes and duels. But as the years passed, the more determined Pasqualino was to follow in the footsteps of his famous father. He made enemies and the police was also after him. Some say he went into hiding. Others say he was killed or severely wounded in a gunfight. A girlfriend claimed to have spotted him by chance on a visit to Milan, 50 kilometres from Varese.

Giovanni Buonsole died in 1998 in a tragic car accident. Nobody has ever been able to prove that he really was that man from Naples. It was just a suspicion of mine.



## MONEY FROM THE BATHTUB

The scandal of the German electronics enterprise Siemens began in 2006. The company allegedly received orders from all over the world by paying considerable sweeteners to customers. I have no way of knowing whether that is true or not. I would deny, however, that the *Compania Italiana Dietetici* ever bribed anyone. It's true, however, that we gave financial support to hundreds of paediatricians who recommended our infant food to young mothers. The money was provided for the purchase of clinic equipment and study trips. I had a list of these paediatricians and they regularly asked me for help. The aid organisation was built up via Switzerland the nearby Lugano. We placed importance, however, on taxes being paid on such money in accordance with the regulations and had the paediatricians confirm that in writing.

At that time considerable transactions, both legal and illegal, were conducted between Italy and Switzerland. The key figure in one illegal financial scandal of that nature was Roberto Calvi. If we begin the story of this man at the end of his life, it reads as follows:

On the morning of 18 June 1982, when I had already embarked on a new job in the USA, a macabre picture presented itself to passers-by in London: a corpulent man in smart clothing was hanging from Blackfriars Bridge over the Thames. A reddish rope was hanging around his neck. The police found bricks, thousands of dollars and a forged passport in the pockets of the corpse. The Italian consul identified him as Roberto Calvi, also known as the "banker of God". Calvi was a leading Italian banker. He played a major role in the laundering of drugs money in Italy and South America, as well as additional secret financial transactions of the Vatican, the mafia, the secret lodge Propaganda Due (also known as P2) and various political parties. Based on his close ties to the Vatican bank Opus Dei, he was widely dubbed the "banker of God" in the media. He was also president of the Banco Ambrosiano in Milan, dubbed "the bank of the priests".



*...alive*

*Roberto Calvi...*



*...dead*

The police in London and the judiciary in Milan took the view that Calvi had committed suicide. Shortly before his death, however, he is reported to have said: "If anything happens to me, the pope must resign". Conspiracy theorists point the finger variously at the Vatican, old Russian communists, Italian socialists and the mafia as being behind the murder. Especially since Calvi's secretary, Graziella Corrocher, fell to her death from a window of the bank in Milan on the same day that Calvi's corpse was found. The trial concerning the murder of Roberto Calvi began on 6 October 2005 in a high-security prison in Rome. The mafia boss Pippo Calò and four other people were accused of murdering Calvi. On 6 June 2007 all five accused were cleared of the murder, four of them for lack of evidence. The accusation in this case was based on the statement of a pentito ("one who has repented", a reformed mafioso collaborating with the judicial system in Italy to help investigations), according to which Calvi took care of the drugs money of the Corleonesi and was murdered because he had proved to be untrustworthy.

When we opened a numbered account at one of the largest Swiss-Italian banks in Lugano, the bank official taking care of our affairs suggested the code name *vasca da bagno*, meaning "bathtub" in English. I don't know what code names Calvi used for his various Swiss bank accounts. It's sure, however, that during the years when I travelled for Varese to Lugano for my business, he travelled on the same route from Milan to Lugano for his. Most probably to the same bank.

I can no longer recall how many thousands of dollars from America passed through the *vasca da bagno*, but of course we registered every single dollar, although the documents have all since been destroyed. All I can remember from those money transfers is an episode that served me as a lesson for all cash transactions.

A regional director from Lombardy received an envelope from me containing 1,000,000 lire, which he was to pass on to a paediatrician in need of the money.

• **MONEY FROM THE BATHTUB**

---

I asked the man to count the money. "But please, an envelope from you?!" he answered. But I insisted. He did so. Only 900,000 lire were in the envelope. That was a surprise to me and also a warning. Whenever I give money to anyone in cash, I'm even more insistent today that they check all the money is there.

## ITALY WITHOUT A SEATBELT

Like in Padova, in the CID we also had 14 sales depots throughout Italy, including Sardinia. Four to five sales people were assigned to each sales office. Each salesperson made several orders each day. These were sent by post from the given location of the salesperson, such as Palermo, Bari or Cagliari, to Varese. There an invoice and a delivery note were written. Those two documents then went by post to the relevant warehouse in Sicily, Apulia or Sardinia. The ordered goods were then delivered to the customer together with the invoice.

Imagine the time delay! Imagine the loss of quick incoming payments! And how many complaints we received because of incomplete deliveries! Because of the time lag and insufficiently quick information transfer, sometimes on the day of the delivery one or the other items to be delivered was not available at the warehouse 1,000 km away, or even 2,000 km away in the case of Sicily. Imagine how high the stocks had to be at our depots to keep such delivery failures to a minimum, and the how much those high stock levels cost us!

We revolutionised this set-up by introducing a computer-controlled order and invoice transfer system. It was first to be introduced in the '70s by a company in Italy. We were trailblazers. Each salesperson was given a modem device with a small computer. The modem device had a rubber piece, which was put over the mouthpiece of the telephone. The sender dialled the number of our computer centre in Varese. With the press of the button they started the transfer of all orders of the day, which they had previously registered in the small computer with the relevant customer and item codes. The information transfer had to take place between 7pm and 10pm.

The relevant delivery notes and invoices were written up from those data during the night. Comparison with the stock levels in the depots situated 1,000 or 2,000 kilometres away, likewise available in

## • ITALY WITHOUT A SEATBELT

---

the computer system, ensured that the delivery note and the invoice only contained items that were in stock. The orders of the previous day were likewise sent via telephone modem to the relevant depots by 7am at the latest. Deliveries were then made from the depots on the day after the orders being made. The advantages were enormous from both an organisational and financial perspective. I was aware of the entire turnover of the previous day at 8am each day, instead of having to wait one or two weeks, depending on the postal route. The customer received the ordered goods after one day, instead of 15 or so. We also received our money at similar speed.

The stock in the 14 depots could be halved. Nevertheless, there were no complaints of goods lacking. We were satisfied. So were the customers. Surprisingly we didn't experience any problems when introducing this system at 14 depots with a total of more than 60 salespeople. We had just one case of a telephone transfer that didn't work. Despite thorough training one of our salespeople couldn't transfer his data. Perhaps his modem was faulty?

We sent our training leader to Rome by plane to repair the damage as quickly as possible. However, there was no defect. The salesman in question had simply connected his modem piece with the earpiece of the telephone instead of with the mouthpiece.

We were assisted in the introduction of this system and training of the staff in 14 depots by an IT advisor, Manfred Noll, from the head office in Germany. In the course of two months Noll visited all the regional sites together with the head of sales administration, Gianni Vannini. They travelled by plane or in Vannini's car. Vannini, untypically for an Italian, drove a French Citroën Pallas station wagon. Yet in characteristic Italian style Vannini never used a seatbelt. As though by divine providence, on the way back from the last training session, held in Bologna, Noll managed to persuade Vannini to wear a seatbelt for the first time in his life. It was a Friday. Late afternoon. In November. The first snow had fallen. There was a pile-up on the motorway between Bologna and Milan. Vannini, at the wheel, drive his Citroën with its shark front at high speed beneath a lorry. To make matters even worse,

*A Citroën Palace station wagon...*



*...no deaths  
thanks to using a seatbelt*

## • ITALY WITHOUT A SEATBELT

---

a second lorry drove into Vannini's car and pushed it another metre below the first lorry. At that time there were no airbags, but the seatbelts saved the lives both of Noll in the passenger seat and of Vannini behind the wheel. Nevertheless their injuries were so severe that both had to spend several months in hospital. Surprisingly Vannini had fewer injuries in total than Manfred Noll, who had saved Vannini's life.

## NAPLES – THEN AND NOW

During my time in Italy I often visited this dangerous city, where at least two murders are still committed daily. I was always accompanied by one or several of the local field staff. They knew where it was safe to go and which parts of the city should be avoided.

Contrary to the fears of all the things that can befall one in Naples, Ilse S. and I had a very positive experience on our first visit to Naples. We took a taxi to visit a key customer. We paid the taxi driver and visited the customer. After negotiating for around an hour, we wanted to take some photos. We were startled to realise that we had left our expensive camera in the taxi by mistake. The customer and my sales director, Salvatore Fiorino, whom we had met there – both true Neapolitans – were convinced that the camera was lost. But when we left the building of the customer, our taxi driver was standing there. He had found the camera on the backseat when he picked up a new passenger and brought it back to us.

I had an extremely different experience when I wanted to show Naples to my new Russian wife, Tamara, during a holiday to Italy. We drove an imposing 4.2-litre Audi A8 and I ventured with this car into the slum hills of Naples. Even people who haven't visited the city, have at least seen in films the narrow streets on the hills where the washing hangs on lines strung up between buildings across the street. We drove uphill, watched with a mixture of awe and suspicion by the Neapolitans sitting outside their doors. When we reached the top of the hill, I had to turn off into an even narrower street crossways in order to reach the next parallel street leading downhill. A group of young men standing by the bend eyed us in a hostile manner.

Just when I had manoeuvred the heavy car so as to be able to continue in the cross street, two young men, particularly tall by Naples standards, came racing up the hill on a motorbike. They braked on

*The streets of Naples...*



*...as dangerous today as back then*

my side. The one who had been sitting behind and was evidently the leader of the group jumped off the motorbike and ran into a doorway. I first spotted him again when there was a thunderous noise beside my head. That hoodlum stood like a giant next to my door and swung a wooden cudgel, reinforced with metal, over his head to strike my side window again. Then came the third swing. And the fourth. German quality ensured that the window didn't break. It splintered into a kind of mesh and thousands of small fragments of glass made our faces and hands bleed. Tamara, my wife, reached instinctively for the double-edged hunting knife in the glove box. She would have used it to stab the attacker's throat if he had made it into the car. But I, thanks to having just manoeuvred the car into a position to drive on, put my foot on the gas. Into the cross street. Into the street leading to the valley. For a few hundred metres the two thugs on the motorbike were still behind us. They only abandoned their pursuit when we reached the busy main street in the valley.

Curious bystanders and two policemen in civilian clothes asked about what had happened. I declined the invitation of the law-and-order officials to go along to the station and make a report. We would have lost too much time. I wanted to find a garage that Friday afternoon where I could have a new side window fitted. However, none was available for our type of car. The side window was fitted with plastic. That greatly impaired visibility on the left for the driver. Nevertheless, we managed the more than 2,000 kilometre journey back to Hungary, where we lived at the time. The other thing that struck me in Naples was that even today, 30 years on, none of the locals used seatbelts when driving.



## A STORY FROM ROME

On 16 March 1978 I was once again in Rome. The reason for my visits was usually a visit to the health ministry, the *Ministero della Sanità*, to have new infant food registered and approved. We had a special colleague in Rome for that purpose named Giovanni Gianvenuti. His chief task was that of maintaining relations with the ministry. Salizzoni was responsible for such matters. I only got involved in particularly difficult cases and visited the chief official in charge together with Salizzoni and Gianvenuti. We stayed then in one of the hotels in the centre or near the ministry. On this particular day Salizzoni, who by this point was only working as an advisor to Milupa Germany, and I were staying at the Hilton on the Monte Mario, the hotel with the most beautiful view over Rome. We stayed there because we were accompanied by Olesch. We had a meeting with the managers of Buitoni, one of Italy's largest infant food producers.

It was about market shares. Highly confidential. The day began well. In the breakfast room we met Neil Armstrong. The first man on the moon. Armstrong was accompanied by a beautiful woman. During the breakfast my eyes met hers. That was deliberate on my part, but surely only accidental on hers. Nevertheless, I thought afterwards about that look for many years. The negotiations with Buitoni were protracted. Olesch had a strategy that was designed to wear down the Italian manager. He ordered a bottle of the finest Scottish whisky right at the beginning of the meeting in the morning. Edradour. The Buitoni people were surprised by that negotiating tactic. However, they didn't let it daunt them. Finally Olesch drank the whole bottle alone. I also only took sips from my glass.

Then suddenly there was a commotion at the hotel. The news spread rapidly with great consternation: Aldo Moro had been kidnapped. Aldo Moro, originally a professor of criminal law at Bari University, had held several ministerial positions from 1955 onwards, including as justice

*Neil Armstrong...*



*...Faro had breakfast alongside him at the Hilton*

minister. He served as prime minister from 1963 to 1968, and again from 1974 to 1976, making him Italy's longest serving post-Second-World-War head of government after Alcide de Gasperi, Giulio Andreotti and Silvio Berlusconi.

During the years in which I had been doing business in Italy, Moro was one of the advocates of the "historical compromise" (in Italian: *Compromesso Storico*). That was about a solidarity package proposed by the chairman of Italy's Communist Party between the communist PCI and the Christian Democratic *Democrazia Cristiana* to solve the problem of the economic crisis. Moro also supported Italy's withdrawal from NATO.

What happened on that morning in Roma just a few kilometres from us was as follows: Aldo Moro left his flat a few minutes before 9am to attend mass in the nearby church of Santa Chiara and then continued on his way to Montecitorio to attend the swearing in of the new prime minister Andreotti in parliament. He never made it there. In Via Fani he was the victim of an attack that the press described as a "highly specialised military action". Moro had a team of guards consisting of five people: two of them, the driver Domenico Ricci and the police marshal Oreste Leonardi in a non-armoured blue Fiat 130. The other three, the deputy brigadiers Ps. Raffaele Jozzino and Francesco Zizzi, and the bodyguard Giulio Rivera in an Alfetta - Alfa Romeo following the Fiat.

The attack was planned and executed textbook-style. Some of the terrorists were wearing the uniforms of airline Alitalia and standing at the counter of a café bar. Others were sitting in two parked cars, one white and the other black. Everything had been thought of: the tyres of a small florist's delivery van at the crossroads had been slashed to prevent it from being driven off by chance and blocking the way. They cut a chain on the pavement so that they could manoeuvre better. A nearby telephone box was put out of order. The ambush was speedy and coordinated. The white car of the attackers cut off Moro's car. It braked suddenly and was rammed. A sharpshooter killed the driver of the car with a single shot to the head. The marshal was killed with a

---

## • A STORY FROM ROME

---

machine gun volley. As were the two police officers sitting in the front of the escorting car. The police officer sitting behind managed to jump out of the car and level his revolver. But he also received a targeted shot to the middle of the forehead. Moro, who had been grazed by a bullet, was pulled into the other car that was waiting ready. The commando left the scene undisturbed. Five dead and one captive. All but no resistance.

The fact was that Moro's escort was not prepared for such an incident. The pistols of the marshal Leonardi and the driver Ricci were in their holsters. One of those holsters was reportedly even still in its plastic bag. It's even said that the bodyguards had stored their automatic rifles in the boot of the car. In the later trial against the terrorists, the president of the Court of Justice asked Moro's wife: "It seems to have been an everyday habit, possibly even suggested or ordered by your husband, who was opposed to weapons, that the pistols were not kept ready to fire and the automatic rifles of the escort were stored in the boot of the second car. Is that true?"

"It wasn't my husband's idea. It was the tragic fact that these people did not even know how to handle these weapons. They were simple police officers, not security specialists. They had never practised shooting with automatic rifles and that's why they left them in the boot," Moro's widow said.

When Salizzoni, Olesch and I flew home late that afternoon from Fiumicino, Rome's airport, we lost several hours because of the police blocks on all the arterial roads and at the airport.

Moro spent 55 days as a hostage. Then he was found dead in a boot of a car that was parked in Via Michelangelo Caetani, in the centre of Rome and near the headquarters of the PCI and the Demokrazia Cristiana. Mario Moretti, a notorious ringleader of the terrorists, had killed him with eight shots, after the Red Brigade terrorists' demand for the release of detained associates was not met. Pope Paul VI. offered himself in vain as a hostage in exchange for his friend Aldo Moro.

*Aldo Moro...*



*...alive*

*Aldo Moro...*



*...dead*

The background to the kidnapping remains a mystery and is still disputed today. Carlo Alberto Dalla Chiesa, a general of the Italian *Carabinieri*, famous for his fight against Italian terrorism in the '70s, came close to getting to the bottom of the Moro case. During my time in Italy I followed with interest the life and career of this "soldier personality". From 1966 to 1973 he commanded the *Carabinieri* legion as a colonel in Palermo. Then he was promoted to general and commander of the *Pastrengo* division of the *Carabinieri* division in Milan. In 1974 he became commander in the Piedmont-Aostatal region and organised the fight against terrorism in Turin. Aided by the infiltrator Silvano Girotto, he managed to secure the arrests of Renato Curcio and Alberto Francheschini, leading representatives of the Red Brigades, in September 1974. Then in 1977 he was made chief of security in the state prisons. From August 1978 he was tasked with coordinating the fight against terrorism across Italy.

After the murder of Aldo Moro he stepped up the pursuit of the Red Brigades. He had success in the identification and arrest of those implicated in the murder of Aldo Moro. However, before he could complete that work he was unexpectedly called to Sicily to bring an end to the state of emergency caused by the mafia as police chief of Palermo. He complained of the lack of support from the Italian state. On 3 September 1982 he and his wife Emanuela Setti Carraro, whom he had recently married, were victims of an assassination. The traces that Dalla Chiesa had uncovered in connection with the kidnapping of Aldo Moro were lost.

In 2006 Italy's public prosecutor's office opened another investigation into Moro's death. The "terrorism and massacre" inquiry of the Italian senate came to the following conclusion: "There is sound evidence that the secret service was involved in the kidnapping". That assessment is congruent with the more recent investigative results of the Italian judiciary. In this context the remarks of US terrorism expert Steve Pieczenik, who advised the crisis team during the Moro kidnapping as a representative of the American government, attracted considerable attention. He told the English-language newspaper *Italy Daily* in 2001: "I regret Aldo Moro's death, but we had to instrumentalise the

## • A STORY FROM ROME

---

Red Brigades to kill him. It could be described as a premeditated killing. Moro had to die. Saving his life was never my mission. As deputy state secretary of the American government and personal advisor to the Italian minister of the interior, my task was to stabilise Italy, to prevent the collapse of the Christian Democratic Party and to ensure that the communists would not gain government control through the kidnapping.”

There is occasional speculation that Moro’s death was connected to the so-called “strategy of détente”, which was designed to prevent the communists’ gaining governing power. Such suspicions were first published by Carmine Pecorelli, a journalist who, like General Dalla Chiesa in 1982, was murdered less than a year after Moro’s death. That was the world in which I was living at the time.

Then, after our return from Rome, for the next 55 days the fate of Moro was a hot topic of discussion each morning for me and my colleagues and acquaintances. Should the government give in the demands of the terrorists and order the release of their associates to save Moro, as his wife and family begged of all his friends in the government, or should it stand firm and refuse to give in to blackmail? We were divided. So was Italy.

*General Carlo Alberto dalla Chiesa*



*...he and his young wife were killed too*



## IN GOD'S NAME?

The year 1978 was not only a mysterious year because of the violent death of Moro and other terrorist activities. The church was also no stranger to intrigues and scandals. One such was the death, around which mysteries still remain, of Pope John Paul I, whose papal reign lasted just 33 days. I can recall the excitement with which we sat in our offices and then at home in the evening in front of the radio and television on 26 August 1978 to learn who would be appointed as successor to Pope Paul V. Albino Luciani, Patriarch of Venice, was elected as pope reportedly with 99 votes in the fourth electoral round after a conclave of just one day in which 111 cardinals participated. That conclave was the first in which cardinals aged over 80 were no longer allowed to participate. The election of Luciani, believed to have been the preference of the Archbishop of Florence, Cardinal Benelli, surprised the world and probably Luciani himself.

The new pope chose the regnal name of John Paul. He came from a poor family in Belluno-Veneto and was a very modest man. Throughout his life he made no secret of the fact that he would prefer to be a simple village priest instead of patriarch, cardinal and then even pope. The Italians gave him the appellation *Il Papa del sorriso* (The Smiling Pope). From the very first weeks of his papacy, John Paul I caused surprise with many humanising innovations. He spoke of himself as "I", rather than using the royal plural "We". Nor was there a papal coronation. He was the first pope to use a telephone himself. The Swiss Guard no longer needed to fall to its knees in the Vatican when he passed. Such steps gave rise to speculation about how John Paul I would have reformed the Curia if he had reigned for longer. After a papacy of just 33 days John Paul I died in the night from 28 to 29 September 1978. He was buried in the crypt of St. Peter's Basilica. An autopsy was refused both by his family and the Vatican. The pope was apparently healthy and in good spirits on the evening before his death. He met with a number of different people in turn. After his usual, substantial

---

*John Paul I...*



*...a smiling pope for 33 days*

dinner he retired to his chamber with a book. According to the official version of events, his dead body was found by the private secretary to the pope, John Magee, an Irishman. He had expected the pope at 5.30am in the chapel of the Apostolic Palace for early mass. When he failed to appear, Magee went to look for the pope in his quarters and found him dead in his bed.

According to another version, the death was discovered by the head of the papal household, Sister Vincenza, towards 5am in the pope's chamber. She immediately informed the private secretaries Diego Lorenzi and John Magee. There is evidence of the conversation of John Magee at 5.37 am with the cardinal state secretary Villot informing the latter of the death of the pope. The personal physicians of the pope were then informed. They recorded the cause of death on the official death certificate of the pope as cardiac arrhythmia and pulmonary embolism with acute failure of the right chamber of the heart. Sister Vincenza's claim to have discovered the death is unconfirmed by the Vatican. It would have been unseemly for a woman to have access to the private rooms of the pope.

The official version of how the pope was found dead, sitting up in bed, smiling and with a book in his hands, is also doubted since all muscles go slack upon death, preventing a particular posture, expression or similar from being retained. The refusal to perform an autopsy unleashed a number of conspiracy theories. In 1984 David Yallop published the book "In God's Name?", claiming that Pope John Paul I was poisoned because he was bent on uncovering and eliminating the corrupt dealings of the Vatican bank. He himself had been affected by these as Patriarch of Venice. In addition, according to Yallop, such machinations were directly connected to the affair concerning Banco Ambrosiano, in which figures such as Paul Marcinkus, Roberto Calvi, Michele Sindona und Licio Gelli were involved. Yallop also implicated Cardinal Jean Marie Villot, the cardinal secretary of state, and John Cody, the Archbishop of Chicago, in the death of the pope, since they were allegedly to have been relieved of their offices. As I wrote in my diary during that time in Italy: "Yet another unexplained death in this country with all its contradictions ..."

*The Vatican...*



*...site of many secrets*

## MARIO MUTTI – WORTH MORE THAN ALDO MORO?

Aldo Moro died because he didn't have an armoured car. A bullet-proof car with automatic security locking would have served as a fortress. In such a car he could perhaps have been blown up, but he would never have been taken hostage, which was the aim of the attack. Yet the Italian government did not put such a bullet-proof car at his disposal. Possibly he was denied it. Or he simply didn't want such a car and refused it, out of modesty or simply foolishness. With disregard for the dangers of Italian terrorism on a daily basis. At that time it was almost a daily practice to kill politicians, businesspeople and managers, or, more frequently, to "kneecap" them (shoot them in the knees).

The Red Brigades joined forces with the rebellious workers' groups and trade unions. The victims chosen were mainly company directors, whose names the terrorists received from the agitated workers at the factories. However, they also claimed representatives of *Democrazia Cristiana*, as well as doctors and journalists, who provided their services in the fight against terrorism, as their victims.

The wave of terrorist violence escalated from 91 assassinations in 1977 to a record of 659 assassinations in 1979.

This was Mario Mutti's hour. Perhaps because of real concern, although I cannot believe him to be a coward, but certainly from arrogant showing off, he managed to get from the German square-heads, in this case Olesch and in particular Kobler, what was not granted to Aldo Moro. A bullet-proof, armoured, three-tonne Alfa Romeo company car. That was Mutti's way!



## MARIO MUTTI – A FREEMASON?

If people ask me today which of the times I spent at so many companies and in so many countries I enjoyed the most, then I have to say: I enjoyed myself everywhere. That is also true of the years that I spent in Padova as managing director. But they were the most difficult of my life. The struggle with the trade unions, the quarrels with the staff, envy and resentment among the management team, difficulties inherited from the previous management, embezzlement by the employees, the difficult Italian economic situation, poor business results because of currency losses, being hounded by Montini Trotti, the decision to liquidate the company, a language that was still in many respects foreign, the unfamiliar mentality of the people and insufficient support from the head office in Germany were all things that could make life difficult for a still inexperienced director in his early 30s. However, it was also, precisely because of the difficulties, incredibly interesting.

Mutti, who was several years older than me and had more life and business experience, soon had to recognise in Varese that the egg of Columbus, in other words the American, company, was not the final solution to our problems in Italy. True, he had a team with many “doctors” - in Italy anyone who has gained a degree is a “doctor” (*dottore*), but they didn’t come cheap. Like everything that Mutti organised.

The whole apparatus in Varese and in the field was far more costly than in Padova. There we had run the business modestly. In Varese the opposite was the case.

The invention of the “bathtub” undoubtedly contributed to increasing our turnover in the CID compared to earlier, but the revenue and costs difference resulted in a profit margin that did not live up to expectations. I could relax somewhat in that situation, because I was not directly responsible for the results. There was stress, nevertheless, because I often had to rein “Mario” (as I called him in friendship) in.

• MARIO MUTTI – A FREEMASON?

---

*Faro – still young...*



*...but already an "éminence grise"*

Although that made me a considerable nuisance to him, we held each other in high regard. Still, he would have preferred to rule the roost without me.

If I, and anyone else, when to visit Mutti in his 100-square-metre office, then he invited me or the guest to come and sit at his desk. If the discussion was about matters of importance, he pulled out the upper right drawer. That activated a recording device fitted below the middle of the desk.

He had also smuggled a former acquaintance into the CID in the guise of “advisor”. This man’s tasks included sounding out the mood in the various departments and of individual people. It is highly likely that this man also lobbied for acceptance of suppliers’ bids made to the CID. In exchange for payment naturally.

Often the two of us travelled together to Germany to report to the head office. Since things in Varese were not going quite as well as AWK expected, those meetings were not always pleasant for Mutti. For me, acting as “éminence grise” without direct responsibility for the results, it was easier. When Mutti and I travelled the 1,000 metres from our hotel to the head office and I wanted to tell Mutti something trivial while he was busy thinking, I always got an irritated “shut up” from him. His mind was already focusing on the speech he would give in his defence to gloss over the targets that had not been reached.

I understood that only later when I had to make similar journeys with similar thoughts about things I needed to justify because I was summoned to report from the USA or Canada. Once I said to myself: forgive me, Mutti!

Even if things didn’t go as expected, nevertheless it had to be said that the *Compania Italiana Dietetici* was a success. We certainly wouldn’t have achieved as much in Padova or without Mutti. But Mario Mutti – a born adventurer – wasn’t the type of manger to grow old in an established company.

## • MARIO MUTTI – A FREEMASON?

---

He was slowly preparing his departure. In those years there was a person in Italy who was a far greater adventurer than even Mutti. Licio Gelli. School class of 1919. Son of a milker. He was always a bad pupil and a hothead. His report card and career show that you can be a loser in school but a winner in life. When he was 16 he beat up a teacher, which led to him being banned from all schools in the then Kingdom of Italy.

Aged not yet 18 he managed to sign up with forged documents as a legionnaire of Mussolini in the 735th battalion of the black shirts for the war in Spain. His brother died at his side in the fighting around Malaga. As a fascist in the Second World War – an interpreter for the German army – he was set to have a hard time of it once Mussolini and fascism had had their day. Yet that was reckoning without his chameleon-like opportunism. That was coupled with remarkable courage. Even when serving the Germans, he double-crossed them by supporting the partisans and supplying them with passes of the German command.

In 1944, in the first year after the ceasefire in Italy, he and his friend Silvano Fedi, the commander of a partisan unit, freed 50 political prisoners and Jews from the prison of Pistoia.

Such deeds – at the right moment and on the right side – helped him to establish a new life. According to his “file”, he is also believed to have spied for the Russians. He is described incidentally in that report as a man capable of “carrying out any operation”. Two things then determined Gelli’s future. With the help of a comrade in arms he became director of Permafex, an Italian mattress company. There he managed to establish a basic fortune, which was, however, modest in comparison with those of the true rich in Italy. His second step to building up a dazzling future was his entry to a Masonic lodge. There he succeeded, by means of intrigues and blackmail, in establishing his own lodge as a spinoff of the real freemasons worldwide. In that lodge he became a grand master with influence over the military, the political parties, the financial world and the press.

The lodge was named Propaganda Due, abbreviated to P2.

In March 1981, shortly before I left Italy to take on a new position in the USA and Canada, the *Guardia di Finanza*, Italy's extremely powerful financial guard responsible for dealing with financial crime and smuggling, carried out a search of Licio Gelli's villa. The confiscated documents uncovered 2,400 members of the secret organisation. The financial, military and political elite. Those were individuals of rank. Men with a voice in Italy. Men with power. There was also a list of candidates waiting to become members of the lodge. Among them was Mario Mutti's name.

In other words, Mutti had already prepared his rise. By mutual agreement – as Mutti and Kobler said – Mario soon left the CID. First he spent some time out on his sailing yacht in Spain. I don't know how long that lasted.

*Licio Gelli*



*...a loser in school  
...a winner in life*

## FROM ITALY TO AMERICA

The years in Italy, Verona, Padova and Varese were among the best of my life, although, now in my 70s, I've found another kind of happiness. But in Italy, besides the stress during the time in Padua, I had a very pleasant and varied life in Verona and then in Varese. The stress in Padova taught me to develop further my innate cool-headedness. I learned to stay calm in situations where others lost it and despaired.

Verona and Varese also gave me a lot on a personal level. A perfect command of both written and spoken Italian, especially the grammar, which 70% of Italians have not mastered. The mentality of the country. Its culture. When I left Italy, the *Corriere della Sera*, one of the most important Italian dailies, wrote: "Il Rothhaar, dopo dieci anni in Italia e diventato piu Italiano dei Italiani". That means, after ten years in Italy I had become more Italian than the Italians themselves.

Sailing lessons, a black belt in karate, thousands of kilometres on cross country skis in the Alps, ten wonderful summers by Lake Garda. Winning and dining. Ilse S. was by my side for all of that. If there is one thing that I regret of that time in Italy then it's the fact that I occasionally somewhat neglected Ilse S., a wonderful and caring woman. To blame for that were my work mania, enthusiasm for sport and my love of adventure.

When Mutti and I met the Germans from the head office, the common language was English. Since I had only learned the language at school, my ambition was to speak perfect English. I engaged a language teacher in Varese. A Scot. I had many hours of lessons with that man. As so often in my life, I did that because of a premonition. The English that I learned helped me not only to shine during the meetings at the head office, but also predestined me to be given a new and important role. An assignment so important that it could not have been performed without good English and my management skills. In a country that

only knows the English language. The United States of America. And Canada besides. August W. Kobler wanted to entrust all that to me. He sent the son of Konrad Adenauer, then top manager of the largest German bank and member of the supervisory board of Milupa, to put me through my paces. AWK himself came with Troemel, the Quandt representative, to Italy to show him, what has been achieved there under my supervision. Kobler was planning to make me president of his North American firm. He had established that company several years earlier. But nothing went right. High losses from the USA and Canada were weighing down the global results of Milupa. America threatened to become August W. Kobler's Waterloo. What an honour that the board of directors, the supervisory board and the Quant House in Bad Homburg believed I was capable of getting things on track in America. Or was it all a trap? Were they simply looking for a scapegoat? Was the aim to avoid the checkmate of the king, Kobler, by sacrificing the knight, Rothhaar. Or was I perhaps no more than a simple pawn? Still, the way the game was set out, one might have thought me to be a king. Kobler invited me and Ilse S. to Bad Homburg. He put us up in a luxury hotel as thanks for all our successes in Italy and formally offered me the new assignment in the land of great hopes.

Then there was my leaving party at Da Venanzo in Valganna. Valganna, as I have mentioned, was the valley that ended after 30 kilometres in Lugano. I would embark on another adventure in Lugano some years later. But first I had to make a long and difficult detour via America. All those people were there at my leaving party who has been of significance during my time in Italy. Kobler, Glisenti, Olesch, Stukenkemper, Mutti, Rizza, Vincenzetto, Santorsola, Fiorino, Forte, Conti and Vanini. Although unfortunately the old fighters from Padova who had since fallen by the wayside were missing. Salizzoni, Monico, Zanessini, Klapheck and Dottoressa Dovico.

Kobler described me in his speech that evening as a man "who is still laughing, when everyone else is crying". At my leaving party some of the Italians mentioned above were laughing because they were happy to see the back of me. Only a few women from my Italian team shed tears.

On 2 February 1982, Ilse S., our dog Leila and my driver took me to Malpensa airport in Milan. The flight to New York was cancelled because of an unusually strong snowstorm. I was taken to Genoa. I flew from there with a delay of eight hours. I should have taken that warning of fate seriously ...

*Malpensa in the snow..*



*...a warning ahead of America?*

