

of inflation in the western world, falling production, a growing underground economy, and soaring public deficits during the 1970s.

As the country's industrial capital, Turin felt the full force of the economic crisis. Most of the industries, on which the local economy relied, from textiles and engineering to machinery, food-processing, and chemicals, experienced difficulties, while the legendary typewriter company, Olivetti, was compelled to begin a traumatic conversion from machines to electronic products. Above all, the city's dominant firm appeared at the time to be sliding into irreversible decline. Fiat was beset by a host of problems: high levels of debt, rising oil prices, falling productivity on the assembly lines, outdated car models, and overexpansion abroad. By the late 1970s, the automotive giant and principal employer in the region faced the real risk of a bailout and takeover by the state.

It was in this grim economic setting that the citizens of Turin elected in 1975 the first municipal government of the left in a quarter century. The new Communist mayor, Diego Novelli, embarked upon an ambitious program to modernize transportation, expand public housing, improve social services, and curb real estate speculation in the city. Novelli's vision of urban development freed from the domination by the "large capitalist groups" did not prevent him from proposing innovative forms of collaboration between Fiat and city hall to ease social tensions and reduce labor problems in the factories. Nonetheless, the new municipal administration soon found itself caught between a rock and a hard place. Initial overtures to industrialists did not lead to any effective cooperation, and local business interests became increasingly critical of Novelli's plans. More importantly, the Communist-Socialist municipality had to shift its resources and attention away from reform projects, in order to deal with an explosion of violence from extreme left-wing groups in the city during the late-1970s.

Turin's special status as Italy's industrial capital put it squarely on the front lines of the urban guerrilla war unleashed by the Red Brigades and other terrorist groups. While the city had been the scene of kidnappings and assaults already in the early 1970s, the years after 1976 saw a sharp increase in the numbers of assassinations and attacks on police stations, party headquarters, and union halls. Indeed, the period from 1976 to 1980 was the time of greatest danger especially for those residents of Turin who occupied positions of public prominence. During these years, there were over a thousand reported acts of terrorism in the province that resulted in twenty-four deaths and left another forty-eight wounded. Included in the ranks of the dead were business