

Declassified E.O. 12356 Section 3.3/NND No. 785015

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PROPERTY CONTROL
AUG. 1943 - JAN. 1944

REPORT ON THE COMMISSION OF PROPERTY DIVISION DURING AUGUST, 1943.1. Period covered by Report.

The period covered by this Report dates from July 29 to September 10, 1943.

2. Preliminary Remarks.

I arrived at AGOF forward HQ Syracuse on July 29 and proceeded to Palermo on August 3, arriving the following day, where I made contact with Capt. Bovard, M.C.P., who had preceded me by several days. The other members of my staff reported for duty at varying dates between August 6 and 25.

I have divided the work at HQ into two sections, dealing respectively with (1) land and buildings, and (2) industrial and commercial undertakings, the former being under the control of Major Bundy (B), and the latter under that of Major Meader (A). Field officers have been posted in the provinces as follows:-

Palermo and Trapani.

Agrigento, Caltanissetta and Ragusa. 2/Lt. Guccio (transferred)

Catania and Siracusa.

Messina and Enna. Capt. Russi. (B) and 2/Lt. Scrocca (A)

2/Lt. Scrocca (A)

3. Real Estate.Allied Property.

It was found on our arrival in Sicily that the Italian Government had appointed the Bank of Sicily to manage all lands and buildings of allied nationals which had been sequestered by such government. At my request, the Bank of Sicily promptly supplied detailed particulars of all sequestered real estate throughout the island, and was instructed to continue to manage the properties in accordance with Proclamation No. 5, Art IV, Sec 3, until such time as I could take formal custody.

Such investigation as it has so far been possible to make into the accounts, etc., of the bank indicate that it has managed the properties in a very correct and efficient manner, and it is my intention, as and when formal custody is taken of the various properties, to leave the actual management in the hands of the Bank.

The more important estates in the provinces of Palermo, Trapani, Agrigento, Syracuse and Catania have been inspected, and certain of them, including the Whitaker property in Palermo known as the Villa Sofia, have been taken into formal custody, the Bank of Sicily being left in charge as manager subject to my control. The Orleans estate in Palermo, which belongs to the heirs of the late Duc de Guise, and other Whitaker properties also in Palermo, are in course of being taken into custody, but as will be appreciated, the preparation or checking of inventories and the checking of the Bank of Sicily's accounts as sequesteror takes a considerable time, particularly having regard to the limited staff allotted to the C.P. Division. In this connection it should be mentioned that no A.C.P. was available for the provinces of Messina and Enna until 11 September 43, and such A.C.P. as have been available have had to be made responsible for 2 or 3 provinces each.

land and buildings, and (ii) industrial and commercial undertakings, the former being under the control of Major Durly (B), and the latter under that of Major Meader (A). Field officers have been posted in the provinces as follows:-

Palermo and Trapani.	Capt. Hollnath (B).	2/Lt. Gioia (transferred)
Agrigento, Caltanissetta and Ragusa.	2/Lt. Shains. (A)	
Catania and Siracusa.	Capt. Russi. (B)	and 2/Lt. Sorolla (A)
Messina and Enna.	Major. Beeson. (B)	

3. Real Estate.

Allied Property.

It was found on our arrival in Sicily that the Italian Government had appointed the Bank of Sicily to manage all lands and buildings of allied nationals which had been sequestered by such government. At my request, the Bank of Sicily promptly supplied detailed particulars of all sequestered real estate throughout the island, and was instructed to continue to manage the properties in accordance with Proclamation No. 6, Art IV, Sec 3, until such time as I could take formal custody.

Such investigation as it has so far been possible to make into the accounts, etc., of the bank indicates that it has managed the properties in a very correct and efficient manner, and it is my intention, as and when formal custody is taken of the various properties, to leave the actual management in the hands of the Bank.

The more important estates in the provinces of Palermo, Trapani, Agrigento, Syracuse and Catania have been inspected, and certain of them, including the Whitaker property in Palermo known as the Villa Sofia, have been taken into formal custody, the Bank of Sicily being left in charge as manager subject to my control. The Orleans estate in Palermo, which belongs to the heirs of the late Duc de Guise, and other Whitaker properties also in Palermo, are in course of being taken into custody, but as will be appreciated, the preparation or checking of inventories and the checking of the Bank of Sicily's accounts as sequesteror take a considerable time, particularly having regard to the limited staff allotted to the D.P. Division. In this connection it should be mentioned that no A.C.P. was available for the provinces of Messina and Enna until 14 September 45, and such A.Cs.P. as have been available have had to be made responsible for 2 or 3 provinces each.

The Ironte Estate in the province of Catania, which was originally given to Lord Nelson by the King of Naples, and was the property of Viscount Bridport when Italy came into the war, has presented certain difficulties owing to the fact that subsequent to its sequestration, it was expropriated under Italian laws enacted prior to the date of sequestration and transferred to the Ente di Colonizzazione del Latifondo Siciliano, a semi-statal undertaking. The actual expropriation was not opposed by E.G.E.L.I. (the Italian department responsible for the custody of enemy property), and the C.L.O. is of the opinion, as at present advised, that it was perfectly legal, and cannot be annulled by the Allied Military Government, as was originally proposed before the full facts of the case were known. Objection was, however, taken by E.G.E.L.I. to the inadequate indemnity offered for the expropriation, and litigation in regard to the amount of such indemnity is still pending.

The estate is at present in the hands of Viscount Bridport's representative Luigi Molino, the Ente di Colonizzazione having vacated or been turned out of it.

This was done without my knowledge or consent, and as the estate must be either

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(2)

enemy state property or Allied property, according to whether the appropriation is in favour of the E.C.L.S. has good in law or not, I propose, subject to the C.C.A.O.'s approval, to take formal custody of the estate as soon as possible, but without prejudice to the rights and liabilities of the parties in regard to it.

4. Enemy State Property.

As stated above, the E.C.L.S. is a semi-statal undertaking, and in accordance with the C.C.A.O.'s instructions, I have taken formal custody of its assets and undertakings, and have appointed Cav. Tascia Bordonaro, a wealthy Sicilian landowner, and Dr. Vincenzo Faravino, a director of the Bank of Sicily, to act as Special Commissioner and Vice-Commissioner respectively to manage and re-organize this Eite.

Cav. Tascia is of the opinion, with which I agree, that if shorn of its superfluous and Fascist elements, both functional and personal, it can serve a very useful purpose in the agricultural economy of the island.

Where Fascist institutions have been abolished, e.g., in the province of Palermo, I am in course of taking custody of their properties. In Agrigento formal custody was taken in a number of cases, the properties being subsequently occupied by the Armed Forces.

Particulars have been obtained of enemy state lands and buildings (as opposed to semi-statal) in the provinces of Palermo and Agrigento. Except in a few cases in the latter province, formal custody has not been taken owing to the premises being in the occupation of other branches of the Allied Forces. As regards the other provinces, the respective E.C.A.O.s have been asked to furnish me with full particulars.

5. Other Real Estate.

There has not so far been any action in regard to abandoned properties, through present limitations are that in the case of most of such properties which are still habitable, they have been requisitioned by the Armed Forces.

6. General.

(a) It transpires that in the case of the larger Allied properties, e.g., the Whitaker estates and the Orleans estate, necessary expenses considerably exceed the available income. Unless therefore the E.C.A.O., which has requisitioned both of these estates, agrees to pay rent for them, immediately, substantial advances will have to be made by A.M.F.A. The question of the payment of rent has been raised with the 15 Army Group, but no reply has yet been received.

(b) Cases have occurred where Allied or enemy state properties occupied by the Armed Forces have been seriously damaged or pilfered. This was particularly evident in the case of the Botanical Gardens and Museum, Palermo, where rare varieties of plants and trees were damaged beyond recovery. Damage has also occurred to some buildings on the Orleans Estate, but the evidence does not show whether this was done by military or civilian personnel. What is evident is that the damage was done to obtain access to the premises for the purpose of looting or pilfering. I shall add that these particular buildings were not actually occupied by the Armed Forces, and that it does not appear to have been practicable to place military guards over them. I have now given instructions for the physical damage to be made good, to the extent necessary to prevent entry, and in the meanwhile the contribution to the extent necessary to

On the whole, in my opinion, with which I agree, that if shown of its superfluous and Fascist elements, both functional and personnel, it can serve a very useful purpose in the agricultural economy of the island.

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5. Other Real Estate.

Time has not so far permitted any action in regard to abandoned properties, though present indications are that in the case of most of such properties which are still habitable, they have been requisitioned by the Armed Forces.

6. General.

(a) It transpires that in the case of the larger Allied properties, e.g., the Whitaker estates and the Orleans estate, necessary expenses considerably exceed the available income. Unless therefore the U.S. Army, which has requisitioned both of these estates, agrees to pay rent for them immediately, substantial advances will have to be made by A.M.F.A. The question of the payment of rent has been raised with 15 Army Group, but no reply has yet been received.

(b) Cases have occurred where Allied or enemy state properties occupied by the Armed Forces have been seriously damaged or pilfered. This was particularly evident in the case of the Botanical Gardens and Museum, Palermo, where rare varieties of plants and trees were damaged beyond recovery. Damage has also occurred to some buildings on the Orleans Estate, but the evidence does not show whether this was done by military or civilian personnel. What is evident is that the damage was done to obtain access to the premises for the purpose of looting or pilfering. I should add that these particular buildings were not actually occupied by the Armed Forces, and that it does not appear to have been practicable to place military guards over them. I have now given instructions for the physical damage to be made good, to the extent necessary to prevent entry, and in the meanwhile the Carabinieri are keeping watch on the premises.

(c) The recording and accounting in respect of properties taken into custody in accordance with annex 3 to the General Administrative Instruction No. 15, is working satisfactorily.

7. Blocked Accounts.

Blocked accounts on securities to a value exceeding L.2,500,000, held by banks in Palermo at the outbreak of war for the account of Allied Nationals, but in many cases subsequently transferred to the Bank of Italy for the account of Istanbul, have been formally taken into custody.

8. Sale of Booty.

In the province of Agrigento the 7th Army abandoned booty consisting of rifles, horses and coal captured from the Italian Army, for which no military use could be

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(3)
fourth. These articles have been sold by the A.C.P. by public auction, and the amount realized was L.634,400.

Industrial and Commercial Undertakings.

9. Allied Property.

(a) Oil installations owned by Standard, Shell and Vacuum Oil Companies were first sequestered and then expropriated by the Italian Government, which appears to have sold them to the Azienda Generale Italiana Petroli (A.G.I.P.) which also owns certain installations of its own in various towns throughout the island. This company, which though technically a limited liability company, is controlled and partly owned by the Italian Government, in accordance with the instructions issued by the C.G.A.O. I have taken into my control. Major Meador of this Division has made a tour of inspection of all oil installations throughout the island, and has submitted a report thereon which will be transmitted to you shortly.

(b) Apart from these oil installations comparatively few commercial undertakings owned by allied citizens have so far come to light. A substantial lace and underwear business in Palermo belongs to James Borat, a U.S. citizen, has been investigated and inventories have been made preparatory to taking formal custody.

(c) In the province of Trapani, a wine factory in Marsala owned by a British citizen Giacomo Roppa, now resident in Mazara del Valle, has been investigated. This business was sequestered by the Italian Government, but the buildings were sequestered by the Baron di Sicilia, and the commercial business requested and carried on under the custody of the Banca d'Italia. The owner has expressed himself as completely satisfied with the way in which the business has been carried on, and I propose after verification of his title to hand the property back to its owner.

(d) Two asphalt mining concerns of British ownership, in the province of Ragusa, the United Limer and Vorebble Rock Asphalt Company and the Val de Travers Asphalt Company, were sequestered by the Italian Government, and their custody entrusted to Soc. Asfalt to Bitumati Estratti e Derivati (A.B.S.D.) which had closed them down. The A.B.S.D. is being operated by its manager, Signor Mey, under the control of the 7th Army, and the two British companies have recommenced working under the management of Signor Mey, who appears to be a very capable business man. I propose to take formal custody of these British concerns and to appoint Signor Mey to manage them under my control.

10. Semi-statal and Government controlled Enterprises.

Of concerns of this nature falling within the scope of this Division, the following have so far been found to exist in Sicily, in addition to A.G.I.P. referred to in para 9 above, namely:-

(a) The Ente Nazionale Industrie Cinematografiche (E.N.I.C.). This concern owns cinema theatres in Palermo, Catania and Giarrè. I have assumed control of this institution. Of the 9 theatres in Palermo only two are in a position to operate, the remainder having been either requisitioned or destroyed. One (the Teatro Massimo) is now open to the public, the films being supplied by P.W.U. and A. Second, the Teatro Savois, which suffered some bomb damage, should be opened at no very distant date, the repairs having already been taken in hand. No information has yet been received concerning the condition of the cinemas in Catania, Messina and Girgenti.

(b) Società Gradi Alburgh di Sicilia. This concern, which was a private company, fell into difficulties as the result of the war, and was taken into control by the

oil installations throughout the island, and has submitted a report thereon which will be transmitted to you shortly.

(b) Apart from these oil installations comparatively few commercial undertakings owned by allied citizens have so far come to light. A substantial lace and embroidery business in Palermo belongs to James Borah, a U.S. citizen, has been investigated and inventories have been made preparatory to taking formal custody.

(c) In the province of Trapani, a wine factory in Marsala owned by a British citizen Giacomo Hoppe, now resident in Mazara del Vallo, has been investigated. This business was sequestered by the Italian Government, but the buildings were sequestered by the Banca di Sicilia, and the commercial business sequestered and carried on under the custody of the Banca d'Italia. The owner has expressed himself as completely satisfied with the way in which the business has been carried on, and I propose after verification of his title to hand the property back to its owner.

(d) Two asphalt mining concerns of British ownership, in the province of Ragusa, the United Limer and Vorwelle Rock Asphalt Company and the Val de Travers Asphalt Company, were sequestered by the Italian Government, and their custody entrusted to Soc. Anfal to Bitum Catrami e Derivati (A.B.C.D.) which had closed them down. The A.B.C.D. is being operated by its manager, Signor May, under the control of the 7th Army, and the two British companies have recommenced working under the management of Signor May, who appears to be a very capable business man. I propose to take formal custody of these British concerns and to appoint Signor May to manage them under my control.

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Of concerns of this nature falling within the scope of this Division, the following have so far been found to exist in Sicily, in addition to A.G.I.P. referred to in para 9 above, namely:-

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(b) Societa Grandi Alberghi di Sicilia. This concern, which was a private company, fell into difficulties as the result of the war, and was taken into control by the Italian Government Reconstruction Finance Corporation, which now owns three-quarters of the share capital. The company owns 3 hotels in Palermo, all of which have been requisitioned by the 7th Army, but one of them, the Hotel Excelsior, is being run by the former manager, Signor Marinelli, on his own account. As this use of state property appears to be highly irregular, I propose to arrange with the 7th Army that this Division should take control of Signor Marinelli's activities, and make him accountable to me for his management. This step seems all the more desirable as Signor Marinelli is supposed to purchase his supplies in the black market, and is charging exorbitant prices.

The company also owns hotels in Taormina, concerning which no precise information has yet reached me.

(signed) C. R. S. JRS.
Lieut-Gen 5334
Controller of Property.

HEADQUARTERS

12 NOV 1943

REPORT OF THE CHIEF OF PROPERTY, A.C.C., FOR OCTOBER 1943.

1. General.

The month under review saw good progress in all aspects of the Division's work. My "field" officers, benefitting from the experience of the previous two months, carried out their duties very satisfactorily, and in spite of their limited number and the amount of detailed work involved, took formal custody of numerous properties and made the necessary arrangements for their management, subject to the A.C.P.'s supervision and direction.

I personally made two tours during the month; the first to Agrigento and Ragusa, and the second to Messina. Major Howard (A), A.D.C.P., accompanied me on each tour. In the course of the first I made a personal inspection of the Asphelt Mines at Ragusa (para 3(A)(2) of this Report), whilst at Messina I met Major Mader (A), C.P. Region II, and was able to discuss the problems of that Region with him. It had been my intention to make a personal inspection of it, but the arrival of the Allied Control Commission and the resulting re-organization, involving further planning, necessitated my immediate return to Palermo. Major Howard however proceeded to Region II, and reference is made in para 5 below to the report he submitted to me on his return.

Lt. Col. Glenn (A) and Major Evans (B - Canadian) of the A.C.C. joined my H.Q. staff towards the end of the month.

Region I (Sicily) was formally established with effect from 27 Oct 43, and Capt. Mollath (B) was appointed Regional C.P., but remaining responsible for the Province of Palermo and Trapani, of which he had previously been A.C.P.

Region I.2. Real Estate.(A) Allied Property.

The formal taking into custody and supervisory management of Allied Properties has continued to engage most of the time of my "field" officers in the Province of Palermo, Messina and Catania, where 206 out of a total of 241 sequestered Allied properties are situated. The position with regard to Allied properties in the other six provinces remains the same as stated in para 4 of my Report for September '43.

In the Province of Palermo, all properties of which the Bank of Sicily took possession as sequestrator have now been taken into custody, their administration being left in the hands of the Bank, subject to my control.

Practically all the other Allied properties in Palermo Province, of which possession was not taken by the Bank of Sicily, have been inspected and most of them have been or are in course of being taken into custody. In some cases, it was found that the property was being administered by an attorney of the Bank, and where the A.C.C. has advised that the power of attorney is valid, the property has been left in the care of the attorney, if found satisfactory, his attention being drawn to the provisions of Proclamation No. 6.

second to Messina. Major Bernal (A), A.D.C.P., accompanied me on each tour. In the course of the first I made a personal inspection of the Asfalt Mines at Reggio (para 3(A)(2) of this Report), whilst at Messina I met Major Mander (A), C.P. Region II, and was able to discuss the problems of that Region with him. It had been my intention to make a personal inspection of it, but the arrival of the Allied Control Commission and the resulting re-organization, involving further planning, necessitated my immediate return to Palermo. Major Bernal however proceeded to Region II, and reference is made in para 5 below to the report he submitted to me on his return.

Lt.Col. Glenn (A) and Major Evans (B - Consultant) of the A.C.C. joined my H.Q. staff towards the end of the month.

Region I (Sicily) was formally established with effect from 27 Oct 43, and Capt. Hollnath (B) was appointed Regional C.P., but remaining responsible for the Province of Palermo and Trapani, of which he had previously been A.C.P.

Region I.

2. Real Estate.

(A) Allied Property.

The Formal taking into custody and supervisory management of Allied Properties has continued to engage most of the time of my "field" officers in the Provinces of Palermo, Messina and Catania, where 20% out of a total of 244 sequestered Allied properties are situated. The position with regard to Allied properties in the other six provinces remains the same as stated in para 4 of my report for September 1943.

In the Province of Palermo, all properties of which the Bank of Sicily took possession as sequestered have now been taken into custody, their administration being left in the hands of the Bank, subject to my control.

Practically all the other Allied properties in Palermo Province, of which possession was not taken by the Bank of Sicily, have been inspected and most of them have been or are in course of being taken into custody. In some cases, it was found that the property was being administered by an attorney of the owner, and when the A.C.C. was advised that the Power of Attorney is valid, the property has been left in the care of the attorney, if found satisfactory, his attention being drawn to the provisions of Proclamation No. 6.

In Catania Province, the Bruto Estate (referred to in para 3 of my Report for August, and para 4 of that for September) continues to be managed by my agent, Signor Modica, and calls for no official comment in this Report. Other Allied property in the Province has been taken into custody during the month under review, and only a few properties now remain to be dealt with.

Particulars furnished by the Bank of Sicily showed that in Messina Province there were 161 Allied Properties, though the bank, as sequesteror, had only taken formal possession of 22, including the more valuable villas in the town belonging to English and American Nationals. Though the A.C.P. has worked hard and made good progress in the matter of taking custody of these properties, much work remains to be done in this Province, and the arrival of additional officers of the A.C.C. has enabled it, since the end of the month under review, to send an extra officer to assist in such work.

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(a) Enemy State Property (Italian).

Formal custody has been taken of further State buildings and properties, including a state forest, the Azienda Foreste Demaniale Piuma in Palermo Province. This forest was managed by a special administration under the control of the Ministry of Agriculture, and is now being managed by the Economics and Supply Division, who are furnishing records to the C.P., such records including the initial inventories and accounts, runs up to 30 Sept 43.

The confederal undertaking known as the Ente di Colonizzazioni del Latifondo Siciliano, referred to in my previous reports, remains under the management of Iott. Parvino as Special Commissioner, and Prof. Nunzio Protti and as Vice-Commissioner. Owing to the disorganized state of affairs with which they have had to deal, they have not yet had time to prepare the report and accounts for which I have asked.

Now that Italy is a co-belligerent, and the general administration of certain Regions is likely to pass in the near future to the Italian Government, I propose to leave the responsibility for State Properties in the hands of the appropriate governmental officials and institutions, subject to my control and supervision, and instructions to this effect are being issued.

(c) Property of other Enemy States and their Nationals.

Up to date my staff has been too busily engaged on work in connection with Allied and Italian State Property to ascertain what properties there are in Sicily belonging to the nationals of other Enemy States, but instructions have been given to the appropriate Italian officials in the Island to furnish a list of such properties. It might be mentioned that the German Consulate, presently in Palermo are in the occupation of U.S. Forces, and retain their responsibility so long as such occupation continues.

(D) Abandoned Property.

The arrangements made for dealing with abandoned properties, as explained in para (A) of my Report for September 1943, have worked very satisfactorily, and in Palermo Province approximately 300 applications have been handled.

3. Industrial and Commercial Undertakings.(A) Allied Properties.(1) Azienda Generale Italiana Petroli.

Azienda Generale Italiana Petroli (A.G.I.P.) referred to in my previous reports, continues to be managed on my behalf by Sig. Giacomo Catella, ex vice-manager of the NAPIA (Shell) Company as Special Commissioner, with Sig. Francesco Bernardelli, ex vice-manager of the S.I.A.P. (Standard) and Sig. Elito Mastrelli, head of the accounting section of the Palermo office of A.G.I.P., as his assistants. A.G.I.P. is being operated as a single unit under the direction of R.E.M., and in order to secure proper co-ordination in the management, it was decided to form a Board for A.G.I.P. at R.Q., consisting of C.P. and representatives of the Legal, Finance, and E.S. Divisions.

ment of Dott. Faravino as Special Commissioner, and Prof. Nunzio Prati as Vice-Commissioner. Owing to the disorganized state of affairs with which they have had to deal, they have not yet had time to prepare the report and accounts for which I have asked.

Now that Italy is a co-belligerent, and the general administration of our main regions is likely to pass in the near future to the Italian Government, I propose to leave the responsibility for State Properties in the hands of the appropriate governmental officials and institutions, subject to my control and supervision, and instructions to this effect are being issued.

(C) Property of other Enemy States and their Nationals.

Up to date my staff has been too busily engaged on work in connection with Allied and Italian State Property to ascertain what properties there are in Sicily belonging to the nationals of other Enemy States, but instructions have been given to the appropriate Italian officials in the Island to furnish a list of such properties. It might be mentioned that the German Consulate premises in Palermo are in the occupation of U.S. Forces, and within their responsibility so long as such occupation continues.

(D) Abandoned Property.

The arrangements made for dealing with abandoned properties, as explained in para (d) of my Report for September 1943, have worked very satisfactorily, and in Palermo Province approximately 500 applications have been handled.

3. Industrial and Commercial Undertakings.

(A) Allied Properties.

(1) Azienda Generale Italiana Petroli.

Azienda Generale Italiana Petroli (A.G.I.P.) referred to in my previous reports, continues to be managed on my behalf by Sig. Giacomo Gelfi, ex vice-manager of the NAPIA (Shell) Company as Special Commissioner, with Sig. Francesco Bernardelli, ex vice-manager of the S.I.I.P. (Standard) and Sig. Elia Lavetrelli, head of the accounting section of the Palermo office of A.G.I.P., as his assistants. A.G.I.P. is being operated as a single unit under the direction of E.S.D., and in order to secure proper co-ordination in the management, it was decided to form a Board for A.G.I.P. at H.Q., consisting of G.P. and representatives of the Legal, Finance, and E.S. Divisions.

Instructions have been given to the management:-

- (a) to re-organize the concern on the reduced basis necessitated by war conditions, to cut down redundant staff, close down plant not in use and place it on a care and maintenance basis, etc, etc, and to furnish monthly accounts showing separately expenditure incurred with respect to the installations of each of the constituent companies,
- (b) to prepare a report showing the position of each of such companies as at 30 June and 31 August 1943 respectively, together with inventories giving condition of the plant, balance sheets, etc, and such details as are available concerning occupation of the installations, requisitions, etc, by (i) Italian and German, and (ii) Allied Armed Forces.

Owing to the inevitable confusion caused by the war, and the consequent

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lack of communications in the Island, the above data will take some time to assemble, and it is hardly to be expected that records will be complete. Every effort is however being made to obtain a clear picture of events so far as circumstances permit. The Supply Office of Region I has sent one of his staff to investigate the position in the island provinces, accompanied by Signor Catellini. I have attached Major Sansone, who has recently joined this Sub-Commission at AMOT Headquarters, to them.

Necessary measures are being taken to conserve damaged properties.

(2) Asphalt Mines at Ragusa.

I visited these mines at the beginning of October 43, and met Signor Roy, who, as stated in para 5 (a) (ii) of my report for Sept 43, is the manager of the A.B.C.D. Company, and has been instructed to continue the operation of the mines. I learnt from him that records have been kept of the quantities of rock obtained from the British concessions (owned by the Val di Trave and Asphalt Paving Co. Ltd.), and the United Liner and Vorechio Rock Asphalt Co. Ltd.) and of the output of asphalt powder obtained from the British mills, and of expenditure incurred in producing the same.

Formal custody has been taken of the properties of the two British companies. I had intended to take formal custody of the A.B.C.D. Company (owned by the Italian Government) but in view of the changed situation brought about by the armistice, I decided that this step was now unnecessary.

Records have been furnished by Signor Roy, giving the following data:-

- (a) Works affected by the A.B.C.D. Company on the Liner and Val di Traverso Mines.
- (b) Balance sheets of the two companies as at 13 June 1944.
- (c) Monthly production and expenditure figures for each mine, covering the period March 1942 (when the British mines were handed over to the A.B.C.D. Company) to July 1943.
- (d) Inventory of the property of the British companies.
- (e) Legal documents concerning the sequestration of the properties and their transfer to the A.B.C.D. Company.

A third company owning plant and concessions in the Ragusa field is R. Avallone & Co., a family firm, of which three of the members are Italian citizens, before the war. A fourth member of the family, Mr. Christian Avallone, elected to preserve his British nationality, and his interest in the firm was sequestered by the Italian Government. Records are not yet available concerning the sequestration of this interest, but when they are, custody of his interest will be taken.

(3) Secondary Business - Pintelli Bros.

This business, referred to in para 5 (a) (iii) of my report for Sept 43,

(2) Asphalt Mines at Ragusa.

I visited these mines at the beginning of October 43, and met Signor Mey, who, as stated in para 5 (a) (ii) of my report for Sept 43, is the manager of the A.B.C.D. Company, and has been instructed to continue the operation of the mines. I learnt from him that records have been kept of the quantities of rock obtained from the British concessions (owned by the Val di Traversa Asphalt Paving Co. Ltd., and the United Limer and Yorkshire Rock Asphalt Co. Ltd.) and of the output of asphalt powder obtained from the British mills, and of expenditure incurred in producing the same.

Formal custody has been taken of the properties of the two British companies. I had intended to take formal custody of the A.B.C.D. Company (owned by the Italian Government) but in view of the changed situation brought about by the armistice, I decided that this step was now unnecessary.

Records have been furnished by Signor Mey, giving the following data:-

- (a) Works effected by the A.B.C.D. Company on the Limer and Val di Traversa Mines.
- (b) Balance sheets of the two companies as at 13 June 1943.
- (c) Monthly production and expenditure figures for each mine, covering the period March 1942 (when the British losses were headed over to the A.B.C.D. Company) to July 1943.
- (d) Inventory of the property of the British companies.
- (e) Legal documents concerning the acquisition of the properties and their transfer to the A.B.C.D. Company.

A third company owning plant and concessions in the Ragusa field is H. Avoline & Co., a family firm, of which three of the members possessed Italian citizenship before the war. A fourth member of the family, Mr. Charles Avoline, enlisted to promote his British nationality, and his interest in the firm was acquired by the Italian Government. Records are not yet available concerning the acquisition of this interest, but when they are, custody of his interest will be taken.

(3) Edicolari Business - Profitti Bomb.

This business, referred to in para 5 (a) (iii) of my report for Sept 43, was re-opened on 1 Oct 43, but on the conservative basis of selling only the similar quantity of goods necessary to cover general operating expenses.

(4) Italian State Properties.(1) Ditta Industriale Italiana Cinematografica. (S.I.I.C.).

The cinemas in Palermo and Savona in Palermo, referred to in para 10 (a) and 6 (a) respectively of my reports for August and September of this year, continue to do good business, although handicapped by one performance only on weekdays. Arrangements having recently been made for two shows daily, there should soon be a considerable increase in receipts. The other two large cinemas in Palermo, the Nazionale and Sperimentale, are now to be repaired, but it will take over a three months in the case of the former and six months in the case of the latter to complete the repairs and start the opening of these cinemas.

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Of the E.M.I.C. theatres in Catania, two have been registered by the Armed Forces and the third has been completely destroyed. Of those in Messina, one has been damaged by bombing, but could be repaired at the approximate cost of L.400,000. No information has yet been received concerning the others.

The Palermo manager of E.M.I.C., Silverella, has been charged with the general supervision of all E.M.I.C. theatres throughout the Island.

No decision has yet been reached on the advisability of effecting repairs to and re-opening the damaged theatres in Messina and Catania.

(41) Unions Military.

An inventory of the stock of this institution (referred to in para 6 (b) of my report for Sept 43) has now been completed and a 10% check carried out. This was found to be satisfactory. The store in Palermo has been re-opened for the use of Italian Services only. Coal which may be of use to the Italian Armed Forces are being preserved.

Certain complaints which have been made regarding this concern are being investigated.

4. Abandoned Industrial Undertaking.

In the Province of Agrigento a small salt mine was found to be abandoned. It has been formally taken into custody and a manager appointed. Inventories and accounts have been furnished, and instructions have been given to the manager to submit monthly reports.

Region II.

5. Conditions.

Major General (A), A.D.C.F., on his visit to Region II towards the end of October, found that conditions there differ widely from those in Region I. There is practically no Allied Property with the exception of A.S.V.F. (or A.S.V. and Shell) installations, consisting chiefly of petrol pumps and reservoirs. There would appear to be very little property belonging to the Nationalists.

Inspectors of Provinces have been directed to furnish the National C.F. with lists of Allied Property segregated by the Italian Government, but such lists are not yet available.

6. Conclusion.

Owing to shortage of staff, the programme made in taking over Allied Property has necessarily been slow, but in view of coming changes I have decided to concentrate on those rather than on Italian Government properties, and it is to be hoped that during the next few months progress will be made rapidly.

It is hoped that the above will be of use in recording the completion of the excellent

No decision has yet been reached on the advisability of effecting repairs to and re-opening the damaged theatres in Messina and Catania.

(11) Uniforms, Military.

An inventory of the stock of this institution (referred to in para 6 (b) of my report for Sept 43) has now been completed and a 10% check carried out. This was found to be satisfactory. The store in Palermo has been reopened for the use of Italian Services only. Gear which may be of use to the Italian Armed Forces are being preserved.

Certain complaints which have been made regarding this concern are being investigated.

4. Abandoned Industrial Undertaking.

In the Province of Agrigento a small salt mine was found to be abandoned. It has been formally taken into custody and a manager appointed. Inventories and accounts have been furnished, and instructions have been given to the manager to submit monthly reports.

Region II.

5. Conditions.

Major Goversi (Lt), A.C.P., on his visit to Region II towards the end of October, found that conditions there differ widely from those in Region I. There is practically no Allied Property with the exception of A.C.P. (at MPTA and Eboli) installations, consisting chiefly of petrol pumps and reserves. There would also appear to be very little property belonging to Axis Nationals.

Prefects of Provinces have been directed to furnish the Regional C.P. with lists of Allied Properties acquired by the Italian Government, but such lists are not yet available.

6. Conclusion.

Owing to shortage of staff, the progress made in taking over Allied Properties has necessarily been slow, but in view of curbing changes I have decided to concentrate on those rather than on Italian Government Properties, and it is to be hoped that during the coming months progress will be rapid.

In conclusion I should like to place on record my appreciation of the excellent services rendered by my staff.

C.H.S. / H.M.
C. H. S. H.M.,
Lieut-Colonel,
Director of Property Control.

REVIEW OF THE ACTIVITIES OF THE CONTROLLER OF PROPERTY
DIVISION AMST - JULY 1 TO OCTOBER 31, 1943

1. Period covered by this Review.

This Review covers the period July 1 to October 31, 1943, which may be conveniently divided into two phases, namely (i) the period of planning in North Africa, and (ii) the period of the Allied occupation of Sicily and the adjacent mainland (Region II).

2. Responsibilities of C.P.'s Functions.

In planning the Functions of the Controller of Property Division, AMST HQ departed considerably from the conception of the Property Custodian's duties laid down in the British Middle Eastern Manual, which was adapted to colonial conditions very different from those obtaining in Metropolitan Italy. In particular it was decided to (i) lay special emphasis in the first place on the custody of Allied Property, (ii) to exempt the C.P. from any responsibility either of custody or record in respect of public or private property occupied by the Allied Armed Forces, and (iii) to restrict the C.P.'s responsibility with regard to abandoned property to those properties which were considered by the C.O.A.O to be important. This latter limitation was especially desirable in view of the very small staff available, which made it imperative to restrict the C.P.'s functions to the minimum required by international law and the exigencies of military administration.

The Functions of the C.P. were accordingly defined in two documents: Provision No. 6 issued by the Military Governor, and AMST General Administrative Instruction No. 10.

REGION I.

3. Arrival in Sicily.

I arrived at AMST Forward HQ Syracuse on 29 July 43, and proceeded to Palermo on 3 Aug 43, arriving there the following day, where I made contact with Major (then Captain) Howard (A), who had preceded me by several days.

In addition to Major Howard (D.C.P.) and myself, the following officers had been assigned to the Division:-

Major Reader	(A)
Major Bundy	(S)
Capt. Hellmuth	(B)
Capt. Ruzet	(S)
Capt. Meyer	(B)
Lieut. Benson	(S)
2/Lt. Quachin	(A)
2/Lt. Shaine	(A)
2/Lt. Scrolla	(A)

Unfortunately the services of these officers were not immediately available, and as the work of the Division has been handicapped by the smallness of the staff,

In planning the functions of the Controller of Property Division, AEGOT HQ deposited considerably from the conception of the Property Custodian's duties laid down in the British Middle Eastern Manual, which was adapted to colonial conditions very different from those obtaining in Metropolitan Italy. In particular it was decided to (1) lay special emphasis in the first place on the custody of Allied property, (2) to exempt the C.P. from any responsibility either of custody or record in respect of public or private property occupied by the Allied Armed Forces, and (3) to restrict the C.P.'s responsibility with regard to abandoned property to those properties which were considered by the C.C.A.O. to be important. This latter limitation was especially desirable in view of the very small staff available, which made it imperative to restrict the C.P.'s functions to the minimum required by international law and the exigencies of military administration.

The functions of the C.P. were accordingly defined in two documents; Proclamation No. 5 issued by the Military Governor, and AEGOT General Administrative Instruction No. 10.

REGION I.

3. Arrival in Sicily.

I arrived at AEGOT Forward HQ Siracusa on 29 July 43, and proceeded to Palermo on 3 Aug 43, arriving there the following day, where I made contact with Major (then Captain) Howard (A), who had preceded me by several days.

In addition to Major Howard (D.C.P.) and myself, the following officers had been assigned to the Division:-

Major Mander	(A)
Major Bundy	(B)
Capt. Hellmuth	(B)
Capt. Russel	(B)
Capt. Mares	(B)
Lieut. Beeson	(B)
2/Lt. Guerin	(A)
2/Lt. Shaine	(A)
2/Lt. Scrolla	(A)

Unfortunately the services of these officers were not immediately available, and so the work of the Division has been handicapped by the unavailability of the staff, I think it as well to record particulars of the staff available to me from time to time.

Major Mander (A) had been attached to one of the Task Forces for duty as L.A.O., and was not released for duty with C.P. Division until about 16 Aug 43. His services were only available to me in Sicily for a month, as on 17 Sept 43 he was assigned to Region II.

Major Bundy (B) arrived in Palermo on 6 Aug 43, and has assisted me at HQ throughout the period covered by this Review.

The other officers named above arrived in Sicily on various dates between 25 Aug 43, but owing to illness Capt. Mares (B) was never available for duty, and was eventually assigned as Assistant Advisor in Fire Arts and Munitions, whilst 2/Lt. Guerin (A) was released of his assignment to C.P. Division, and posted to Region II on 27 Aug 43.

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It will be seen therefore that at most, only 9 officers were available to me, and this not until late in August, and that they were subsequently reduced to 7.

I should add that early in October 43, Lieut. Suben (A) was attached to the Division from the Finance (Accounting) Division, to assist with the accounts.

4. Distribution of Staff.

I divided the work at HQ into 2 sections, dealing respectively with (i) land and buildings, and (ii) industrial and commercial undertakings. The former I placed under the control of Major Brady (B), and the latter under that of Major Wadley (A), but as will be seen from para 3, his services were only available in this capacity for about a month.

The remaining officers at my disposal did not permit of my having one officer in each province, and I therefore divided the Island into 4 districts, and allotted my staff as follows:-

Palermo and Trapani	-	Capt. Wellmuth (B)
Agrigento, Caltanissetta and Ragusa	-	2/Lt. Guaccia (A) transferred 27 Aug 43.
Catania and Siracusa	-	2/Lt. Shamus (A)
Messina and Enna	-	Capt. Pucci (B)
	-	2/Lt. Shrolla (A)
	-	Lieut. Eason (B)

The L.Ms and C.Ds allotted to this Division were divided on a proportionate basis between HQ and the above four districts.

5. The work of the C.P. Division.

For convenience, I propose to report on the work of the Division under the following heads:-

Real Estate (Allied, Enemy State, and Abandoned).
Industrial and Commercial Undertakings. (Allied and Enemy State).
Blocked Accounts.
Property of Fascist Organizations.
Bonds.

6. Real Estate.

(a) Allied Properties.

It was found on our arrival in Sicily that the Italian Government had appointed the Bank of Sicily to manage all lands and buildings of Allied Nationalities which had been requisitioned by such Government. At my request the Bank of Sicily promptly supplied detailed particulars of all requisitioned real estate throughout the Island, and was instructed to continue to manage the properties in accordance with Proclamation No. 6, Art 14, Sec 3, until such time as I could take formal custody.

Control of Major Army (B), and the Army (A), but as will be seen from para 3, his services were only available in this capacity for about a month.

The remaining officers at my disposal did not permit of my having one officer in each province, and I therefore divided the island into 4 districts, and allotted my staff as follows:-

- Palermo and Trapani - Capt. Hellmuth (B)
- Agrigento, Caltanissetta and Ragusa - 2/Lt. Guccio (A) transferred 27 Aug 43.
- Catania and Siracusa - 2/Lt. Shaine (A)
- Messina and Duna - Capt. Rumi (B)
- - 2/Lt. Sberella (A)
- - Lieut. Benson (B)

The U.Ms and O.Ms allotted to this Division were divided on a proportional basis between HQ and the above four districts.

5. The work of the C.P. Division.

For convenience, I propose to report on the work of the Division under the following heads:-

- Real Estate (Allied, Enemy State, and Abandoned).
- Industrial and Commercial Undertakings. (Allied and Enemy State).
- Blocked Accounts.
- Property of Fascist Organizations.
- Hosts.

6. Real Estate.

(a) Allied Properties.

It was found on our arrival in Sicily that the Italian Government had appointed the Bank of Sicily to manage all lands and buildings of Allied Nationals which had been requisitioned by such Government. At my request the Bank of Sicily promptly supplied detailed particulars of all requisitioned real estate throughout the island, and was instructed to continue to manage the properties in accordance with Proclamation No. 6, Art IV, Sec 3, until such time as I could take formal custody.

Preliminary investigation of the Bank's accounts, records, etc, indicated that it had managed the properties in a correct and efficient manner, and I therefore decided that as and when formal custody was taken of the various properties, their actual management should be left in the hands of the Bank, subject to my control and supervision.

The particulars furnished by the Bank showed that the properties of Allied and American Nationals which remained requisitioned by the Italian Government amounted, in the whole island, to 24, and that in only 16 cases had the Bank of Sicily taken formal possession as administrator. Such properties are made up as follows:-

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Province.	Number of properties sequestered.	Number of properties of which formal possession was taken by Bank of Sicily.
Palermo	36	6
Trapani	1	1
Agrigento	1	1
Caltanissetta	-	-
Bagusa	-	-
Catania	7	4
Syracusa	1	1
Mazara	161	22
<u>Total</u>	<u>211</u>	<u>36</u>

As will be seen, the majority of the sequestered properties were in the Provinces of Messina and Palermo. Owing to Messina being the last province in the island to be captured, it was not possible to send a "field" officer there until about the 10th September, and the work of the Division in that province was correspondingly delayed.

The policy of the Bank of Sicily would appear to have been to take formal possession of the properties according to their value and importance, and I have in principle adopted the same policy.

As at the date of this Report, the position with regard to Allied properties in the various provinces is as follows:-

(1) Palermo Province.

Formal custody has been taken of all properties administered by the Bank of Sicily as sequestered. Reports on the condition of the property and complete inventories have been made in each case, and essential repairs have been put in hand. Servants and staff have been interviewed and the necessary arrangements made for the management and care of the properties. Generally, their administration has been left in the hands of the Bank of Sicily subject to my control.

The properties referred to in the preceding paragraph include the valuable properties (Villas Sofia, Sperlinga and Cavour) in Palermo City belonging to various members of the Whitaker family. The Whitaker property in Palermo known as the Villa Walfrida (which includes a museum containing a very fine collection of birds) was not sequestered by the Italian Government, owing to its being used in whole or in part by Dorina di Giorgio (nee Whitaker) who acquired Italian nationality on her marriage to General di Giorgio. I have not therefore taken custody of this property, but I have taken steps to ensure that it is properly maintained and protected. At the present time it is occupied by the Commanding Officer, Island Base Division, and members of his staff, and is being well cared for by them and the owner's servants.

The Villa Cavour was considerably damaged by bombs, and is at present uninhabitable. The other Whitaker villas fortunately sustained little or no damage, but a certain amount of petty pilfering or looting appears to have taken place.

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The properties referred to in the preceding paragraph include the valuable properties (Villas Sofia, Sperlinga and Cavour) in Palermo City belonging to various members of the Whitaker family. The Whitaker property in Palermo known as the Villa Malatesta (which includes a museum containing a very fine collection of bronzes) was not sequestered by the Italian Government, owing to its being owned in whole or in part by Morina di Giorgio (nee Whitaker) who acquired Italian nationality on her marriage to General di Giorgio. I have not therefore taken custody of this property, but I have taken steps to ensure that it is properly maintained and protected. At the present time it is occupied by the Commanding Officer, Island Base Section, and members of his staff, and is being well cared for by them and the owner's servants.

The Villa Cavour was considerably damaged by bombs, and is at present uninhabitable. The other Whitaker Villages fortunately sustained little or no damage, but a certain amount of petty pilfering or looting appears to have taken place prior to and immediately following the Allied occupation of Sicily.

Practically all the other Allied properties in Palermo Province, of which possession was not taken by the Bank of Sicily, have been inspected, and most of them have been or are in course of being taken into custody.

(14) Trapani Province.

The only sequestered Allied property in this province, a wine factory, has been handed back to its owner, who resides at Mazara del Vallo, after verification of his title. (See below - para 7 A.)

(15) Agrigento Province.

Here again, the one Allied property in this province which was sequestered has also, after verification of title, been returned to its owner, who resides at Licata.

(iv) Catania Province.

The most valuable and important allied property in this province at the time of Italy's entry into the war was the Bronte Estate (including Castle Mantica), which was given to Lord Nelson by the King of Naples at the beginning of the 18th century, and was the property of his descendant, Viscount Bridport, in 1840. This estate has presented certain difficulties owing to the fact that, after being sequestered by the Italian Government, it was expropriated under Italian pre-war legislation, and transferred to the Sito di Colonizzazione del latifondo Siciliano, a semi-statal undertaking. The actual expropriation was not approved by E.C.I.I., (the Italian department in Rome responsible for the custody of enemy property) though objection was taken by it to the inadequate indemnity offered for the expropriation, and litigation in regard to the amount of such indemnity is still pending.

The sequestration of the estate was annulled by virtue of Proclamation No. 6, but not the expropriation, unless it can be established that the decree of expropriation was discriminatory within the meaning of Art. 14 Sec. 1 of such Proclamation. At this point the C.I.O. has stated that, in his opinion, as it passed without dissent, the expropriation was probably legal, and cannot be annulled by the C.I.O. I have, however, on the instructions of the C.I.O., taken formal custody of the Estate, as it must be either enemy state property or allied property, according to whether the expropriation in favour of the semi-statal undertaking E.C.I.3 was and still is legally valid, or not. This has been done without prejudice to the rights and liabilities of the parties, and I have appointed Cav. Luigi Modica, who was formerly Viscount Bridport's representative, to manage the estate on my behalf.

I made a personal visit to the estate with Major Bundy on 15 Sep 43, and found that E.C.I.3, during its occupation, had built a certain number of "casemates" on it, and had also commenced the erection of a concrete block of about 1000 within a few yards of Castle Mantica itself. The Castle itself had also been altered internally to accommodate employees of E.C.I.3 and peasant families, but except for such alterations, and the removal from the courtyard of a statue prominent commemorating Nelson's victory of the Nile, the Castle itself appeared unchanged. It had, however, been occupied by German troops, who damaged some of the paintings and removed others, and I was informed by Cav. Modica that certain instruments and other small articles had been looted either by the troops or by local civilians. On the whole, however, owing to the removal of the more valuable Nelson relics and silver to the bank of Rome in Catania, there has not been any substantial loss.

I was informed by Cav. Modica that contracts made by E.C.I.3 for the setting of timber were extremely detrimental to the estate, and were under these contracts has been suspended, pending my investigation, in consultation with the Legal Division, into the nature of them.

Partial custody of the other allied properties in the province of Catania has been or is in course of being taken.

Sicilian, a semi-statal undertaking. The actual expropriation was not approved by E.C.L.S., (the Italian department in Rome responsible for the custody of enemy property) though objection was taken by it to the inadequate indemnity offered for the expropriation, and litigation in regard to the amount of such indemnity is still pending.

The sequestration of the estate was annulled by virtue of Proclamation No. 6, but not the expropriation, unless it can be established that the decree of expropriation was discriminatory within the meaning of Art. IV Sec. 1 of such Proclamation. On this point the C.L.S. has stated that, in his opinion, as at present advised, the expropriation was probably legal, and cannot be annulled by the A.C.F. I have, however, on the instructions of the C.C.A.C., taken formal custody of the Estate, as it must be either enemy state property or allied property, according to whether the expropriation in favour of the semi-statal undertaking E.C.L.S. was and still is legally valid, or not. This has been done without prejudice to the rights and liabilities of the parties, and I have appointed Cav. Luigi Modica, who was formerly Viscount Bridport's representative, to manage the estate on my behalf.

I made a personal visit to the estate with Major Brady on 15 Sep 43, and found that E.C.L.S., during its occupation, had built a certain number of "barracks" on it, and had also commenced the erection of a concrete block of offices within a few yards of Castello Mirano itself. The Castle itself had also been altered internally to accommodate employees of E.C.L.S. and peasant families, but except for such alterations, and the removal from the courtyard of a stone monument commemorating Nelson's victory of the Nile, the Castle itself appeared unchanged. It had, however, been occupied by German troops, who damaged some of the paintings and removed others, and I was informed by Cav. Modica that certain paintings and other small articles had been looted either by the troops or by local civilians. On the whole, however, owing to the removal of the more valuable Nelson relics and silver to the Bank of Rome in Catania, there has not been any substantial loss.

I was informed by Cav. Modica that contracts made by E.C.L.S. for the cutting of timber were extremely detrimental to the estate, and work under these contracts has been suspended, pending my investigation, in consultation with the Legal Division, into the nature of them.

Formal custody of the other allied properties in the province of Catania has been or is in course of being taken.

(v) Siracusa Province.

There is only one allied property in this Province, consisting of an orange grove at Risicore, and a villa at Princesforte, which I was informed had been burned about a year ago, and subsequently looted by troops. The Villa itself was in good condition, but the contents were in a deplorable state. Certain pieces of furniture had been requisitioned in a somewhat irregular manner by the Armed Forces. Steps have been taken to prevent the property from further damage by the Armed Forces, and I have taken formal custody and appointed as manager the legal representative of the deceased owner's widow.

(vi) Messina Province.

The principal allied properties in this province are the numerous villas in Taormina belonging to English and American nationals. The A.C.F. Lieut. General, since his arrival in the province late in August 1943, has spent most of his time examining these properties (some of which have been damaged by bombs), making inventories, and checking accounts, and he has already taken custody of a certain

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number. There remains however much work to be done in this province, and I have arranged with the Regional C.P. for an extra officer to be sent there to assist in the work.

(vii) Syracuse Province.

There is one piece of Allied property in the Province of Syracuse, but the very limited staff at my disposal has so far precluded me from taking any action in regard to it. I propose however to take this into custody in due course.

(viii) Salernitanese and Benevento Provinces.

There are no Allied properties (real estate) in these provinces.

(ix) Non-sequestered Allied properties.

These are being taken into custody in Palermo Province. Inquiries are being made into the Powers of Attorney granted by owners of these properties, and they are being examined and verified by the Legal department. Where these powers are found to be valid, the management is being left in the hands of the legal representative; where no authorization exists, or the power of attorney has been found to be doubtful, instructions have been given for the management of the property under the supervision of the A.C.P.

(x) French Property.

The valuable property in Palermo City belonging to the late Duc de Guise (who bequeathed the Castle de Paris and the Duchesse of Aosta), consisting of the Villa Orleana and surrounding park and citrus plantations, has been taken into formal custody. Complete inventories have been made of the contents, which include valuable furniture and works of art, the most important of which have been stored. The Villa is at present occupied by armed Forces of the U.S. Repairs have been effected to the walls of the park to prevent pillaging of the citrus groves, and arrangements have been made for the general protection of the property. No action has been taken in respect of other French property on the island which was sequestered by the Italian Government, and continues to be administered by the Barone di Sicile.

No reply has yet been received to the request for instructions, made to the C.O.S. with respect to the treatment of French property and the property of Allied Nations other than the U.S. and the British Commonwealth.

(C) Italian State Property (Italian).

Formal custody has been taken of a number of State buildings and properties, particularly in the Provinces of Agrigento and Palermo, and complete lists of State property have been prepared or are in course of preparation in each Province. Information concerning these properties has been made available to the Armed Forces, who are, of course, in every sense, to be already in occupation of them.

Now that Italy is a co-belligerent, and the general administration of certain Regions is likely to pass in the near future to the Italian Government, I am proposing to leave the responsibility for State properties in the hands of the appropriate governmental officials and institutions, in particular, the Intendenza di Finanze and Civile, which normally look after and maintain state properties. Inst-

There are no Allied properties (real estate) in these provinces.

(1x) Non-quantified Allied properties.

These are being taken into custody in Palermo Province. Inquiries are being made into the Powers of attorney granted by owners of these properties, and they are being examined and verified by the legal department. Where these powers are found to be valid, the management is being left in the hands of the legal representative; where no authorization exists, or the power of attorney has been found to be doubtful, instructions have been given for the management of the property under the supervision of the A.C.P.

(2) French Property.

The valuable property in Palermo City belonging to the late Luc de Galles (who heirs are the Comte de Paris and the Duchess of Aosta), consisting of the Villa Orto and surrounding park and citrus plantations, has been taken into formal custody. Complete inventories have been made of the contents, which include valuable furniture and works of art, the most important of which have been stored. The Villa is at present occupied by armed Forces of the U.S. Repairs have been effected to the walls of the park to prevent pillaging of the citrus groves, and arrangements have been made for the general protection of the property. No action has been taken in respect of other French property on the island which was sequestered by the Italian Government, and continues to be administered by the Braccio di Sicilia.

No reply has yet been received to the request for instructions, made to the C.C.S. with respect to the treatment of French property and the property of Allied Nations other than the U.S. and the British Commonwealth.

(3) German State Property (Italian).

Formal custody has been taken of a number of State buildings and properties, particularly in the Provinces of Agrigento and Palermo, and complete lists of State properties have been prepared or are in course of preparation in each Province. Information concerning these properties has been made available to the Armed Forces, who were found, in many cases, to be already in occupation of them.

Now that Italy is a co-belligerent, and the general administration of certain Regions is likely to pass in the near future to the Italian Government, I am proposing to leave the responsibility for State properties in the hands of the appropriate governmental officials and institutions, in particular, the Intendenza di Finanza and the Civilia, which normally look after and maintain state properties. Instructions to this effect are being issued to the heads of these various offices, but their administration will remain subject to my control and supervision until such time as full responsibility can be taken by the Italian Government.

As semi-statal undertakings are to be regarded as State property, I have taken formal custody of the assets and undertaking of the Ente di Colonizzazione del Latifondo Siciliano, the semi-statal undertaking referred to in my remarks concerning the German Estate.

I am first appointed Gov. Tadeo Boncompagni as Special Commissioner to manage and re-organize this Ente, with Dott. Vincenzo Paravino, head of the agricultural Credit Department of the Bank of Sicily as Vice-Commissioner, but I felt bound to resign. Gov. Tadeo from this appointment in view of his having become Sindaco (Mayor) of Palermo, and I have appointed Dott. Paravino as Special Commissioner, with Prof. Nunzio Prestigiani, consultant of the Bank of Sicily and a well known agricultural

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expert, as Vice-Commissioner. The affairs of this institution appear to be in great disorder, owing to past misadministration and the destruction of records, which took place either prior or subsequent to military operations. Some time will be needed before a clear picture of its present condition and future possibilities can be obtained.

It is the opinion of Mr. Tasso, with which I agree, that this Ente, if shown its superfluous and fascist elements, both functional and personal, can still perform a useful purpose in the agricultural economy of the Island.

A state forest, the Azienda Foresto Demaniale Pizzuto, which was managed by a local administration under the direct control of the Ministry of Agriculture, is now being operated by the Economics and Supply Division, who are furnishing records to the C.P. The initial inventories and accounts have now been received, made up to 30 September 1943.

(D) Property of other Racial States and their Nationals.

I found on my arrival that the German Consulate had been occupied by U.S. forces. During the first two months after my arrival, my staff were too heavily employed to ascertain what properties there were in the Island belonging to the nationals of other Racial countries, but instructions have been given to the appropriate Italian officials in the Island to furnish a list of these.

(E) Abandoned Property.

Having regard to the amount of work involved in connection with Allied, State, and Semi-state properties, I realized that it would be impossible for the limited staff at my disposal to take custody of and manage abandoned properties. At my request the C.L.O. arranged, as regards the Province of Palermo, that such properties should be dealt with by the Italian Courts under the Codice Civile, and the procedure, which has been agreed with the President of the Material Syndicate, has been or is being adopted in the other provinces. It involves the appointment by the Tribunale Civile of a Duttore to look after any abandoned property, but such appointment is subject to the prior recommendation of a member of the Material Syndicate, and the approval of the A.C.P. of the Province. In this way the A.C.P. is kept informed of what is being done in regard to abandoned properties, and in any appropriate case could take formal custody thereof himself. Since this procedure was started in the Palermo Province on 2 Oct 43, 292 cases have been dealt with.

The arrangements made for handling abandoned property have worked very satisfactorily. With private apartments the method of submitting a questionnaire with each application has prevented such of the discussion which took place previously with each application. Approximately 100 applications have been handled in the month. In all cases of movable assets, inventories have been prepared and the goods placed in custody of tenant after the necessary enquiries have been made.

7. Industrial and Commercial Undertakings.

(A) Allied Properties (General).

With the exception of properties of the Standard and Shell oil interests, and

(D) Property of other Enemy States and their Nationals.

I found on my arrival that the German Consulate had been occupied by U.S. forces. During the first two months after my arrival, my staff were too busily employed to ascertain what properties there were in the island belonging to the nationals of other Enemy countries, but instructions have been given to the appropriate Italian officials in the island to furnish a list of these.

(E) Abandoned Property.

Having regard to the amount of work involved in connection with Allied, State, and Semi-State properties, I realized that it would be impossible for the limited staff at my disposal to take custody of and manage abandoned properties. At my request the G.L.O. arranged, as regards the Province of Palermo, that such properties should be dealt with by the Italian Courts under the Codice Civile, and the procedure, which has been agreed with the President of the Notarial Syndicate, has been or is being adopted in the other provinces. It involves the appointment by the Tribunale Civile of a Curatore to look after any abandoned property, but such appointment is subject to the prior recommendation of a member of the Notarial Syndicate, and the approval of the A.C.F. of the Province. In this way the A.C.F. is kept informed of what is being done in regard to abandoned properties, and in any appropriate case could take formal custody thereof himself. Since this procedure was started in the Palermo Province on 2 Oct 43, 232 cases have been dealt with.

The arrangements made for handling abandoned property have worked very satisfactorily. With private apartments the method of submitting a questionnaire with each application has prevented much of the discussion which took place previously with each application. Approximately 300 applications have been handled in the month. In all cases of movable assets, inventories have been prepared and the goods placed in custody of tenant after the necessary enquiries have been made.

7. Industrial and Commercial Undertakings.

(A) Allied Properties (General).

With the exception of properties of the Standard and Shell oil interests, and the British Asphalt Mining Companies at Ragusa, dealt with below, very little Allied Industrial Property was found either in Sicily or in Region II of the Italian mainland.

(1) A wine business at Marsala, referred to above in 6 (ii), which is the property of a British subject named Giacomo Kopps, resident in Messana del Vallo, had been sequestered by the Italian Government, which had appointed as sequestator a friend of the owner. After title had been verified, and the owner had in writing expressed himself perfectly satisfied as to the management of the business during the period of sequestration, the property was handed back.

(2) An extraordinary business belonging to an American citizen, Mr. James Bomb (informed in the Italian mainland), which had been sequestered, was taken into custody, and the accounts of the sequestator examined. On taking an inventory

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of the stock, the book value of which was found to be 960,000 lire, a shortage of 190,000 lire was discovered. The sequester, Senator Salvatore Drago, a prominent Fascist, was asked to furnish an explanation of the shortage, but owing to severe illness no such explanation has yet been given. As a large part of the stock had been removed from Palermo during the period of Allied air attacks, it would appear probable that some 100,000 lire of shortages may have been due to pilferage. In order to prevent the dissipation of a trained staff of workmen and designers, I decided to carry on the business on a reduced scale, selling only such stock as could be replaced from the working up of materials in hand, and a niece of Dr. Iestini, Vice-President of the Province of Palermo and a personal friend of the owner, was appointed as my agent to manage the business pending the release and return of the owner. The business re-opened 4 Oct 43, inventory and balance sheet having been prepared. Conservative policy of selling minimum quantity of goods necessary to cover general operating expenses adopted. General hardware was distributed to convents, etc, being steadily developed. This collection constitutes the main "capital of business" and will be carefully conserved.

(a) Oil Installations.

Before the outbreak of the war, American and British Oil interests were represented by subsidiary companies working on Italian territory, of which the following possessed installations and other properties in Sicily, namely:-

S.I.I.P (Societa Italiana-Americana Petroli), a subsidiary of the Standard Oil group; Head Office - London.	
Soc. Anon. NAFFA, a subsidiary of the Shell group; Head Office, Genoa.	
Soc. Anon. VASIMM, Head Office - Genoa	} Subsidiaries of the Standard Oil group.
Soc. Anon. FALKE, Head Office - Genoa	

On the outbreak of war these properties were sequestered by the Italian Government; NAFFA by Decree of the Prefect of Genoa dated 10 July 40, the then president of the Italian Oil distribution monopoly A.S.P., Dr. Giuseppe Cobelli Gigli, being appointed sequester; and S.I.I.P. by a Decree of 15 Dec 41, the sequester being Dott. Angelo Cesare Gussalloni. Subsequently the properties of all these companies were compulsorily expropriated by the Italian Government; S.I.I.P. by Decree dated 30 June 42, and NAFFA by Decree dated 6 Aug 42, and administered by the Italian oil distributing concern A.G.I.P. (Azienda Generale Italiana Idro Petroli), the capital of which was increased from 500,000,000 to 1,000,000,000 lire, nor has it been possible to discover an exact record of the above transaction, but the full facts will no doubt be found in the Envy Property Department (S.E.L.I.) in Rome. I have not been able to discover the exact status of A.G.I.P., i.e., whether the capital is private or state owned, but the information to hand here suggests that it is private.

A considerable time elapsed before the actual incorporation of the S.I.I.P. and NAFFA concerns into A.G.I.P. was effected. The actual handing over of the installations did not take place until 1 July 43, and the final winding up of the S.I.I.P. and NAFFA concerns was not due till 31 July. As the result of the Allied occupation, it was arranged with the Palermo branch of A.G.I.P. (which controls all installations in Sicily) that the offices of both the allied com-

(B) Oil Installations.

Before the outbreak of the war, American and British Oil interests were represented by subsidiary companies working in Italian territory, of which the following possessed installations and other properties in Sicily, namely:-

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| S.I.L.P (Societa Italo-Americana Petrolio), a subsidiary of the Standard Oil group; Head Office - Genoa. |
| Soc. Anon. MARSA, a subsidiary of the Shell group; Head Office, Genoa. |
| Soc. Anon. Vacuum, Head Office - Genoa } Subsidiaries of the |
| Soc. Anon. Polmar, Head Office - Genoa } Standard Oil group. |

On the outbreak of war these properties were sequestered by the Italian Government; MARSA by Decree of the Prefect of Genoa dated 10 July 48, the then president of the Italian Oil distribution monopoly A.G. S.P. Dr. Giuseppe Cobelli Gigli, being appointed sequesterator; and S.I.L.P. by a Decree of 15 Dec 41, the sequesterator being Dott. Angelo Cosulich Gussalloni. Subsequently the properties of all these companies were compulsorily expropriated by the Italian Government; S.I.L.P. by Decree dated 30 June 42, and MARSA by Decree dated 6 Aug 42, and acquired by the Italian oil distributing concern A.G.I.P. (Azienda Generale Italiana del Petrolio), the capital of which was increased from 500,000,000 to 1,000,000,000 lire, nor has it been possible to discover an exact record of the above transaction, but the full facts will no doubt be found in the Enemy Property Department (E.G.E.D.) in Rome. I have not been able to discover the exact status of A.G.I.P., i.e., whether the capital is private or state owned, but the information to hand here suggests that it is "mixed".

A considerable time elapsed before the actual incorporation of the S.I.L.P. and MARSA concerns into A.G.I.P. was effected. The actual handing over of the installations did not take place until 1 July 43, and the final winding up of the S.I.L.P. and MARSA concerns was not due till 31 July. As the result of the Allied occupation, it was arranged with the Palermo branch of A.G.I.P. (which controls all installations in Sicily) that the offices of both the Allied companies should continue to remain in existence for the time being.

During the period of military operations considerable damage was done to oil installations in the various parts of the Island. A preliminary survey made by Major Barker on the condition after the conclusion of hostilities suggests that the damage was on the whole less than might have been expected. Most of the storage tanks, etc., were occupied by the Allied Armed Forces and used for military purposes, and the existing stocks of oils seized or requisitioned. Some of these stocks were the property of the Italian or German Governments, and therefore treated as booty; others were the property of A.G.I.P., and therefore possibly private property, though their status is, as explained above, doubtful.

As far as Palermo is concerned, both A.G.I.P. and the Allied companies appear to have kept fairly complete records of figures and requisitions, 5328

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to difficulties in communication, it is not yet known what records are available in other parts of the Island. Details of information has been requested from A.D. Claims and H.R. Army and Island Base Section (7th Army), concerning occupation, war, requisitioning, etc., of all oil installations by the Allied Armed Forces, and it is hoped that it and when this is forthcoming it will be possible to collate from these sources a reasonably clear record, which will eventually afford a basis for possible claims by the interested parties.

Notwithstanding the cancellation by proclamation of all measures taken by the Italian Government against Allied property, it appears impracticable at this stage to attempt to "unscramble" the matter of A.G.I.P. with the Allied interests. There were also strong reasons for operating the last stations available for civil purposes as a single unit. It was therefore agreed, after consultation with the Civilian Supply Division, that the C.P. should take the whole A.G.I.P. complex under his control, and that it should be operated as a single unit under the direction of C.S.D. (afterwards E.S.D.). I was accordingly directed by the C.C.A.O. to take the concern under control in accordance with Proclamation No. 6.

Fortunately, there were present in the Island the sub-managers of the N.A.P.A. and S.I.A.P. companies, and in order to protect the interests of the various parties, it was decided to appoint a Special Commission of management for A.G.I.P., consisting of Signor Giacomo Cataldi (formerly sub-manager of N.A.P.A.) as Special Commissioner, and Signor Francesco Bertarelli (formerly sub-manager of S.I.A.P.) and Signor Elie Meostrelli, head of the accounting section of the Palermo branch of A.G.I.P., who had been left in charge by Enrico Zorzi, the manager, on his flight from Sicily. In order to secure proper co-ordination in the management, it was also decided to form a Board for A.G.I.P. at HQ, consisting of C.P. and representatives of the legal, finance, and P.S. Divisions.

Instructions have been given to the management;

- (1) to re-organize the concern on the reduced basis necessitated by war conditions, to cut down redundant staff, close down unused plant and place it on a care and maintenance basis, etc., etc., and to furnish monthly accounts showing separately expenditure incurred with respect to the installations of each of the constituent companies;

- (1a) to prepare a report showing the position of each of the constituent concerns as at 30 June and 31 August 1943 respectively, together with inventories giving condition of the plant, value of assets, stocks, etc., and such details as are available concerning occupation of the installations, requisitions, etc., (a) by Italian and German, and (b) Allied Armed Forces.

Owing to the inevitable confusion caused by the war, and the consequent lack of communications in the Island, the above data will take some weeks to assemble, and it is hardly expected that records will be complete, but every effort is being made to obtain as clear a picture of events as the circumstances permit. The plant and other installations now required by the Armed Forces are being operated by the Economic and Supply Division. All necessary measures are being taken to conserve damaged properties.

8. Asphalt Mining at Bayona.

Among the concessions in the Bayona asphalt rock deposits are two British

with the Civilian Supply Division, that the C.F. should take the whole A.G.I.P. complex under his control, and that it should be operated as a single unit under the direction of C.S.D. (afterwards E.S.D.). I was accordingly directed by the C.C.A.O. to take the concern under control in accordance with Proclamation No. 6.

Fortunately, there were present in the Island the sub-managers of the NAFTA and S.I.I.P. companies, and in order to protect the interests of the various parties, it was decided to appoint a Special Commission of management for A.G.I.P., consisting of Signor Giacomo Cataldi (formerly sub-manager of NAFTA) as Special Commissioner, and Signor Francesco Bernabelli (formerly sub-manager of S.I.I.P.) and Signor Elio Maestrelli, head of the accounting section of the Palermo branch of A.G.I.P., who had been left in charge by Baron Zocco, the manager, on his flight from Sicily. In order to secure proper co-ordination in the management, it was also decided to form a Board for A.G.I.P. at HQ, consisting of C.P. and representatives of the Legal, Finance, and E.S. Divisions.

Instructions have been given to the management;

- (1) to re-organize the concern on the reduced basis necessitated by war conditions, to cut down redundant staff, close down unused plant and place it on a care and maintenance basis, etc, etc, and to furnish monthly accounts showing separately expenditure incurred with respect to the installations of each of the constituent companies.

- (2) to prepare a report showing the position of each of the constituent concerns as at 30 June and 31 August 1943 respectively, together with inventories giving condition of the plant, balance sheets, stocks, etc, and such details as are available concerning occupation of the installations, requisitions, etc, (a) by Italian and German, and (b) Allied Armed Forces.

Owing to the inevitable confusion caused by the war, and the consequent lack of communications in the Island, the above data will take some weeks to assemble, and it is hardly expected that records will be complete, but every effort is being made to obtain as clear a picture of events as the circumstances permit. The plant and other installations not required by the Armed Forces are being operated by the Economics and Supply Division. All necessary measures are being taken to conserve damaged properties.

8. Asphalt Mines at Ragusa.

Among the concessions in the Ragusa asphalt rock deposits are two British concerns; the Val de Travers Asphalt Mining Co., Ltd., and the United Limer and Virochle Rock Asphalt Co., Ltd., both of 22 and 23 Old Bailey. The second of these, in addition to mining concessions and plant, owns a mill for the production of asphalt powder and a small plant for the production of asphalt. After the outbreak of the war, the properties of these two companies were sequestered (in January 1943), the sequestrator being Dott. Carlo Scialoja, who was succeeded by Prof. Alfonso Scialoja, who was appointed liquidator of the two companies in October 1941. In March 1942 the Italian Government absorbed the concessions of the two companies, and handed them over to the A.G.I.P. Company, a state owned concern, which in addition to a small mining concession possesses mills for the production of asphalt powder, and plants for the production and refining of mineral oil, benzene, and diesel oil. This Italian company proceeded to work the Limer and Val de Travers concessions,

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in addition to its own, up to the Allied occupation, but the Limer mills were not used.

After our occupation the A.B.C.D. company was set to work, under the control of E.E. of 8th Army and later 15 Army Group, on the production of asphalt powder under contract for the U.S. Air Corps, and the Limer plant was restarted under the management of the A.B.C.D., as it was found that the only possible way of working was to trust the properties of all three companies as a single concern. All this was arranged without reference to the C.P., but with the knowledge of Major Ouseley, Supply Officer, Regusa Province, who had been an official of the two British companies before the war. Major Ouseley reported on the position to his directors, who expressed themselves perfectly satisfied that Signor Moy, the manager of the A.B.C.D. Company, should continue to operate the mines, etc., until the time of a definite post-war settlement.

Owing to shortage of staff, I was unable to obtain a report on the situation until late in September, and had no opportunity of visiting the mines until the beginning of October. I found on conversation with Signor Moy that a full record had been kept of the quantities of rock mined from the British concessions, and of the output of asphalt powder obtained from the British mills, and of expenditures incurred in producing the same. The property of the two British companies has been taken into custody, and instructions have been given for the submission of a monthly statement of accounts and production figures concerning these properties from the date of the Allied occupation. It had been my intention to take formal control of the A.B.C.D. Company also, but in view of the chaotic situation brought about by the Armistice, I considered this step unnecessary.

Records have been furnished this HQ by Signor Moy, giving the following data:-

- (a) Works effected by A.B.C.D. Company on the Limer and Val de Travers mines.
- (b) Balance sheets of the two companies as at 13 June 40.
- (c) Monthly production figures and expenditure figures for each mine, covering the period March 1942 to July 1943.
- (d) Inventory of the properties of the two companies.
- (e)* Legal documents concerning the sequestration of the properties, and the transfer of their concessions to the A.B.C.D.

I am informed that after the completion of the contracts for the U.S. Air Corps, the mines will be kept in operation for the account of the E.S. Division of AMSC.

Besides the two British companies above mentioned, there is a British interest in the Avellino concern, which owns a small mining concession and a large milling plant, which have been out of operation since the war. This company belongs to four members of a British family, three members of which became Italian citizens in 1936. The fourth member, Mr. Charles Avellino, remained a British citizen, and his interest in the firm was sequestered in March 1943.

No records have yet come to hand concerning the sequestration, but custody of the interest will be taken as soon as the facts can be ascertained.

9. Enemy State Property and Semi-Enemy Institutions.

(1) State Stud Farms at Catania.

Owing to shortage of staff, I was unable to obtain a report on the situation until late in September, and had no opportunity of visiting the mines until the beginning of October. I found on conversation with Signor Moy that a full record had been kept of the quantities of rock mined from the British concessions, and of the output of asphalt powder obtained from the British mills, and of expenditure incurred in producing the same. The property of the two British companies has been taken into custody, and instructions have been given for the submission of a monthly statement of accounts and production figures concerning these properties from the date of the Allied occupation. It had been my intention to take formal control of the A.E.C.D. Company also, but in view of the changed situation brought about by the armistice, I considered this step unnecessary.

Records have been furnished this HQ by Signor Moy, giving the following data:-

- (a) Works affected by A.E.C.D. Company on the inner and Val de Travers mines.
- (b) Balance sheets of the two companies as at 15 June 40.
- (c) Monthly production figures and expenditure figures for each mine, covering the period March 1942 to July 1943.
- (d) Inventory of the properties of the two companies.
- (e) Legal documents concerning the sequestration of the properties, and the transfer of their concessions to the A.E.C.D.

I am informed that after the completion of the contracts for the U.S. Air Corps, the mines will be kept in operation for the account of the E.S. Division of AMST.

Besides the two British companies above mentioned, there is a British interest in the Avellina concern, which owns a small mining concession and a large milling plant, which have been cut off operation since the war. This company belongs to four members of a British family, three members of which became Italian citizens in 1936. The fourth member, Mr. Charles Avellina, remained a British citizen, and his interest in the firm was sequestered in March 1943.

No records have yet come to hand concerning the sequestration, but custody of the interest will be taken as soon as the facts can be ascertained.

9. Enemy State Property and Semi-State Institutions.

(i) State Stud Farm at Catania.

The State Stud Farm has its headquarters in Catania, which consist of large stables, riding-school, etc. This establishment is in good condition; part of the stables are used by the Civilian Supply Division (AMST) for storing flour, milk, etc. The stud farm was under the control of the Ministero dell'Agricoltura. The object of the stud farm is to improve the breed of horses, mules, and donkeys in Sicily, and a number of thoroughbred horses, English, Arab, and Anglo-Arab, as well as Italian donkeys, were kept for this purpose. Prior to the invasion, the horses were given out to farmers, and have been used for ploughing, draught, and other purposes. For which this high class animal is not suited. As this is enemy state property, I am taking it into custody, and rounding up the horses which are

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scattered throughout the province. The Civilian Supply Division supply the stables with forage on a weekly indent sent in by the A.C.P.

(11) Unione Militare.

This institution, which is a kind of co-operative society working under government supervision, for providing officers of the Italian Services with uniforms or other articles at a low price, was taken under control, and closed down at the request of D.P.S., pending further investigation. Cash amounting to 1,250,000 lire was impounded. Inventory of stock has been made, and 10% check carried out. This was found to be satisfactory. The store in Palermo has been re-opened for the use of Italian Services only, British and American personnel not being allowed to purchase on the instructions of Senior Civil Affairs Officer. These goods which may be of use to Italian Armed Forces are being conserved. Meantime in view of certain complaints investigations are proceeding.

(12) Ente Nazionale Industrie Cinematografiche. (E.N.I.C.)

This is a semi-statal concern, with HQ in Rome, Via Po 32, which owns or has leased cinema theatres in various parts of Italy, including the following in Sicilian towns: Palermo, 9; Catania, 3; Messina, 3; Lania, 1; making a total of 24.

I found on my arrival that of the nine theatres in Palermo City, two were requisitioned by the 7th Army and the U.S. Red Cross respectively, five damaged by bombs, and one, the Teatro Massimo, was being operated under the supervision of the P.W.B. At the request of G.C. 7th Army, I took over the management of this concern, and pending the opening of the banks deposited its surplus funds with A.S.S. Out of these I was able to meet the expenditure needed to repair one of the damaged theatres, the Teatro Savio, which was opened to the public early in September. Cinema Massimo and Savio continue to do good business although handicapped by one performance only on weekdays. Arrangements have now been made for two shows daily, and this should show a considerable increase in receipts. The two large cinema Unione and Super cinema, which were badly damaged, are now to be repaired. The necessary arrangements are now being made. Massimo Cinema should take two to three months and Super cinema approximately six months before being ready for use.

During the night of September 23, the premises of ENIC were burgled and the steel safe removed containing the sum of Lire 109,216.80. This sum consisted of the takings of the week-end Sept 18 to 21, plus a sum of 49,000 lire representing two years rental on a building owned by ENIC, which had been received too late to be placed in the bank. The police were immediately informed and the safe was recovered, together with L.87,913.50 and some jewellery which had been bought with the remainder of the cash. The jewellery in question will be sold and the proceeds credited to ENIC account. The thieves were tried by a military court, and three received sentences of five years, and one a sentence of three years. The value of the jewellery is estimated at some 5,000 lire. No money has been found of the remaining L.19,000. Instructions have been given that takings will be "banked" daily in the future.

Of the theatres in Catania, two have been requisitioned by the Armed Forces, and the third has been completely destroyed; and of those in Messina, one has been

scuttling being allowed to purchase on the instructions of Senior Officer. These goods which may be of use to Italian Armed Forces are being concerned. Meanwhile in view of certain complaints investigations are proceeding.

(iii) Ente Nazionale Industrie Cinematografiche. (E.N.I.C.).

This is a semi-state concern, with HQ in Rome. Via Po 32, which owns or has leased cinema theatres in various parts of Italy, including the following in Sicilian towns; Palermo, 9; Catania, 3; Messina, 3; Ionia, 1; making a total of 24.

I found on my arrival that of the nine theatres in Palermo City, two were requisitioned by the 7th Army and the U.S. Red Cross respectively, five damaged by bombs, and one, the Teatro Messina, was being operated under the supervision of the E.N.I.C. At the request of G. 2, 7th Army, I took over the management of this concern, and pending the opening of the banks deposited its surplus funds with A.M.E. Out of these I was able to meet the expenditure needed to repair one of the damaged theatres, the Teatro Saviole, which was opened to the public early in September. Cinema Messino and Saviole continue to do good business although handicapped by the performance only on weekdays. Arrangements have now been made for two shows daily, and this should show a considerable increase in receipts. The two large cinema Nazionale and Supremazia, which were badly damaged, are now to be repaired. The necessary arrangements are now being made. Nazionale Cinema should take two to three months and Supremazia approximately six months before being ready for use.

During the night of September 22, the premises of ENIC were burgled and the steel safe removed containing the sum of Lire 109,216.80. This sum consisted of the takings of the week-end Sept 18 to 21, plus a sum of 45,000 lire representing two years rental on a building owned by ENIC, which had been received too late to be placed in the bank. The police were immediately informed and the safe was recovered, together with L. 87,915.50 and some jewellery which had been bought with the remainder of the cash. The jewellery in question will be sold and the proceeds credited to ENIC account. The thieves were tried by a military court, and three received sentences of five years, and one a sentence of three years. The value of the jewellery is estimated at some 3,000 lire. No trace has been found of the remaining L. 19,000. Instructions have been given that takings will be "banked" daily in the future.

Of the theatres in Catania, two have been requisitioned by the Armed Forces, and the third has been completely destroyed; and of those in Messina, one has been damaged by bombing, but could be repaired at the approximate cost of L. 400,000. No information has yet been received concerning the others. The cinema at Ionia, which is the property of the owners, could be repaired at the cost of L. 50,000.

Instructions have been given to Signor Rollo, the Palermo manager of ENIC, to take over the general supervision of all ENIC theatres throughout the island. The advisability of effecting repairs to and opening the theatres in other cities as and when opportunities arise is now under discussion.

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10. Blocked Accounts.

Blocked accounts and securities held by banks in Sicily at the outbreak of the war for the account of Allied nationals, but in many cases subsequently transferred to the Bank of Italy in Rome for the account of Intermidi, have, as regards the provinces of Palermo and Messina, been formally taken into custody. Only very few accounts seem to exist in the other provinces, and these are in course of being taken into custody.

11. Property of Dissolved Fascist Organizations.

The dissolution of numerous Fascist organizations has resulted in a great deal of work for the C.P. Division. In Palermo Province, for instance, where 25 of such organizations were dissolved, the leases of their premises have been cancelled, furniture and other movable assets either removed to the A.C.P.'s warehouse, or lent to new organizations created by AMI or AOC, and cash has been taken into custody. Similar action has been taken in certain other provinces, in particular, Agrigento and Catania. I have arranged with the D.C.F.O. for instructions to be issued to all Provincial Finance Officers that all funds of Fascist organizations - which were blocked at an early stage of the Allied occupation - shall be paid into the account of the A.C.P. Investigation is proceeding to trace certain assets in Palermo Province which have not been produced, and the police have been instructed in some cases to proceed to trace the missing property. GIL Dolopetro instructions are still awaited regarding the disposition of this property, which has been placed at the disposal of Public Health (Welfare Section). The actual disposition of all Fascist property has not yet been decided, but meantime is being cared for under general supervision of Assistant Controller of Property.

12. Printing Press of the "Corriere di Sicilia" in Catania.

The "Corriere di Sicilia" is a new newspaper which was started by the Psychological Warfare Bureau, INC, AFHQ, in conformity with directions of Allied Forces HQ. The name chosen for this paper was that of a pre-Fascist paper in Catania, which was taken over by the Fascist Party in 1925, and operated as the "Giornale di Sicilia" until the advent of allied troops. While the editorial offices were being taken over by the P.W.B., the printing establishment, which was also the property of the Fascist party, was put under the D.A.L.F. and S.S. Fortbasse, and operated as Printing Press "A" - which was to serve both the "Corriere di Sicilia" and the "8th Army News". On 1 Sept 43, acting under orders of P.W.B., the management of the newspaper, (but not of the printing plant) was turned over to a civilian staff assembled by P.W.B., while the control of P.W.B. remained confined to matters of political direction and general supervision. The editor of the newspaper, appointed by P.W.B., is Mr. Carlo Corbelli, who happens to be the editor of the old "Corriere di Sicilia". Some of the old stockholders of that paper also work on the new "Corriere di Sicilia". The ownership of the paper, however, remains to be decided by the Legal Department. Actually, I have been told that there are several pretensions to such ownership, on the ground that they had been expropriated at one time or another. I am taking over this establishment until such time as the ownership can be either decided or established. Meantime the present manager of the "Corriere di Sicilia" will be required to pay rental for the premises and the use of the printing machinery. An inventory is being taken, and the "Corriere di Sicilia" are preparing a statement of their accounts.

13. Books.

12. Printing Press of the "Corriere di Sicilia" in Catania.

The "Corriere di Sicilia" is a new newspaper which was started by the Psychological Warfare Bureau, IIC, AFHQ, in conformity with directions of Allied Forces HQ. The main object for this paper was that of a pre-Fascist paper in Catania, Sicily, until the advent of the Fascist Party in 1925, and operated as the "Popolo di Sicilia" until the advent of Allied troops. While the editorial offices were being taken over by the P.W.B., the printing establishment, which was also the property of the Fascist party, was put under the D.A.L.P. and S.S. Portinse, and operated as "Printing Press 'A'" - which was to serve both the "Corriere di Sicilia" and the "38th Army News". On 1 Sept 43, acting under orders of P.W.B., the management of the newspaper, (but not of the printing plant) was turned over to a civilian staff assembled by P.W.B., while the control of P.W.B. remained confined to matters of political direction and general supervision. The editor of the newspaper, appointed by P.W.B., is Mr. Carlo Corbelli, who happens to be the editor of the old "Corriere di Sicilia". Some of the old stockholders of that paper also work on the new "Corriere di Sicilia". The ownership of the paper, however, remains to be decided by the Legal Department. Actually, I have been told that there are several pretenses to such ownership, on the grounds that they had been expropriated at one time or another. I am taking over this establishment until such time as the ownership can be either decided or established. Meanwhile the present manager of the "Corriere di Sicilia" will be required to pay rental for the premises and the use of the printing machinery. An inventory is being taken, and the "Corriere di Sicilia" are preparing a statement of their accounts.

13. Booby.

In the Province of Agrigento, booty consisting of mules, horses, etc., for which no military use could be found, handed over to AFHQ by the U.S. 7th Army, were sold by the A.C.P. by public auction. Italian army tractors were also hired out to farmers at a rent. As the result of these transactions, A.C.P. Agrigento has turned over to AFHQ the sum of \$2,797,107. I understand that instructions have now been issued by AFHQ for the discontinuation of this practice.

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REGION II14. General.

As already stated, Major Wender was sent over to Region II on 17 September, and at the end of October Major Board visited the Region for a brief tour of inspection.

Conditions in Region II were found to differ widely from those in Region I. Practically no Allied property has come to light, with the exception of A.C.I.P. (an NAFSA and Shell) installations, consisting chiefly of petrol pumps and reservoirs. Preliminary investigations show that very little property belonging to Axis Nationals will be found in the Region. Those remains do not apply to the Salerno Province, which up to the time of writing had not yet been effectively incorporated into Region II.

Proclamation No. 6 has not yet been posted in the Region, owing to modifications which have been rendered necessary by the armistice, and the granting to Italy of the status of co-belligerent.

15. (a) Allied Property.

Products of Provinces have been directed to furnish A.C.P. with lists of Allied properties sequestered by the Italian Government. These lists have not yet been compiled, but verbal enquiries have revealed the existence of the following:-

(i) A small villa and farm near Caserta belonging to a former American consul, married to an Italian. This property has been unoccupied and found to be in good condition. It is being looked after by a caretaker.

(ii) A small liquorice factory plant near Crotona belonging to an American citizen, which has been sequestered by the Italian Government.

(iii) Petrol pumps, etc., belonging to NAFSA and SIAP. A complete list of A.C.I.P. installations in the Region is being compiled by the A.C.I.P. office in Palermo. Instructions have been given for these installations to be taken into custody.

(B) Property of Axis Subjects.

One small German owned citrus grove is known to exist in the Province of Reggio.

RE-ORGANIZATION OF AMGOT HQ.

On October 24th the detachment of part of AMGOT HQ staff to 15 Army Group took place, and simultaneously the Regional organization for Regions I and II was set up. Capt. Selbach was appointed as C.P. for Region I, with Capt. Rusti, Lieut. Benson, and 2/Lt. Shaine as A.Cs.P. Major Wender was left as C.P. Region II, and I have made

Conditions in Region II were found to differ widely from those in Region I. Practically no Allied property has come to light, with the exception of A.G.I.P. (an. NAFIA and Shell) installations, consisting chiefly of petrol pumps and reservoirs. Preliminary investigations show that very little property belonging to Axis Nationals will be found in the Region. These remarks do not apply to the Salerno Province, which up to the time of writing had not yet been effectively incorporated into Region II.

Proclamation No. 6 has not yet been posted in the Region, owing to modifications which have been rendered necessary by the armistice, and the granting to Italy of the status of co-belligerent.

15. (a) Allied Property.

Profacts of Provinces have been directed to furnish A.G.P. with lists of Allied properties substantiated by the Italian Government. These lists have not yet been compiled, but verbal enquiries have revealed the existence of the following:-

(i) A small villa and farm near Cosenza belonging to a former American consul, married to an Italian. This property has been inspected and found to be in good condition. It is being looked after by a caretaker.

(ii) A small liquorice factory plant near Crotona belonging to an American citizen, which has been sequestered by the Italian Government.

(iii) Petrol pumps, etc, belonging to NAFIA and SLAP. A complete list of A.G.I.P. installations in the Region is being compiled by the A.G.I.P. office in Palermo. Instructions have been given for these installations to be taken into custody.

(B) Property of Axis Subjects.

One small German owned citrus grove is known to exist in the Province of Reggio.

RE-ORGANIZATION OF JACOT HQ.

On October 24th the detachment of part of JACOT HQ staff to 15 Army Group took place, and simultaneously the Regional organization for Regions I and II was set up. Capt. Halliwell was appointed as C.P. for Region I, with Capt. Russi, Lieut. Dougan, and 2/Lt. Shaw as A.Gs.P. Major Mueller was left as C.P. Region II, and I have made arrangements for 2/Lt. Strolla to be assigned to him as A.G.P.

Arrangements are also being made for Major Boveri to be transferred temporarily to 15 Army Group, to organize the work of property control in the territory under control of 15 Army Group. Two American officers, Majors Hitchcock and Rattledge, have been posted from North Africa for P.C. work in Region III.

LESSONS AND RECOMMENDATIONS

16. Experience in Sicily has shown the following:

(i) In the period immediately following the assault stage, considerable damage is liable to be done to both public and private property by troops as well as by civilians. It has, however, been found by experience that the posting of a notice of custody has a definitely deterrent effect. It is therefore desirable that A.Gs.P. should enter close behind the tactical forces, and that they should immediately discover the whereabouts of Allied properties, and post up

mission of custody.

(iii) The Armed Forces are not to occupy both public and private buildings containing scientific collections or works of art of historical importance, without being aware of the importance of the property. The A.F. should work in close touch with the Advisor on Fine Arts and Monuments, and should when possible maintain liaison with the officials responsible for pilfering and requisitioning with a view to securing Italian protection of such property, and, as soon as circumstances permit, evacuation. Such can be done in this way by a careful C.F.

(iii) The formal custody of government buildings, etc., which are still occupied by Italian officials, would appear to be an unwise any formality. It is however, desirable that Italian officials should, where possible, prepare an inventory, or check existing ones, in order to establish damages and losses caused by facts de jure previous to the occupation. It may however be desirable to take formal custody of government owned premises which have been occupied and subsequently evacuated, pending the re-entry of Italian officials.

(iv) The property of the Fascist Party may require special protection, as it is to be located by the populace, and the officials responsible for looking after it will probably have fled. A.C.F. should where possible take custody of the properties of dissolved Fascist organizations, at any rate in the forward zone. In smaller cities C.A.F. should take such measures as they can to protect this type of property.

17. CONCLUSION:

Owing to shortage of staff, it has been impossible to carry out, except in a somewhat sketchy manner, many duties which in strict theory would appear to fall within the C.F.'s province. Moreover, the lack of communications has handicapped the work in the field at every turn. Progress has been slow, and in some of the more provinces A.F.s have not yet found time to get into action. In these circumstances I felt compelled to concentrate on the tasks that appeared most important, namely, the protection of the move in, and the Italian properties, which has absorbed a major portion of the energies of my staff.

In conclusion, I should like to take this opportunity of recording my appreciation of the loyalty and efficiency with which my staff have carried out their duties.

J. B. C. HARRIS,
Lieut-Colonel,
Director of Property
Control.

NOTE: Under Article IV, Section I, of Proclamation No. 6, the term Allied Property is applied only to property owned by the governments or nationals of the United States and the members of the British Commonwealth. Under Section V of the

(iii) The normal custody of government buildings, etc, which are still occupied by Italian officials, would appear to be an unexcusable formality. It is however, desirable that Italian officials should, where possible, prepare and inventory, or check existing ones, in order to establish damages and losses caused by Italia de guerra previous to the occupation. It may however be desirable to take formal custody of government owned premises which have been occupied and subsequently evacuated, pending the re-entry of Italian officials.

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17. CONCLUSION.

Owing to shortage of staff, it has been impossible to carry out, except in a somewhat sketchy manner, many duties which in strict theory would appear to fall within the C.A.C.'s province. Moreover, the lack of communications has handicapped work in the field at every turn. Progress has been slow, and in some of the minor provinces A.C. have not yet found time to get into action. In these circumstances I felt compelled to concentrate on the tasks that appeared most important, namely, the protection of the more important Allied properties, which has absorbed a major portion of the energies of my staff.

In conclusion, I should like to take this opportunity of recording my appreciation of the loyalty and efficiency with which my staff have carried out their duties.

C.B.C. HARRIS,
Lieut-Colonel,
Director of Property
Control.

W-2. Under Article IV, Section 1, of Proclamation No. 6, the term Allied property was applied only to property owned by the governments or nationals of the United States and the members of the British Commonwealth. Under Section V of the same Article, its provisions would be extended by the C.C.A.C. to the property of the Allied Nations, but this was not in fact done, pending instructions from the C.C.A.C. concerning the treatment of such property, which were asked for in August but have not yet been received.

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HEADQUARTERS ALLIED MILITARY GOVERNMENT
PROPERTY CONTROL SUB-COMMISSION
APO 512

6540/CP.

20 November 1943

C.P. ACCOUNTING DISTRIBUTION NO. 1.
"BLOCKED" BANK ACCOUNTS

1. Reference HQ AMC General Order No. 6 regarding bank accounts of Allied Nationals blocked by the Italian Government, the following accounting procedure will be adopted;

- (a) Bank will submit a certified schedule of balances, in triplicate, showing the name, last known address, and credit balance of the owner as at 14 November 1943.
- (b) One Receipt Voucher (Form Z/1) will be completed for the total amount of these balances in any one bank, and a copy of the schedule will be attached to the duplicate copy of the voucher. One entry will be made on the receipt side of the cash book.
- (c) Property ledger accounts will be opened for the account of each owner, and the individual balance posted as a credit to the same. A memo will be made at the top of the ledger sheet that "Lit..... are in blocked account".
- (d) One entry will be made on the disbursement side of the cash book showing, as a cash disbursement to the bank, the total amount of the balances in the bank.
- (e) The disbursement entry in the cash book will be posted as a debit to a ledger account entitled "Bank di.....Blocked Accounts, K-7a".
- (f) If accounts in more than one bank are affected, the same procedure will be followed for each bank, and a separate ledger account opened for each bank.
- (g) At the end of each month the bank will submit a statement under the following headings:-

Name	Authorized Withdrawals	Interest	Charges	Balance on Hand
None	Cashite	Credit	Debit	
	Authorizations	Debit	Spese adi	Bilancio
		a Creditato	Debitato	Presente

The same procedure as described above will be followed for the net increase in the total balance, and the details will be posted from the statement to the ledger. If there are no alterations in the balances the statement will still be required to check and substantiate the entries in the case owner as the current account bank statement.

2. The banks will hold these amounts as Time Deposits, earning the best interest.

- (a) Bank will submit a certified schedule of balances, in triplicate, showing the name, last known address, and credit balance of the owner as at 14 November 1943.
- (b) One Receipt Voucher (Form 2/1) will be completed for the total amount of these balances in any one bank, and a copy of the schedule will be attached to the duplicate copy of the voucher. One entry will be made on the receipt side of the cash book.
- (c) Property ledger accounts will be opened for the amount of each owner, and the individual balance posted as a credit to the name. A name will be made at the top of the ledger sheet that "With..... are in blocked account".
- (d) One entry will be made on the disbursement side of the cash book showing, as a cash disbursement to the bank, the total amount of the balances in the bank.
- (e) The disbursement entry in the cash book will be posted as a debit to a ledger account entitled "Bank di.....Blocked Accounts, A-7a".
- (f) If accounts in more than one bank are affected, the same procedure will be followed for each bank, and a separate ledger account opened for each bank.
- (g) At the end of each month the bank will submit a statement under the following headings:-

Name	Authorized Withdrawals	Interest Credit	Charges Debit	Balance on Hand
Name	Usable	Interest a Credit	Spese add Debit	Balance Present

The same procedure as described above will be followed for the net increase in the total balances, and the details will be posted from the statement to the ledger. If there are no alterations in the balances the statement will still be required to check and substantiate the amounts in the same manner as the current account bank statement.

2. The banks will hold these accounts in Time Deposits, earning the best interest rate available, and each owner's funds will be held in a separate account to be entitled "AME Assistant Controller of Property at.....Amount of"

DISTRIBUTION:

- 5 - C.A.
- 5 - C of P., Section 1.
- 3 - C of P., Section 2.
- 10 - File.

C. A. S. Harris
 C. A. S. HARRIS,
 Lieut-Colonel,
 Director of Property Control.

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MEMORANDUM FOR AUST 15 AREA COMBAT ON PROPERTY CONTROL

1. It is highly desirable that in the areas administered by AUST 15 Army Group, arrangements should be made for Property Control on the lines laid down in the AUSA Manual, which modifications will be in paragraphs 5 to 7 below, in order to ensure continuity of arrangements when the regions are taken over by AUC. In this connection it is most important that records and accounts should be kept in the same form laid down by the sub-commission and no deviation should be made without first consulting the sub-commission. Uniformity should also be maintained in questions of broad principle such as treatment of different categories of property of Allied, Neutral, French, Italian, Greek and different classes within these categories of real estate, bank balances and securities, business and industrial undertakings. In order to maintain uniformity of policy I suggest that copies of General orders and instructions to Regions sent out by P.C. Sub-Commission AUC/ADC be forwarded to AUST 15 Army Group Headquarters. The following notes summarizing the practice adopted in Regions I and II as the result of experience might serve as a useful guide for action in areas under AUST 15 Army Group.

2. Experience has shown that the greatest danger to property is apt to occur in the immediate post-operational phase, and that measures are necessary to protect (i) Allied Property, (ii) Property of the Italian State, and (iii) Property belonging to many Governments and Nationals.

3. ALLIED PROPERTY

A.C. should immediately complete a list of Allied properties, and take custody of the same by affixing a notice of custody in a prominent place. This has been found to be a fairly effective deterrent to would-be looters. Copies of these lists of Allied properties should be sent to A.C. Claims and Hirings and the corresponding authorities in the U.S. Army. Hirings Regulations A.M.A.P. have laid it down that Allied property requisitioned should be paid for, and A.C. Claims and Hirings should conclude a Hirings Agreement with A.C. who will receive the payments due in respect of these properties. A.C. Claims and Hirings should also furnish A.C. with all inventories, schedules of condition, damages, dilapidations, etc. When properties are vacated by the Armed Forces, A.C. should check these inventories before taking the property into custody, and record any shortages, etc., that may be found. A copy of these records sent to A.C. Claims and Hirings.

It would be most desirable if an arrangement on the above lines could be arrived at with the requisitioning and claims authorities of the U.S. Army with a view to establishing uniformity of principle as to payment for use of Allied property and uniform procedure with regard to records.

Partial custody should be taken of all bank balances etc. belonging to Allied Nationals or companies, which may be lying in local banks, where they will have been 'looked' by the Italian Government. These balances should be transferred to A.C. account and held by the bank on time deposit for account of owner. The amount would be kept by the bank as follows: "Controller of Property in account of J. M. Smith".

Any securities belonging to Allied owners should also be taken into custody by C.

C. should also obtain a list from the banks of all Allied balances of securities deposited by the Italian Government and paid over to the Istituto Cassa di Italia, or any other institution.

Group.

2. Experience has shown that the greatest danger to property is not to occur in the immediate post-operational phase, and that measures are necessary to protect (1) Allied property, (2) property of the Italian State, and (3) property belonging to enemy Governments and Nationals.

3. ALLIED PROPERTY

A.C. should immediately complete a list of Allied properties, and take custody of the same by affixing a notice of custody in a prominent place. This has been found to be a fairly effective deterrent to would-be looters. Copies of these lists of Allied properties should be sent to A.C. Claims and Hirings and the corresponding authorities in the U.S. Army. Hirings Regulations 3.5.4.2. Claims and Hirings should complete a Hirings Agreement with A.C. who will receive the payments due in respect of these properties. A.C. Claims and Hirings should also furnish A.C. with all inventories, schedules of acquisition, damages, dilapidations, etc. When properties are vacated by the Armed Forces, A.C. should check these inventories before taking the property into custody, and record any shortages, etc, that may be found. A copy of these records sent to A.C. Claims and Hirings.

It would be most desirable if an arrangement on the above lines could be arrived at with the regulating and claims authorities of the U.S. Army with a view to establishing uniformity of principle as to payment for use of Allied property and uniform procedure with regard to records.

Formal custody should be taken of all bank balances etc. belonging to Allied banks or companies, which may be lying in local banks, where they will have been 'booked' by the Italian Government. These balances should be transferred to A.C. account and held by the bank on the deposit for account of owner. The account would be kept by the bank as follows:--"Controller of property on account of John Smith".

Any securities belonging to Allied owners should also be taken into custody by A.C.

3.2. should also obtain a list from the banks of all Allied balances or securities requisitioned by the Italian Government and paid over to the Istituto Cassa d'Italia, or any other central institution.

4. ITALIAN GOVERNMENT PROPERTY

Where Italian officials are left in possession of government buildings, there is no need for A.C. to take formal custody of these, but Italian officials should be instructed to check existing inventories, and submit lists of shortages and schedules of dilapidations, in order to establish a record. Where such buildings have been occupied by the Armed Forces, A.C. Claims and Hirings and/or their U.S. equivalents should forward to A.C. copies of inventories, schedules of dilapidations, etc. On the vacation of such buildings, A.C. should take formal custody, inventories should be checked, and shortages recorded as laid down in the previous paragraph.

5. Special measures may be necessary to protect the property of the Italian Government, etc. etc. such property has not been occupied by the Armed Forces, descriptions of such property should be noted as soon as possible. Where the widely distributed nature of these properties, A.C. will not be able to do

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this quickly except in the present context, and I suggest that notices signed by the A.C.C. should be distributed to S.O.A.Cs and posted by them. S.O.A.Cs should also be instructed to direct notes of condition, inventories, etc., of these properties, to be made by Italian officials. These should be forwarded to A.C.C.

Where Fascist buildings are occupied by the Armed Forces and subsequently vacated, procedure laid down in paragraph 5, above should be followed. All funds belonging to Fascist organizations shall have been placed at the disposal of the A.C.C. These should be paid into A.C.C. account, hold pending instructions as to their disposal.

6. PROTECTION OF FASCIST COOPERATIVES AND INSTITUTIONS

Special measures may be necessary to protect these properties. A.C.Cs should obtain from the Ufficio Fornisce inventories of all such properties, and formal custody should be taken in the usual manner. Where such properties have been occupied by the Armed Forces, procedure laid down in paragraph 5, above should be followed.

7. ABANDONED PROPERTY

This should be dealt with wherever possible through the Italian Courts. The following procedure should be adopted after agreement has been reached with the President of the Tribunale. A.C.C. will either directly or through an agent request the appointment of a "curatore" to take charge of property deemed to be left uncared for, presenting a petition to the senior notary (notario) of the town or district where the said property is situated. The notary will issue a recommendation as to the necessity of appointing a "curatore" and forward it to the competent A.C.C. or the S.L.O. of the Province for his approval. The petition, if approved, will then be transmitted to the competent "Presidenti del Tribunale" who will appoint a "curatore" chosen from the list of notaries exercising their functions in the district in which the property is situated. It will be specified in the order appointing the "curatore" that he for his services will be entitled to the usual honorarium determined by Italian law. Notice that such procedure is coming into force should be published in the local newspapers and through any means of official publicity at our disposal.

Where abandoned property has been taken possession of by the Armed Forces, arrangements should be made with the military authorities to follow the Italian practice, under which requisition notes, etc., can legally be served on the Secretary of the Comune in which the property is situated.

C.M.S. HARRIS,
Lieut. Col.
Director of Property Control.

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7. ABANDONED PROPERTY

This should be dealt with wherever possible through the Italian Courts. The following procedure should be adopted after agreement has been reached with the President of the Tribunale. A.C.F. will either directly or through an agent request the appointment of a "curatore" to take charge of property deemed to be left unclaimed, presenting a petition to the senior notary (notario) of the town or district where the said property is situated. The notary will issue a recommendation as to the necessity of appointing a "curatore" and forward it to the competent A.C.F. or the S.L.O. of the Province for his approval. The petition, if approved, will then be transmitted to the competent "Pretendente del Tribunale" who will appoint a "curatore" chosen from the list of notaries exercising their functions in the district in which the property is situated. It will be specified in the order appointing the "curatore" that ~~for~~ for his services he will be entitled to the usual honorarium determined by Italian law. Notice that such procedure is coming into force should be published in the local newspapers and through any means of official publicity at your disposal.

Where abandoned property has been requisitioned by the Armed Forces, arrangements should be made with the military authorities to follow the Italian practice, under which requisition notices, etc, can ~~be~~ legally be served in the Secretary of the Comune in which the property is situated.

C. S. HARRIS,
Lieut. Col.
Director of Property Control.

16 Nov. 1943.

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REPORT OF THE CONTROLLER OF PROPERTY
FOR DECEMBER 1943

1. General.

As the result of four months experience, the work of the Sub-Commission in Region I can be said to have established a normal routine, that is to say, the supervision and management of properties already taken into custody, the maintenance of records and accounts in respect of the same, and the preparation of inventories, checking of accounts, etc, in connection with such Allied properties as still remain to be taken into custody. In general, the work of the Division during the month under review has been in accordance with such routine, but its scope has been increased by the extension of Article IV of Proclamation No.6, firstly to the sequestered properties of the Governments and Nationals of all the United Nations, and secondly to sequestered French properties, as more particularly mentioned in para 3 below. The work at Headquarters during the month under review was somewhat intermittent owing to the uncertainty as to future developments, and to the moves involved in the division of AMG ACC HQ between Naples, Palermo and Brindisi, which made it difficult to reach decisions on policy, C.E. with regard to the Bronte Estates (see below - para 4).

2. Personnel.

HQ AMG was transferred to Naples with effect from 19 Dec 43, and Major Boward(A) has represented the Division there since 26 Dec 43. The rest of my HQ Staff remained in Palermo throughout the month. On 31 December, orders were received for Major Sansone (A), Major Evans (B) and Capt. Sirota (A) to proceed to AMG HQ Naples for special duty, without either warning or consultation. While not disputing that the exigencies of the situation may demand this sudden transfer, I must point out that the work of this Sub-Commission has been prejudiced by the sudden removal of two accounting specialists, one of whom was forced to leave on audit of a firm half finished.

No other changes in the personnel of the Sub-Commission or their respective assignments occurred during the month, except that Major King (A) of the A.G.O. joined my HQ Staff on the 19 Dec 43.

In the early part of the month, Lt.Col. Bennett (B) of HQ accompanied Captain Hellmuth (B), R.C.P. Region I, on a visit of inspection to the Provinces of Catania and Messina. Arrangements were also made for either myself or Lt.Col. Glenn (A), accompanied by Major Bundy (B), to make a tour of inspection of Region II, but owing to the move of HQ AMG to Naples and the non-availability of the necessary transport, this tour had to be postponed. I hope however that it will be possible to make it during January 1944.

3. Extension of Property Control.

By General Order No.16 of AMG dated 7 Dec 43, the provisions of Article IV of Proclamation No.6 were extended to the property of all the United Nations, in accordance with the provision contained in Section 5 of Article IV of Proclamation No.6. The Order, which is applicable to Regions I and II, became effective on the date of its first publication therein. At the end of the month under review, authority was received from AMG to extend the same Article to the property of the French Government and its Nationals, and the requisite order has been drafted for signature of

3 below. The work at Headquarters during the month under review was somewhat intermittent owing to the uncertainty as to future developments, and to the moves involved in the division of AMG AOC HQ between Naples, Palermo and Brindisi, which made it difficult to reach decisions on policy, e.g. with regard to the Bronte Estate (see below - para 4).

2. Personnel.

HQ AMG was transferred to Naples with effect from 19 Dec 43, and Major Boward(a) has represented the Division there since 26 Dec 43. The rest of my HQ Staff remained in Palermo throughout the month. On 31 December, orders were received for Major Sansone (A), Major Evans (B) and Capt. Sirota (A) to proceed to AMG HQ Naples for special duty, without either warning or consultation. While not disputing that the exigencies of the situation may demand this sudden transfer, I must point out that the work of this Sub-Commission has been prejudiced by the sudden removal of two accounting specialists, one of whom was forced to leave on audit of a firm half finished.

No other changes in the personnel of the Sub-Commission or their respective assignments occurred during the month, except that Major King (A) of the A.C.C. joined my HQ Staff on the 19 Dec 43.

In the early part of the month, Lt. Col. Bennett (B) of HQ accompanied Captain Hellmuth (B), R.C.P. Region I, on a visit of inspection to the Provinces of Catania and Messina. Arrangements were also made for either myself or Lt. Col. Glenn (A), accompanied by Major Budy (B), to make a tour of inspection of Region II, but owing to the move of HQ AMG to Naples and the non-availability of the necessary transport, this tour had to be postponed. I hope however that it will be possible to make it during January 1944.

3. Extension of Property Control.

By General Order No. 16 of AMG dated 7 Dec 43, the provisions of Article IV of Proclamation No. 6 were extended to the property of all the United Nations, in accordance with the provision contained in Section 5 of Article IV of Proclamation No. 6. The Order, which is applicable to Regions I and II, became effective on the date of its first publication therein. At the end of the month under review, authority was received from AFHQ to extend the same Article to the property of the French Government and its Nationals, and the requisite order has been drafted for signature of the C.C.A.C.

REGION I

4. Real Estate.

(A) Allied Property.

Further Allied Property has been taken into custody, particularly in the Province of Messina, where the A.C.P. Lieut. Beeson (B), has taken custody of a further 20 properties. In many cases it has been found that a legal representative of the owner is present, and where this is so, the property has been left in his hands.

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The question of the legal ownership of the Bronte Estate (see para 3 of my report for August 43) has again been raised with the Legal Division with a view to re-establishing Viscount Bridport's title thereto, either by

- (i) An order of the C.C.L.O. confirming the annullment of the decree of expropriation by virtue of Article IV of Proclamation No.6, or
- (ii) Negotiation with the Italian Government.

The matter was raised as one of urgency, in view of the imminent handing over to the Italian Government, but no reply has yet been received.

As mentioned in para 4 (a) (iv) of my report for Sept 43, the Ente di Colonizzazione del Latifondo Siciliano (E.C.L.S.), while in possession of the Bronte Estate, entered into certain contracts for the cutting of timber, in particular with the firm of Minco and Rizzo. Their contract has now been formally terminated by an agreement between all parties concerned, that is to say, E.C.L.S., Minco and Rizzo, and R.C.P. Region I. In the result, E.C.L.S. is absolved from any further liability under the original contract, whilst a considerable quantity of timber and charcoal has been made available to Civilian Supply. Further timber which had been requisitioned by the Italian Military authorities, but not taken away, has also been made available to the same Division. The Bronte Estate continues to be administered by Signor Medica. Its general operation is proceeding satisfactorily, and a considerable cash surplus is in hand as the result of the trading during the past three months. The question of the disposal of the orange crop is however a serious one, and every effort is being made to find a market for it at a reasonable price.

As regards all Allied properties which were administered by the Bank of Sicily as sequesterator, and are now administered by it on my behalf, the Bank is furnishing full accounts up to 30 Nov 43, and has been instructed to render similar accounts at two-monthly intervals.

The question of providing funds for (a) maintenance and management, and (b) essential repairs to war damaged buildings, to which I referred in para 3(a) of my report for November 43, is still unsettled. The Acting Chief of the Military Government Section at AFHQ has ruled that though AFHQ is empowered to make loans, including loans to individual persons, "a mere unilateral expenditure for the benefit of some absent owner is not a loan", and therefore the funds required for the above purposes cannot be made available by AFHQ. In the circumstances, the matter will be taken up with the Italian Government with a view to their providing the necessary monies, seeing that under the conditions of Armistice they are bound to take such steps as the United Nations may direct to safeguard the persons and property of foreign nationals. In the meanwhile, properties which should be repaired if funds were available, in particular the Whitaker property Villa Garour in Palermo, are deteriorating by reason of the wet weather.

There has not permitted any positive action with regard to properties coming within the provisions of General Order No.16 referred to in para 2, apart from the initial step of instituting enquiries with a view to obtaining full particulars of the same.

Property of Mr. J. R. M. Fell, H.M. Consul, Madrid.

Orders were received by Mr. Bell, the representative in Palermo of the Min-

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The question of providing funds for (a) maintenance and management, and (b) essential repairs to war damaged buildings, to which I referred in para 3(a) of my report for November 43, is still unsettled. The Acting Chief of the Military Government Section at AFHQ has ruled that though AUSA is empowered to make loans, including loans to individual persons, "a mere unilateral expenditure for the benefit of some absent owner is not a loan", and therefore the funds required for the above purposes cannot be made available by AUSA. In the circumstances, the matter will be taken up with the Italian Government with a view to their providing the necessary monies, seeing that under the conditions of Armistice they are bound to take such steps as the United Nations may direct to safeguard the persons and property of foreign nationals. In the meanwhile, properties which should be repaired if funds were available, in particular the Whitaker property Villa Carvour in Palermo, are deteriorating by reason of the wet weather.

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Property of Mr. J. R. M. Fell, R.M. Consul, Madrid.

Orders were received by Mr. Bell, the representative in Palermo of the Ministry of War Transport in London on December 26th, instructing him to arrange for the effects of Mr. J. R. M. Fell, R.M. Consul, Madrid, who until the rupture of diplomatic relations between Italy and the U.K. had been R.M. Consul in Palermo, to be shipped to Madrid. These effects had been taken into custody by me in August 1943. Among these was a motor car, which I requisitioned for the use of this Sub-Commission on 12 Nov 43, as the staff car allotted to me had been assigned to other duties. About 15 days later Lt. Col. Brown, G-4, HQ AFHQ, informed me that the car was urgently needed for temporary duty by the Public Safety Sub-Commission, and I agreed to surrender it on condition that it should be returned to my safe keeping when the move of the main body of AFHQ ACC HQ to Naples had been completed. On January 1st I was informed by G-4 that this car had been sent for by Brig. Guterbock and that it had been sent to Naples on December 22nd.

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(3) Enemy State Property (Italian).

Discussions have taken place during the month under review on the general question of the internal administration of E.C.L.S., referred to above, and a list of the staff has been submitted to the Prefect of Palermo for checking.

Many of the "Borgini" belonging to E.C.L.S. are at present deserted, and measures have had to be taken for their protection. They were badly pillaged in the early days of the occupation.

The cash resources of E.C.L.S. are now exhausted, and the general financing of this concern is being considered in the light of the essential work which is necessary for the conservation of its properties.

(C) Property of Fascist Organizations.

The liquidation of Fascist organizations, to which I referred in para 3 (c) of my report for November 43, is now well in hand, Judge Criscuolo having been appointed chief liquidator, with his office in Palermo. Sub-liquidators have also been appointed to assist him. Questions as to the general policy to be followed have in most cases been decided, and it is intended to make as much use as possible of the Intendenza di Finanza, so avoiding the employment of extra staff.

G.I.L. and Dopolavere property has been transferred to Prefects of the various Provinces under the supervision of Public Welfare, but questions of policy are still under consideration and no decision has yet been reached regarding the disposal of bank balances.

(D) Abandoned Property.

The general scheme for dealing with abandoned property (see para 4 (d) of my report for Sept 43) is now in full operation throughout Region I. In the case of abandoned properties which have been taken into custody, arrangements are being made for the appointment of "curatore", who will take over the administration.

5. Industrial and Commercial Concerns.(a) Borab Bros.

The policy of keeping sales down to the minimum necessary to defray expenses has been continued. Sales carried out during the period of administration by the C.P. show a large profit. Audit of the accounts for the year 1943 and preparation of inventory and balance sheet was being carried out by Capt. Sirota, with a view to establishing the shortages referred to in my previous reports for September and October 1943. Unfortunately Capt. Sirota was compelled to leave his audit uncompleted owing to his transfer to Naples. After examination of the accounts the future operation of this business will be considered, and certain economies are contemplated by the C.P.

(b) L'Inseulare.

As a result of the preliminary examination of this concern, Controller of Property has taken the property into custody in the interests of the British shareholders. The original contract made with Messrs. Sporo has been ratified.

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(b) L'Insulare.

As a result of the preliminary examination of this concern, Controller of Property has taken the property into custody in the interests of the British shareholders. The original contract made with Messrs. Spere has been ratified for the current year. Certain assets (cash and securities) have been earmarked to cover undistributed dividends due by the company to the British shareholders. On the basis of the present contract a net annual profit of approximately Lire 180,000 should accrue. This is considered by Controller of Property to be preferable to the other alternatives:

- (a) care and maintenance - costly and unsatisfactory.
- (b) operation on our account - at present time speculative, with considerable risk of substantial loss due to divers causes.

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(o) A.G.I.P.

The general process of completion of records has been continued. The Vice-President of C.I.P., the organization formed on the mainland to take over rationing and distribution of oil products, under the direction of AFHQ Petroleum Section, is now in Sicily in process of re-organizing and co-ordinating the plant and installations of A.G.I.P. on basis of control of C.I.P., who are operating all oil installations in Italy under direct control from AFHQ.

There still appears to be some considerable divergence in methods adopted in the Provinces in the handling of oil products, and to eradicate this appears to necessitate certain instructions from AFHQ. This confirmation defining the exact powers of C.I.P. is in process of being obtained.

(d) Corriere di Sicilia.

The control of this paper has continued on lines laid down in report Controller of Property November 1943. Certain investigation of accounts has been carried out, as a result of which certain staff changes have been made. The question of ownership has been examined, and a full report is to be submitted to E.L.O. for consideration. There is little doubt that the property was Fascist Property at date of occupation, obtained by typical Fascist methods.

(e) Asphalt Mines - Ragusa.

As a result of consultation with Mr. Cartin, the legal adviser to the British interests, and now Prefect of Ragusa Province, it was decided that the most important question was to re-establish immediately the mining concessions of the English Companies, although Proclamation No. 6, Article IV, Subsections 3 and 4 does effect this it was considered necessary to have an Order prepared defining the position, and have the Register in the Tribunale Civile in Ragusa adjusted. This order has now been prepared. It was further decided that to avoid any possibility of "the conflicting interests" factor, Signor Moy should not be appointed to administer the British interests (he already representing A.B.C.D. under Order No. 67), but a nominee be appointed who should delegate the technical operation of the English plant to Signor Moy. This is now in course of being effected. The proposal of a lease of the English interests to A.B.C.D., mentioned in my report for November 43, has now been abandoned, owing to the Italian law on the subject under which the rights under the concession might be jeopardised. Arrangements have now been made for Controller of Property to visit Ragusa, examine the situation and arrange for purchase of English rock by A.B.C.D. (who have now arranged finance), the price to be fixed by Controller of Property, who will take expert advice before doing so. In this way I have ensured that the "capital" assets of the English companies have been recognised with the return of the concessions. The mines will be operated equitably by Signor Moy, and as from date of agreement, all rock extracted will be paid for and lodged for credit of English interests. Records of all previous mining etc from date of sequestration will be retained by Controller of Property, pending the arrival of the competent authority to deal with the claim.

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6. Semi-statal Institutions.

(a) Unione Militare.

Sales have continued in both Palermo and Messina branches on prescribed lines. The usual checking of accounts has been continued.

(b) E.N.I.C.

The general work of repair and re-opening of ENIC Cinemas has been continued. During the month the Rex Cinema in Ionia was re-opened and is now doing excellent business. The Reale in Catania is due to open shortly, the repairs having now been completed. The "contribution" by ENIC of Lire 160,000 (covered by set off against any payment which may be received from Italian Government for War Damage or any increase in rental) should be covered in two months trading. The present lease expires in 1950. The projected repairs to Cinemas Nazionale and Supercinema have had to be deferred owing to difficulties in obtaining

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release from requisitioning authorities, who still have further use for part of these premises. ENIC has functioned very successfully during the month under the enthusiastic leadership of Signor Rallo. Accrued profits during just over three months of trading now amount to over Lire. 1,000,000. The general policy of progressive recreational entertainment is being continued, always, it should be mentioned, with the full approval and backing of P.W.E.

7.

REGION II

The work of this Region has devolved solely upon Major Meader (A), as his former assistant, Lieut. Strolla, has been transferred to the Electricity Sub-Commission of A.C.C. Further, Major Meader has been handicapped by reason of communications, transportation and clerical staff being scarce or non-existent. All Allied properties have however now been inspected, and formal custody of the three important villas in Salerno Province, namely "Rufolo", "Cimbrone" and "Rondinella" has been taken.

Blocked accounts of Allied Nationals have not yet been taken over, as full returns are still awaited.

In this Region, the liquidation of Fascist organizations is being carried out through provincial committees.

Owing to the presence of troops and previous depredations in Cotrone formal custody has been taken of two French properties there, in order to ensure their protection.

C.P. reports that there are twenty or thirty enemy aliens (German, Hungarian, etc) residing in Salerno Province.

Handwritten signature

C. R. S. HARRIS,
Lieut-Colonel,
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7 January 1944.

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PROPERTY CONTROL SUB-COMMISSIONSUPPLEMENTARY REPORT FOR JANUARY 1944.

1. In accordance with para 10 of my report for January 1944, I submit the following supplementary report on Region I.

2. ALLIED PROPERTY.(a) General.

Very considerable progress has been made during the month with the taking into custody of the remaining British and American properties, particularly in Messina province. Those now remaining are small and relatively unimportant.

(b) Bronte Estate.

Inventories etc have now been received as at date of Cav. Modica taking over administration, i.e. 18 Aug 43, revealing a very considerable stock of timber. A full report for period to 31 Dec 43 has now also been prepared, together with a statement of the position at that date. From a perusal of records very satisfactory progress has been made. Houses repaired, roads, bridges, etc. essential for the efficient control and administration of the Estate have been either reconstructed or repaired, and improved methods of cultivation employed which compare very favourably with those employed by the Ente di Colonizzazione del Latifondo Siciliano, which in many cases left much to be desired. From an examination of the administration of this estate by Ente di Colonizzazione del Latifondo Siciliano it can be readily understood the general criticism which is always levelled at this organization. The financial position is satisfactory, but everything depends on the sale of the orange crop. Every effort is being made to find a market at some reasonable price.

(c) Bornio Bros.

No further sales have been permitted, and after a very careful examination of the position it has been decided to dispense with the services of Signorina Schenbri, thus reducing overhead expenses considerably. It is proposed to leave this business on the principle of conserving the stock, the lire value of which increases from day to day. It is regretted that so far Insurance Division have not been able to arrange any form of insurance. Trading for the period 15 Sept to 31 Dec 43 shows a handsome profit.

(d) L'Insepolare.

The taking into custody of this concern has been effected. Such available cash (over and above working requirements) and all securities have been earmarked for payment of outstanding dividends to English shareholders, whose claims amount to Lire 976,000. It is hoped that 50% can be covered in cash immediately, and a further 25% in the course of the next few months. Accounts, inventories, etc, have been submitted to 31 Dec 43, and the position with this concern may be considered as satisfactory.

(e) Reggio Asphalt Mines.

Official Orders Nos. 23, 24 and 25 dated 16 Jan 44, have now been issued, whereby the mining rights under the concession have been returned to the British Government. Under the Orders Sig. Ing. Luigi Paterno has been appointed Special Commissioner. As from 1 Feb 44 arrangements have now been made to be confirmed by proper contract for the sale of British rock to ASD, price and conditions of sale having

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(e) Raffaele Asphalt Mines.

Official Orders Nos. 23, 24 and 25 dated 16 Jan 44, have now been issued, whereby the mining rights under the concession have been returned to the British concerns. Under the Orders Sig. Luigi Paterno has been appointed Special Commissioner. As from 1 Feb 44 arrangements have now been made to be confirmed by proper contract for the sale of British rock to ASD, price and conditions of sale having been approved by Sig. Ing. Giangi, Chief Engineer in Mining in Sicily. Under this arrangement a fair price is being obtained for all rock mined, and the British interests may also participate in contracts made directly and not through the intermediary of ASD.

In this way the question of mining rock as from 1 Feb 44 has been settled. There remains the question of the accounting for the following periods:

- (a) Period of sequestration and subsequent annulling of concession rights in favour of ASD. This is dependent on details and records from Rome. Certain assets have been transferred during this period, and this must be examined later by competent authority. Meantime all possible records are being obtained.

In accordance with instructions received from AFHQ, all A.C.I.F. assets, with the exception of funds lodged in banks and deposited with AFHQ, have been transferred to C.I.F. The final completion of receipts and accounts is still awaited. Owing to the confusion consequent upon the military operations in Sicily, these will require a considerable time to complete.

4. FASCIST CONCERNS.

(a) E.N.I.C.

Work in this concern continues to make real progress. Variety introduced in the programme has resulted in a very marked increase in receipts. Modern American films with more than a tinge of propaganda flavour have also increased public interest.

The "Realis" in Catania is due to open in the course of the next few days, and should prove both a good investment and a real contribution to civil life in Catania. Arrangements are also being made to repair the large and modern cinema "Impero" in Messina, and this too should be opening in less than six weeks time. The principle here has been to advance such sums as necessary against ENIC liability for rents and percentage of takings.

The Balance Sheet covering the administration to 31 Dec 43 makes very satisfactory reading. After making general provision for contingent liabilities and depreciation, a net profit of Lire 1,057,825.25 is shown. To this figure must be added the very considerable sum charged to the accounts in respect of abnormal repairs effected during this period.

(b) Unione Militare.

Restricted sales continue, although the stocks are now very considerably reduced. Instructions have been received from a Commissioner appointed by the Fascist War Ministry to Unione Militare, but in accordance with general instructions on this subject, Unione Militare will remain under control of Controller of Property for the time being, any disposition to be effected through intermediary of Controller of Property.

(c) Corriere di Sicilia.

Several offers have been received for the purchase of this paper by the leaders of the various political organizations. These have been refused on the principle of:

- (a) not selling fascist property,
 - (b) policy,
 - (c) necessity for establishing the ownership of the paper and for examination of various transactions effected by fascists to gain control.
- This will be a matter for examination and decision by Italian Govt.

5. FASCIST PROPERTY.

The appointment of subliquidators is still being held up by two provinces, to whom representation has been made to arrange for the nomination forthwith. The work of tracing fascist property is continuing and much good work has been done by the Special Commissioner. From Controller of Property's records of Dissolved Fascist institutions, Forelitz Representative of the Library of Congress has extracted over 200 books, 800 pamphlets and 160 Serial Publications, which should prove tremendously useful additions to the collections of the Library of Congress. Controller

(b) Date of occupation to date of Criminal Declaration of Custody. Records kept.

(c) Date of Declaration of Custody to 28 Dec 43. Date of returning of mine concessions under Orders 23, 24 and 25 of 1944. Records kept.

(d) 28 Dec 43 to 31 Jan 44, period during which AECG have worked the concessions. Keeping full records, but the British interests have not been worked separately. Here again full records have been kept.

3. A.G.I.F.

In accordance with instructions received from AFHQ, all A.G.I.F. assets, with the exception of funds lodged in banks and deposited with AIFA, have been transferred to C.I.F. The final completion of records and accounts is still awaited. Owing to the confusion consequent upon the military operations in Sicily, these will require a considerable time to complete.

4. PARASTATAL CONCERNS.

(a) E.N.I.C.

Work in this concern continues to make real progress. Variety introduced in the programme has resulted in a very marked increase in receipts. Modern American films with more than a tinge of propaganda flavour have also increased public interest.

The "People" in Catania is due to open in the course of the next few days, and should prove both a good investment and a real contribution to civil life in Catania. Arrangements are also being made to repair the large and modern cinema "Impero" in Messina, and this too should be opening in less than six weeks time. The principle here has been to advance such sums as necessary against ENIC liability for rents and percentage of takings.

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(c) Orficeri di Sicilia.

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- (d) 28 Dec 43 to 31 Jan 44, period during which ABCD have worked the concessions. Keeping full records, but the British interests have not been worked separately. Here again full records have been kept.

It is felt that Controller of Property at this stage must content himself with the preparation of sufficient data as will suffice for the consideration of the British claim.

3. A.G.I.F.

In accordance with instructions received from ABHQ, all A.G.I.F. assets, with the exception of funds lodged in banks and deposited with ABQA, have been transferred to C.I.F. The final completion of records and accounts is still awaited. Owing to the confusion consequent upon the military operations in Sicily, these will require a considerable time to complete.

4. PARASTATAL CONCERNS.

(a) E.N.I.C.

Work in this concern continues to make real progress. Variety introduced in the programme has resulted in a very marked increase in receipts. Modern American films with more than a tinge of propaganda flavour have also increased public interest.

The 'Reale' in Catania is due to open in the course of the next few days, and should prove both a good investment and a real contribution to civil life in Catania. Arrangements are also being made to repair the large and modern cinema 'Dapere' in Messina, and this too should be opening in less than six weeks time. The principle here has been to advance such sums as necessary against ENIC liability for rents and percentage of takings.

The Balance Sheet covering the administration to 31 Dec 43 makes very satisfactory reading. After making general provision for contingent liabilities and depreciation, a net profit of Lire 1,057,825.25 is shown. To this figure must be added the very considerable sum charged to the accounts in respect of abnormal repairs effected during this period.

(b) Unione Militare.

Restricted sales continue, although the stocks are now very considerably reduced. Instructions have been received from a Commissioner appointed by the Badoglio War Ministry to Unione Militare, but in accordance with general instructions on this subject, Unione Militare will remain under control of Controller of Property for the time being, any disposition to be effected through intermediary of Controller of Property.

(c) Carriera di Sicilia.

Several offers have been received for the purchase of this paper by the leaders of the various political organizations. These have been refused on the principle of:

- (a) not selling fascist property.
- (b) policy.

In accordance with instructions received from AFHQ, all A.C.I.F. assets, with the exception of funds lodged in banks and deposited with AIFA, have been transferred to C.I.P. The final completion of records and accounts is still awaited. Owing to the confusion consequent upon the military operations in Sicily, these will require a considerable time to complete.

4. PARASTATAL CONCERNS.

(a) E.N.I.C.

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The "Reale" in Catania is due to open in the course of the next few days, and should prove both a good investment and a real contribution to civil life in Catania. Arrangements are also being made to repair the large and modern cinema "Impero" in Messina, and this too should be opening in less than six weeks time. The principle here has been to advance such sums as necessary against ENIC liability for rents and percentage of takings.

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(c) Corriere di Sicilia.

Several offers have been received for the purchase of this paper by the leaders of the various political organizations. These have been refused on the principle of:

- (a) not selling Fascist property,
 - (b) policy,
 - (c) necessity for establishing the ownership of the paper and for examination of various transactions effected by Fascists to gain control.
- This will be a matter for examination and decision by Italian Govt.

5. FASCIST PROPERTY.

The appointment of subliquidators is still being held up by the provinces, to whom representation has been made to arrange for the nomination forthwith. The work of tracing Fascist property is continuing and much good work has been done by the Special Commissioner. From Controller of Property's records of Dissolved Fascist Institutions, Foreign Representative of the Library of Congress has extracted over 200 books, 800 pamphlets and 160 Serial Publications, which should prove tremendously useful additions to the collections of the Library of Congress. Controller

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of Property has rendered every facility in this work, which should prove of great value in the study of the Fascist organization.

6. ENTE DI COLONIZZAZIONE DEL LATIFONDO SICILIANO.

The records and accounts as at 30 June to 13 Sept 43 have now been submitted, although in view of difficult conditions some of the information has not been completely checked, and may be the subject of adjustments. Over 150 staff have been dismissed and very considerable economies effected, resulting in a saving of overhead expenses of Lire 4,700,000. Sig. Paravino is adopting a very rigid system of economy and effective control which should result in increased efficiency on the part of the reduced organization. The propositions submitted for the financing of Ente di Colonizzazione del Latifondo Siciliano were in the first place rather on the 'long term' principle. AMG was asked to release to E.C.L.S such sums as would have normally been paid in due course by the Italian Government as part of its responsibility to E.C.L.S for Public Works. Further, the general question of pre-occupational debts was considered. Finally it was arranged to finance only:

(a) overhead expenses on the basis of Lire 10,000,000 per annum, applications to be submitted monthly.

(b) Essential cost of works of paramount importance to agriculture, being continuation of projects already started and which if not finished would result in complete loss or disorganization of existing facilities. No new works are to be permitted. Consorzi di Bonifica may submit their projects to be examined by competent authority, these estimates to be submitted bi-monthly. That of February and March amounted to L.11,400,000.

It has again been stressed on the Commissioner the general principle of conservation of property and the progressive development of only those activities where the agricultural conditions or productivity are improved by E.C.L.S contribution. Anything else will not be encouraged.

C. R. S. HARRIS,
Lieut-Colonel,
Director of Property Control.

24 February 1944.

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