

Declassified E.O. 12356 Section 3.3/NND No. 785017

ACC

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MONTHLY REPORTS, PROPERTY CONTROL
JAN. - AUG. 1944

REPORT OF THE DIRECTOR OF PROPERTY CONTROL FOR AUGUST 1944

PERSONNEL

1. Lt. Col. E. M. Card (B) assigned to Region XII on 29 Aug 44. Lt. H. B. Shaine (A) assigned to Region VIII on 28 Aug 44. Due to the protracted illness of Major G. K. Cavenough (A), the appointment of Capt. W. F. Board (B) as RCP Region I was recommended to the Regional Commissioner on 25 Aug 44.

GENERAL

2. On 8 Aug 44, the Insurance Section of the Finance Sub-Commission, ACC, assumed full responsibility for the management and control of all insurance companies of the United Nations (including France) and of all enemy insurance companies in Italy.

The directive issued by the Property Control Sub-Commission, ACC, dated 15 May 44 regarding British insurance companies, was cancelled.

The Regional Controllers of Property were directed to advise all banks that in the future, control of bank accounts of insurance companies would revert to the Finance Sub-Commission, whose authority would be required for any withdrawals. Likewise, any cash collected by Regional Controllers of Property for any insurance company and placed in the Regional Controller of Property's bank account, would be transferred to a blocked bank account in the name of the appropriate insurance company, subject to the control of the Finance Sub-Commission.

REGION I

3. General - The question of re-consignment of properties to owners or their legal representatives has now been clarified by HQ ACC. As a result, many small properties, especially in the Palermo and Messina districts, are in a position to be returned to their owners or legal representatives. All the property files are being overhauled and it is expected that many of these small properties will be handed back within the next three months, thus relieving the RCP of such responsibility. An inspection of the small properties taken into custody in Palermo Province has been conducted. It was found that in the main the properties were being well cared for, and that the administrators were performing their duties satisfactorily.

4. Real Estate - (a) British and American.

(1) Whiteaker Properties.

(a) Villa Cavour, etc. Reassigned to Rag. Timaro in July and confirmed by Main HQ in August. Premises presently under requisition by U.S. Navy Men's Club. Essential repairs to habitable portion have been carried out by occupying unit. Sig. Pedicini is of the opinion that no further repairs should be executed as property will probably have to be completely rebuilt at a later date. Question of rental during requisitioned period is under discussion with Genio Militare. No question of furniture arises with occupying unit, as same was transferred to Villa Sperlinga before occupation of Sicily by Allied Forces.

(b) Villa Sperlinga. This was not sequestered on grounds of Italian ownership, consequently not taken into custody by Controller of Property. Grounds of Villa requisitioned by U.S. Forces but now de-requisitioned. Rag. Timaro acting as Controller.

15 SEP Recd

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- (b) Villa Sperlinga. This was not sequestered on grounds of Italian ownership, consequently not taken into custody by Controller of Property. Grounds of Villa requisitioned by U.S. Forces but now de-requisitioned. Rag. Tinnaro acting as administrator.
- (c) Villa Sofia. Authority received to reassign to Sig. Novello Antonio. Verbale being prepared by Banco di Sicilia for approval this office. Premises and contents still under requisition by U.S. Navy. Negotiations in hand between this office, U.S. Navy and Genio Militare for checking of inventories, etc. Representations have been made to stop use by occupying unit of old family plate, glassware, etc., also valuable books in library. Genio Militare and Sig. Pedicini co-operating.
- (d) Racalia, near Marsala. These properties not sequestered nor taken into custody, as considered Italian owned. Caretaker appointed by AMG in August 1943, for 1 year. Properties now handed over to Sig. Novello and all accounts and documents regularized. Italian Real Estate have ceased to use Racalia.

- 2 -

(e) Villa Malfitano. The Villa and contents were not taken into custody but were requisitioned by U.S. Forces, who also requisitioned certain wines and liquors. These wines and liquors were taken into custody under D/C-I-P-116 and disposed of in October 43 by return of wines Lit. 5,529 and cash Lit. 13,415 to Sig. Novello. The property has since been de-requisitioned, and questions of damages and rental are under discussion with the Genio Militare. This Declaration of Custody taken out from monthly parade state.

(2) Pronte Estate. Verbale di consegna of Nelson relics from the Italian State Archives has been temporarily held up owing to demands by Sezione Archivio di Stato. The demands of the Nelson Estate have been upheld and verbale now agreed by Italian authorities. New contract for cutting of woods by Mineo & Rizzo signed and registered, and copy forwarded to Main HQ. Verbale di Concorrate negotiated by Avv. Melia and approved this office for reduction of the annual tax assessment from one based on Lit. 800,000 to one based on Lit. 67,000. Question of roads, boundaries and water rights presently under active discussion with appropriate authorities. Dott. Niccolosi's application for re-employment by Luchy refused after legal advice. Niccolosi's services not desired by Cav. Medice. Re-consignment of Villa Falconara, Tacina, to Cav. Medice approved - verbale awaited.

(b) French.

Villa D'Orleans, Lago di Gaias. Repairs to pumping plant up to Lire 120,000, and repairs to walls up to Lire 118,250, approved by Main HQ, and presently proceeding under supervision this office.

5. Industrial and Commercial Concerns.

(a) Ramso Mines. Work proceeding satisfactorily. Output somewhat down owing to restriction of electric current to 16 hours daily instead of 24 hours and the increasing difficulty of obtaining explosives and fuse. Representation by this office to ACC officials and Electric Society unavailing.

(b) Ditta Borab. Request received from James J. Borab through American Consulate for appointment of Mrs. Borab or daughter as curatore under restricted conditions. Application made by Mrs. Borab to Tribunale di Palermo. All sales stopped. Dott. Rag. Filisto presented final accounts, and fees agreed at Lit. 20,793 and paid.

6. Dissolved Fascist and C.I.L. Organizations and Depolevere Funds.

(a) Ponole di Sicilia. Transfer of assets to Intendente di Finanza of Catania held up pending agreement between DFO and PNB, Main HQ, as to restrictions, if any, to be applied.

(b) Cinema Trinacria, Catania. Transfer of Lit. 65,391.25 (being rental for certain cinema equipment belonging to Poste telegrafiche) made to Prefect of Catania.

(c) Prefect of Catania reports that all arrears of salaries due to ex-employees of C.I.L. and Depolevere now paid.

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REGIONES II and VII

7. The Regional Controller of Property's office located at Bari was closed on 28 Aug 44, and all the records and files were moved to the RCP's office at Naples.

8. The more important problems dealt with during the month were as follows:

a. Albanian Interests. At the request of the Albanian Section of the Psychological Warfare Board, this office has taken into technical custody merchandise of approximately £40,000 Sterling in value belonging to Albanian Nationals. This action was taken to prevent confiscation by the Italian authorities. The goods in question are stored in three warehouses in the city of Bari, and are under the direct control of the Albanian owners and/or agents.

b. Elisabeth Sibiliano Colaninno. American citizen, resident of New Jersey and owner of an estate in the Province of Bari, sent a power of attorney to her daughter, resident in the Province of Bari, authorizing her daughter to

- 3 -

take over the administration of her estate. This power of attorney was presented to this office by a son of the owner, Private John Coleman, a member of the U.S. Army. The document was in good order and the present administrator of the estate was ordered to turn over the administration to the daughter and to bring his administration up to date. The Sindaco of the town where the estate is situated was informed of the change, and was asked to enforce the change in administration as the original administrator was reluctant to relinquish his control.

- c. Alph Pier Amira - a citizen of France and a former internee of the Fascist Italian Government, requested that this office assist him in securing the de-sequestration of his property, which consisted of an apartment in Bari, furniture, merchandise and a bank account. The Intendenza delle Finanze was consulted and the de-sequestration was accomplished. Monsieur Amira was informed that any claim for damages which he may have should be presented at a later date to the proper Italian authorities.

REGION III

9. The Regional Controller of Property now has under control 44 business concerns, 306 real properties owned by 145 Allied subjects, and 3,226 other items which include 2,985 bank accounts.

10. Real Properties - The total number of declarations made to date is 153, covering a total of 326 individual properties. Of this total, 16 properties have been restored to 8 Allied subjects.

11. Business Concerns -

- a. During the month the auditing staff has examined the books of the following business concerns:

BURROUGHS
GLAZO
ST. ERASMO
SOCIETA ITALIANA ALBERGHI
LA VOCE DEL PADRONE - COLUMELA - MARCONIPHONE
MARCONI
ST. GOBAIN
SINGER
ACQUEDOTTO VESUVIANO

- b. Special reference is made to the following:

- (1) Burroughs S.A.I. - This company has presumably been taken over by Vembi, an Italian corporation. The company's existence and activity in this Region first came to our notice this month. The operation of the company consists solely of repairs performed by a serviceman, who operates directly from his home. The only physical assets of the company consist of repair parts and ribbons worth approximately Lire 5,000. There are some outstanding accounts receivable.

- (2) Acquedotto Vesuviano - At the end of the month information was received that the employees of this company

Italian Government, requested that this office assist him in securing the de-sequestration of his property, which consisted of an apartment in Bari, furniture, merchandise and a bank account. The Intendenza delle Finanze was consulted and the de-sequestration was accomplished. Monsieur Amira was informed that any claim for damages which he may have should be presented at a later date to the proper Italian authorities.

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(2) Acquedotto Vesuviano - At the end of the month information was received that the employees of this company were demanding a still further increase in wages, notwithstanding that their original demand has not yet been sanctioned by the authorities, and they have threatened to strike.

12. General.

(a) During the month a sum of L.42,400 was received through 55 area LPM belonging to an Italian, Gambiorte Danto, killed in an accident near Mignano. This sum has been paid into bank and enquiries have been set afoot to discover this man's next of kin, to whom the sum will be paid.

(b) Funds and moveables in possession of the RCP have been made over to Commissaries appointed by the Prefect on the estates of German nationals Schmidt & Dupont and Fabbricatore Lenny Neubarth. The Prefect has appointed Commissaries during the month on properties of 16 German nationals. Of these, four have been released from detention, and the decree will be revoked.

(c) Information has been given to the American and British Consuls regarding estates of their nationals who have died leaving property in this Region.

- 4 -

and contact has been made with the French and Belgian Consuls.

REGION IV

Part I.

13. General - Property Control activities in Rome City during the month of August were concerned largely with the routine of providing overall supervision and advice in connection with sequestrated properties, the taking into protective custody of Fascist properties previously owned by abolished organizations, and the general work of consolidating activities undertaken on a more superficial basis during the earlier days. The earlier effort was directed toward obtaining effective supervision over sequestrated and other properties. The present effort is directed toward providing valid advisory and supervisory assistance to the sequestrators or to the acting managers in those instances where sequestrators were removed because of their proscribed Fascist connections. The principal problems are presented in connection with the operation of businesses. A question of balance is always involved, in that assistance must be provided where that assistance can best be rendered by military personnel, but at the same time any tendency toward having sequestrators lean too heavily on this office where the problems are those of internal management must be avoided. This report covers the following:

- (a) Fascist, para-statal and similar properties,
- (b) Businesses and corporate properties exclusive of banks,
- (c) Banks, bank accounts, and miscellaneous intangibles,
- (d) Real and personal properties,
- (e) Miscellaneous services.

14. Fascist, para-statal and similar properties - Our instructions provide that the RCP should not concern himself with properties of the above type if they are in possession of another branch of the Armed Forces or their normal custodians. However, because of the necessity for providing additional protection in certain instances against the possibility of usurpers taking possession of the properties, as was true in the early days, protective custody was taken of some small Depolavero properties. The Regional Commissioner directed that the RCP should take protective custody of assets belonging to abolished Fascist organizations. The following organizations had protective notices posted on the properties, except where their assets had been disposed of before our entry. Inventories of property were obtained in many instances, and we now await the appointment of commissari by the Italian Government, since our primary purpose was to preserve such assets for the Italian Government. As a result of the Regional Commissioner's order much of the confusion which previously existed was removed, and this office was able to be of real assistance in preserving the assets.

- | Name | Location |
|---|---|
| (1) Patronato Nazionale per l'Assistenza Sociale, now a subsidiary of Unioni Lavoratori dell'Industria. The premises were posted and an inventory received. | Via Sistina 42 |
| (2) Istituto Nazionale della Previdenza Sociale, plus subsidiary sindacati. The premises at Corso Umberto and Via Minghetti were posted, not those at Piazza Colonna because occupied by Y.M.C.A. Inventory not received. | Corso Umberto 239 and Via Minghetti 17, Piazza Colonna 366. |

other properties. The present effort is directed toward providing valid advisory and supervisory assistance to the sequestrators or to the acting managers in those instances where sequestrators were removed because of their prescribed Fascist connections. The principal problems are presented in connection with the operation of businesses. A question of balance is always involved, in that assistance must be provided where that assisting sequestrators lean too heavily on this office where the problems are those of internal management must be avoided. This report covers the following:

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(3) Confederazione Fascista degli Industriali. The premises indicated were posted. No inventory received.	Piazza Venezia 11 and Via Plebiscito 102.
(4) Dopclavero Ospitalita and Turismo. The premises were posted and an inventory received.	Piazza Esedra 43.
(5) Confederazione dei Professionisti e degli Artisti, now occupied in part by C.I.C. and C-2, etc. The premises were posted and an inventory received.	Via Sicilia 57.
(6) Unione Provinciale degli Industriali. The premises at Via Regina Elena 11 and Via S. Nicolo da Tolentino 21, 22, 22B were posted.	Via Regina Elena 29 and 11, Via S. Nicolo da Tolentino 21, 22, 22B.

- 5 -

not these at Via Regina Elena 29 because occupied by Allies. No inventory received.

- (7) Unione Provinciale dei Lavoratori dell'Industria, now a subsidiary of Confederazione Generale Italiana del Lavoro. Branches:

- a. Carte & Stampa
- b. Legale & Contributi
- c. Lavoratori Spettacolo
- d. Delegazione Tor Pignattara
- e. Delegazione Tor di Quinto
- f. Delegazione Monte Sacro
- g. Assistenza & Previdenza

All the premises were posted but the inventory was received only in part.

- (8) Confederazione Fascista degli Agricoltori, was not posted because it will be the seat of the American Embassy. No inventory received.

- (9) Confederazione Fascista dei Commercianti, all the premises were posted, but the inventory was received only in part.

- (10) Confederazione Fascista delle Aziende del Credito e delle Assicurazioni. The premises were posted - no inventory received.

- (11) Confederazione Fascista Lavoratori dell'Agricoltura, was not posted but inventory received. Occupied in part by Allied troops, formerly Region IV Hq.

- (12) Confederazione dei Lavoratori dell'Industria, now Confederazione Generale Italiana del Lavoro. The premises were posted - no inventory received.

- (13) Confederazione Fascista dei Lavoratori del Commercio, now Region IV Hq. The premises were not posted and no inventory was received.

- (14) Confederazione Fascista dei Lavoratori delle Aziende del Credito e delle Assicurazioni, not posted and no inventory received.

- (15) Associazione Fascista degli addetti alle Aziende Industriali dello Stato. Not posted and no inventory received.

- (16) Associazione Fascista dei Ferrovieri dello Stato,

Piazza Esquilino 1.

Viale del Re 37
Via Regina Elena 36
Via Aurora 31
Via Natalia Polli
Via Flaminia 6424
Via Gargano 34
Via Sistina 42

Via Vittorio Veneto 119

Piazza Sidney Sonnino 2, and Lungotevere Anguillare 9.

Piazza del Gesù 49

Corso d'Italia 25

Via Boncompagni 19, and Via Nazionale 230.

Via Lucullo 6.

Present address - Conigliano, whereabouts in Rome unknown. Records may be at Piazza Colonna.

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(14) Confederazione Fascista dei Lavoratori delle Aziende del Credito e delle Assicurazioni, not posted and no inventory received.

(15) Associazione Fascista degli Addetti alle Aziende Industriali dello Stato. Not posted and no inventory received.

(16) Associazione Fascista dei Ferroviari dello Stato, not posted and no inventory received.

(17) Associazione Fascista dei Posteografici, not posted and no inventory received.

(18) Associazione Fascista del Pubblico Impiego, not posted and no inventory received.

(19) Unione Provinciale Lavoratori dell'Agricoltura, now a subsidiary of Confederazione Generale Italiana del Lavoro; the premises were posted and an inventory received.

(20) Unione Provinciale Lavoratori del Credito e delle Assicurazioni, now a subsidiary of Confederazione Generale Italiana del Lavoro; the premises were posted, no inventory received. Also the branch at Via S. Ignazio was posted.

Via Vittorio Veneto 119

Piazza Sidney Sonnino 2, and Lungotevere Anguillara 9.

Piazza del Gesù 49

Corso d'Italia 25

Via Benicampagni 19, and Via Nazionale 230.

Via Lucullo 6.

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Viale Africa 26.

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Piazza S. Silvestro 92, and
 Via S. Ignazio 9.

- 6 -

- (21) Unione Provinciale Lavoratori del Commercio, now a subsidiary of Confederazione Generale Italiana del Lavoro; the premises were posted, no inventory received. Via dei Mille 23.
- (22) Unione Fascista degli Agricoltori; the premises were posted, no inventory received. Via del Moro 47.
- (23) Unione Fascista dei Commercianti has 56 syndicates in the same building, it also controls the Sindicato Venditori ambulanti at Via dei Delfini, which has 3 sub-syndicates at the same address. Both premises were posted, and the inventory received in part. Corso Vittorio Emanuele 101, Via dei Delfini 36.
- (24) Unione Fascista del Credito; the premises were posted, no inventory received. Piazza del Gesù 49.
- (25) Unione Fascista Professionisti ed Artisti; the premises were posted and an inventory received. Via Toscana 5.
- (26) Consiglio Provinciale delle Corporazioni; the premises were posted, no inventory received. Via de Burro 147, Piazza S. Ignazio (same building).
- (27) Federazione Nazionale Industria Conciaria, the premises were posted, no inventory received. Via Flebiscite 102.
- (28) Federazione Nazionale Industrie Varie; the premises were posted, no inventory received. Via Nazionale 894.
- (29) Federazione Nazionale Industria Calzature, not posted and no inventory received. Present address in Rome unknown. Records may be in Piazza Colonna.
- (30) Federazione Nazionale Industria Abbigliamento, premises posted and inventory received. Via del Collegio Romano 10.
- (31) Federazione Nazionale Industriali Idrottermali, premises posted and inventory received. Via della Scrofa 57.
- (32) Ente Nazionale per l'Artigianato e le Piccole Industrie; the premises were posted but no inventory received. Piazza Venezia 11, and Via dei Lucchesi 25.

15. Businesses and Corporate Properties.

- a. In general the situation confronting Allied business interests has shown improvement, except in those instances where no business can be done because of lack of stock or opportunities for replacement. The endeavour is to keep all firms in operating condition even though there are current losses, upon the assumption that the owners will prefer to have their businesses continued until the process of re-building can be undertaken. Measuring losses against relative advantages is difficult in these days because of the Italian laws governing discharge pay and other factors.

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- b. There are 48 companies at the present time under the above category; 20 American, 19 British and 9 French. Five sequestrators were removed during August because of prescribed Fascist connections.

16. Banks, Bank Accounts, etc. - There is nothing to report in connection with banking interests, bank accounts, etc. The banks under the supervision of this office are operating very efficiently.

17. Real and Personal Properties -

- a. There are no material changes in the numbers of properties in the above category. There is being prepared a card index tickler system dividing work into logical stages so that control may be established and each case checked periodically.
- b. With a view to meeting anticipated requests by owners a comprehensive report is being obtained on each property, showing physical conditions and financial transactions from date of sequestration to June 1944.

18. Miscellaneous Services - The office of the British High Commissioner has requested information concerning certain of the properties, which was furnished, and requests for information were received from the American Consul at Naples. There is increasing interest on the part of diplomatic representatives in getting information for forwarding through diplomatic channels.

Part II - Provinces.

19. General - The work of property control in Region IV is largely centred in Rome City. There are a few properties in Rome Province and other provinces, as set forth hereafter. An effort is being made to cover such properties but the task is difficult, due in part to the greater destruction outside of Rome City, the scattered location of the properties, and the inability of the sequestrators to reach properties. In every case where the individual sequesteror could be located, and after security measures could be taken, the sequesteror was transported to the property for the purpose of making a full report.

20. Business and Corporate Properties - The following firms are being supervised:

Culture Floreales Fondi.
Industria Italiana Merluzzi S.A., Civitavecchia.
Prodotti Chimici Nazionali, Aurolio.
British Overseas Airways Corporation, Bracciano.
Soc. An. Terre Fossili Italiane.

21. Real and Personal Properties - Real and personal properties upon which some work has been done or some information obtained are as follows:

Roma Province	18
Terni	5
Frosinone	5
Littoria	1
Perugia (8th Army)	12

Additional information is being collected.

22. Bank Accounts, etc. - Since bank accounts are blocked, there is no immediate problem in connection with them, but an officer from this office, working with the provincial finance officers, is in the process of obtaining the required information.

23. Abandoned Property - Abandoned property consisting of a considerable amount of machinery was recovered in the Province of Viterbo. This property belonged to a paper mill in Frosinone Province. It had been shipped in railroad cars by the German Army. It was bound north and had reached the small village of Sipicciano, where it was abandoned.

REGION V

24. All United Nation nationals properties in the Provinces of Chieti, Pescara, Aquila, Teramo, Ascoli Piceno and Macerata have been adequately brought under the control of the RCF. The United Nation nationals' properties located in these provinces were sequestered by the Italian Government and placed under the direct control of E.G.E.L.I. and Banca Nazionale del Lavoro. They handled the details of the sequestration. Only normal supervision has been exercised by the bank and E.G.E.L.I., and usually a relative of the owner remains in actual custody and control of the property. The property is usually

the properties, and the inability of the sequestrators to reach properties. In every case where the individual sequestrator could be located, and after security measures could be taken, the sequestrator was transported to the property for the purpose of making a full report.

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Prodotti Chimici Nazionali, Aurelio.
British Overseas Airways Corporation, Bracciano.
Soc. An. Terre Fossili Italiane.

21. Real and Personal Properties - Real and personal properties upon which some work has been done or some information obtained are as follows:

Rome Province	18
Terni	5
Frosinone	5
Littoria	1
Perugia (6th Army)	12

Additional information is being collected.

22. Bank Accounts, etc. - Since bank accounts are blocked, there is no immediate problem in connection with them, but an officer from this office, working with the provincial finance officers, is in the process of obtaining the required information.

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25. The various banks in the Provinces are required to render to the RCF a report on the custodianships and accounts of United Nation nationals. The Intendenza di Finanza of the Provinces has been requested by questionnaire to likewise report to the RCF on all properties of United Nation nationals. In view of the drastic shortage of Regional Property Control Officers in the field, and the small number of United Nation nationals' property interest in the Region, the Regional Finance ~~5801~~ of Region V has assumed the duties of the RCF, the RCF being ordered to move forward.

REGION VI

26. United Nation nationals' properties in this Region are supervised by the RFO.

- 8 -

27. There is no reported change with respect to properties in this Region, and property control matters are well in hand.

REGION VIII

28. The RCF moved forward to Florence with the 8th Army on 11 August 44, leaving in Siena a representative. The offices continued to function in Siena until 22 Aug 44, when they were moved to Florence.

29. Properties known to be owned by United Nation nationals in and above the Siena area were visited and the properties posted.

30. The Intendenza di Finanza was requested to prepare schedules of sequestered properties, including commercial concerns.

31. The local banks were instructed to prepare lists of United Nation nationals' blocked accounts, sequestered securities, etc.

32. The situation regarding United Nation nationals' properties located in and above the City of Florence is extremely serious. The reasons are as follows:

a. Military operations continued and are still continuing in the neighborhood, with resultant damage to the properties, and the difficulty of dealing with the problems are tremendous. Operational occupation of the premises is encountered on a wide scale.

b. There is limited transportation and great difficulty in movement because activities are restricted in operational zones.

c. Great difficulty has confronted the RCF in recruiting the necessary technical staff.

33. Constant military action, including artillery duels, together with pilfering, looting and wanton damage by the enemy, has created great difficulty for the RCF. In addition, the conditions are complicated because in many cases certain valuables have been removed from their original sites and stored elsewhere, and property location record was not kept. The RCF has had difficulty in obtaining guards for properties requiring them.

34. The work of checking the war damage, posting properties and noting deficiency of contents, has been started. The Florence branch of the Monte dei Paschi di Siena (Real Property Managing Agents) has been energized into resumption of its functions, but certain difficulties have been found in this direction.

REGION IX

35. Planning is proceeding and movement to forward areas is being prepared for.

36. Friendly relations are being maintained with all Division Heads.

E. C. Rung, Major Staff
for CHARLES CARROLL

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9 SEPTEMBER 1944

E. E. King, Major Staff
for CHARLES CARROLL

Lt. Col., Ord. Dept.
Acting Director

Property Control Sub-Commission

REAL ESTATE	2	1	4		2								9
II INDUST. & C		3											3
SECUR. & MIS											3		3
REG'N TOTAL	2	4	4		2					3			15
REAL ESTATE	109	99	52	2	35				3	26			326
III INDUST. & C	18	13	5		2					6			44
SECUR. & MIS	3082	52	26						1	64	1	3	3231
REG'N TOTAL	3209	164	85	2	37				4	96	1	3	3601
REAL ESTATE	58	41	47	6	1				6				162
IV INDUST. & C	23	22	14						3				59
SECUR. & MIS	70	76	29	2	2				4				183
STATE CR P-S											33		33
REG'N TOTAL	151	139	90	8	3				6		33		437
REAL ESTATE	86	13								1			100
V INDUST. & C													
SECUR. & MIS	8	2								1			11
REG'N TOTAL	94	15								2			111
REAL ESTATE		4	1		1								6
VI INDUST. & C			2										2
SECUR. & MIS													
REG'N TOTAL		4	3		1								8
REAL ESTATE	2	1											3
VII INDUST. & C	1												1
SECUR. & MIS													
REG'N TOTAL	3	1											4
REAL ESTATE	146	210	163	2	10				2				539
VIII INDUST. & C													
SECUR. & MIS	11	38	12										61
REG'N TOTAL	157	248	180	2	10				2				600
TOTALS	3906	676	382	12	54	8	12	5660	66	5			5279

516
REPORT OF THE DIRECTOR OF PROPERTY CONTROL
FOR JULY 1944

PERSONNEL

22 AUG Recd

1. The Director of Property Control, Lt. Col. Harris (B), was hospitalized 9 July 44 as the result of a serious injury incurred when he was struck by a motor vehicle while en route to Rome from Salerno. Lt. Col. Carroll (A) appointed Acting Director of Property Control Sub-Commission ACC 9 July 44. Major King (A), Regional Controller of Property Region IV, assigned to HQ ACC 21 July 44. Capt. Hewitt (A), HQ ACC, assigned Property Control Section, Region IX, 24 July 44. Capt. Weaver (A), Asst. RCP Rome Region, assigned to HQ ACC 31 July 44. Lt. Shaine (A) assigned RCP Regions II and VII, 6 July 44.

GENERAL

2. Attention is directed to para 23 of Part IV of ACC Monthly Report for June 1944, which is in the following words:

"On legal advice, the policy of the Controller of Property taking custody of the property of Allied nationals is under review. Hitherto, sequestered property has been placed by the Italian Government in the hands of managers, and when the CP took possession it was the practice to leave the property under the same management, but his taking possession terminated Italian liability. It is proposed that an acknowledgment only shall be taken from the Italian Government as to the condition of the property at the time and that it has no claim on it. In order that liability for the property shall not attach to the CP, it is proposed that an acknowledgment only shall be taken from the Italian Government as to the condition of the property at the time and that it has no claim on it."

This paragraph was inserted in the Report without the knowledge or approval of the Acting IPC. It is neither factual nor representative of the point of view of this sub-commission. Accordingly, it is suggested that the ACC Report for June 44 be amended by striking out the said para 23, and by substituting therefor the following excerpt from the IPC's report for June:

"It was decided, with the approval of the Chief Legal Officer, that a general decree of de-sequestration which had been passed by the Ministry but not published in the Gazette, and therefore not legally effective, should be stopped. At the request of the IPC the Minister of Finance suspended publication. This change in plan was prompted by the conclusion, concurred in by the Chief Legal Officer, that Property Control should not take formal custody of Allied properties in transferred territories, if at all, but should place the responsibility for active management and for custody on the Italian Government, subject to the control and directions of the IPC.

It is believed that the new plan will fix more definitely the continuing responsibility of the Italian Government for all losses to Allied owners accruing to properties between the time of original sequestration and the return of the properties to their owners.

Negotiations will be entered into with the Ministry as soon as practicable looking to consummation of the plan outlined above."

REGION I

3. Transfer to Italian hands of all monies, accounts, and other assets of Fascist organizations has been completed, with the single exception of Corriere di Sicilia. Otherwise only...

2. Attention is directed to para 23 of Part IV of ACC Monthly Report for June 1944, which is in the following words:

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REGION I

3. Transfer to Italian hands of all monies, accounts, and other assets of Fascist organizations has been completed, with the single exception of Corriere di Sicilia. Otherwise only routine administrative matters were reported from this Region.

REGIONS II and VII

4. One officer, Lt. Shaine, is in charge of property control matters in both these Regions.

5. Only the following matters require comment:

- (a) Singer Sewing Machine Co. Signor Pigillo, the manager of the Bari agency, was appointed manager of all Singer Sewing Machine agencies and sub-agencies in Regions II and VII. Upon investigation it was found that Sig. Pigillo is an extremely capable man, and has been associated with his company for some thirty years.
- (b) Leopanteur property in Brindisi has been requisitioned by Allied Forces.
- (c) Neobit S.A.I. The former manager of this company is still in control.

- 2 -

The premises have been requisitioned and are being used by the British Army.

(d) Laboratori Glaxo. The former manager of this company is still in control, and affairs are proceeding normally.

(e) Taranto Tramways & Electric Supply Co. The manager, Avv. Buri, who is the prefectural Commissioner for the company, has forwarded his semi-annual report, which is being examined. The management and affairs of said company are being thoroughly examined.

(f) Giuliani Vincenzina in Coster, Coster Carlo, and Gall William Sidney. Financial statements from Banco di Napoli, the managing agents, have been received and are being examined.

REGION III

6. The RCP now has under control 44 business concerns, 396 real properties owned by 146 Allied subjects, and 3,227 other items which include 2,987 bank accounts.

7. Real properties. The total number of declarations of custody made to date is 153, covering a total of 409 individual properties. Of this total, 13 properties have been restored to 7 Allied subjects, leaving in our custody 396 properties owned by 146 Allied subjects.

8. Business Concerns.

a. During the month the auditing staff has examined the books of the following companies:

Societa Acme Costruzioni S.A.I.
Compagnia Generale di Elettrocita S.A.I.
Compagnia Continentale Brunt S.A.I.
Kodak S.A.I.
Compagnie Imprese Condotte di Acqua
M. S. Bersha
Cucinini Cantoni Coats S.A.I.
Frutta Seche S.A.I.
Ferrovie e Funicolare vesuviana
Changinal
Societa Britannico Italiana Gueret
Otis S.A.I.
Singer - Compagnia Singer per Macchine da Cucire
La Voce del padrone - Columbia - Mareonophone S.A.I.
Societa Imprese pubbliche e private in Ischia e Capri.

b. Special reference is made to the following:

(1) Ferrovie e Funicolare Vesuviana.

One of the company's cars has been transported by British engineers to a position on the tracks which will enable resumption of operations shortly. British and American Special Service Officers, both whom have shown considerable interest in the operation, are to meet next week to discuss details. Arrangements have been made for a loan to the company of 250,000 lire.

(2) Soc. St. Gobain Channey & Ciry.

Assets of this company, which is one of the...

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 Frutta Secche S.A.I.
 Ferrovie e Funicolare Vesuviana
 Chingimal
 Societa Britannico Italiana Gueret
 Otis S.A.I.
 Singer - Compagnia Singer per Macchine da Cucire
 La Voce del padrone - Columbia - Marconiphone S.A.I.
 Societa Imprese Pubbliche e private in Ischia e Capri.

- b. Special reference is made to the following:

(1) Ferrovie e Funicolare vesuviana.

One of the company's cars has been transported by British engineers to a position on the tracks which will enable resumption of operations shortly. British and American Special Service Officers, both whom have shown considerable interest in the operation, are to meet next week to discuss details. Arrangements have been made for a loan to the company of 250,000 lire.

(2) Soc. St. Gobain Chauney & Ciry.

Assets of this company, which is one of the glass group, have been found in Naples. It owns apartments, including furniture, one having been requisitioned and the other rented. It has two bank accounts and some out standing accounts receivable. Naples branch is not operating and has no personnel. The manager of the Rome branch, who had also been the manager of the Naples branch, has recently visited Naples to take an inventory and to collect outstanding accounts. He has now returned to Rome with instructions to report to CP Region IV. Custody has not been taken by RCP Region III.

9. Miscellaneous, securities, Bank Accounts, etc.

- a. Included in the 3,227 items which are in custody are 2,987 relating to bank accounts in the name of the RCP. There are also 173 cases where securities have been placed at his disposal.
- b. During the month 50,000 lire has been advanced for Allied Military Government sources to enable to be commenced in unearthing articles of considerable value owned by Sir Benjamin Guinness, a British subject. The Castle at Mignano,

which was known to be the property of a British subject was deliberately mined, and a valuable collection of pictures and other articles were buried.

ROLE REGION

10. For the operating month of July, control over businesses and property, including real and personal having an Allied National interest, was obtained by the Property Control office. Reports from the sequestrators were examined, the commercial concerns and the real and personal properties were inspected, and conferences were held between representatives of the commercial concerns, individual sequestrators and representatives of the Property Control office.

Likewise, considerable emphasis was placed upon fascist and para-fascist properties, the objective being to protect and safeguard these properties until the Italian Government is in a position to take over the responsibility.

11. Commercial Concerns.

These are broken down in to American, British and French, as follows:

- 23 American
- 26 British
- 14 French

Balance sheets were obtained, inventory reports checked, and the sequestrators and representatives of the concerns conferred with representatives of the Property Control office.

12. The following are the commercial concerns under control of RCP:

American

- (1) Agenzie Carboni - Importazione, Via Mare - Via Cavour 138, Rome.
- (2) Autico Mediterraneo S.A. Via Montebello 104, Rome. Monthly income sufficient to cover expenses. Bank accounts require Property Control Signature together with manager Sig. Tommaso Talocchi.
- (3) Burroughs Adding Machines, Via Salaria in Via 3, Rome. It is expected that local collections for maintenance and repairs will cover expenses. Bank accounts require property control signature, together with Sig. Armando Rizzo, manager.
- (4) Compagnia Generale di Elettrotecnica, Via Torino 98, Rome.
- (5) S.A. Lubrificanti Emilio Folzer, Group A.G.I.P.
- (6) Tox Film S.A., Via Sardegna 50, Rome. In liquidation.
- (7) S.A. Incremento Razza Canina da Corso, Piazza SS. Apostoli 49, Rome. Balance sheet checked and accounts released. Signature of Property Control together with Sig. Mariotti, manager, required for drawing of funds from bank.
- (8) Magrini & Co., Via Nazionale 82, Rome. No immediate revenue, some revenue anticipated from repair contracts. For release of funds, Property Control signature with that of Sig. Gianelli, manager, required. Bank forms completed.
- (9) Metro-Goldwyn-Mayer Co.S.A.I., Via Maria Cristina 5, Rome. Bank funds released and completed. Signature of Property Control and manager, Sig. Aldrovanti, required.
- (10) S.A.I. di Cassa National, Corso Umberto 526, Rome. This company working at loss. New bank account opened with Banca Popolare Cooperativa Novara. Bank forms completed. Signature of Property Control together with Sig. Rollo Bernardi, manager, required.
- (11) Kodak S.A. Via Nazionale 26, Rome. Cash statement checked. Net account opened with Credito Italiano. Manager's signature of

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- (2) Autelco Mediterranea S.A. Via Montebello 104, Rome. Monthly income sufficient to cover expenses. Bank accounts require property control signature together with manager Sig. Tomaso Talocchi.
- (3) Burroughs Adding Machines, Via S. Maria in Via 3, Rome. It is expected that local collections for maintenance and repairs will cover expenses. Bank accounts require property control signature, together with Sig. Armando Nuzzo, manager.
- (4) Compagnia Generale di Elettricità, Via Torino 98, Rome.
- (5) S.A. Lubrificanti Emilio Falzer, Group A.G.I.P.
- (6) Fox Film S.A., Via Sardegna 50, Rome. In liquidation.
- (7) S.A. Incremento Razzia Canina da Corsa, piazza SS. Apostoli 49, Rome. Balance sheet checked and accounts released. Signature of property control together with Sig. Mariotti, manager, required for drawing of funds from bank.
- (8) Magrini & Co., Via Nazionale 82, Rome. No immediate revenue, some revenue anticipated from repair contracts. For release of funds, property control signature with that of Sig. Cianelli, manager, required. Bank forms completed.
- (9) Metro-Goldwyn-Mayer Co. S.A.I., Via Maria Cristina 5, Rome. Bank funds released and completed. Signature of property control and manager, Sig. Aldrovanti, required.
- (10) S.A.I. di Cassa National, Corso Umberto 526, Rome. This company working at loss. New bank account opened with Banca Popolare Cooperativa Novara. Bank forms completed. Signature of property control together with Sig. Rello Fermandi, manager, required.
- (11) Kodak S.A. Via Nazionale 26, Rome. Cash statement checked. New account opened with Credito Italiano - Agency 14. Signature of property control together with Sig. Mescatelli, manager, required. Head Office - Milan.
- (12) Otis S.A. Via Nazionale 239, Rome. Bank accounts released. Signature of property control with that of Sig. del Como and Ing. Arturo Persico required.
- (13) Paramount Films S.A. Piazza Barbarini 12, Rome. In liquidation. Expenses at present being borne by Messrs. Warner Bros.
- (14) Soc. Naz. dei Radintori, Via del Gabero 6, Rome. Statements 15 June rendered and checked, comments completed. New account opened with Credito Italiano, Piazza Argentina. Funds in name of Ing. Basini transferred to Soc. Naz. dei Radintori. Signature of property control with Ing. Basini required for release of funds.
- (15) Singer S.A. Via Collegio Romano 10, Rome. Monthly minimum expenses, L. 100,000.
- (16) S.A. Compagnia Texaco, Via Ostiense 139, Rome. Group A.G.I.P.
- (17) S.A. per Tutte le Berse. Via Merulana 17, Rome. No particulars yet to hand. Investigations continuing.

- (18) United Artists Corp'n, Via Scipione 27, Rome. No accounts yet to hand. Inquiries being made.
- (19) United Press of America, Via delle Mercede 54, Rome. No accounts yet to hand. Inquiries being made.
- (20) Warner Bros., Piazza Barberini 12, Rome. Bank accounts released. Signature of Property Control with Avv. Cino Pierantoni required.
- (21) S.A. Watson Italiana, Via Veneto 1, Rome. New account opened with Banca Commerciale Italiana. Property Control signature required with Signor Pisani, manager. Surplus represents about four months activities.
- (22) Western Elec. Co. of Italy, Piazza Lovatelli 1, Rome. Bank account released. Property Control signature required together with Ing. Rona delle Rose, agent.
- (23) S.A. Immobiliare Vittorio Emanuele, Via del Triforo 133, Rome. Property Control signature only for withdrawal of cash from banks.

British

- (1) S.A.I. Elizabeth Arden, Piazza di Spagna 19, Rome. Company working at a profit. Countess di Montanto, agent. Signature of Property Control with that of agent required for withdrawal of funds.
- (2) S.A.I. Canadian Pacific, Via del Tritone 30, Rome. Books closed in 1940. Cash on hand L.6.05. Furniture deposited in storehouse of Pitta Bolinger, Piazza di Spagna, Rome.
- (3) Compagnia Italiana Miniere Asfalti, Via delle Mercede 54, Rome.
- (4) S.A. Cucirini Cantoni Coats, Corso Umberto 184, Rome. New account opened with Banca d'America e d'Italia. Signature of Property Control together with employee of Coats Co., Signorina Tina Failoni, required. Cash in bank and on hand L.50,000. No business interests in Rome.
- (5) S.A. Elch. No particulars to hand of this company.
- (6) Soc. Industriale Gallicanese Cucirini Italia, Corso Umberto 184, Rome. This company forms part of Cantoni Coats Group HQ, Milan. No interests in Rome apart from small office open for keeping in contact with Government decrees. See S.A. Cucirini Cantoni Coats.
- (7) Soc. Italiana Industria Cucirini S.A. Corso Umberto 184, Rome. See S.A. Cucirini Cantoni Coats Group.
- (8) Mechanite Metal Corp'd, Pittsburgh. International Mechanite Co., Ltd., London. Avv. Luigi Contini, legal advisor to above companies. All debtors are in Northern Italy.
- (9) S.A. La Voce del Padre - Columbia - Microphone, Via Firenze 18a, Rome. Estimated surplus L.96,172. Bank account opened with Banco di Roma, Agency C. Signature of Property Control officer with manager, Gervio Bianchi, or sequestator Del Moro.
- (10) Libreria Sacre Scritture, Via Foro dell'Impero Fascista 25, Rome. Stocks L.65,047. Monthly expenses L.20,000 roughly. This company is working at a loss.
- (11) Soc. Linotype Italiana, Via Condotti 11, Rome. New bank account opened with Credito Italiano, Agency 9. Property Control signature, together with manager, Sig. Giorgio Lugli. This company at present working at a loss.
- (12) Soc. Italiana Marconi, Via Condotti 11, Rome. Signature of Property Control required together with manager, Sig. Rodolfo Bertini. Bank account with Banca di Roma. Accounts presented under consideration. Company working at a loss.
- (13) Comp. Italiana Marconi, Via Condotti 11, Rome. Signature of Property Control required with manager's Sig. R. Bertini, for withdrawal of funds. Accounts presented under consideration. Present conditions render any

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- (2) S.A.I. Candian Pacific, Via del Tritone 30, Rome. Books closed in 1940. Cash on hand L.6.05. Furniture deposited in storehouse of Pitta Bolinger, Piazza di Spagna, Rome.
- (3) Compagnia Italiana Minerio Asfalti, Via delle Mercede 54, Rome.
- (4) S.A. Cucirini Cantoni Coats, Corso Umberto 184, Rome. New account opened with Banco d'America e d'Italia. Signature of Property Control together with employee of Coats Co., Signorina Tina Pailoni, required. Cash in bank and on hand L.50,000. No business interests in Rome.
- (5) S.A. Bluh. No particulars to hand of this company.
- (6) Soc. Industriale Gallicianesean Cucirini Italia, Corso Umberto 184, Rome. This company forms part of Cantoni Coats Group HQ, Milan. No interests in Rome apart from small office open for keeping in contact with Government decrees. See S.A. Cucirini Cantoni Coats.
- (7) Soc. Italiana Industria Cucirini S.A. Corso Umberto 184, Rome. See S.A. Cucirini Cantoni Coats Group.
- (8) Mechanite Metal Corp't, Pittsburgh. International Mechanite Co. Ltd., London. Av. Luigi Contini, legal advisor to above companies. All debtors are in northern Italy.
- (9) S.A. La Voce del Padroie - Columbia - Marconiphone, Via Firenze 182, Rome. Estimated surplus L.96,172. Bank account opened with Banco di Roma, Agency C. Signature of Property Control officer with manager, Cervio Bianchi, or sequestator Del Nero.
- (10) Libreria Sacre Scritture, Via Foro dell'Impero Fascista 25, Rome. Stocks L.65,047. Monthly expenses L.20,000 roughly. This company is working at a loss.
- (11) Soc. Linotype Italiana, Via Condotti 11, Rome. New bank account opened with Credito Italiano, Agency 9. Property Control signature, together with manager, Sig. Giorgio Lugli. This company at present working at a loss.
- (12) Soc. Italiana Marconi, Via Condotti 11, Rome. Signature of Property Control required together with manager, Sig. Rodolfo Bertini. Bank account with Banco di Roma. Accounts presented under consideration. Company working at a loss.
- (13) Comp. Italiana Marconi, Via Condotti 11, Rome. Signature of Property Control required with manager's Sig. R. Bertini, for withdrawal of funds. Accounts presented under consideration. Present conditions render any activity almost impossible.
- (14) S.A. Meridionale di Elettrocita. No particulars of company to hand.
- (15) S.A. Cotonificio Intese Molinari, Corso Umberto 184, Rome. See Cucirini Cantoni Coats Group.
- (16) Societa Neuber, Via Condotti 55, Rome. No particulars of firm to hand.
- (17) Soc. P. Italiana Radio Marittima, Via Condotti 11, Rome. Bank accounts require signature of Property Control officer together with manager, Sig. R. Bertini. Accounts presented. Company forms part of Marconi Group. Owing to present conditions company is working at a loss.
- (18) S.A. La Radio Nazionale, Via Condotti 11, Rome. Bank account with Credito Italiano. Signature of Property Control required with manager's Sig. R. Bertini. Accounts presented. Company forms part of Marconi Group. Owing to present conditions working at a loss.
- (19) S.A. Successori di Faustino Ricci.
- (20) S.A. Cucirini Trobaso Inta.
- (21) S.A. Cucirini Italiani Via Davide Riboldi.
- (22) Cotonificio di Mandello S.A.

- (23) S.A. Sete Cucirini Riuniti.
- (24) S.A. Ind. Via Sete Cucirini.
- (25) S.A. Bozzi Videsseich & Co., Corso Umberto 184, Rome. Above companies form part of Group Cucirini. Cantani Coats. Bank account opened with Banca d'America e d'Italia. Signature of property control officer together with employee of Coats, Signorina Tina Pailoni, required. No interests in Rome.
- (26) S.A. Tutto a Prezzo Unico. Via S. Vito 2, Rome.

French

- (1) S.A. Istituto Ortopedico Barrera, Via Cavour 57, Rome. Sig. Bianchini director at present, manages cash at banks. Steps are being taken for control of bank accounts, authorization for withdrawal of funds with joint signatures of property control officer to Director of the company. Estimated surplus L.25,992. Profits likely to increase.
- (2) Compagnie des Chemins de Fer du Midi. Avv. G. Pedicini, Via Cavour 238, Rome, legal representative. Investigations being made at present. No cash or property appear to be held in Rome.
- (3) Emile Clemot, Via Sicilia 201, Rome. No further particulars to hand.
- (4) Small book store.
- (5) S.A. Fajella e R. Rubel, Via Montana 363, Rome. Bank accounts require signature of sequestrator, Arnaldo Marta, or director, Cardone, together with that of property control officer. Surplus L.80,000.
- (6) Fabbrica Italiana Lino di Precisione. No trace of this company at the present.
- (7) S.A. Italo-Francese Tabacchi Affini, Piazza di Pietra 26, Rome. Sindacator, Avv. Mucicchi, Via Ludovico 46, Rome. Administration of the company is in Milan - no cash accounts or property result in Rome.
- (8) S.A. Italiana Industria Gomma, Via Toscana 3, Rome. This company at the moment inactive. Property control signature together with manager's, Sig. Alinari required for bank withdrawals.
- (9) S.A. Joseph Gusset, Corso Umberto 243, Rome. Firm sequestrated - de-sequestrated in 1942. Investigations in course.
- (10) S.A. Phoenix Insurance, Via Nazionale 82, Rome. Bank accounts with Banco di Santo Spirito and Credito Italiano released. Property control signature not required.
- (11) S.A. Radio Italia, Via due Macelli, Rome. At present no particulars.
- (12) Soc. Italo-Francese pour le Commerce du Sel, Via Regina Elena 47, Rome. Balance sheets presented and investigation being made. Further particulars will follow.
- (13) Soc. Romana Costruzioni Generali Opere Pubbliche, Via Castelfidardo 8, Rome. Balance sheets presented. Investigation being made.
- (14) S.A. Vetrerie San Paolo, Via Ostiense 159, Rome. Re-opening 26 July 44, after investigations checked. Authority to draw on bank accounts allowed to M. S. Arnaldo Lojoli and Ing. Ottavio Brondi (procuratore). Jointly with officer of property control.
- (15) S.A. Michelini Italiani, Via Castro Pretorio 48, Rome. Statement of accounts received.

13. Banks.

There are three banks; two American and one British.

Banca d'America e d'Italia

The Bank was placed under sequestration by Ministerial decree dated 14 Jan 42.

- (2) Compagnie des Chemins de Fer du Midi. Profits likely to increase. Rome, legal representative. Investigations being made at present. No cash or property appear to be held in Rome.
- (3) Emile Cimet, Via Sicilia 201, Rome. No further particulars to hand. A small book store.
- (4) S.A. Fajella e Rubini, Via Montana 368, Rome. Bank accounts require signature of sequester, Arnaldo Marti, or director, Cardone, together with that of property control officer. Surplus L.80,000.
- (5) Fabbrica Italiana Line di Precisione. No trace of this company at the present.
- (6) S.A. Italo-Francese Tabacchi Affini, Piazza di Pietra 26, Rome. Syndicator, Av. Mancini, Via Ludovico 46, Rome. Administration of the company is in Milan - no cash accounts or property result in Rome.
- (7) S.A. Italiana Industria Gomma, Via Toscana 3, Rome. This company at the moment inactive. Property control signature together with manager's. Signatures required for bank withdrawals.
- (8) S.A. Joseph Gusset, Corso Umberto 243, Rome. Firm sequestered - de-sequestered in 1942. Investigations in course.
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13. Banks.

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Banca d'America e d'Italia

The Bank was placed under sequestration by Ministerial decree dated 14 Jan 42. Com. Sforza, manager of the Banca d'Italia, Milan, was appointed sequester and took up his duties on 7 Feb 42. According to our best information the sequester is at present in Milan.

A balance sheet was struck on 16 June 44, which disclosed adequate liquid assets. Large cash holdings (over one hundred million lire) were kept locally with the Bank of Italy to cover emergencies - possible severance from Milan. The large assets consist of about L.61,500,000 current account overdrafts, and about L.15,000,000 bills discounted. The overdrafts appear to be safe, being mostly well covered by Government scrip, except for L.6,700,000 unsecured, but of the bills discounted about L.9,500,000 were unpaid and extended at maturity as a result of moratorium imposed. These bills are likely to be further extended in view of the moratorium still in force. The matter has been referred to the Finance Division, and it is understood that legal opinion is being sought to determine the position.

As in the case of other Allied banks, the Banca d'America e d'Italia has incurred losses during these last few years. However, the Bank enjoys a large clientele

over its 30 branches in Italy, and is well equipped to resume banking facilities throughout Italy when circumstances permit.

Deposits locally are increasing, and authority has been given to invest Lire 70,000,000 in Government treasury bills.

American Express S.A.I.

The company was sequestered by Ministerial decree dated 6 Jan 42, published in Official Gazette No. 24, and transfer of the company to the sequestrator, Cam. Carotoni, was effected on 11 Feb 42.

Balance sheet was struck on 5 June 44, and on 16 June 44. It was found that the services of the sequestrator were not required, and he was consequently removed from office on 12 July 44. Mr. Luigi Borutti, Assistant Manager, was appointed Acting Manager as of 12 July 44. Transfer of property, documents and correspondence is in process.

The main liability is customer's deposits amounting to about eleven million lire, of which about seven million, being allied accounts, are dormant. This liability is fully covered by cash and investments in Government bonds, which are considered safe.

The company has suffered losses during the period of sequestration, losses which are acceptable in view of the cessation of foreign exchange and tourist business caused by the war.

Barclays Bank S.A.I.

The company was sequestered by Ministerial decree dated 6 Aug 40, and was published in Official Gazette No. 202 dated 29 Aug 40. The sequestrator, Dott. E. Boncinelli, took up his office on 1 Sep 40. The removal of the sequestrator and the appointment of Dott. Vigan as Acting Manager is being contemplated. A balance sheet was struck on 16 June 44, and the figures disclosed a very liquid position. Advances against Government bonds are well covered, and unsecured advances are considered safe. Large holdings were kept with the Bank of Italy locally at short notice (15 days), and L. 5,000,000 of this has been invested in Government Treasury Bills (10 months) 5%. The 1929 valuation of the building is considered to be far below the present value, and the furniture and fittings do not figure on the balance sheet. Of the capital of L. 50,000,000, L. 34,994,250 is unpaid, and it is understood that the shares are in London. Losses have been incurred since 1939, but the balance sheet for the period 1 Jan 44 to 30 Jun 44 shows a small profit.

14. Bank accounts.

Lists of all accounts blocked by the Post Office and the several banks have been received from the Finance Division.

15. Itecambi.

The new director appointed by the Finance Division has furnished the information set forth in paras 16 to 19 incl., with respect to the operations of this organisation.

16. Foreign securities.

owned

No question of these arises as all Italian securities were taken over by the Government in 1935 and liquidated, holdings of foreigners then being exempt. On the outbreak of war no action was taken against such holders, presumably on the assumption that since 1935 all such holdings not disposed of would have been deposited outside Italy. If any such holdings remain they should be found in the owners' banks on normal blocked accounts.

17. Bank Balances.

The main liability is customer's deposits amounting to about eleven million lire, of which about seven million, being Allied accounts, are dormant. This liability is fully covered by cash and investments in Government bonds, which are considered safe. The company has suffered losses during the period of sequestration, losses which are acceptable in view of the cessation of foreign exchange and tourist business caused by the war.

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17. Bank Balances.

All foreign bank balances were paid over by the banks to Istecambi's account at the Bank of Italy. Subsequently Istecambi drew cheques for round amounts in favour of the Italian Government, and all funds have been so paid over to the Government with the exception of a small balance which amounts to somewhere in the region of eight million lire. All the Istecambi books have been taken north, and in order to give us the information we require, it has been necessary to reconstitute the records from the original forms of deposit. This is now in progress and we have agreed the form which it will take.

18. Securities.

No securities were actually deposited with Istecambi, as they were merely blocked in the owners' banks to Istecambi's order. Istecambi is preparing a duplicate card index of these for the use of this office, which will enable us to check up on the individual bank's returns. Both the above lists are being prepared on a national basis, subdivided into provisions, so that full information will eventually be available

- 7 -

from these records for AF and ACC regions.

19. Credits.

Debts owing to Allied nationals not having representatives on places of business in Italy by Italian citizens and corporations were also paid into Istcombi. We have received a list of these from the Intendente di Finanza, and will check these with the Istcombi returns in due course.

20. Real and personal properties.

Real and personal properties having a United Nations interest which have been sequestered by the Italian Government have been either under the administration of individual sequestrators supervised by the Intendente di Finanza or managed by the Credito Fondiario and supervised by EGELI. The real and personal properties having a United Nations interest are broken down as follows:

95 American
92 British
44 French
3 Russian
2 Brazilian
6 Jugos-Slav
3 Greek
9 Nationality undetermined

In addition, there are certain personal properties privately stored in warehouses which the Regional Property Control Office has taken protective custody over. They are as follows:

28 American
36 British
1 Canadian
8 South African
2 French

General: These properties have all been posted with notices stating that the property is under the control of this office. Individual sequestrators have been interviewed and have furnished inventories and other information. Certain of the properties have been requisitioned by R.A.C., and the Real Estate Section is informing us before additional requisitions are made. 8 properties have been returned to the owners or lawful representatives after approval of the Legal Division.

21. Fascist, Para-statal, etc.

Under date of 23 July 44 the Regional Commissioner ordered that Fascist property belonging to the organizations abolished by order of 13 June 44 be placed under the protective control of this office. Steps were taken immediately to place protective notices and obtain inventories of the main properties, pending the time when they can be turned over to the Italian Government. Because of the many political factors involved in these instances where premises have been occupied by voluntary anti-Fascist groups, the emphasis has been placed upon protecting the assets. Bank balances are of course blocked.

22. The Rome Region Property Control Office has been requested to take custody of certain para-statal enterprises such as E.N.I.C. With respect to E.N.I.C., the Film Section of FNB has supported the request, but as there was no showing that the assets were being dissipated, the committee agreed that no such steps were necessary at the present time. Likewise, a similar request was made with respect to LUCE.

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22. The Rome Region Property Control Office has been requested to take custody of certain para-statal enterprises such as E.M.I.C. With respect to E.M.I.C., the Film Section of PWB has supported the request, but as there was no showing that the assets were being dissipated, the committee agreed that no such steps were necessary at the present time. Likewise, a similar request was made with respect to LUCE., but as its offices are occupied by PWB no steps are contemplated until the Italian Government takes action. Requests from C.I.C. and PWB that the Rome Region Property Control Office take over Italcable and Italcable are being considered.

REGION IV

23. Our report for June 44 covered activities in this Region from 27 June (when a Property Control officer was first assigned to the Region) to 6 July. The following is for the balance of the month of July:

24. Property of three additional Allied owners has been reported since submission of last report. In two cases the properties listed are in Rome City. Total number of properties in this Region (exclusive of bank accounts and securities) is 43.

25. German Army funds in amount of L.1,000,000 and Italian Republican National Guard funds of L.464,472.60 have been reported by Finance Division. These are in process of transfer to the RCF.

26. During the period covered by this report, 17 properties were inspected and posted in the provinces of Littoria, Prosinone, Rome and Terni.

(a) Terni province. Conditions were found to be fair. Although of the four properties inspected three apparently were hit by shells, actual damage is not great and repairs can be accomplished at a small cost. All but one are occupied. Estimates and reports are being prepared by local representative of Credito Fondiario, who was found in the Comune of Terni.

(b) Prosinone province. Situation here is bad. Germans had occupied properties in this area for more than eight months; there has been shell and bomb damage, and land mines have caused farms to remain uncultivated. In one case, the farm is being used by Allied troops as a school for house to house fighting, with live ammunition (Comune of Cervaro). Not even the expense of a caretaker is justified under existing conditions.

(c) Rome province. In this province conditions vary from comparatively very good, as in Tivoli, where two villas have been found to be in good shape, to the situation in Anzio, Nettuno and Grottaferrata, where damage is great. Though not totally destroyed, cost of repairs would exceed the cost of new buildings. Sequestrators were taken on a tour of inspection, and their reports have been received.

27. With respect to the aluminum plant at Aurelia, conditions are good. The plant is being put back into shape, and efforts are being made to locate the ten cars of equipment which the Germans had planned to send to Germany. Engineering Division of Region IV is attempting to obtain Corsican coal and equipment sufficient for the manufacture of electrical power for sale to port of Civitavecchia and perhaps Rome. Weekly conferences are held with Signor Mangioli, general manager, and means of earning some income for the company are being explored. In this connection, there have been enquiries from ENI for use of spare parts of plants as storage warehouses for food under plant direction. Further reports in this connection will be submitted.

28. In co-operation with Finance Division, lists of all blocked accounts in all provinces of the Region are being examined for assets of Allied nationals and of enemy states.

REGION V

29. During the month of July the RCP, who had been assigned to temporary duty as a CAO, returned to his property control duties.

30. Officials of Chieti, Pescara and Aquila provinces were interviewed, and all submit reports before 12 Aug 44 as to all properties under sequestration.

31. Six church properties belonging to the Wesleyan Methodist Missionary Society of London, located in Aquila, Teramo and Pescara provinces, were inspected, listed and reported upon to the IPC, as were the properties of other

(b) Presinone province. Situation here is bad. Germans had occupied properties in this area for more than eight months; there has been shell and bomb damage, and land mines have caused farms to remain uncultivated. In one case, the town is being used by Allied troops as a school for House to House fighting, with live ammunition (Commune of Cervaro). Not even the expense of a caretaker is justified under existing conditions.

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30. Officials of Chieti, Pescara and Aquila provinces were interviewed, and will submit reports before 12 Aug 44 as to all properties under sequestration.

31. Six church properties belonging to the Wesleyan Methodist Missionary Society of London, located in Aquila, Teramo and Pescara provinces, were inspected, listed and reported upon to the DPC, as were the properties of eight American citizens. Inspections of properties on list furnished by ECELI is going forward.

32. Italian State and Fascist properties are all in the hands of some branch of our forces or of the Italian Government.

REGION VI

33. There is nothing new to report from this Region, where all matters are being well cared for.

REGION VII (see Region II)

- 9 -

REGION VIII

34. Property Control officers have been operating under the 5th and 8th armies. On 4 July 44 office of PCP was established in Siena, where it functioned for the remainder of the month. Lists of real properties were compiled for all provinces in the Region, except Florence, and excellent progress has been made in preparing for the assumption of effective control.

REGION IX

35. Nothing to report except that plans are in course of preparation.

NUMBERS OF OWNERS AND OF PROPERTIES WHICH ARE OR HAVE BEEN UNDER CONTROL OF
PROPERTY CONTROL SUB-COMMISSION UP TO 31 JULY 1944

NATIONALITY OF OWNER	REAL ESTATE		INDUSTRIAL & COMM.		SECURITIES MISCELL.		TOTALS	
	Owners	Prop's	Owners	Prop's	Owners	Prop's	Owners	Prop's
American	312	368	36	38	3333	3333	3683	3739
British	144	199	34	34	231	231	409	464
French	112	188	15	15	71	71	198	274
Russian	6	6	-	-	2	2	8	8
Greek	22	30	2	2	2	2	26	34
Yugo-Slav	3	3	-	-	4	4	7	7
Brazilian	6	6	-	-	1	1	7	7
Other Allies	4	5	6	6	146	146	156	157
Italian	1	1	-	-	-	-	1	1
Ital.State & Para-stat.	17	17	-	-	-	-	17	17
Ital.Fascist Organ's.	-	-	-	-	21	21	21	21
German	1	1	1	1	3	3	5	5
TOTALS	628	824	96	96	3814	3814	4538	4734

NUMBERS OF OWNERS AND OF PROPERTIES WHICH ARE OR HAVE BEEN UNDER CONTROL OF
PROPERTY CONTROL SUB-COMMISSION: UP TO 31 JULY 1944

NATIONALITY OF OWNER	REAL ESTATE		INDUSTRIAL & COMM.		SECURITIES MISCELL.		TOTALS	
	Others	Prop's	Others	Prop's	Others	Prop's	Others	Prop's
American	312	368	38	38	3333	3333	3683	3739
British	144	199	34	34	231	231	409	464
French	112	188	15	15	71	71	198	274
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Greek	22	30	2	2	2	2	26	34
Jugo-Slav	3	3	-	-	4	4	7	7
Brazilian	6	6	-	-	1	1	7	7
Other Allies	4	5	6	6	146	146	156	157
Italian	1	1	-	-	-	-	1	1
Ital. State & Para-stat.	17	17	-	-	-	-	17	17
Ital. Fascist Organ's.	-	-	-	-	21	21	21	21
German	1	1	1	1	3	3	5	5
TOTALS	628	824	96	96	3814	3814	4538	4734

Charles Carroll

CHARLES CARROLL

Lt. Col., Ord. Dept.

Acting Director

Property Control Sub-Commission

2 August 1944

516 915 13 JUN 1944

REPORT OF DIRECTOR OF PROPERTY CONTROL FOR MAY 1944

1. Negotiations with the Italian Government.

The Italian Cabinet have approved a decree revoking the measures taken under the War Law of 1938 against the property of governments and nationals of the United Nations and France. The Minister of Finance has given instructions to all prefects and Intendenze di Finanza in Italian Government territory to revoke decrees of sequestration, and to confirm the action taken by property controllers during the period of military government by revoking decrees of sequestration and formally reconsigning properties to the owners, if present, and if absent, to the local property control officer. The banks which formerly acted as managers of the sequestered real properties on behalf of IGELI (the Italian Enemy property department) will continue to manage these properties as the agent of the DFC. It has been found so far that the banks (Banca di Sicilia and Banco di Napoli) have performed this service in a very satisfactory manner, and the above mentioned arrangement should prove the simplest and most efficient way of dealing with the problem.

Owing to the rent restriction acts, which are being kept in force as part of the anti-inflation programme, a considerable number of properties are in deficit, and the Ministry of Finance has agreed to advance any sums which may be required for their maintenance. The fees payable to the banks for the management of properties will also be advanced by the Italian Government, such advances to be placed in a separate account in order that their ultimate liquidation may be determined by the peace treaty. The Ministry of Finance has also agreed to advance any sums which may be necessary for urgent repairs, etc, required to protect war damaged properties from further deterioration. These advances will also be placed in a separate account, and their liquidation will be determined by the peace treaty.

2. Personnel.

Lt.Col. A. Leadley (B) reported to this HQ from U.K. Major G. H. Munro reported to this HQ for duty, and was assigned ACP Region III. Major A. C. Newell was appointed RCP of Region V, vice Capt. H.C. MacDaniel re-assigned. Major Hamilton was relieved assignment as ACP Region III, and assigned ACP Region IV (Rome City). Capt. O.P. Lee relieved assignment ACP Region III, and re-assigned. 2/Lt. I. Manck relieved assignment Region V and assigned Region IV (Rome City). Major Gard, RCP Region III, promoted Lt. Col. Capt. Cavenaugh, RCP Region II, promoted Major. Lt. Beeson, ACP Region I, promoted Captain. 2/Lt. Shaine, ACP Region I, promoted 1st Lieut. Major Bennett of Region III went into hospital, and was then ordered to U.K. Capt. Beeson of Region I also in hospital and afterwards ordered to U.K. Lt. Col. Carroll and Major King made tour of inspection of Region I, from 22 May to 2 June. Lt. Col. Leadley began 10 day tour of inspection of Region III on the 30 May. Major King made a tour of inspection of Region III from 5 May to 11 May.

Region I:

3. Real Estate.

40 Allied and 2 Greek properties were taken into custody during the month, the former being all small properties in the province of Messina, presumed to belong to U.S. citizens. The process of taking United Nations real properties into custody is now approaching completion.

Bronte Estate.

and formerly acted as managers of the sequestered real properties on behalf of AGEI (the Italian Enemy Property department) will continue to manage these properties as the agent of the DFC. It has been found so far that the banks (Banca di Sicilia and Banco di Napoli) have performed this service in a very satisfactory manner, and the above mentioned arrangement should prove the simplest and most efficient way of dealing with the problem.

Owing to the rent restriction acts, which are being kept in force as part of the anti-inflation programme, a considerable number of properties are in deficit, and the Ministry of Finance has agreed to advance any sums which may be required for their maintenance. The fees payable to the banks for the management of properties will also be advanced by the Italian Government, such advances to be placed in a separate account in order that their ultimate liquidation may be determined by the peace Treaty. The Ministry of Finance has also agreed to advance any sums which may be necessary for urgent repairs, etc, required to protect war damaged properties from further deterioration. These advances will also be placed in a separate account, and their liquidation will be determined by the peace Treaty.

2. Personnel.

Lt.Col. A. Loadley (B) reported to this HQ from U.K. Major G. H. Munro reported to this HQ for duty, and was assigned ACP Region III. Major A. C. Newell was appointed RCP of Region V, vice Capt.H.C.MacDaniel re-assigned. Major Hamilton was relieved assignment as ACP Region III, and assigned ACP Region IV (Rome City). Capt.C.P.Lee relieved assignment ACP Region III, and re-assigned. 2/Lt.I.Maneck relieved assignment Region V and assigned Region IV (Rome City). Major Gard, RCP Region III, promoted Lt. Col. Capt.Cavenaugh, RCP Region II, promoted Major. Lt.Beeson, ACP Region I, promoted Captain. 2/Lt.Shaine, ACP Region I, promoted 1st Lieut. Major Bennett of Region III went into hospital, and was then ordered to U.K. Capt.Beeson of Region I also in hospital and afterwards ordered to U.K. Lt.Col.Carroll and Major King made tour of inspection of Region I, from 22 May to 2 June. Lt.Col.Loadley began 10 day tour of inspection of Region III on the 30 May. Major King made a tour of inspection of Region III from 5 May to 11 May.

Region I

3. Real Estate.

40 Allied and 2 Greek properties were taken into custody during the month, the former being all small properties in the province of Messina, presumed to belong to U.S. citizens. The process of taking United Nations real properties into custody is now approaching completion.

Bronte Estate.

Owing to lack of transport it has not been possible to market the whole of the orange crop.

Marshall Estate, Francoforte.

Great difficulties have been experienced in finding a tenant for this remote property, but a candidate has at last appeared. If he is found to be satisfactory the property will be let to him.

The formal restitution to the Italian Government of a number of government buildings, of which custody was taken by AMG, took place during the month. This virtually completes the restitution of Italian State property.

5594

3 pages

- 2 -

4. Allied Concerns.

Commercial and Industrial Concerns.

(i) Regusa Asphalt Mines.

Output continues satisfactorily. Accounts for March-April received by RCP, but have not yet been transmitted to this HQ.

(ii) Ditta Borab.

No sales were made during the month.

(iii) Ditta Brand, the French firm, Lipari, and the S.A. Industrie Meridionali Agricoltori, Avola, are under investigation with a view to taking custody.

(iv) Investigation is proceeding into the Belgian interest in the Catania Tramway Co. This company is registered in Belgium, and at one time represented a Belgian interest, but I am informed that the ownership of the concern had passed into Italian hands some time before the outbreak of war.

5. Italian Concerns.

(i) Unione Milivere.

Transfer of assets both at Palermo and Messina to the Italian Army, Col. Guido Pinto, were completed during the month.

(ii) Corriere di Sicilia.

Negotiations are in train with the Italian High Commissioner for Sicily, Sig. Musotto, and with P.M.B., for the transfer to them of the printing press of the Corriere di Sicilia, which was acquired by the Fascist party some years before the war. The newspaper itself is the property of P.M.B., which in the occupation of Catania revived a defunct periodical bearing this name. It is considered undesirable on general principles that P.M.B. should own a newspaper in Italian Government territory, and arrangements are being made for the sale of the printing press by a liquidator appointed through recommendation of Sig. Musotto, to newspaper interests favorable to the Allied cause.

Region II

6. Affairs in this Region are progressing in a satisfactory manner. It is only necessary to mention Taranto Tramways & Electric Supply Co. (Br.). This company was sequestrated by decree of the Ministry of Corporations on 21 December 40. On the arrival of Allied troops in Apulia in 1943 the prefect of Taranto, at the request of Col. Middleton, issued a decree cancelling the sequestration. The effect of this decree, concerning the validity of which I am not qualified to judge, was to restore to the creditors of the company the right of proffering claims against it, as these claims amount to over two million lire, and the available resources of the company are far below that sum. I presume the only solution will be to put it into liquidation. I have therefore suggested that a receiver be appointed in the person of Avv. Bari Alessandro, who would operate the company until such time as it is possible to come to an equitable settlement with its creditors.

Region III

7. Real Estate.

AgriColtori, Avola, are under investigation with a view to taking custody.

(iv) Investigation is proceeding into the Belgian interest in the Catania Tramway Co. This company is registered in Belgium, and at one time represented a Belgian interest, but I am informed that the ownership of the concern had passed into Italian hands some time before the outbreak of war.

5. Italian Concerns.

(i) Unione Militare.

Transfer of assets both at Palermo and Messina to the Italian Army, Col. Guido Pinto, were completed during the month.

(ii) Corriere di Sicilia.

Negotiations are in train with the Italian High Commissioner for Sicily, Sig. Musotto, and with P.B.B., for the transfer to them of the printing press of the Corriere di Sicilia, which was acquired by the Fascist party some years before the war. The newspaper itself is the property of P.B.B., which in the occupation of Catania revived a defunct periodical bearing this name. It is considered undesirable on general principles that P.B.B. should own a newspaper in Italian Government territory, and arrangements are being made for the sale of the printing press by a liquidator appointed through recommendation of Sig. Musotto, to newspaper interests favourable to the Allied cause.

Region II

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Region III

7. Real Estate.

Declarations of Custody were made in respect of properties of 36 United Nations nationals, involving a total of 75 separate parcels. The total of declarations with respect to real estate is now 116, covering 256 parcels.

8. Allied Concerns.

(a) Summary.

Out of 87 business concerns investigated in Region III, 46 were taken into custody up to 31 May 44. Analysed as to nationality, these are as follows: American 19, British 13, French 6, Greek 6, Belgian 1, unallocated 1. Two American concerns have been released. Of the remaining 41 concerns investigated there are only one or two which may yet have to be taken into custody.

(b) Declarations of Custody during month.

During the month of May 44 the following concerns were taken into custody:

785017

- 3 -

(1) Compagnia Singer per Macchine da Cuore (SAI). 3N3683A

This American owned company, whose head office is in Milan, was sequestered on 26 June 40, probably because it was believed to be British owned. However, the appointment of the sequestrator, Luigi Bequotti, was delayed until 3 Feb 42. On 25 Jan 43 there appears to have been a change in the administration of the company. The Societa Nebiolo di Torino was appointed at that time to administer the business, and on 17 Mar 43 three experts were appointed to place a valuation on the company for the purpose of sale. It is understood that one of these experts, who visited the Naples branch on 18 June 43, indicated to the branch manager that the business had been sold for approximately L.120,000,000, and that this sum would be deposited with the Cassa Depositi e prestiti. Whether the business has in fact changed hands or was in process of changing hands is not clear from the branch records. It was decided to take custody of all the assets of this company which were located in Region III. Other branch offices in Allied-occupied Italy are as follows:

- (a) Bari, Via Argiro 8.
- (b) Catanzaro, Corso Vittorio Emanuele, Palazzo Pazzani.
- (c) Cagliari, Piazza del Carmine 9.
- (d) Palermo, Via Roma 325.

Handicapped by requisitions of its building, motor equipment and furniture, the Naples branch of this company is still carrying on the business.

(2) H. N. Maffei (SAI). 3N3715A.

This is a small company wholly owned by Pastene & Co., New York City. The complete destruction of its merchandise and furniture has converted the company's capital into a deficit. It has an office in Rome which appears, however, to be only a legal address.

(3) Film Producers, Allocations 3N3691A to 3698A inclusive.

Custody forms have been prepared for eight American film producing companies, and separate bank accounts for each. Funds were transferred from the unallocated film group account to the respective producers in accordance with a statement of income and expense submitted by P.W.B. as of 9 Mar 44. There are still to be transferred funds received after 9 Mar 44, including funds belonging to OWI, MOI, and British film producers. The unallocated film group account also contains some funds presumably belonging to American, British and French producers, such funds having been collected by P.W.B. on the basis of 60%, a provisional rate, on rentals on expired rental contracts. The authority and accuracy of these latter collections can be determined only upon examination of the contracts with Italian distributors, which contracts are believed to be in Rome. Expenses incurred by P.W.B. in the distribution of films have been somewhat less than 10% of collections. This expense is being borne by each company in proportion to the rental collections credited to them.

(c) SIA & SIPFIC. 3N3512A and 3N3514A.

5593

Allied interests in SIA and SIPFIC appear to have been at the outbreak of war 48% and 46% respectively. At 1 Jan 38 the books of SIA showed that this company had made allowances totalling L.701,981.80 to another company, known as SRIA Viscosa, a company manufacturing artificial silk at Milan and Rome. It is understood that the same Allied shareholders own a similar proportion of shares in this latter company also. Both the Allied and Italian shareholders have loaned large sums to SIA, and since the outbreak

as in process of changing hands is not clear from the branch records. It was decided to take custody of all the assets of this company which were located in Region III. Other branch offices in Allied-occupied Italy are as follows:

- (a) Bari, Via Argiro 8.
- (b) Catanzaro, Corso Vittorio Emanuele, Palazzo Fazzani.
- (c) Cagliari, Piazza del Carmine 9.
- (d) Palermo, Via Roma 35.

Hardicapped by requisitions of its building, motor equipment and furniture, the Naples branch of this company is still carrying on the business.

(2) H. N. Maffei (SAI), 3N37154.

This is a small company wholly owned by Pustenc & Co., New York City. The complete destruction of its merchandise and furniture has converted the company's capital into a deficit. It has an office in Rome which appears, however, to be only a legal address.

(3) Film Producers, Allocations 3N3691A to 3698A inclusive.

Custody forms have been prepared for eight American film producing companies, and separate bank accounts for each. Funds were transferred from the unallocated film group account to the respective producers in accordance with a statement of income and expense submitted by P.W.B. as of 9 Mar 44. There are still to be transferred funds received after 9 Mar 44, including funds belonging to OWI, MOI, and British film producers. The unallocated film group account also contains some funds presumably belonging to American, British and French producers, such funds having been collected by P.W.B. on the basis of 60%, a provisional rate, on rentals on expired rental contracts. The authority and accuracy of these latter collections can be determined only upon examination of the contracts with Italian distributors, which contracts are believed to be in Rome. Expenses incurred by P.W.B. in the distribution of films have been somewhat less than 10% of collections. This expense is being borne by each company in proportion to the rental collections credited to them.

5593

(c) SIA & SIPPIG, 3N3513A and 3N3514A.

Allied interests in SIA and SIPPIG appear to have been at the outbreak of war 48% and 46% respectively. At 1 Jan 38 the books of SIA showed that this company had made allowances totalling L.701,981.80 to another company, known as SRIA Viscosa, a company manufacturing artificial silk at Milan and Rome. It is understood that the same Allied shareholders own a similar proportion of shares in this latter company also. Both the Allied and Italian shareholders have loaned large sums to SIA, and since the outbreak of war the proportion of the Allied interest was reduced by issuing additional stock to Italian interests, effected by means of transfers from the Italian loan account. The result was to reduce the American interest to 40% and 34% respectively. Furthermore, these bookkeeping transfers were made at figures much below their true value. To carry out this plan, fictitious liabilities were created and valuations of fixed assets reduced, as evidenced by a statement previously presented by the company's engineer, fixing the value of the fixed assets at approximately 50% above its then book value. That these valuations were grossly understated and their true value well known to the Italian interests is brought out by the fact that the Italian interest had changed hands at that time, and that the new Italian owners, who had caused these undervaluations to be recorded, paid a price for their interest which was at least three times greater than the book value before the undervaluations were recorded. An instance is noted where auto equipment costing L.371,082.17 had a reserve for depreciation of L.726,531.57, resulting in a valuation of L.355,449.40 less than zero. This equipment is still in operation. The loss to the American interests due to this transaction was roughly

- 4 -

(d) Balance sheets at date of custody.

An analysis of the 46 concerns under custody is as follows:

Carrying on	24
Care and maintenance	10
Partly liquidated	6
Minority interests	4
Released	2

No verification of balance sheets is being made in the case of minority interests. In the first two classes the verification of the balance sheets of 12 concerns have been almost completed. Attempts will be made to complete the verification of all balance sheets during the month of June 44.

(e) Monthly statements by business concerns.

Of the 34 concerns under custody which are doing business or are on a care and maintenance basis, 21 are branches of concerns whose main office or activity is outside Region III. In these cases only a summarized cash account is being requested monthly, in addition to a statement of sales activity. For the remaining 13 concerns, a complete trial balance and total monthly activity of each account, as well as a detailed analysis of expenses, is being requested. In cases where inventories of merchandise are available, balance sheets and profit and loss statements are to be prepared.

9. Miscellaneous, Securities, Bank accounts, etc.

Included in the 3,207 cases in respect of which declarations of custody have been completed, are 2,989 relating to bank accounts in my name. There are also 161 cases where securities have been placed at my disposal.

10. Capri and Islands.

The work of taking custody on the islands of Capri, Ischia and Procida has been practically completed. During the month Major Hamilton has visited Procida, where 21 cases have been investigated, and Capt. Gale has completed the work at Ischia.

11. Salerno province.(a) Real Estate.

The thirteen properties belonging to Allied nationals have been located in Salerno province, but have not as yet been taken into formal custody, although the three large villas at Ravello - Villa Cimbrone, Villa Reginella and Villa Rufolo - are in fact under control, as well as the property of Mrs. Kate Blaker at Positano. Completion of formal custody has been delayed pending the publishing of the decree of expropriation heretofore mentioned (para 1). Villa Cimbrone was inspected during the month, and found to require some repair to prevent deterioration, due to water leakage through the roof and a faulty water pipe.

(b) Commercial Concerns.

No commercial concerns have been located other than St. Erasmo Export Preserving Co., in which custody of the British shareholders' interest has been taken, and a watching brief is being maintained.

(c) Securities, Bank Balances, etc.

(c) Monthly statements by business concerns.

Of the 34 concerns under custody which are doing business or are on a care and maintenance basis, 21 are branches of concerns whose main office or activity is outside Region III. In these cases only a summarized cash account is being requested monthly, in addition to a statement of sales activity. For the remaining 13 concerns, a complete trial balance and total monthly activity of each account, as well as a detailed analysis of expenses, is being requested. In cases where inventories of merchandise are available, balance sheets and profit and loss statements are to be prepared.

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The thirteen properties belonging to Allied nationals have been located in Salerno Province, but have not as yet been taken into formal custody, although the three large villas at Ravello - Villa Cimbrone, Villa Poncina and Villa Rufolo - are in fact under control, as well as the property of Mrs. Kate Blaker at Positano. Completion of formal custody has been delayed pending the publishing of the decree of de-sequestration heretofore mentioned (para 1). Villa Cimbrone was inspected during the month, and found to require some repair to prevent deterioration, due to water leakage through the roof and a faulty water pipe.

(b) Commercial Concerns.

No commercial concerns have been located other than St. Erasmo Export Preserving Co., in which custody of the British shareholders' interest has been taken, and a watching brief is being maintained.

(c) Securities, Bank Balances, etc.

Formal custody has not been taken pending the publication of the decree mentioned above, but three lots of securities have been thoroughly examined and checked in preparation, and lists of bank balances are available.

12. German properties.

During the month there have been a further thirteen cases in which the appointment of a curator has been recommended.

13. Fascist Organizations.

The Fascist organizations may be divided in each Province under the main headings:

- A. Party Associations.
- B. Unions of workers and unions of employers.

- 5 -

A. In the province of Naples, in addition to the party head office in Via Medina, Naples, there are 25 gruppi riionali in the City of Naples and 137 fasci in the country areas - one for each comune. In each province, these associations are being liquidated by the Intendenza di Finanze, the distribution of assets being under the supervision of RCP. In addition to the above mentioned groups, the following sixteen Fascist associations are being liquidated in a similar manner:

1. Federazione Gioventu Universitaria Fascista (GUF)
2. Tipografia del GUF
3. Libreria Editoriale del GUF
4. Gabinetto di Patologia
5. Fasci Femminili
6. Laboratorio di Via Pignatelli
7. Deposito di Via S. Bartolomeo
8. Policlinica Infantile di Via Novara
9. do. do. di Posillipo
10. Posto di ristoro Stazione Ferroviaria
11. Merstino massale rurali
12. Cinematografo sperimentale del GUF
13. Teatro del GUF
14. Campo di Pallacanestro
15. Centro servizi del Lavoro
16. Spacci viveri Aziendali.

B. The following ten unions of workers and employers are being liquidated by the Italian Labour Office, all records being available to the Allied Military Government Regional Labour Section. The distribution of the assets is under the supervision of the RCP.

1. Unione Fascista degli Industriali
2. " Lavoratori dell'Industria
3. " dei Commercianti
4. " dei Lavoratori del Commercio
5. " Aziende del Credito e della Assicurazione.
6. " degli Agricoltori
7. " dei Lavoratori dell'Agricoltura
8. " dei Professionisti ed Artisti
9. Federazione provinciale degli Artigiani
10. " degli Armatori.

In each comune there is a branch office of these unions. In addition to these two main groups, there are the following three organizations, whose special liquidators have been or are being appointed to work under the direction of the RCP:

1. La CIL (Gioventu Italiana del Littorio).
2. Dopolavoro
3. Famiglie Numerose

In connection with the first two of these, the RCP is working in conjunction with the Regional Public Welfare Section and the Regional Education Section.

Region IV

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14. No formal report was filed. This was occasioned by the fact that this Region

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7. Laboratorio di Via Pignatelli
8. Deposito di Via S. Bartolomeo
9. Policlínica Infantile di Via Novara
do. dc. di Posillipo
10. Posto di ristoro Stazione Ferroviaria
11. Mercatino massale rurali
12. Cinematografo sperimentale del GUF
13. Teatro del GUF
14. Campo di Pallacanestro
15. Centro servizi del Lavoro
16. Spazi viveri Aziendali.

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2. " Lavoratori dell'Industria
3. " dei Commercianti
4. " dei Lavoratori del Commercio
5. " Aziende del Credito e della Assicurazione.
6. " degli Agricoltori
7. " dei Lavoratori dell'Agricoltura
8. " dei Professionisti ed Artisti
9. Federazione Provinciale degli Artigiani
10. " degli Amatori.

In each comune there is a branch office of these unions. In addition to these two main groups, there are the following three organizations, whose special liquidation has been or are being appointed to work under the direction of the RCP.

1. La GIL (Gioventù Italiana del Littorio).
2. Dopolavoro
3. Famiglie Numerose

In connection with the first two of these, the RCP is working in conjunction with the Regional Public Welfare Section and the Regional Education Section.

5592

Region IV

14. No formal report was filed. This was occasioned by the fact that this Region was being moved forward to assume active duties at the time when a report would otherwise have been in course of preparation. It should be stated, however, that organization and operation had been brought to a high state of perfection.

Region V

15. No report has previously been made with respect to this Region. On 28 Apr 44 Major A. C. Newell was appointed acting RCP, vice Capt. H. C. MacDaniel, who was relieved from duty. To and including the month of May, the real estate of 9 owners (23 parcels) has been taken into custody in Campobasso Province. The properties consist of small farms or dwellings of little importance. On 23 May and 31 May 44 respectively, the provinces of Campobasso and Foggia were requested to post proclamation No. 6, which had not previously been done. Further investigations as to United Nations and French properties are being made.

-6-

Region VI

16. Brigadier Carr has informed me that he intends to commit responsibility for Property Control in his Region to Captain Copeland, Finance Officer for Nuoro Province, who will attend to these duties in addition to his work as Finance Officer. There have been no new developments in Region VI. Affairs there are progressing in a very satisfactory manner.

Region VII

17. 2/Lt. W. T. Mayo was appointed POP for this Region, and reported to Regional HQ on 6 May 44. Since then he has made numerous trips of inspection to properties requiring attention. In Cosenza Province all properties have been taken into custody, and custody will soon be taken of properties in the other provinces.

18. Enemy State Property.

Now administered by the Italian Government.

19. Property of Fascist Organizations.

Now administered by the Italian Government.

20. Property of other Enemy States and Nationals thereof.

No action taken in respect of such properties.

21. Abandoned property.

None.

22. French property.

Investigation has not revealed any such properties.

23. Blocked accounts.

These funds and securities were transferred to the Bank of Italy for the account of Istambul. A list of such accounts will be prepared.

24. Industrial and Commercial Undertakings.

The firm of McAndrews & Forbes, of Corigliano Calabro, is technically neither industrial or commercial. It was engaged in the processing, baling and shipping to the United States of liquorice root. No finished goods were produced, and nothing sold in Italy. The manager of this firm was William S. Galt, an English citizen and stockholder in the company. The property is in good condition, and the firm has ample cash on hand for the payment of necessary expenses. Financial statement as of 15 May has been received. An excess war profits tax in the sum of L.1,379,093, together with a fine of L.459,577 for failure to declare, was assessed against this firm. This tax, erroneously applied in this instance, is being handled with the Ministry of Finance through the Intendente di Finanza, Cosenza.

...man he has made numerous trips of inspection to properties re-
quiring attention. In Cosenza province all properties have been taken into custody,
and custody will soon be taken of properties in the other provinces.

18. Enemy State Property.

Now administered by the Italian Government.

19. Property of Fascist Organizations.

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No action taken in respect of such properties.

21. Abandoned Property.

None.

22. French Property.

Investigation has not revealed any such properties.

23. Blocked Accounts.

These funds and securities were transferred to the Bank of Italy for the account
of Istambul. A list of such accounts will be prepared.

24. Industrial and Commercial Undertakings.

The firm of Mauro & Forbes, of Corigliano Calabro, is technically neither
industrial or commercial. It was engaged in the processing, baling and shipping to
the United States of liquorice root. No finished goods were produced, and nothing
sold in Italy. The manager of this firm was William S. Gell, an English citizen and
stockholder in the company. The property is in good condition, and the firm has ample
cash on hand for the payment of necessary expenses. Financial statement as of 15 May
has been received. An excess war profits tax in the sum of L.1,379,033, together with
a fine of L.459,677 for failure to declare, was assessed against this firm. This tax,
erroneously applied in this instance, is being handled with the Ministry of Finance
through the Intendente di Finanza, Cosenza.

Handwritten signature: C. R. S. Harris

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

10 June 1944

PROPERTY CONTROL SUB-COMMISSION

REPORT FOR APRIL 1944

1. General.

A conference of Regional Property Control Officers was held at this HQ on 20th April. Representatives from Regions I, II, III and IV attended, and a number of problems were discussed. During the month I visited Region III, Advanced HQ Region IV and HQ AMG 5 Army. Major King paid a prolonged visit of inspection to Region VI (see para 7 below).

2. Negotiations with the Italian Government.

Owing to the change in the Italian Government which took place during the month, negotiations concerning the arrangements for Property Control in restored territory have proceeded somewhat slowly. The Ministry of Finance has however prepared a decree, the terms of which have been approved, revoking the application of the provisions contained in the War Law to the property of United Nations and French nationals, and before leaving office His Excellency Colonel Jung, Minister of Finance, sent out an instruction to all prefects and Intendenti di Finanza, detailing the agreed procedure to be followed when the decree is published.

Discussions have also taken place with the Italian Government concerning measures to be taken with regard to enemy property in restored territory. The Italian Government is anxious to avoid taking any overt steps which would lead to reprisals on the part of the German and other enemy governments against Italian property in Germany or German-occupied Italy. Instructions are however being sent to all Prefects and Intendenze di Finanza to prepare lists of enemy property, and to ensure that such properties are not disposed of, and in cases where they have been abandoned to make arrangements for their custody.

3. Personnel.

Lt.Col. Charles Carroll joined this HQ as Deputy Director of Property Control on 13 April, from Region IV. Major E. C. King went on temporary duty to Region VI from 5 April to 23 April. Region VII activated, and 2/Lt. W. T. Mayo was assigned as Property Control Officer. Arrangements have been made with Brigadier Dunlop, Region IV, and Brigadier General Rume, 5 Army, whereby the whole of the Property Control staff of Region IV should be temporarily attached to City Sub-Region, and this staff further re-inforced by the transfer of Major Bennett and Major Hamilton from Region III and Lt. Manck from Region V.

Region I

4. (a) Real Estate.

(1) British and American Properties.

During the month declarations of custody have been completed and forwarded to HQ as under,

Catania I	
Messina 20	
	21

Bronte Estate. Appropriate action taken in respect to matters referred to in previous report. It has been found impossible to export orange crop, and same is now in process of sale locally.

free, the terms of which have been approved. The Ministry of Finance has however prepared a decision contained in the War Law to the property of United Nations and French nationals, and before leaving office His Excellency Colonel Jung, Minister of Finance, sent out an instruction to all prefects and Intendenti di Finanza, detailing the agreed procedure to be followed when the decree is published.

Discussions have also taken place with the Italian Government concerning measures to be taken with regard to enemy property in restored territory. The Italian Government is anxious to avoid taking any overt steps which would lead to reprisals on the part of the German and other enemy governments against Italian property in Germany or German-occupied Italy. Instructions are however being sent to all prefects and Intendenze di Finanza to prepare lists of enemy property, and to ensure that such properties are not disposed of, and in cases where they have been abandoned to make arrangements for their custody.

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Region I

4. (a) Real Estate.

(i) British and American Properties.

During the month declarations of custody have been completed and forwarded to HQ as under,

Catania	1
Messina	20
	21

Bronte Estate. Appropriate action taken in respect to matters referred to in previous report. It has been found impossible to export orange crop, and same is now in process of sale locally.

(ii) Property of United Nations other than British and American.

During the month the investigation of properties under this heading has continued. One Greek property, as distinct from blocked bank accounts, has been taken into formal custody.

(iii) French Property.

Investigations still proceeding. During April two properties taken into custody. Authority has been granted to the Banco di Sicilia to proceed with essential and urgent repairs to the property of Filippo la Grua fu Cesare, Principe di Carini, not to exceed Lire 15,000.

(b) Italian State Property.

Most of the properties taken into custody by AMG have been formally restored to the Italian Government.

5591

Hyacinth

- 2 -

(c) Industrial and Commercial Undertakings.

Allied Concerns.

(i) Ragusa Asphalt Mines.

Work has proceeded satisfactorily with steady increase in output. No further accounts yet received, but verbal reports satisfactory. Accounts are expected within the next seven days. Salary to be paid to Ing. Moy is under active discussion.

(ii) Pitta Borab.

Having effected sufficient sales to enable salaries, taxes, and running expenses to be paid over the next three months, instructions have been issued to cease further sales as from 30 April. Accounts covering active trading period are being prepared.

(iii) L'Insulare.

Tenancy agreement with S.P.E.R.O. extended for a further one year from 1 Aug 44, on same terms as at present.

(d) Semi-statal Concerns.

(1) Unione Militare.

Communication now received from Colonel Basile, Special Commissioner. Col. Guido Pinto nominated as representative for both Palermo and Messina. Verbale di consegna in course of preparation, and transfer expected to be completed within ten days.

(ii) E.N.I.C.

Inventories and financial statements having been handed in, transfer of assets, including cash, was completed on 13 April.

(iii) Popolo di Sicilia, and its successor Corriere di Sicilia.

A conference between

- (a) Director of Property Control,
- (b) Deputy Director of Property Control,
- (c) Regional Property Control Officer of Region I, and
- (d) Press Chief of P.W.B., Italy

was held at Naples on 21 April, when procedure for sale was agreed upon. Negotiations are now proceeding with P.W.B. and Property Control in collaboration. Audit of accounts by local accountant is in progress. A claim for £1048-10-9 (sterling) received from Army Printing and Stationery Service is being investigated.

(iv) Ente di Colonizzazione del Latifondo Siciliano.

Transfer of management has been effected, and accounts are now awaited.

(v) Deposito Cavalli Stalloni, Catania.

Accounts are still awaited.

(vi) Blocked accounts

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Accounts are still awaited.

(e) Blocked Accounts.

Transfer to name of Property Controller pursuant to General Order No.6 dated 14 Nov 43 of AMG has been substantially completed. There remain some isolated and doubtful cases still to be attended to.

(f) Dissolved Fascist Organizations.

In accordance with Executive Memorandum No.15, transfer of Fascist cash balances in the name of RFOO has been made to Judge Criscuoli, Commissario Straordinario, insofar as Palermo and Trapani provinces are concerned. Balances in hands of provincial PCOs will be transferred during next month.

Region II

5. (a) General.

The work of completing the formalities for taking into custody the various properties in the Region has been greatly hampered (a) by the lack of commun-

- 3 -

ications, as all accounts have to be verified by the Head Office of the Bank of Naples, and (b) by lack of transport facilities available for the Regional Property Control Officer.

(b) Real Estate.

No declarations of custody have yet been completed for the reasons stated above, but all properties in the provinces of Potenza, Matera and Taranto were investigated by the Regional PCO.

(c) Taranto Tramway Co.

The completion of the declaration of custody for this British owned concern has been delayed owing to the unsatisfactory nature of the balance sheet submitted by the sequesterator, which is in course of revision.

Region III

6. (a) Real Estate.

Of the 158 estates of Allied and French nationals sequestered by the Italian Government and managed by the Bank of Naples, 81 have now been taken into custody. Many of these estates include a plurality of properties. All properties on the Island of Capri have now been taken into custody, and an examination is proceeding of 24 properties in Ischia and Procida.

(b) Commercial and Industrial Concerns.

The number of concerns operating under the control of the Regional CPD is now 35. An analysis of them by nationalities shows,

American	9
British	13
French	6
Greek	6
Belgian	1
Unallocated	1

The following 12 firms were taken into custody during the month under review, namely:-

(1) Acve Construction Co., (S.A.). 3W-630A.

This corporation has been engaged in the construction of apartment houses, but due to the scarcity of building material is at present unable to continue in its operations. The greatest portion of this company's assets at present consist of instalments receivable on apartments already sold. The company is owned and financed by Mario Caruso of the Lionel Corporation, U.S.A., and is managed by his son-in-law Antonio Parmiciano.

(2) Bourlique & C. (S.A.). 3W-62X and

(3) Vetreria Meccanica & C. Ricciardi, 3W-684E.

These two companies are owned by Soc. St. Gobain, a French company located in Paris; the first to the extent of 80%, and the second to the extent of approximately 33-1/3%. In turn, these two companies together own 85%, 60%, and 49.3% of Vetraria

(c) Taranto Tramway Co.

The completion of the declaration of custody for this British owned concern has been delayed owing to the unsatisfactory nature of the balance sheet submitted by the sequesterator, which is in course of revision.

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The number of concerns operating under the control of the Regional CPO is now 35. An analysis of them by nationalities shows:

American	9
British	13
French	6
Greek	6
Belgian	1
Unallocated	1

The following 12 firms were taken into custody during the month under review, namely:-

(1) Same Construction Co., (SAI), 3N36304.

This corporation has been engaged in the construction of apartment houses, but due to the scarcity of building material is at present unable to continue in its operations. The greatest portion of this company's assets at present consist of instalments receivable on apartments already sold. The company is owned and financed by Mario Caruso of the Lionel Corporation, U.S.A., and is managed by his son-in-law Antonio Parmigiano.

(2) Bournique & C. (SAI), 3N3622F and(3) Vetreria Meccanica & C. Ricciardi, 3N3684F.

These two companies are owned by Soc. St. Gobain, a French company located in Paris; the first to the extent of 80%, and the second to the extent of approximately 33-1/3%. In turn, these two companies together own 85%, 60%, and 49.3% of Vetreria Pizzireni & C SAI, Fratelli Basilli SAI, and Fabbrica Italiana Specchi A. Reggi & C, SAI, respectively. In turn again, Vetreria Pizzireni & C SAI owns 40% of Fabbrica Italiana Specchi A. Reggi & C SAI.

The entire group is in the glass and mirror business. The Ricciardi Company is by far the largest, having a capitalization of Lire 23,000,000, with three glass factories in Naples and one in Vietri sul Mare. One of the Naples factories is in operation, the other two having been bombed beyond repair. The factory in Vietri is not operating for lack of material.

Bournique & C. is a Milan corporation with a capitalization of Lire 1,500,000, its location in Naples being a branch only.

(4) Cucirini Cantoni Coats (SAI), 3N3682B.

5590

This is a cotton thread manufacturing concern, a subsidiary of J & P. Coats, of Paisley, Scotland. The Italian corporation is capitalized for Lire 122,500,000, its head office being in Milan. In Naples it operated a sales office for southern Italy, Sicily and Sardinia, its assets here, as shown by the property register, being approximately Lire 7,000,000.

- 4 -

(5) Dewey & Almy Chemical Co. 3N3629L.

Upon investigation this company was found to be an American corporation, and therefore custody was taken. It operated a small plant in Naples which manufactured chemical compounds for sealing tin cans. The plant was bombed and looted, and is at present not operating.

(6) St. Erasmo Export Preserving Co., Ltd., 3N3687B.

Although this is a British corporation with head office in London, the majority of its stock is owned by Botturi Pellinghi of Milan, whose father-in-law had founded the business. The business had not been sequestered by the Italian Government as it was apparently considered to be Italian owned. Custody was taken of the minority interest, believed to be British. Its factory at Naples had been damaged and is not in operation, but the one at Pagani is in operation, producing jam for the Allied Forces.

(7) Film Group, Unallocated. 3N3690L.

Cash totalling Lire 12,938,007 was turned over to the Controller of Property on 25 Apr 44, representing rentals received by the Psychological Warfare Branch for American, British and French films. The funds have not as yet been allocated to the producing companies; separate forms will be prepared when allocation is made.

(8) I. G. Levi. 3N3685L, and(9) Felice Misan. 3N3684L.

These are two small Greek-owned businesses that have been liquidated, except for several uncollected items. The first was engaged in importing skins for the glove trade; the second dealt with dental supplies.

(10) Marconi Wireless Co., 3N3688B.

This company is very closely allied with Marconi International Marine Co. It manufactures nautical instruments, which the latter company installs. They are both British corporations, the former apparently operating in Italy through branches, and the latter through an Italian subsidiary corporation. The former corporation's main branch in Italy, situated in Rome, is known as Ufficio Marconi, and its sub-branch in Naples as Ufficio Nautico Marconi. The latter corporation's subsidiary is Radio Marittima (SAI) Rome, with a branch in Naples. The operation of both companies in Naples is very close, there being a common office, stores, factory and management, and funds are used freely from one company for the other. These concerns are employed on work for the Allied navies.

(11) Societa Immobiliare Alberghi (SAI). 3N3513A, and(12) Sindacato delle S.A. Imprese Pubbliche e Private Ischia e Capri (SIPPIC). 3N3514A.

Minority interests in these concerns had been taken into custody during the month of March 44, in Capri.

The following notes on other concerns in the custody of the CP may be of interest.

(1) Vesuvius Railway.

This railway, which is owned by Thomas Cook & Sons, consists of four parts.

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Minority interests in these concerns had been taken into custody during the month of March 44, in Capri.

The following notes on other concerns in the custody of the CP may be of interest:

(1) Vesuvius Railway.

This railway, which is owned by Thomas Cook & Sons, consists of four parts, namely (a) an "adhesion" section from Pagliano to the Centrale Station, (b) a rack section leading to the hotel, (c) a further "adhesion" section leading to the base of the funicular, and (d) the funicular. The latter has been largely destroyed; (c) has been cut in two places by lava streams just short of the funicular station; (a) is intact and in actual operation; (b) except for a few yards is also in working order. The line has been cut at the Centrale Station (junction of (a) and (b)) by a lava stream, which has caused an interruption of only a few metres. Fortunately the rack locomotives were on the further side of the cut, and the power lines being intact operation is possible to the higher cut, some 600 yards short of the end of (c). There are however no cars on the rack section, and the only measure required to put it into operation is the transfer of one or more passenger coaches to the further side of the Centrale cut. A plan is now being studied whereby the line can be put into operation to a point, but 600 yards from the lower end of the funicular, from which a path up the crest of the mountain could be built, as was done after the eruption.

- 5 -

tion of 1906. These measures will not require any special finance, but the railway has been working at a deficit, which was made up by the Italian Government up to the time of the invasion, and it will be necessary to continue to collect this subsidy, at any rate for the moment, if operation is to be continued. It is however hoped that the railway may be put on a self-supporting basis by the adjustment of tariffs to a level at which operating costs can be met.

(ii) Compagnia Generale di Eletticità, 3N3624A.

The Naples branch of this company (a subsidiary of the General Electric Co.) has about Lire 1,600,000 of work in process at the present time. This work consists of electrical installations, as well as repairs to electrical equipment, motors and machinery. Its volume is limited because of inability to add capable workmen to its present staff of 26. About 10 to 20% of this work is for military organizations.

(iii) Otis (SAI), 3N46A.

About 95% of this corporation's output is being produced under the supervision of the 6694th Ordnance Group, in the manufacture of spare parts for artillery and trucks, about Lire 2,000,000 of work being in process. This represents only about 40 to 50% of the present capacity of the plant, as only lathes are in operation, while milling, boring, drilling and planer machines are lying idle.

(iv) Societa Meccanica 'La Precisa', 3N1A.

Custody was taken of this company on 9 Dec 43, and it was restored to duly authorized representatives of the owner on 10 Dec 43. It appears however that large stores of essential material are owned by this company without having been declared. An inventory is being taken, and the position is being investigated.

(v) Audits of balance sheets submitted by business concerns as of the date of custody has begun. A civilian staff of auditors is being organized for this work and for the purpose of checking operations during the custodianship period.

(c) Bank Accounts, Securities, etc.

Included in the 2,937 cases in respect of which declarations of custody have been completed are 2,885 relating to bank accounts in the name of the Controller of property and securities at his disposal. In addition to the above, there are many bank accounts already transferred into the name of the CP, but in respect of which forms of custody are in the process of being prepared.

(d) German Property.

(1) Schmidt & Pupent.

As mentioned in my supplementary report for February 44, the property of this firm was sold without authority to its manager by Major Hitchcock. On the advice of the Legal Sub-Commission this contract of sale has been annulled, and the firm has been put into liquidation and a commissario speciale appointed as liquidator.

(ii) Max Herb.

A duly authorized agent is present, and the business of growing vegetables and flowers continues under his direction. The activities of the business are known to the Agricultural Section.

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(iii) Co-fa.

This drug store is owned by Italians, but it previously sold only German products. The manager is being permitted to continue the business, having regard to a request received from the Public Health Sub-Commission that it is desired to make stocks available to the public.

(iv) August Frede.

There is a representative holding a power of attorney in this case. The business, which still continues, is that of a wholesale fruit merchant. Having been advised by the Legal Sub-Commission that under international law the occupying power has no right to sequester private businesses of an enemy character, except for security reasons or reasons of military necessity, I do not propose to take any further action with respect to these firms for the moment, as instructions have been given by the Finance Sub-Commission to the banks which will

effectively prevent the transfer of any of their funds to enemy territory. The CP has been notified of 39 cases where property is owned by German subjects. In six cases the appointment of a curator has been recommended.

(e) Fascist property.

In all organizations of a Fascist character a liquidator is being appointed by the Italian authorities. The CP is not actually taking the assets into custody, but the disposal of all property is to be under his direction. There is a large number of associations of various kinds, and a separate file is being opened in respect of each. It is understood that a large amount of the furniture which was previously owned by Fascist organizations is missing and that its present location is not known.

Region VI

7. Major E. C. King (A), who had been sent to Sardinia to investigate and report, returned on 23 April and filed a report of which the following is a synopsis: (a) There is no Property Control Officer in Region VI. Lt. Col. Waters (B), RFO at Sassari, and Major Alexander (B), RFO at Cagliari, have been attending to such properties as had come to their attention. In all of Sardinia there are only about 10 properties belonging to United Nations or French nationals, plus a small number of bank accounts. Of such properties the following are the most important:

(i) The Piercy-Mameli Estate, which consists of about 7,000 acres of farming, grazing and timber land in Nuoro Province, and about 3,000 acres of grazing land in Cagliari Province, plus herds of cattle, sheep, goats and swine. The land, with its buildings, forests and herds, is of considerable value. While legal title to the most valuable part of the estate is in the name of Donna Vera Mameli (Italian), and the balance in the heirs or devisees of the late Major Benjamin Piercy, the actual beneficial ownership probably cannot be determined until after the war. Sig. Oscar Salmon of Macomer is sequestrator of the Piercy interests (as heretofore reported). Dott. Dessi of Oristano has been appointed curator of the Mameli interests. Dott. Maliverno, who holds a limited power of attorney from Donna Mameli, is acting as resident manager of the entire estate. Present net income of the estate is about Lire 1,000,000. The mansion house and the premises generally are in good condition.

(ii) Campagna des Forges et Scieries de la Marine et D'Honnecourt, a French charcoal company in Cagliari Province, owns about 24,000 acres of timber land, and an old railroad with some engines and cars. The office is in Cagliari. Estimates of value of the property varied from Lire 12,000,000 to Lire 50,000,000. The company normally produces about 50,000 quintals of charcoal per year, and should produce that much in the current year. The sequestrator is Dott. Alessandro Morelli, the Ispettore Forestare. The apparently able manager of the company is Rag. Francesco Sanna of Ilenuvovo, near Cagliari. The company employs 300 to 400 men.

(iii) Societa Mineraria et Metallurgica di Pertusola. This is a French company, capital stock (Lire 77,000,000) is owned by Pennaroya Company, also French. The Society owns six mines in Cagliari Province near Iglesias. Another mine in Sassari Province owned by Corredo Company, a subsidiary of Pennaroya, is mentioned here for convenience. None of the mines is operating at present, but all are on a maintenance and development basis, in charge of engineers originally selected by the French owners. The mines employ at present a total of about 750 men. The mines normally produce zinc, lead, barite, silver, and some barium sulphate. For example, San Giovanni, near Iglesias, formerly produced each month about 350 tons of zinc, 250 tons of lead, 500 tons of barite (all concentrates), and 200 grams of silver per ton of galena. The sequestrator is Ing. Giovanni Battista Bibolini of Spezia.

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Questions of the future management of the French companies (Pertusola and the charcoal company) have been taken up with General de Sevin and other French officials in Naples. We are awaiting their reply.

(iv) Societa Anonima Piombo e Zinco (known as SAPEZ). A limited company having a capital of Lire 36,000,000, is connected with AMI, an Italian company which controls and subsidizes it. 30% of the capital stock of SAPEZ is owned by Societa Vielle Montagne, a Belgian company, and the balance of the stock by Italians or by agencies of the Italian Government. Headquarters of AMI are at Rome. Its president is one Dott. Gardini. The mines are as follows:

(a) San Benedetto, near Iglesias, now on a maintenance basis, employs 40 men. It normally produces 60 tons of lead concentrates per month, and 400 grams of silver per ton of zinc concentrates.

- 7 -

- (b) Acqueresi, in the same general locality and on same basis, now employs 20 men. It normally produces 150 tons of zinc concentrates per month.
- (c) Monte Agrusau, in same general locality and on same basis, now employs 145 men. Normal monthly production is 200 tons of lead concentrates.
- (d) Misun and Montecani. Two mines in same location and on same basis - employ 50 men. Normal monthly production is 450 tons of zinc concentrates. The manager for the Sardinian group of mines (there are others) is Ing. Lorenzo Demesano, and the manager for the general interests of AMI is Emanuele Carlo Borgheseau, neither of whom were selected by the Belgian interests but by AMI. SAPEZ was not sequestered.

C. R. S. HARRIS,
Lieut-Colonel,
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Property Control Sub-Commission.

13 May 1944.

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C. R. S. HARRIS,
Lieut-Colonel,
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Property Control Sub-Commission.

11 May 1944.

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PROPERTY CONTROL SUB-COMMISSION

REPORT FOR MARCH 1944

1. Personal.

Lt.Col.M.R.Glen (A) left this Hq for another theatre. Lt.Col.J.Bennett made tour of inspection to Region V, leaving 8 March and returning 12 March, also tour of inspection to Region III (Capri), leaving on the 20 March and returning 26 March. Lt.Col.J.Bennett left this Hq for another theatre 29 March. Major E.C.King went into hospital on 7 March, and returned to duty 31 March. Major E.B.Evans returned to duty with this Hq from Region III on 16 March. Capt.G.H.Hewett was on temporary duty with Region III Vesuvius emergency from 22 to 26 March. I have myself on several occasions visited Region III to discuss outstanding questions.

2. General.

The chief task of the Hq of this Sub-Commission during the period under review has been the concerting with the Italian Government of the legislative and administrative measures required to regularise the position of the DPC in restored territory.

3. In the "hand over" agreement it was stipulated that the functions of the DPC should remain administrative with respect to United Nations and French property, and not merely advisory, and the problem was how to find a formula which should give legislative effect to this decision. Two draft decrees were submitted by the Italian Ministry of Justice, neither of which were considered satisfactory; the first of these purported to give the DPC the status of an Italian public official, subjecting him to obligations under Italian law entirely inconsistent with his status as a British officer; the second envisaged the setting up by the Italian Government of a Commission to take charge of the properties, which would have virtually reduced the custody on the part of AMG to a transient and embarrassing interlude between two sequestrations, and would have failed to fulfil the stipulation that DPC's functions should remain administrative.

4. By agreement with the Finance Minister, H.M.Col.Jung, both these alternatives were rejected and the following measures were agreed in principle, the Italian Government will.

- (i) pass a decree in general terms suspending the application to United Nations and French property of the relevant provisions of the War Law of 1938.
- (ii) Instruct prefects in restored territories to issue individual decrees, (a) revoking the sequestration of Allied and French properties (the sequestrations have originally been effected by individual decrees), such revocation to have effect from the date upon which DPC's representative took formal custody, and (b) ordering the reconsignment of the said properties to the owner or his representative.

prefects will arrange for the formal act of reconsignment to be made (verbale di riconsegna), DPC's representative acting as owner's representative duly furnished with the mandate speciale from DPC, as required by Italian Law.

5. It was agreed further that the actual management of properties, except where the owner is present, should be left in the hands of the agent banks who had been acting for BOE, and that a new agreement between the Minister of Finance, the DPC and the banks should be drawn up setting out the financial terms of the delegated management.

6. The following financial arrangements have been agreed upon in principle with the Minister of Finance:

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785017

- 2 -

(i) Maintenance & Audit.

In cases where the income from properties is insufficient to meet expenditure on ordinary maintenance (including taxes), agent banks will advance the sums required on behalf of the Minister of Finance at 1% above Bank of Italy discount rate. Banks will submit accounts of outstanding advances against each property twice yearly to DPC, who will certify same to Ministry of Finance. The Ministry of Finance will thereupon repay advances to the banks and debit each property maintenance account, charging above mentioned rate of interest. Ministry of Finance will advise DPC of the amounts so repaid and dates of repayment. Surplus incomes from properties during successive six-monthly periods will be applied to reducing advances.

(ii) Management Fees of Agent Banks.

Bank to submit at each year end a list of fees due in respect of each property for approval to DPC, who will certify and pass to Ministry of Finance. Ministry of Finance will pay banks and debit property fee account. Surplus incomes from properties will not be devoted to reducing this debit, as the condition of ultimate repayment will have to be settled in the peace Treaty.

(iii) War Damaged Properties.

In the case of expenditure on emergency measures necessary to prevent further deterioration, estimates endorsed by the Genio Civile will be submitted to DPC, who will certify and pass to Ministry of Finance. When payments to contractors, etc., fall due, DPC will request Ministry of Finance to open a treasury credit in favour of his local representative (RPO), who will make payments, receipts to be made out in triplicate, one copy being retained by RPO, one by DPC, and one forwarded to Ministry of Finance, who will debit special war damage account for each property. Ultimate liability for this debit to be determined by the peace Treaty.

7. Visit of General de Sevin.

I had a conversation with General de Sevin, who visited this HQ on 29 March accompanied by Commandant de Pannefieu. There are important French mining interests in Sardinia which were expropriated by the Italian Government, as well as important French holdings in Italian-registered companies. The history of these since the war is likely to prove difficult to trace, and it was agreed, speaking generally, that the measures which AOC could take to preserve such interests would be merely provisional, and that definite settlements were a matter which could only be decided in the peace Treaty. Meanwhile, it was agreed to exchange information concerning French property in Italian territory.

Region 1**8. Personnel.**

Major H.P. Busby (B), RPO Region 1, received orders on 20 Mar 44 to proceed to Naples on route for the U.K. and Capt. W.O. Board (B), AFCC, temporarily took over his duties. On 19 March Lt. L.A. Bessch (B) incurred serious injuries in a motor accident, and complete recovery will take considerable time. 2/Lt. H.B. Shaine (A), Agrigento, has been transferred temporarily to Messina, leaving Pvt. Barbera (A) in charge at Agrigento.

9. Handover to Italian Government.

The transferring of Italian property back to the Italian authorities in acc.

785017

- 3 -

Guidance with Execut Memorandum No.15 was proceeding steadily, on. Avv. Francesco Musotto having been appointed by the Italian Government to be High Commissioner for Sicily.

10. Real Estate - British and American.

During the month declarations of custody were completed and forwarded to HQ as follows: Agrigento, 22; Messina, 22; and other areas, received.

11. Bronte Estate.

This estate continues to be administered by Cav. Luigi Modica. The work of compiling the verbale di consegna, as instructed in the order of revocation of the expropriation, is now proceeding. Avv. Melia, representing the estate, has submitted a request that the sum of L.4,250,000, which was the original compensation proposed for the expropriation, be held in court pending any claims which might be made by Lord Bridport against the Rete di Colonizzazioni. This request has been referred to the Legal Sub-Commission for consideration.

12. Property of United Nations other than Britain and U.S.A.

Particulars of such properties are being sought preparatory to completion of formal declarations of custody.

13. French Property.

Properties belonging to the principe di Gerini have been taken into custody, and it is expected that other properties will shortly be taken into formal custody.

14. Italian State and Private Property.

The Casino Cinese and Museo Pittre were turned over to the prefettura di Palermo, and the Palazzo Marziano and contents to Avv. Vaccaro, legal representative of the owner, Conte Laezza.

15. Industrial and Commercial Concerns.

(a) Belonging to Allied Nations.

(i) Requin Asphalt Mines.

Work has proceeded in accordance with the agreed draft agreement as from 1 Feb 44. Accounts for the month of February show a small working profit for both concerns, but the trading period was too short to give a good picture of future trading prospects.

(ii) Pitta Borab.

It has now been agreed in writing by Dott. Rag. Filosto, representing the expropriator Senator Drago, that the deficiency of stock amounted to some Lit. 33,000, prices being taken as those in effect at 31 Dec 42. It is proposed to open the shop for limited sales only, each individual sale to be authorized in writing by the property control officer.

(iii) A.S.I.R.

Control was turned over to C.I.P. on 1 Feb 44, but accounts to 31 Jan 44 are not yet completed.

(iv) L'Insulare.

The APC has been instructed to endeavour to renew the tenancy agreement with S.P.E.R.C. for a further year from 1 Aug 44.

5586

785017

- 4 -

(b) Semi-statal Concerns.(i) Unione Militare.

Although two letters have been forwarded to Col. Basile, the special commissioner appointed by the Italian Government, no reply has yet been received, therefore the handover has not taken place.

(ii) A.N.I.C.

The prefect of Palermo, having appointed Avv. D'Allessandro Giacomino as Special Commissioner of this concern throughout Sicily, transfer of the management was effected as from 4 Mar 44. The sum of Lit. 5,000,000 was made immediately available to the special Commissioner, the balance of cash to be transferred to him when the accounts are completed. Verballi di consegna are in course of preparation.

16. Dissolved Fascist Organizations.

Satisfactory progress is being made of the liquidation of these organizations in co-operation with Judge Criscuoli, the Chief Italian Liquidator.

17. Ente di Colonizzazione del Latifondo Siciliano.

Dott. Vincenzo Faravino, who had been appointed special commissioner by AMG, has been continued in his appointment by the Italian Government, and it has been agreed that formal transfer of management from AMG shall take place on 1 Apr 44.

18. Deposito Cavalli stalloni.

This organization was formally handed over to the Italian Board on 6 Mar 44 by AMG Catania, but final accounts have not yet been completed.

Region II19. Personnel.

Capt. G.R. Cavanaugh (A) is the only Property Control Officer in this Region.

20. General.

The task of contacting the various authorities connected with the Italian sequestration of Allied properties is almost completed, and returns have started coming in. When sufficient information has been received the various properties will be inspected and formal custody taken.

21. Real Estate - British and American.

The Bank of Naples, which was the official Italian sequesterator for such properties, is now assembling the necessary inventories and statements preparatory to inspection and completion of formal custody by the AFCC.

22. Commercial Concerns.

The Trameysa Electric Light Company at Taranto was visited. It was found that the liquidator, Dr. Rag. Domenico Fazio, had not liquidated but had operated the company until last January, when an AMG officer had ordered it to be turned over to Avv. Alessandro Bari, apparently an able lawyer, who claims to have represented the English owners for a number of years. The property has suffered limited damage

785017

- 5 -

and the system is in operation, apart from that part located in the old part of the city. Inventories and statements are being prepared as at 31 Mar 44 by AVT. Bari.

Societa di Fatto R/p Palasner, at Bari, has been investigated but information obtained to date is meagre. The liquidator, Cons. Sez. Giovanni Battista Madia of Rome, did not submit reports to any of the public officials at Bari. The firm was engaged in the export of fruits, nuts and vegetables, and was of Greek and Swiss ownership.

American Briarwood Importing Co. - during the month a release was given to permit shipment to America of the pipe bowl blanks in Reggio owned by this company.

Region III

23. Personnel.

On 16 Mar 44 Major E.B. Evans (B), property control, returned to HQ AOC at Salerno, where he is assuming the duties of AOC Salerno province on a part time basis.

24. Real Properties.

The Bank of Naples was the Italian appointed sequestrator of 158 properties, owned as follows:

British	38
U.S.A.	70
French	31
Greek	15
Russian	1
Brazilian	5

158

There are 27 cases where the sequestration was not carried out, and further investigation will be made to determine whether or not custody should be taken. Formal custody has been taken of 60 properties, including 17 at Capri. Great difficulty has been experienced in checking the inventories where villas in the island of Capri have been requisitioned by the U.S. Air Force Post Camp, as no parking-in state was in any case compiled, and the furniture has been transferred from one villa to another. As an example, in one villa there was furniture belonging to six different owners, and part of the original furniture was in two other villas. It has therefore been necessary to take a fresh inventory in each case, and although the unit concerned was invited to be present they refrained from so doing, and are not prepared to agree to the inventories taken.

25. Miscellaneous properties under individual sequestration.

178 cases of properties such as securities, furniture, etc, for which individual sequestrators were appointed, have been recorded. Of these, 21 have been taken into custody and 31 are in process. In 90 cases the securities or proceeds of sale of same have been transferred to Rome or Northern Italy.

26. Business Concerns.

The number of concerns being investigated has now risen from 35 to 48, due to information provided by the DFC. Practically all of these concerns were

3303

- 6 -

investigated during March and 24 have been taken into custody. Of the remainder, 6 are in process of being taken into custody, 3 had been liquidated and custody has been taken of the cash balance in the hands of the liquidators. 5 are German owned, and 4 could not be located as their premises had been completely destroyed.

27. Ferrovie e Funicolare Vesuviana.

The railway and funicolare have ceased operations due to the recent eruption of Mount Vesuvius. Damage to the railway consisted of approximately 150 metres of track near the Vesuvius terminus being covered with lava, and Central Station, a small station about midway on the railway, was destroyed, as well as a small portion of the track. Estimated cost of repairs to the railway is Lit.1,000,000 at present-day prices. The upper terminus of the funicolare appears to have been completely destroyed by the explosive force of the eruption. Estimated cost of repairs at present-day prices - Lit.3,000,000. Instead of repairing the funicolare, a walk could be built up the mountain at a cost of approximately Lit.50,000.

28. Allied Film Producing Companies.

There are an undetermined number of Allied film producing companies whose films, being over five years old, are being distributed to cinemas without apparent authority. It is understood that the custom in this industry is to grant five-year contracts for the showing of films, after which the films are returned to the producers. Pending an examination of the contracts, all of which appear to be in Rome, 60% of the rentals charged by the distributing concerns has been collected by the P.W.B. Film Section, Unit No.8, and paid to AMFA. This army branch has been instructed by this office to continue collecting this percentage, but to turn over all such funds collected and to be collected to the Controller of Property Region III.

29. Societa Immobiliare Alberghi.

S.A. Imprese Pubbliche e Private Ischia e Capri.

These two concerns, which are interlocking, operate hotels and the public utilities on the island of Capri. The companies were not sequestered by the Italian Government, but American shareholders hold a minority interest and other rights. The Italian shareholders are now in Northern Italy. It has been decided not to take custody of the actual assets of the companies, but only that of the American interests therein, and to maintain close contact with the managers of the companies; those actions are controlled to a considerable extent by the Controller of Property.

30. St. Broom Export Preserving Co. - Broom.

It is not proposed to take this concern, whose head office is in London, into custody for the moment, as it was not sequestered by the Italian Government, there being reason to believe that the majority of the shares were Italian owned, and a person holding power of attorney for the concern is present and in charge of its operations.

Region VI

31. Reports from NC Region VI indicate that there is an estate of considerable importance owned by the late Major Benjamin Piercy, a British subject, who died in 1942 in the United Kingdom. Major Piercy, before leaving Italy in

- 7 -

1940, donated a large portion of the estate to his daughter Mrs. Manuelli, the wife of H.M. George Manuelli, Italian Minister in London and subsequently in Belgrade and Sofia, subject it is believed to a deed of trust for Major Piercy's other heirs. The non-donated portion of the estate was sequestered by the Italian Government, and first Manuelli and then Sig. Manuelli appointed sequesterators. In December 1943, owing to the absence of Sig. Manuelli, the Military Government, in agreement with RG, appointed a Mr. Oscar Salmon sequesterator in place of Sig. Manuelli, and endeavours were being made to have Sig. Salmon appointed curators to Signora Manuelli, who is also absent from Italy, so as to have the whole estate administered by a single person. Major R. O. King (A) has been sent over to Sardinia to investigate and report, and in the meantime the per office have been requested to get into touch with Major Piercy's widow, with a view to obtaining the terms of the will and trust deed if any.

32. No reports have been received from Regions IV and V.

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

2 April 1944.

5584

REPORT OF DIRECTOR OF PROPERTY CONTROL FOR FEBRUARY 1944.Part I - General

1. The negotiations with the Italian Government concerning the measures required to regularise the functions of the DPC in restored territory, which had been initiated in January, were held up by the resignation of Signor de Santis. They were continued towards the end of the month, through the Legal Sub-Commission, with his successor Signor Caserti, but no definite solution has yet been reached of the somewhat delicate legal problems involved.

2. The main work of the HQ Staff of this Sub-Commission during the month was mainly devoted to:

- a. the revision of the General Directive concerning Property Control contained in General Administrative Instruction No. 10 of the AMGOT Manual, and the preparation of information for the guidance of PC officers in the field, including a translation of Italian War Legislation affecting enemy property, and a complete list of all commercial and industrial concerns subjected to sequestration, control or liquidation by the Italian Government since the outbreak of war. With regard to the latter, the general picture is shown in the following table:

	Italy	Regions I to VI
Concerns sequestered or controlled	89	89
Concerns released from sequestration, etc.	17	17
Concerns placed in liquidation, etc.	15	15

3. Personnel.

Major C. M. Gulland (B) and Major R. L. Bennett (B) reported for duty on 19 Feb, and were assigned temporarily to Region III on 21 Feb. Capt. H. St. John (A), who had been temporarily assigned to HQ Commandant Salerno, rejoined his HQ on 18 Feb, and was assigned to Region III for temporary duty on 21 Feb. Capt. O.P. Lee (A) reported for duty on 19 Feb. Major E. G. King (A), who had been temporarily assigned to Displaced Persons Sub-Commission, rejoined this HQ for duty on 25 Feb. Major F. A. Sansome (A) and Major E. B. Evans (B), who had proceeded to Region III for a visit of inspection in the last days of January, remained there on temporary duty throughout the month.

Part II - Regional Reports

4. Major E. J. W. Herlitz, MPO Region I, received orders to proceed to Naples en route for Y.K. on 24 February. His post was assumed by Major H.P. Bunn (B). Capt. W. C. Board (B), temporarily assigned to Region I during December, has now been permanently assigned to that Region.

5. Handover to Italian Government.

The transfer of Region I to the Italian Government was effected on 11 Feb 44. In accordance with the instructions laid down in Executive Memorandum No 15, the PC continues to be responsible for the custody of United Nations and French property, but all property belonging to the Italian Government or Italian nationals which has been taken into custody is handed back to the Italian authorities. In Palermo Province a preliminary meeting has already been held with the prefect on the question of the procedure for such transfer, but in the case of "island wide" concerns such as Ente di Colonizzazione del Latifondo Siciliano, no action can be taken until the

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Part II - Regional Reports

Region I

4. Major E. J. W. Hellmuth, AFCCO Region I, received orders to proceed to Naples en route for U.K. on 24 February. His post was assumed by Major H.P. Bundy (B). Capt. W. B. Board (B), temporarily assigned to Region I during December, has now been permanently assigned to that Region.

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5583

6. Extension of Property Control to French Property.

By the joint effect of Proclamation No. 15 dated 30 Jan 44 and General Order No. 19 dated 2 Feb 44, the provisions of Article IV of Proclamation No. 6 were extended to the property of the French Government and French nationals. Owing to delays in translation, these documents did not however reach Region I before the administration thereof passed to the Italian Government, and they were therefore not published. Instructions were however given, after consultation with the Legal Sub-Commission, for custody to be taken of such properties.

7. Real Estate - British and American.

Only a few properties in this category now remain to be taken into custody, except in the province of Messina, where approximately 100 still remain to be dealt with. For the most part these are small houses and plots of land belonging to persons born in Italy but now resident in America, though not necessarily American citizens, and persons suspected of being American citizens. The properties in practically all cases are in the occupation of near relatives of the owner, but were sequestered by the Italian Government.

8. Bronte Estate.

A decree has been issued by the Prefect of Catania revoking the decrees of sequestration and expropriation of the Bronte Estate, and restoring the same to its owner, Viscount Bridport.

9. Property of Nationals of United Nations, other than U.S. and British Commonwealth.

Four properties, all Greek, are reported by the Bank of Sicily. There are also commercial concerns belonging to Greek subjects in Sicily which were sequestered by the Italian Government.

10. French Property.

Fourteen French properties in Sicily were sequestered by the Italian Government. The sequestration of one was subsequently revoked. Of these properties, only one, the estate of the House of Orleans, was taken into custody by CP AMG, in September 1943, on instruction from the CCAO. Major General Lord Rennell. Instructions have been issued for the remaining properties which remain sequestered to be taken into custody as soon as practicable.

11. Industrial Concerns.

(a) Allied.

(1) Ragusa Mines.

As stated in my last report the British concessions, the property of the United Limner & Vorwchle Rock Asphalt Co. Ltd., and the Val de Travers Asphalt Paving Co. Ltd., which had been sequestered by the Italian Government, were formally revoked by order of the RCAA (Orders Nos. 23, 24 and 25 dated 16 Jan 44), and Ing. Paternò was appointed Special Commissioner. The concessions, together with the buildings and plant of the British companies, were formally re-assigned to the British companies on 1 Feb 44, since when the concessions have been worked, the output being sold under contract to the ABCD Company. (a) for conversion into asphalt powder required for road repairs, and (b) for distillation

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(ii) Borab Bros.

Sales have now been suspended owing to the inability to replace stock, the value of which, as mentioned in my last report, is continually rising as this was a business which worked largely for export. The manageress has been dismissed and the responsibility for looking after the remaining merchandise has been transferred to Sig. Daniele. Final accounts covering the period of sequestration and showing an apparent shortage of approximately Lire 52,000 in the stock on hand as at 15 Sep 43 have now been prepared and agreed with Dott. Rag. Filcsto Umberto, on behalf of Senatore Drago, the sequesterator. Senatore Drago has been requested to furnish an explanation.

(b) Italian Semi-statal.(1) A.G.I.P.

As stated in my supplementary report for January, the properties of this concern have been transferred to CIP. The compiling of accounts for the period of CP's control is still in progress.

(11) Unione Militare.

An audit of this concern was carried out by Capt. Board, covering the period of custody, namely 19 Oct 43 to 11 Feb 44, in preparation for handing over to the Italian Government, which has appointed a Special Commissioner to take control.

(111) E.N.I.C.

An audit covering the period of custody was carried out by Capt. Board, in preparation for transfer to the Italian authorities.

12. Blocked Accounts.

The transfer of Allied accounts pursuant to General Order No. 6 dated 14 Nov 43 of AMG is now practically complete, and good progress has been made with the opening of ledger accounts in accordance with CP Accounting Instruction No. 2 dated 2 Dec 43. Compliance with such instruction, having regard to the limited staff available and the number of accounts involved, has been a somewhat slow process.

13. Dissolved Fascist Organizations.

Sub-liquidators for all provinces (except Palermo) were appointed by Official Order No. 87 dated 10 Feb 44 of Sicily Region. Judge Criscuolo, besides being Chief Liquidator, is also responsible for Palermo province. Detailed instructions have been issued to sub-liquidators as to their duties.

Region II14. General.

Capt. G. K. Cavanaugh (A) reported for duty to HQ Region II on 14 Feb in succession to Major Meader (A), who had been transferred towards the end of January to temporary duty as SCAO Catanzaro Province. Owing to absence of staff and difficulties in transport, the work of Property Control in this Region is still very behindhand, and though most of the important properties have been visited by Major Meader and his assistant 2/Lt. Sbrilla (who was transferred to another assignment in December), inventories, declarations of custody, etc, have not been completed, nor has General Order No. 6 referred to in para 12 above been complied with.

15. The amount of Allied and French property in this Region is comparatively small and (with the exception of Salerno province now restored to Region III) relatively unimportant. The total number of real properties in the Region sequestered by the Italian Government was 24, of which 5 are in Apulia and 10 in Salerno province.

16. The proclamation and Special Order extending the provisions of Article IV of proclamation No. 6 to French property did not reach Region II in time to be published. The number of that territory to the Italian Government. The num-

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16. The Proclamation and Special Order extending the provisions of Article IV of proclamation No. 6 to French property did not reach Region II in time to be published before the restoration of that territory to the Italian Government. The number of French properties in the Region is 7, of which 2 are situated in the province of Salerno, and 2 in Apulia.

17. Allied Property - Real Estate.

The Villa Rufolo at Ravello, the property of the Windsor Clive family, has been let to the Italian Royal Household, and the Villa Cimbrone, property of Lt. Col. Lord Grimthorpe, has been requisitioned by AGO.

- 4 -

REGION III

18. Major W. A. Hitchcock (A) relinquished the post of RECO towards the end of the month, and was succeeded by Major E. M. Gard (B). All available officers have been posted to temporary duty in Region III to make up arrears of work (see para 3 above).

19. No report from Region III for the month of February has been received.

20. Region IV. Nothing to report.

21. Region V. Capt. H. C. MacDaniel (A) was appointed RECO Region V in February, but no report from him has yet been received.

22. A supplementary report will be issued when reports from Regions III and V become available.

CAS Harris

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

11 March 1944.

PROPERTY CONTROL SUB-COMMISSION
SUPPLEMENTARY REPORT FOR FEBRUARY 1944

1. In accordance with para 22 of my report for February 1944, I submit herewith a supplementary report for the above period.

REGION III

2. Personnel.

On 25 Feb Major W. A. Hitchcock (A) was transferred from Property Control Sub-Commission, and his place was taken by Major E. M. Gard (B). The following officers have been temporarily assigned to the Region: Major G.M. Gulland (B), Major R. L. Bennett (B), Capt. N.H. Sirota (A), and Capt. O.F. Lee (A). The following officers from this HQ were temporarily attached to the Region: Major Sansone (A) and Major Evans (B - Can.). Major Sansone and Capt. Swayle (A) were detailed to take over Allied properties in the Islands of Capri, Ischia and Procida.

3. Real Property.

A survey of United Nations and French property in the Region has been made by Major Hitchcock, who had given general directions to the Bank of Naples, which had been appointed by EMELI to manage sequestered properties in the Region. Formal custody in accordance with AMGOT General Administrative Instruction No. 10 had not been taken. The Bank of Naples has now been appointed as administrator for all real estate and the contents of such real estate. They have been informed that they must look to the Italian Government for their fees up to the date of occupation by the Allies of the territory concerned, also that as from the date of taking custody the Bank are agents for the Allied Military Government and will be entitled to a remuneration, the scale of which will be fixed in due course. Preparations were in course for the taking of formal custody as and when the necessary formalities, such as the taking or checking of inventories, are completed.

4. Chattels

In a number of cases chattels of all kinds were placed by the Italian Government in the custody of individual sequestrators. The taking of formal custody was begun during the month under review.

5. Industrial and Commercial Concerns.

(a) Entenridge & Co.

This is a retail department store owned by Mr. Francis Roe and Mr. Herbert Roe, two Englishmen. The capital of this business is shown as approximately £20,000,000 by the tentative balance sheet at 26 Oct 43, the date of taking custody.

(1) Undisclosed Bank Account. A Bank Account was discovered to have been in existence at the date of sequestration, 7 Nov 40, but was omitted from subsequent balance sheets. On being taken over by the sequestrator, the balance in this account was £1,993,658.10. Later this balance was augmented by deposits and interest, so that up to the date of the closing of this bank account, 21 Jul 43, a total of £1,867,882.15 had been withdrawn during the period of sequestration. Sig. Musella, the former assistant sequestrator, indicates that £1,295,000 was withdrawn from this account to purchase Government Bonds referred to in the following paragraph. The remaining withdrawals of £1,372,882.15 are still to be accounted for.

(2) Undisclosed Government Bonds. The Bonds of £1,495,000 referred to above have not been shown on the records. Of this total, bonds of £270,000 have been located in a safe deposit vault in the name of Sig. Musella. These have been referred to the Controller of Property for sequestration. The remaining

3. Real Property.

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4. Vaults.

In a number of cases chattels of all kinds were placed by the Italian Government in the custody of individual sequestrators. The taking of formal custody was begun during the month under review.

5. Industrial and Commercial Concerns.(a) Gutteridge & Co.

This is a retail department store owned by Mr. Francis Rae and Mr. Herbert Rae, two Englishmen. The capital of this business is shown as approximately L. 20,000,000 by the tentative balance sheet at 26 Oct 43, the date of taking custody.

(i) Undisclosed Bank Account. A Bank Account was discovered to have been in existence at the date of sequestration, 7 Nov 40, but was omitted from subsequent balance sheets. On being taken over by the sequesterator, the balance in this account was L. 993,658.10. Later this balance was augmented by deposits and interest, so that up to the date of the closing of this bank account, 21 Jul 43, a total of L. 1,567,882.15 had been withdrawn during the period of sequestration. Sig Musella, the former assistant sequesterator, indicates that L. 425,000 was withdrawn from this account to purchase Government Bonds referred to in the following paragraph. The remaining withdrawals of L. 1,142,882.15 are still to be accounted for.

(ii) Undisclosed Government Bonds. The Bonds of L. 495,000 referred to above have not been shown on the records. Of this total, Bonds of L. 270,000 have been located in a safe deposit vault in the name of Sig Musella. These have been transferred to the Controller of Property for safekeeping. The remaining bonds of L. 225,000 are presumed to be in Rae, in the possession of Sig Pallizani, the former sequesterator.

(iii) Merchandise not accounted for. The retail method of accounting which is in effect a perpetual inventory of merchandise at selling prices, had been discontinued when the sequesterator took over on 7 Nov 40, so that the amount of missing merchandise, if any, cannot be readily ascertained. The data necessary for such a determination is however available, and may well serve as a basis for a claim for missing merchandise. Before resorting to a reconstruction of the retail method for the period of sequestration, which would probably entail a great amount of detail work, tests are now being made to determine the advisability of following such a procedure.

(iv) Merchandise Under-valued. Merchandise on hand at 31 Jan 43, at cost prices, was L. 11,619,459.15, but was shown on the books as L. 3,865,337.73. An examination of the detailed inventories at that date showed that each item was valued

- 2 -

at 30% of cost. The balance sheet showing this valuation was signed by Sig. Pellizzari who, according to Sig. Musella, gave instructions for this undervaluation because the business was about to be sold at a very low figure to a group of Italians, with the approval of the Italian Government. Sig. Musella states that all arrangements had in fact been made to complete the sale, and Sig. De Muralto, the present manager, confirms this.

(v) Demand for Taxes on Foreign Capital. A demand for payment of taxes amounting to L. 575,585 was received, covering the ten-year period 1932 to 1942. Article 10 of R.D. I 30 Dec 23 No. 3280 has been examined, and it is considered that the firm does not come within the section in view of the fact that the capital of the firm had been built up over a period of sixty years out of profits earned in Italy. In consequence the firm has been instructed not to pay, and a letter to this effect has been sent to the Intendenza di Finanza ordering the demand to be cancelled.

(b) Societa Imprese Pubbliche e Private Ischia e Capri.

Prior to March 1942 the share capital of this business amounted to L. 3,600,000, of which an American group held approximately L. 1,138,000. On 27 Mar 42 a meeting of shareholders was held and a resolution passed to reduce the nominal value of the shares to L. 1,800,000, and to issue further shares to the value of L. 500,000. These shares were subscribed for by the Italians, who already had a majority holding. It is considered that the value of the assets at the time of the reduction of the share capital was about L. 7,500,000, and before fresh shares were issued it is considered that bonus shares should have been issued to existing shareholders, having regard to the value of the assets. It is desired to record the fact that the American interests have been heavily penalized by the methods adopted in their absence.

6. Bank Accounts.

The balances of all bank accounts of Allied Nationals in the Region have been transferred to the name of the Controller of Property, and all securities being the property of Allied Nationals have been placed at his disposal. The balances of most of these accounts were transferred to Northern Italy prior to the occupation by the Allied Forces, but over 3,000 accounts are now in the Controller's name.

7. German Property.

(a) Schmidt & Dupont.

The case of the jewellery firm trading under the name of Schmidt & Dupont calls for special mention. This firm, whose shop is situated in Naples, is owned by two German Nationals, both of whom fled immediately prior to our occupation, leaving the property in charge of the manager. The Regional Property Control Officer (Major Hitchcock), at some date subsequent to the 25 Nov 43, purported by an undated written contract to undertake to sell to the manager the stock of merchandise for L. 957,998, a figure which happens to be the same amount as the difference between the assets and liabilities of the firm. In view of the fact that the Regional Property Control Officer was without even a shadow of authority or power to sell or otherwise deal with the property in question, and that the contract under which he purported to sell the same was a nullity and of no legal force or effect, I have, after consultation with the Legal Sub-Commission, ordered the present TCO to take steps forthwith to rescind the transaction, and to restore the parties insofar as possible to the status quo.

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(b) Fishnets - Property of F. Walter Hermann.

Nine bales of fishnets, the property of F. Walter Hermann of Leipzig, were removed from the German steamer "Marburg" on 11 Nov 39, and placed in the depository of Elefante-Mangili at Naples. The "Marburg" had put into Naples for refuge when the war broke out. AMG Region III published instructions that all German owned property would be declared to the Controller of Property. Elefante-Mangili declared the fishnets and submitted an account for L.5,079.05, charges against the nets for storage, insurance, carriage, etc. Early in December Major W.A. Hitchcock, then Controller of Property Region III, wrote to Capt. Harvey P. Wingate, who was the transportation and public utilities officer of AMG Naples City, and advised him that he had nine bales of fishnets in his custody, which were valued for insurance at L.30,000. Later in December Major Hitchcock again wrote to Capt. Wingate giving him authority to take possession of the nets, and requesting payment of the sales

- 3 -

price of L.10,000, as agreed. Capt. Wingate took the nets and paid L.10,000 to the Controller of Property, who paid L.5,079.05 to Elefante-Mangili to cover their charges. On enquiry Major Hitchcock stated that Capt. Wingate could give a complete explanation of how the price was set, and that he understood that the nets had deteriorated in storage. Major Hitchcock was undoubtedly of the opinion that he was entitled to dispose of the nets, and that if he had not done so, the storage company might have applied to the Tribunale for permission to sell in order to collect the storage charges.

REGION IV

8. Personnel.

Capt. H. D. Weaver (A) was assigned to temporary duty AFHQ NATOUISA on 5 Feb.

9. General.

Lt. Col. C. Carroll (A), Major P. D. Shriver and Major Giannelli have attended various conferences at HQ AMG 5 Army in connection with Rome planning and the steps to be taken to protect properties in Rome.

REGION V

10. No property is reported in the territory at present under the control of this Reg - but a number of properties are known to exist in Campobasso Province.

20 March 1944.

C. R. S. HARRIS,
Lieut. Colonel,
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5580

CIRCULATION SLIP
Please pass file QUICKLY

FROM	OFFICER	TO
	Brig. M. S. Lush	
	Col. N. E. Flake	
	Lt. Col. T. Farley Smith	
	Major Driffield-White	☒
	Major Van Dusen	
	Capt. Talbot	☒
	Capt. Carr	
	Capt. Stewart	
☒	Registry	

REMARKS

Initial HERE and FOLIO referred.

Please see 4

BU

10 MAR 1955

[Signature]

F I MAR Recd 516

U-662

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
Administrative Section

C.A. Br. IX

28/AS.

28 Feb 44

Subject : Supplementary Report, Property Control Subcommittee

To : RC & MG Section, HQ. ACC. APO 394

Herewith please receive 50 copies of a supplementary report by the Director of Property Control Subcommittee. Para. 10 of the Property Control Report for January forwarded under this Office 519-8 ter ref. 319.1/AS dated 12 Feb 44, refers.

[Signature]
R.R. CRIPPS,
Lt. Colonel,
for The Vice President, Administrative Section,
Allied Control Commission.

49 copies

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) Borab 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 Scherbri, 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'insulare.

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) Ragusa 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. 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 ABCD, price and conditions of sale having been approved by Sig. Ing. Paterno.

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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 ABCD. 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.

• 2 -

- (b) Date of occupation to date of Original 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 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.P.

In accordance with instructions received from AFHQ, all A.G.I.P. assets, with the exception of funds lodged in banks and deposited with AMFA, 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. PARASITIAL 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 "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 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) 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:

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- (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, 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

- 3 -

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. Faravino 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 Commission 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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Lieut-Colonel,
Director of Property Control.

24 February 1944.

5576

REPORT OF THE DIRECTOR OF PROPERTY CONTROL FOR JANUARY 19441. General.

The work of this Sub-Commission has been somewhat hampered during the month under review by the geographical dispersion of the members of the HQ staff. Contact was made with Regions III, IV and V, which on 25 Jan came within the purview of the Sub-Commission, and also with the Italian Government.

2. Personnel.

I arrived in Naples by air from Palermo on 8 Jan. About the middle of the month Major Bevard (A), who had been in Naples since 26 Dec 43, left for the U.K. Captains Cavanaugh (A) and Hewett (A) arrived in Naples on Jan 11 and 12 respectively. At the end of the month Major Evans (B) and Major Sansone (A) were released from temporary duty with HQ Commandant Naples and rejoined my staff. Major King (A), who had arrived in Naples early in January, was immediately posted for temporary duty with the Displaced Persons Sub-Commission, whence he has not yet returned, and Capt. Sirotek (A) who left Palermo on the last day of December, has been on temporary duty during the whole of the month with HQ Commandant Salerno. Lt. Col. Glenn (A) and Lt. Col. Bennett (B) remained in rear HQ Palermo throughout the month. Capt. Wellington (A) continued to be employed on temporary duty with G-4 Naples.

With the addition of the three officers promised to this Sub-Commission from the rear echelon ACC from North Africa, requirements for staffing Regions I to VI as well as HQ can be met satisfactorily, provided that no more officers are meanwhile taken out. For the activation of any further Regions additional staff will be necessary, since the functions of this Sub-Commission remain executive, and the transfer of territory to the Italian Government will not afford any relief in the volume of work. The staff requirements of this Sub-Commission, unlike those of most other Sub-Commissions, are cumulative and cannot therefore be adequately met by a global establishment.

3. Region I.

No report has been received from Region I for the month under review up to the present date. A reminder has been sent.

4. Region II.

No report has been received from Region II for the month under review, the C.P. Major Meader, having been transferred to the end of the month to temporary duty as 3000. Major Meader has been placed on the list of American officers to be transferred to U.K. and has been in his capacity as C.P. by Capt. Cavanaugh (A).

5. Region III.

Conditions in Region III are far from satisfactory. Until the beginning of December Major Hitchcock (A) C.P. was without assistance, and though since that date Major Garde (E), Capt. Weaver (A) and Lt. Miller (A) - both now transferred elsewhere - and Capt. Swaile (A), who has unfortunately been sick for a consider-

James Cavanaugh (A) and Hewett (A) arrived in Naples on Jan 11 and 12 respectively. At the end of the month Major Evans (B) and Major Sansome (A) were released from temporary duty with HQ Commandant Naples and rejoined my staff. Major King (A), who had arrived in Naples early in January, was immediately posted for temporary duty with the Displaced Persons Sub-Commission, whence he has not yet returned, and Capt. Sirota (A) who left Palermo on the last day of December, has been on temporary duty during the whole of the month with HQ Commandant Salerno. Lt. Col. Glenn (A) and Lt. Col. Bennett (B) remained in rear HQ Palermo throughout the month. Capt. Wellington (A) continued to be employed on temporary duty with G-4 Naples.

With the addition of the three officers promised to this Sub-Commission from the rear echelon ACC from North Africa, requirements for staffing Regions I to VI as well as HQ can be met satisfactorily, provided that no more officers are meanwhile taken out. For the activation of any further Regions additional staff will be necessary, since the functions of this Sub-Commission remain executive, and the transfer of territory to the Italian Government will not afford any relief in the volume of work. The staff requirements of this Sub-Commission, unlike those of most other Sub-Commissions, are cumulative and cannot therefore be adequately met by a global establishment.

3. Region I.

No report has been received from Region I for the month under review up to the present date. A reminder has been sent.

4. Region II.

No report has been received from Region II for the month under review, the C.P. Major Meader, having been transferred to the end of the month to temporary duty as a military officer. Major Meader has been placed on the list of American officers to be transferred to U.K. and has been in his capacity as C.P. by Capt. Cavanaugh (A).

5. Region III.

Conditions in Region III are far from satisfactory. Until the beginning of December Major Hitchcock (A) C.P. was without assistance, and though since that date Major Carde (B), Capt. Weaver (A) and Lt. Miller (A) - both now transferred elsewhere - and Capt. Swaile (A), who has unfortunately been sick for a considerable portion of the time - have been made available to assist him, the work in the Region is greatly in arrears. There are between three and four hundred pieces of real property in the Region belonging to Allied and French Nationals, besides some 20 commercial and industrial concerns needing supervision. Very little progress has hitherto been made in taking custody of the former. I have therefore arranged for temporary assistance to be given to Major Hitchcock by placing at his disposal the services of Major Sansome (A) and Major Evans (B). Lt. Col. Glenn (A) D.D.P.C. is now in the Region on a visit of inspection, with a view to re-organizing the work so as to enable arrears to be overtaken.

- 2 -

4. Region IV.

Contact has been made with Lt. Col. Carroll (A) and his staff. These plans for Regions IV and V Army area have now reached an advanced stage.

7. Region V.

Contact has also been made with Col. Whitley, and two officers, Major Newell (A) and Capt. McDaniel (A) have been attached to his staff as Property Controllers.

8. Negotiations with the Italian Government.

A meeting was held at Bari on 14 Jan between Col. Upjohn, C.L.O., the Italian Minister for Pardon and Justice, Signor de Santis, and myself, to discuss the legislation to be passed by the Italian Government with a view to conferring on the D.P.C. the powers required to enable him to act as Custodian of United Nations property in territory under the control of the Italian Government. The atmosphere was cordial and the Minister's attitude was helpful. He was perfectly prepared to grant the D.P.C. power as general administrator of all United Nations and French property, and if the powers contained in the Italian Civil Code were not sufficient he invited us to propose any amplifications which we thought appropriate. The Legal Dept is now in course of studying the provisions of the Italian Civil Code, in order to determine what further powers, if any, are required. These discussions have not yet been resumed owing to the imminent resignation of Sig. de Santis, but will be continued at the earliest opportunity with his successor, Sig. Caserti.

Proposals for the financing of (i) properties where income is insufficient to meet the cost of management and maintenance, and (ii) the expenditure necessary to prevent further serious deterioration in value in the case of properties damaged by military operations, have been drawn up. Briefly, it is proposed that expenditure under (i) should be financed by advances made against the property by the Italian Government, this being the system applied to sequestered properties by the Italian Government under the existing war legislation. With regard to (ii) it is proposed that the Italian Government make itself responsible for providing the necessary funds.

If approved I intend to discuss these proposals with the Minister of Finance at an early date.

9. Extension of Property Control to the Property of United Nations and French Property.

A Proclamation has been signed by General Alexander enabling the C.C. to extend the D.P.C.'s control of property to that of French Nationals. This will be published in AMG Regions together with the necessary General Orders giving effect to the same. In Regions I and II the extension will be embodied in the decree to be passed by the Italian Government conferring the requisite powers on the D.P.C.

10. On receipt of Reports from C.P.s Regions I and II a further Report will be submitted.

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

11 February 1944.

1751