

ACC 157/PWU

10000/150/460

SOCIETE ELE
MADONIE (SP
OCT. - DEC. 19

10000/150/460

SOCIETE ELETTRICA DELLE
MADONIE (SEMI)
OCT. - DEC. 1943

AC/157/PWA

SOCIETE ELETTRICA

DELLE MADONIE (SEM)

Opened 21 October 1943
Closed 30 December 1943

Opened 21 October 1943
Closed 30 December 1943

10000 150

460

THIS FOLDER

CONTAINS PAPERS

FROM OCT 1943

TO DEC 1943

CATALOGUE.

1574

Date	Ref.	From / To.	Subject
1. Nov.	157.	- State to Confidential	
2. 22 Nov.	157.	For Elit. de Madrid.	Increase of salaries states
3. 30.	157.	Re Region 1	" " "
4. 30.	157.	Re Economic Director	" " "

7169

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Public Works and Mines Sub-Commission

LAS/cob

ACC/157/PWM

Memorandum.

To Lt-Col Rhodes. Palermo.

30 Dec 43.

*File:
AC/157/PWM
Edw. J. Smith
Amh.*

I attach herewith two copies of a letter received from Major McFadylan dated 21 Dec 43. Please take one copy and discuss the matter therein with Father Averno and let me have your report as soon as possible.

L.A. Jennett
L.A. JENNETT,
Lt-Col. C.E.R.
Director.

1st. Indorsement:

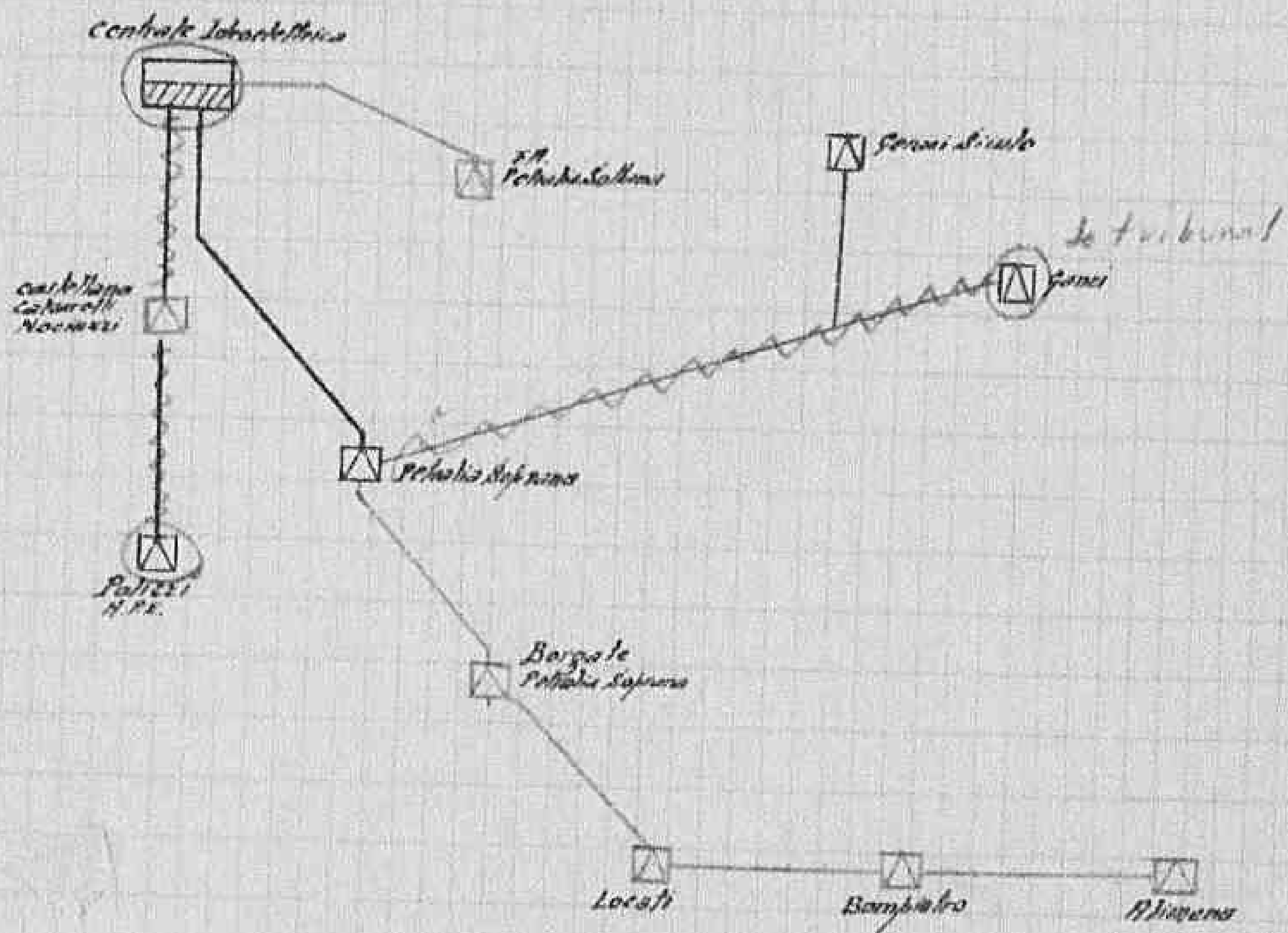
January 8, 1943

Father Averno has been absent from Palermo for several weeks and has not yet returned. Therefore unable to contact him.

However Engineer A. Mastriacchi was reached on January 7, 1943 and he will relay the information to Father Averno at the first opportunity.

Engineer Mastriacchi was one of the civilians who attended the conference in Father Averno's apartment on Via Catania about the middle of December 1943.

Lt. Laughlin



Impianti costruiti dalla S.E.M.

S.E.M.

durante i 15 anni di Regia

7758

Copy

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
(Rear Detachment)
APO 512
LEGAL SUB-COMMISSION

/rlp

21 December 1943

S.E.M. and S.E.S.E.M.

I have gone into this case and have had interviews with FILIBERTO CALASCIBETTA and the Carabinieri at Petralia Sottana and Petralia Soprana. I have also examined court documents. There is a serious difference between the tales told by Pather Averno and F.C. and the Father's tale is not all true.

F.C. is prepared to hand over at once to the S.R.M.

The Hydro Electric Power Station at Petralia Sottana

High Tension lines to Gangi and to Polizzi

He is also willing to hand back the plant at Gangi to the Tribunal who controls it on behalf of the Bankrupt Elice Societa of Palermo.

I suggest Averno be told of this offer and directed to get into touch with F.C. and to take the matter to the Tribunal if he thinks he is entitled to further redress.

I do not think we should interfere further in what is a civil matter which comes within the ordinary jurisdiction of the Italian courts.

13/ H. W. McFadyen, Major

Legal Officer.

7757

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Public Works and Utilities Sub-Commission

L.A.J/cw

AG/I57/PWU

9 December 43

Subject: Società Elettrica delle Madonie.
To : Col. G. M. Spefford.

As requested I am submitting a report on the above subject. We have a file on the affairs of this Company, its history and its request for permission to increase rates. There are two problems to be considered.

1. The milking of this company by an individual who apparently got rich on unsavory dealings and who was requested by a court to turn over the property to the rightful owners who had elected a president (a priest) to represent them, but this individual still refuses to let loose of his hold.
2. Increased wages have, as in all cases of public utilities, created a condition where either an increase in rates, or tariffs, must be allowed, or a government subsidy provided to cover monthly deficits.

Under item 1, I had sent the files to the Economic Directorate before I went to the mainland with a note asking that this matter be reviewed by the Finance Sub-Commission. However, a few days ago I found out that the files had been returned to us, possibly by some error and, therefore, no action taken. I met Lt-Col Wilmer at the mess and discussed this matter with him, as, in fact, it may be considered more of a legal than a financial matter. He agreed to review the case and the files were sent to him yesterday for such action as the Legal Sub-Commission may be able to take to bring this recalcitrant individual to terms and have the property returned to the rightful owners.

Under item 2 the following steps have been taken. At a staff conference, when salary increases were discussed, I asked General McSherry what we were to do in connection with rates; that we could not raise salaries to all people and ignore the question of rates to be charged by public utilities; that I had that question before me at the request of the Gen. Elec. Co. of Sicily. I was advised that no rate increases were to be allowed until the Italian Government had taken action on either agreeing to continue to pay subsidies (under the 1935 act), or to allow increases in rates. I then so

- 2 -

advised the Gen. Elec. Co.

When the Madonia request came to me I answered it in the same way under date of 30 Nov 43. It was felt that if this company had its finances and control worked out it might not need much of any increase in rates, and if it could not make ends meet it would then make a specific request for assistance, which, as in the case of the Gen. Electric, this company would be advised to arrange for through local banks under some arrangement of repayment by the Italian Government.

Realizing the hopelessness of such a procedure, and the further piling up of deficits against the Italian Government, when, in fact, the people could afford to pay more of the deflated lira now than they did in 1935, I discussed this matter with the Italian Minister of Public Works while at Brindisi and told him that we would like to have his Government look into this matter at an early date and advise us of its decision so that we could take such action as would then be proper in such cases. He readily realized that the people could pay more now and that, unless his Government will take early action permitting rate increases, it will be faced with the payment of high subsidies all over the country. He promised to take this matter up for decision and made some notes for his guidance. He was highly pleased to know that we respected their law and did not wish to take any steps contrary thereto until the new Government had an opportunity of acting thereon.

We naturally do not know how fast the Italian Government will act in such matters, particularly with some of us dealing with it at long range and through devious routes, and when it does act what the decision is apt to be. Reflecting the Minister's immediate reaction I would say that rate increases will be authorized. However the amounts of such increases will have to be carefully reviewed and may vary considerably in different localities, the same as do car rates at home, and with which matters I had considerable experience.

If early action by the Italian Government is desired, it may be well, as soon as we get settled on the mainland, for me to take this matter up again with the Minister. I shall be glad to have your views.

7755
L. A. JERRY
L. A. JERRY,
Lt-Col. G. S. R.
Acting Director.

Copy to: Economic Director.

MEMO

Meeting 9 Dec 43. (1) Lt.Col. Jenny.
 Present. (2) Lt.Col. Lapper.
 (3) Capt. Laughlin.
 (4) Father Antonio Averna,
 (5) Andrey Velardi.
 (6) Ing Masticchi.

Filiberto Calasgibetta.

This man is now in control illegally and they want him removed. His contract expired June 30 1943. They are administering one place now out of 8 places served.

This man got control under contract of all properties, except distribution at Petrolia Soprano, which the owners operated under the original name of S.E.D.M known as S.E.M.

This man has pocketed all revenues and refuses to give account or to pay rents. When pressed he would pay a little on account, but never paid up for any period. In the original contract with Calasgibetta they extracted a concession to have current free for distribution in Petrolia Soprano and in addition to this concession he was to pay them L100,000 per annum making a total debt of L1,200,000. Unpaid today - L, 847,000. Interest due on rents unpaid is about (5%) comp L, 320,000; owner paid in addition (ibetta L, 112,000 for taxes. (They paid all taxes, Calasgibetta never paid any. He would owe them about a total of about L, 1,500,000 since they advanced to him about L 190,000 for new construction work. They did take him to court before the war and he was to pay up but never did. They said Italian Courts take years to settle such simple questions.

original Company.

proprietaria S.E.M.

Societa Elettrica delle Madonie.

7754

Calasgibetta operated under this name.

Appaltatore S.E.S.E.M.

Societa Esercizio della S.E.M.

Father Antonio Averna. address:-

Via Messina off Via Settimo,

About 600 yds from PWU, north of 73 Via Settimo.

Left hand side, 2nd door on left, 3rd floor.

Re Societe Elettrica Delle Madonie

Start of Correspondence.

Letter 28 Aug 43. Stating that Mr. Francesco Cancellari is responsible for the failure of the Company and asking A.M.G. for his removal from directorship signed by eight persons (Council of Administration)

Meeting 15 Oct 43. (1) Lt-Col Densmore, A.M.G.
Present. (2) Father Antonio Averna, President of Company.
(3) Andrey Velacdi, Secretary of Company.
(4) Ing Mastricchi, Consulting Engineer,
(also Ing for G.E.)

Major McFadyen

*Legal Dept
Room 33
8th Floor
8th Floor*

Extract from notes of meeting.
Mr. F.C. Gen Adm & President during construction of plant. 1928 Co were Bankrupt also Bank. 1931 F.C. organised a new co Soc Esercizio della SEM (called SESEM). This co still exists and is supplying town of Petralia Soprana. Court Case April/43 F.C. would not meet obligation. F.C. still ignores court decision to pay 100,000 per month and hand over plant to SEM.

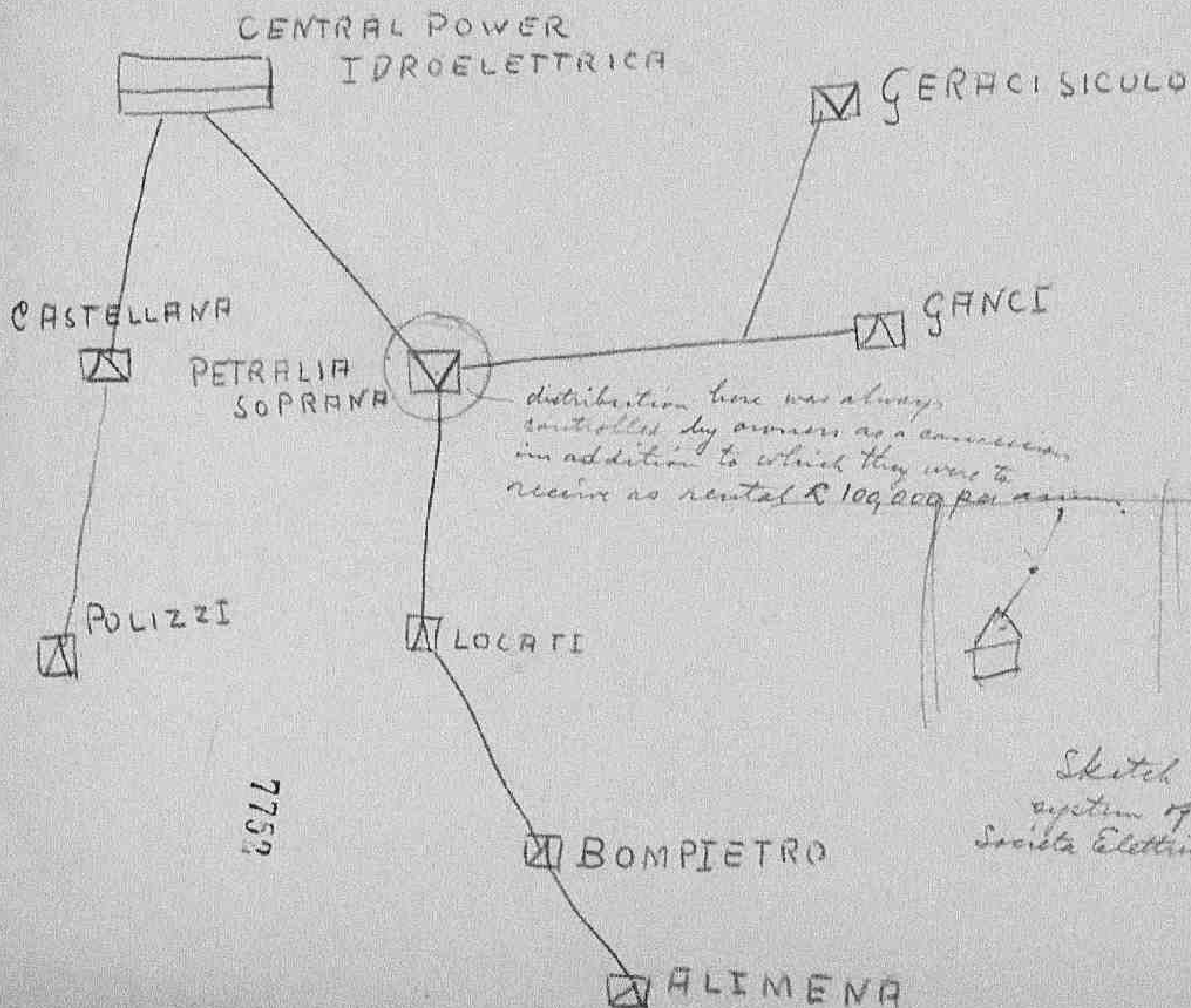
Letter 12 Oct 43. From Soc El Della Mad to AMG, P.W.&U. Sets out history of controversy between F.C. and SEM shareholders.

Letter 7 Oct 43. From SEM to CAO Palermo, asking for permission to increase price of electricity.

Conclusion.

The whole financial stability of the Company should be examined by a firm of accountants and the question of the holding Company SESEM and Mr. Francesco Cancellari's refusal to carry out the Court's decision with regard to handing over plant and monies to SEM should be brought out in the Auditor's report in order to see whether this is the cause of the present financial instability. The matter may then have to be again brought before the civil court for enforcement of the present order. In the meantime if income falls below expenditure, and no reserve available, arrangements will have to be made with the banks to cover the interim period. CAO should be warned regarding this matter and and arrange for plant to be examined from time to time to see that proper maintenance is being carried out. Company pay out expenditure to the detriment of proper maintenance.

*R. B. Latham
H. C. L.*



CENTRAL POWER
IDROELETTRICA

GERACISICULO

GANCI

TRALIA
SOPRANA

*distribution here was always
controlled by owners as a concession
in addition to which they were to
receive as rental R 100,000 per year*

LOCATE

BOMPIETRO

ALIMENA

*Sketch of transmission
system of the
Societa Elettrica della Madonna*

7757

FILIBERTO CALASGIBETTA

This man is now in control, ^{illegally} and they want him removed. His contract expired June 30, 1943



They are administering one place near out of 8 places served

Petrolia Soprano

This man got control under contract of all properties, except distribution at Petrolia Soprano which the owners operated under the original name of S. & A. Va known as SEM

They did take him to court before the war and he came to pay up but never did. They said Stalin could take them to court and single property

This man has pocketed all revenues and refuses to give account or to pay rents. When pressed he would pay a little on account, but never paid up for any period. In the original contract with Calor, - they extracted a concession to have current free for distribution in Petrolia Soprano and in addition to this concession he was to pay them £100,000 per annum. making a total debt of £1,200,000. - Unpaid today £847,000 ±. Interest due on rents unpaid is about (5% comp.) £320,000. Owners paid in addition £112,000 for taxes. (They paid all taxes, Cal. never paid any. He would owe them about a total of about £1,500,000 since they advanced to him about £190,000 for new construction work

ELECTRIC COMPANY OF THE MADONIE

Petralia Soprana (Palermo province)

22 November, 1943

To

Frank J. McSherry

Brigadier General and Deputy Chief Civil Affairs Officer

Palermo

We are ready to increase salaries to employees and workmen, but it is necessary that a change in prices for electric power be granted, in relation to the new conditions of the market and the change in cost.

Therefore it will be essential to adopt a fair and just tariff for the standard forms of the sale of electric power. Last October we wrote concerning this problem to the Provincial Civil Affairs Headquarters, AMOT, setting forth these points and the actual present conditions with a view to increasing prices.

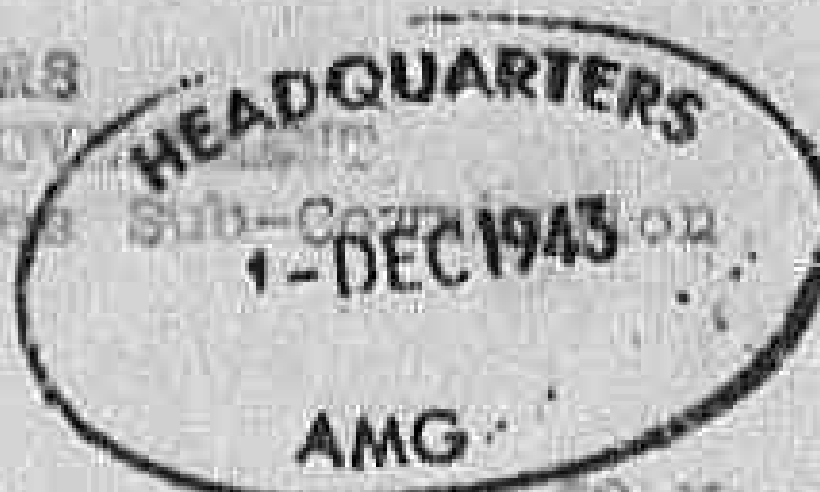
On our part, as soon as we receive a directive, we shall lose no time in giving a fair treatment to our employees.

Yours very sincerely,

SOCIETA ELETTRICA DELLE MADONIE

*Answered with
other concup
30/11/43 Def*

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Public Works and Utilities Sub-Committee
APO 512



LAC/dec 4
LAC/dec *flw*

AC/150/PWU

30 November 1943.

Subject: Società Elettrica della Madonna.

To: Economic Director.

There is attached hereto a letter for the signature of the Acting Adjutant General to be sent to the RCO, Region I, for transmittal to this company. This letter is in reply to a request made by this company for authority to increase rates to be charged for electric services rendered by it. Please forward this for signature.

Please have carbon copy
marked for return to me
so returned when letter
is signed

h.a.j.

L.A. Jenny
L.A. JENNY,
Lt-Col., C.E.R.
Acting Director.

1st Ind.

TB.H. Col. Jenny

1/12/43

Letter signed and copy returned here -
with 7750

Ramarkins Major
Staff Officer
Econ. Directorate

DW rch

3.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
Public Works and Utilities Sub-Commission
APO 618

LAS/ceb

30 November 1943.

Subject: Request of Societa Elettrica delle Madonie for permission
to increase rates.

To: ROAD, Region I.

On 21 October 1943 this HQ received a letter from the President
of the Societa Elettrica delle Madonie requesting permission to
increase the rates for electric services rendered by that company,
and on 22 November we received another letter dated 22 November on
this same subject. It is requested that this company be advised
as follows:

"Your letters of 9 October 1943 and 22 November 1943 have been
received by us. We note that you request authority to
increase the rates to be charged for electric services
rendered by your company.

Please be advised that the Allied Military Government
will not permit an increase in rates to be charged by you
unless and until the Italian Government takes steps
permitting such increases in rates."

By Command of Brigadier General McSherry.

E.L. CLOUGH,
Lt-Col., A.G.D.
Acting Adjutant General.

774

*File
JMB*

SOCIETA ELETTRICA DELLE MADONIE

Società per Azioni - Capitale Sociale L. 100.000.000 - 4.039.000 versato

Sede e Direzione in PETRALIA SOPRANA (prov. Palermo)

C.A.C. Palermo N° 10717

N° documento

431/UT

Pacromandata

Petràlia Soprana

Via G. Mattei, 43

Ottobre 1943.

OGGETTO: Aumento prezzo dell'energia elettrica: pubblica e privata.

TO:

CHIEF, CIVIL AFFAIRS ALLIED MILITARY
GOVERNMENT, OFFICIAL PROVINCE AF

PALERMO

Senza alcuna Vs. ordinanza e riscontro.

Ancora non è stata consentita la modificazione dei prezzi dell'energia elettrica, in relazione alle nuove condizioni del mercato e alla mutazione dei costi.

Fino al presente, i prezzi nella ns. zona Madonie, cioè:

L. 2 per Kwh energia illuminazione	
" 1,20 " " riscaldamento	
" 0,90 " " forza motrice,	

dipendono da tariffa prebellica.

Occorre adottare una equa e giusta tariffa per le forme classiche di vendita dell'energia elettrica: giustificata la discrepanza enorme fra i miseri prezzi praticati attualmente ed il potere d'acquisto della moneta. Tenere presente poi che non si è beneficiato di alcun aumento dal 1935 ad oggi.

Tre elementi gravano in questo momento sul prezzo di costo della energia prodotta dalla nostra Azienda:

- 1.- l'aumentato costo della manod'opera e dei servizi;
- 2.- il costo del rinnovamento dei vecchi impianti, che rapidamente si deteriorano e che specialmente oggi è indispensabile ricambiare.

77'8

OGGETTO: Aumento prezzo dell'energia elettrica: pubblica e privata.

TO:

CHIEF, CIVIL AFFAIRS ALLIED MILITARY
GOVERNMENT, OFFICIAL PROVINCE AT
PALERMO

Senza alcuna Vs. ordinanza e riscontro.

Ancora non è stata consentita la modificazione dei prezzi dell'energia elettrica, in relazione alle nuove condizioni del mercato e alla mutazione dei costi.

Fino al presente, i prezzi nella ns. zona Madonile, cioè:

L. 2 per kWh energia illuminazione
" 1,20 " " riscaldamento
" 0,50 " " forza motrice

dipendono da tariffe prebelliche.

Occorre adottare una equa e giusta tariffa per le forme classiche di vendita dell'energia elettrica: esaltate le discrepanze enormi fra i miseri prezzi praticati attualmente ed il potere d'acquisto della moneta. Tenere presente poi che non si è beneficiato di alcun aumento dal 1935 ad oggi.

Tre elementi gravano in questo momento sul prezzo di costo della energia prodotta dalla nostra Azienda:

- 1.- l'aumentato costo della manod'opera e dei servizi;
- 2.- il costo del rinnovamento dei vecchi impianti, che rapidamente si deteriorano e che specialmente oggi è indispensabile ricambiare per quanto riguarda linee, isolatori, cavi, trasformatori e macchinario in genere, se si vogliono evitare frequenti e lunghe interruzioni, ciò che è necessario, in considerazione dei servizi delicati e vitali per la Madonile, che sono affidati alla ns. Azienda;



SOCIETÀ ELETTRICA DELLE MADONIE

Società per Azioni - Capitale Sociale L. 3.152.000

Sede e Direzione in PETRALIA SOPRANA (prov. Palermo)

C. P. C. Palermo N. 40117

II°

Petralia Soprana,
Via G. Mattei, 43

N. riferimento

3.- all'aumento di costo dagli impianti di distribuzione e dal loro esercizio, a mano a mano che si passa dai Centri abitati alle agglomerazioni poco dense, che richiedono lunghe linee di allacciamento, impianti costosi solo parzialmente utilizzati e spese ingenti per deboli incassi.

Tutti questi elementi tendono ad aumentare il prezzo di costo e far sì che la ns. Azienda debba trovarsi davanti, oltreché a bilanci deficienti, ad impianti mal sicuri e di incostante funzionamento.

E' doveroso perciò evitare che si formino ancora idee errate sui prezzi di costo dell'energia elettrica, tenuto presente che se l'energia elettrica partecipasse delle caratteristiche degli altri prodotti, fosse cioè immagazinabile, conservabile e trasportabile come una merce qualunque, è fuori di dubbio che il suo prezzo avrebbe seguito le variazioni del potere d'acquisto della moneta, come accade per tutti gli altri prodotti e servizi.

Vogliamo sperare che, valutate le ragioni e le reali condizioni attuali, ordinerete l'aumento di prezzo. Vi ringraziamo di quanto sarete per fare e Vi preghiamo gradire i nostri sinceri saluti.

Società Elettrica delle Madonie
Il Presidente

[Handwritten signature]

7747

depend on tariff before war.

It seems to apply an adequate and just tariff for the clearance of electric power sale: justified the enormous difference between the miserable prices applied actually and the power of buying purchase. Furthermore it is to be considered that no benefit of any increase has been received from 1935 up to date. These elements enter into the cost price of electric power produced by our organization at this moment:

1. The increased cost of maintenance, stop, and service.
2. The cost of renewal of old installations, which rapidly deteriorates and which especially today have to be changed with regard to lines, isolators, cables, cores and insulating in general, if one wishes to prevent frequent and long interruptions, which is very necessary considering the decrease and rapid service of the Providence which is attributed to our 774th organization.
3. The increase of cost of distribution installations and their operating, little by little one passes from rehabilitated centres to small agglomerations, which requires long connecting lines. Costly installations only partially utilized and enormous expenses for a feeble income.

All these elements tend to increase the cost price putting our organization in the situation to face not only budgets with a deficit, but also to make unsteady installations with serious out operation.

from 0/09

It is therefore justified to avoid that style wrong ideas are made upon cost prices of electric power, considering that if the electric power would have the same characteristics of other products, that means if it would be storable, conservable and transportable as any other merchandise, without doubt its price would have followed the variation of power of money purchase, as happened for all other products and services.

We will hope that, valued the actual reasons and real

conditions, you will order the increase of the price.

We thank you for what you will do and remain

1 2 6 2 |