

DR	5/4/59	SR	

Villa 9900 Serbelloni

Milan, 29 April, 1959

AUG 27 1959

Agns-P #7  
R-05

900  
Financial admin  
Taxation

Dear Dean:

Yesterday morning I drove out to Bellagio in a Consulate car to call on the Secretary and the Princess, Miss Helle Comneno. As you know this resort town is located at the tip of the bifurcation which forms the two southern arms of the inverted Y which is Lake Como. The auto trip to Como, mostly on the autostrada takes 3/4 hours and then there's another 3/4 hours along a twisty, up and down and narrow road from Como to Bellagio. On the other hand the road from Bellagio to Lecco and thence to Milan is very much easier and takes just slightly less time. For someone who was going directly to Bellagio from Milan's Malpensa airport it would be easier to drive from the airport road, which enters the autostrada about 3/4 of the way to Como, straight on to Como. The drive from Lugano to Menaggio takes about an hour and from there to Bellagio by boat is another hour. There are other routes.

It is difficult to imagine a site more stunningly beautiful than the one on which the Villa Serbelloni is located. From almost any point on the estate one can see mountains and long vistas of Como's three arms. The 50 acre part of the estate, except for some large formal gardens in front of the estate and the area of the small farm, is actually park-like with lovely winding roads, gorgeous outlook points, and the remains of a small Romanesque castle perched on the highest point and on one side looking straight down to the lake more than a thousand feet below. There are ebony, camphor, palm, and a number of other exotic trees and several small, less formal, flower gardens. The park is in immaculate condition as far as I could see.

On the estate there is the Villa itself, a largish former Cappuccino monastery, a big stone tower, rising right out of the lake, which contains two three-room suites, a boat house with living quarters above it, a large porters lodge at the main gate, and six other buildings of various size and purpose. There is a tennis court, a small private harbor, etc. I went into about half the buildings and found that they, too, were in excellent condition. The buildings are well-spaced within the grounds and everything seems open, uncrowded, and peaceful.

The Villa itself is a typical Northern Italian lesser palazzo: rather simple, stucco-covered on the outside, full of windows, irregularly open-U shaped, beautifully appointed inside. On the ground floor one enters a very broad "majestic" corridor which runs the entire length of

the long side of the U. (flowers, lovely furniture, tapestries, etc.) From it open a series of interconnected reception rooms, including several small and large salons and an enormous dining room. In the short wings there are a suite of offices for the secretary, a few lesser bedrooms, butler's pantry, upper servants dining room, etc. On the second floor there are 11 large bedrooms with private bathrooms, several smaller bedrooms and a number of baths. I did not go into the Princess' suite but saw the huge library and a couple of small salons which are also on the second floor.

The reception rooms, the library, and all the large bedrooms I saw are beautifully appointed. Period furniture, beautiful rugs, many oil paintings including a Tiepolo, tapestries, objects d'art, etc. Things go well together and one senses that they were assembled with care by someone with exquisite taste. Half of the main bedrooms are as large or larger than your office. Most have small balconies looking out onto the lake and the mountains. From almost every window of the villa there are equally stunning views. The general impression is that this is indeed a home fit for a princess, but not grandiose and overpowering.

The next most interesting building is the monastery which is built around a square court surrounded by a cloister walk from which open a series of rooms. On the ground floor a half dozen rooms along one side have been done over as a suite for the secretary. Almost any R.F. officer would be glad to use it as his home and it shows what could be done in adapting the rest of the building's two floors (28 rooms and 4 bathrooms and ten kitchens) into a series of suites for guests. At present about 1/4 of the rooms are used as living quarters for the staff, but the building has much more promise than this for first class accommodations.

The third building I visited in detail is the so-called Sprondata Tower which rises out of the water on a point of land. It has 6 rooms, 2 bathrooms, and a kitchen arranged in two suites on separate floors. Fairly modestly furnished, it has just been repainted and is about ready for guest occupancy of very good quality if one is ready to sacrifice luxury for unbelievable beautiful view from every window.

The rest of the estate buildings are briefly described on a sheet I will enclose here. All the buildings have running water and electricity. Only the Villa itself has central heating, but the secretary's quarters seemed very comfortable, on a cold and intermittently rainy day, with only a small electric heater in each room. The boilers in the Villa will be replaced by more modern (coal-fired) ones in June. The water heating plant is modern.

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On arrival I was met by Miss Comneno and a Mr. Harmer who acts as a sort of major-domo. At first Miss Comneno made a somewhat timid and negative impression and I feared the interview might not turn out to be very profitable. She and Mr. Harmer took me thru the villa in a rather dazed way and then suggested that we drive around the park to get a general view of the place. At one point she suggested we get out and walk while H. drove down to a later meeting point. I sensed that this move had been deliberate and got down to the business of getting acquainted with her. After talking about the RF and its programs and something of its history I began to mention some of the questions you had raised and expressed the hope that she might help me provide you with the answers. She responded that she would very much like to do so and suggested that we do this during lunch at her house. Added that the Princess was very tired but had agreed that she could see me at tea-time if I felt it necessary. I again said that I would not want to disturb her and thought it best to postpone any such interview until you could come over.

Knowing nothing of the character and authority of the person I was to meet I had before starting out rearranged the order of your questions with the thought that I could come to a stop at any point where it seemed obvious that the Secretary was ~~not~~ in any position to give me the answers we needed. I also had a few questions of my own and so I will present the picture as it developed.

(1) I first asked whether the Princess would be distressed if you postponed your visit until late in May or early June. She said no, definitely; that the Princess had now made up her mind; that what she wanted was to have word that the RF was prepared to accept her gift. The Secretary felt that your visit could be best timed for around the 25th of May. Did not think June would be a good time because the place would be pretty much upset by the change of boilers, etc.

(2) I next asked what kind of a letter or other expression of interest the Princess or her lawyer would want from the RF. To this the Secty replied that what the Princess would like is a simple, legally-binding, letter stating that her gift would be acceptable to the Foundation. She added that the Princess herself did not want to discuss details. The Secty then stated that while the Codicil had been signed and witnessed, and would be legally binding in the event of her immediate death, it had still to be "legalized" or "validated".\* The Princess could change her mind and might do so if she began to feel that the RF would probably not accept the gift. In that event, the Secty thought, it would go to the American Academy at Rome. In this connection the Secty commented that there were no other potential recipients under active consideration, tho she added with horror that the Princess had once mentioned the possibility of giving the estate to the Vatican because she could at that time think of no other recipient.  
(\* Confirmed later by Mr. Coster).

(3) In answer to the question about specific obligations in connection with the status of the Villa and park as an historical monument, the Secty confirmed that the Villa itself was not classed as a h.m. The park is, but not the villa, the gardens, or the farm. The obligation is that the park be open to visitors one day per week. Actually the Princess has opened it six days a week (excluding Sundays and holidays) but this is not at all necessary. The Princess has insisted on the visitors being taken thru the park by a guide so that they wont wander about. A small fee is charged (?100 lire) and this takes care of the guide and leaves a small surplus.

(4) As far as the furnishings of the Villa are concerned, the Secty says that the Princess would include in her gift everything that is in the Villa except what is specifically excluded in the codicil and a few personal effects. The Villa would be turned over to the RF just about in the condition I had seen it this morning. The furnishings of the Secty's suite in the Monastery are her own property. The furnishings in the Sfondrata Tower are included in the gift, but most of the other buildings are furnished by the present temporary occupants and would not be included. The motor boat, cars, and other machinery would be included.

(5) It is difficult in this brief visit and discussion to state clearly how many people could be housed in the Villa for an int'l conference. As indicated there are 11 larger and 8 smaller bedrooms in the Villa. All the former and most of the latter could accommodate 2 people if twin beds were put in instead of the usually present double beds. Another four could easily be housed in the Secty's suite at the Monastery and with small expenditure for reconversion and furniture this building could easily house up to twenty or so more. Two to four could be put in the Sfondrata Tower right now. The kitchens and adnexa are vast (including built-in deep freeze and enormous ranges) and could certainly prepare food for at least fifty or sixty people and perhaps more. There is plenty of housing in other buildings of the estate for almost any amount of staff. (See encl. A). As a matter of fact there's so much staff here now that it's staggering.

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most conservative  
estimates: could  
easily be doubled.

(6) The Secty had already been working out the problem of how much staff would be needed to maintain the estate in an orderly fashion. She has prepared an outline which I am including here as Encl. B. As shown this includes 13 gardeners, a caretaker and a houseman for an unoccupied Villa, a chauffeur (added later as an essential man), a gate porter, night watchman, electrician (needed for pumps, other motors, maintenance, etc.) and a mason (to look after the many roads, walls, etc.). With other charges for maintenance, minimum insurance, etc. she has figured that all this would require about \$20 to 25,000 per year and it was on this basis that a gift of \$1,000,000 was proposed in the original discussions with the American Academy. Conservatively invested she is certain that this would cover all the ordinary running expenses, exclusive of what it would cost to add staff to take care of the guests who would be invited to the Villa

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(B)

by the beneficiary. Incidentally, the Butler of the Princess has been with her for more than 30 years and while he will receive a trust fund at her death might be persuaded to remain on. Is married, honest, thoroly reliable.

This seems a good place to say more about Harmer. He is English, has also been with the Princess more than 30 years. Started as a head gardener, took on more and more things, and is now a sort of trusted major-domo. Is extremely good about looking after gardens and park, is an efficient manager, tho tends to do things with his own crew which could be done better and more cheaply by hiring it out to local contractors. Needs careful supervision and guidance. Secty, who has an excellent business head, tried to do this but H. sometimes by-passes her and goes directly to the Princess who is very fond of him. Also covered by a trust fund but might stay on. Would need to have duties very carefully defined, and would need supervision but would be very useful.

During a long and leisurely (and by that time very friendly and easy) conversation I also asked the Secty what her own plans would be when the Princess dies. She is of Greek origin, by the way, and is also to be looked after by a trust fund arrangement. Age somewhere between 50 and 60, nearer the latter probably. Very keen, alert, capable, well informed obviously long with the Princess and entirely conversant with her affairs. Says she would like to stay on here long enough to see that there is an orderly transfer of the estate to its new owners. Does not look startled but does not comment directly on a very carefully worded statement that it might be nice if she stayed on longer than this. Have the feeling she could be approached on this matter.

(7) The Secty was not the person to ask re attitude of Italian Gov't to RF accepting gift but she did say that the local people would be extremely favorable to having a big American organization take over property. Later Mr. Coster said he thought such an arrangement would be welcomed by the Italian Govt in view of the RF's excellent reputation in this country.

(8) The \$2,000,000 which would be given to the RF under terms of Codicil signed on 23 April 1959, would be entirely in the form of American securities, mostly rather low-yield (because of the high income tax bracket) municipal bonds, all now on deposit with the Detroit Bank and Trust Co., 201 West Fort Street, Detroit 31. Miss Comneno says we could in this matter correspond directly with the efficient Mr. George MENOLD, Assist. Trust officer at the Det. Bank & Trust. She will let him know we might do so. (Doesn't like the Sr. Trust Officer because doesn't seem sufficiently familiar with the Princess' affairs. She states clearly that there would be no objection to our reinvesting the funds and that it would probably be wise to do so in order to get better yield)

(9) As to the taxability of the gift she assumed (and has been told by her lawyer) that since the Princess is an American citizen (as stated in the Codicil) and the \$2 million securities are in the USA they could be given to an American tax-exempt institution like the RF without tax. The lawyer, Bossi, has said that there might be a possible Italian tax of up to 5% on the value of the Villa Serbelloni estate and its contents. All this is obviously something quite outside my competence. I discussed it again later with Mr. Coster who likewise feels that he is not the best person to answer this question. He does refer me to "Treaty, Italy-USA on Estate and Inheritance Taxes, signed Mar. 30, 1955(Senate Document) and entered into force on October 26, 1955." (Ref. 7 UST 2977. TIAS 3678). Listed under Italy in "Treaties in Force", Dept. of State Publications. Mr. Coster will look into the matter further.

I had asked the Secty whether she felt it would be useful and/or desirable that I see the lawyer who handled the affairs of the Princess in Italy (Avvocato Achille Bossi, via S. Damiano 2, Milan). She thought this unnecessary and it seemed wiser not to press the matter. As a matter of fact I did not then, and do not now, feel that such a visit was pressing. It seems to me a matter of timing and that this is not the time to explore things outside the Princess' immediate household. The lawyer is said by Mr. Coster to be a good one. We have his address; we can get his answers in writing, if we need them. When I got back to Milan Mr. Coster thought that reasoning was right but said he would consult Mr. Rogers on it when he phoned him last night.

During the latter part of the interview with Miss Comneno she showed me the detailed list of the personnel now employed on the estate. The numbers are appalling! The Princess is afraid of staying at the Villa alone, for example, and so there are now either 5 or 6 night watchmen! There were at least 8 people in the kitchen. There are a half a dozen and more just on the farm. Etc. According to Italian custom all are paid on the basis of a 13 month year, to take care of Xmas gratuities, but the Princess pays them on a 14 month basis. Having by then established thoro rapport with the Secty I began exploring very gingerly as to what might happen to all these people. I could hardly finish the sentence before she replied that arrangements have been definitively made that on the Princess' death every employee will be automatically dismissed. Arrangements have also been made whereby all of them will be paid the severance allowances and indemnities required by Italian law. The Secty is clear and positive about this and says the provisions have all been gone over with Avv. Bossi. This would have to be checked, of course, but again I felt I could not do so at this time.

I had also been disturbed in my tour of the buildings by the number of families who were living on estate property. The Secty said there were about 20 such families living in housing of the estate and that that was something for which Harmer was in part to blame and which he was continuing to encourage. There are housing regulations of various sorts in Italy and so she has discussed all this in detail with Avv. Bossi. Fortunately housing is not included in the wages paid the employees and so B. has assured Miss C. that all the tenants can be asked to leave on the death of the Princess, or on a change of ownership, without any legal complication. This too is an extremely important point and should be checked by correspondence. It is not something, however, over which Miss C. showed any real concern.

Finally, Miss Comneno repeated again that if possible you should come to see the Princess with a definite reply as to RF acceptance of the bequest and she stressed again the need for a prompt reply so that the Codicil can be validated. I explained that the help she had given me today would be most valuable in the discussions you must have in NYC and expressed the hope that you would be writing her soon. She herself has no clear idea how an organization like the RF might use the Villa and although I gave some general outline of the type of things which are done at Arden House and which we have sponsored in places like Nice I did not go into detail because I felt that at this time it would fall on unprepared ground which was not in immediate need of such planting.

Back in Milan I <sup>re-viewed</sup> received the results of my visit with Consul Coster who agreed that it seemed to have gone very well. We talked further about the tax problem, as indicated, and I mentioned that if the RF did accept the gift we would probably have to take up with the Italian Govt the question of having the Villa Serbelloni recognized as an "Ente Morale", as is the Stazione Zoologica at Naples, so that it can enjoy tax exempt status, as does the Station. Mr. Coster says this is usually handled through action by the Council of Ministers.

And so I come to the end of my Milanese mission. I have tried to put down all the relevant details though I can't include all the little subtleties and minor impressions which make me feel that if the Foundation wants a place like this on the old Continent where much history is still being made, I can think of no more beautiful and fitting place than the Villa Serbelloni.

I have written brief notes to the Princess and to Miss Comneno, copies enclosed here, and will write a thank you note to Mr. Rogers whose office I have been using. I have tried to thank Mr. Coster for all the help he has given me, and on this last line I want to thank Mr. Roger's secty, Mrs. Tallon, who is typing this letter for me because I couldn't find time on my busy

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British rounds to rewrite it if it should go astray.

Regards,

*Lerry*  
✓ filed separately 4/29/59

P.S. I have another copy of the Codicil and will mail it from London in case my first letter, mailed Monday, should have failed to reach you. I will also include with it another copy of today's letter. The plans of the grounds I will send separately.

(A)

VILLA SERBELLONI ESTATE  
(as per Plan)

AUG 27 1959

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GROUNDS: 20.79 Hectares (say 50 acres) - Park, gardens, vegetable garden, small farm, tennis court, small private harbour).

BUILDINGS: 1 Main Building (the Villa) and 10 separate houses, Church, Boathouse, etc., i.e.:

1. Villa - main building.  
36 rooms, of which 11 large bedrooms with private bathrooms, 8 smaller bedrooms with 4 spare bathrooms, 7 reception rooms, kitchens, domestic offices, servants accomodation, terraces, balconies, galleries.
2. Bristol \*) - 3 rooms, bathroom, kitchen.
3. Maranese \*) - 7 rooms, bathroom, kitchen.
4. Sfondrata building \*) - farm and garage.  
10 rooms, 2 bathrooms, 2 kitchens, cowshed, storerooms, large Garage.
5. Sfondrata Tower \*) - 6 rooms, 2 bathrooms, kitchen. *(in 2 suites on 2nd floor)*
6. Boathouse - 2 rooms, kitchen, bathroom - small harbour.
7. Red House (casa Rossa \*) - 6 rooms, 2 kitchens, 1 bathroom, sheds.
8. Cappuccini \*) - 28 rooms, 4 bathrooms, 10 kitchens, sheds, wine cellar.
9. Porter's lodge - 7 rooms, 1 kitchen.
10. Small Villa at entrance of grounds (Villetta\*) near Porter's lodge.  
11 rooms, 2 bathrooms, 3 kitchens
11. Tower on Church Square - 3 rooms, 2 kitchen, 3 cellars.

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\*) Name by which building is known.

NOTE. The numbers on the Memo correspond to the thick black numbers on the Plan.

The red line on the Plan outlines the Estate.

A<sup>2</sup>

VILLA.

Salaries: 1 Caretaker (preferably a )  
couple( and)

1 Houseman..... 1,200,000

Maintenance..... 600,000

(Chauffeur.....520,000 ?) 1,800,000

Page 4 of the Letter -

In the margin beside (5) type the penned note

(Most conservative estimates. Could easily be doubled.)

AUG 27 1959

Exh (B)

ESTIMATE

OF ANNUAL EXPENDITURE FOR MAINTENANCE OF  
VILLA SERBELLONI ESTATE IN ITS PRESENT CONDITION

3/4/59.

(on the assumption that it is kept as a National Monument open to the public, without putting it to any other use).

	<u>It. Lire.</u>	<u>It. Lire.</u>
<u>GARDEN.</u>		
Salaries for 13 gardeners, say.....	5,850,000	
Various expenditure.....	<u>1,500,000</u>	7,350,000

<u>VILLA.</u>		
Salaries: 1 Caretaker (preferably a couple (and		
1 Houseman.....	1,200,000	
Maintenance.....	<u>600,000</u>	
<i>Per chauffeur</i>	<u>520,000</u>	1,800,000

OTHER BUILDINGS AND ESTATE.

Salaries:		
1 Porter.....	390,000	
1 Nightwatchman.....	390,000	
1 Electrician.....	520,000	
1 Mason.....	<u>390,000</u>	
	1,690,000	
Maintenance:		
Electricity.....	600,000	
Masonry, etc.....	<u>500,000</u>	
	1,100,000	2,790,000

INSURANCES.

Say.....	<u>300,000</u>	
<i>omit Princess's house (1,000,000)</i>		
TOTAL ANNUAL EXPENDITURE, say.....		12,240,000

(App. \$19,600.-)

Say \$20,000.- per annum.

NOTE: The Farm is not included in the Estimate because, if properly run, it should at least be self-supporting.

*Miss C. herself would give it up as an unnecessary luxury but warns this should not be discussed with the Princess who is very fond of her farm.*

(C)

COPY OF LETTERS WRITTEN BY HAND

Milano, 28 April, 1959

Dear Princess:

I have just spent a few happy hours at the Villa Serbelloni and I would not want to let the day end without telling you what an extraordinarily beautiful place I found it to be. I can think of no more splendid environment in which scholars and men of good will might assemble to discuss their problems and to speak and to work together on the larger purpose of promoting international understanding.

Mr. Dean Rusk plans to come to Italy next month to thank you personally for having offered to the Rockefeller Foundation for this purpose the lovely estate I have visited today but I know he would want me to tell you this evening how very much the Foundation is honored by the confidence you have shown in offering this magnificent gift.

Very sincerely yours,

(GRP)

The Princess Della Torre e Tasso  
Villa Serbelloni  
Bellagio.

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Dear Miss Comneno:

I have written to the Princess this evening but I also wanted to tell you how much I appreciate all the courtesies you showed me today. Through your eyes I have seen briefly the loveliness of the Villa Serbelloni and what it has meant to the Princess. With your help I have found answers to questions which will aid Mr. Rusk in the discussions he must have in New York. In your home I have felt the charm of the Cappuccini.

My warmest thanks !

Very sincerely yours,

Miss Helle Comneno  
Villa Serbelloni  
Bellagio

(GRP)