

SECRET

III. Notes Relative to Lists of Assets and Chart

1. The division of May into two periods on the chart is an attempt to show the sudden decrease in activity after the promulgation of Decree Law 34,600. This law was sufficiently precise to impede flagrant violations of the intention, even with the cooperation of the Portuguese Government. In effect, however, the Decree Law had been completely circumvented by Dithmer and his associates before promulgation, and this with the undoubted aid of the Government. It will be seen that the sudden increase in activity coincides with Decree Law 34,455 of 22 March, which was sufficiently full of "loop holes" not to hinder the German Group, but gave them ample warning before the promulgation of 34,600.

2. The list of Liquidated Assets (A) is not necessarily complete. As will be seen, Dithmer apparently disposed of more cash than he acquired in this three months period. But List B will show 25 million of other fixed assets which were not reported as liquidated by OSS sources, although some of them may have been liquidated. For instance, it is believed that Dr. Sousa Machado succeeded in selling the Companhia Mineira do Norte de Portugal office building to the Portuguese Government to prevent profitless confiscation. On the other hand, as indicated in Part II, it is not likely that the entire difference between cash acquired and new assets acquired can be made up from the 25 million of assets not reported liquidated.

3. Part C of the Lists of Assets lists first the type of asset and then the name of the individual or firm. In some instances the names refer to the individual acquiring the assets, whether fixed, loans, etc., and in other instances to persons receiving the loan. The difference can be seen by the type of asset involved in the transaction. In the case of loans, credits and gifts, the names naturally represent the recipient or debtor, the creditor being the whole German Group. In the case of fixed and movable assets and investments, the name used in the case of specifically designated assets is the particular member of the Group making the acquisition; whereas if only a type of acquisition or investment is mentioned, such as "improvement" or "financial backing" the name refers to the recipient or debtor.

SECRET