

August 14, 1947
[T. I. A. S. 1757]

Agreements and supplementary exchanges of notes between the United States of America and Italy respecting financial and economic relations. Signed at Washington August 14, 1947; entered into force August 14, 1947.

MEMORANDUM OF UNDERSTANDING

Between the Government of the United States of America and the Government of Italy regarding settlement of certain wartime claims and related matters.

Mutual renunciation of claims.

As an integral part of the measures which are now being taken to restore normal financial and economic relations between our countries, and as a step toward the economic stability of Italy, the Government of the United States of America and the Government of Italy have reached an understanding providing for mutual renunciation of claims and for related agreements, as follows:

ARTICLE I

RENUNCIATION OF CLAIMS BY ITALY OR ITALIAN NATIONALS

61 Stat., Pt. 2,
p. 1401.

1. (a) In reaffirmation of and connection with Article 76 of the Treaty of Peace with Italy, dated at Paris February 10, 1947, the Government of Italy waives all claims of Italy of any description, arising directly out of the war or out of actions taken because of the existence of a state of war in Europe after September 1, 1939, against United States nationals or the Government of the United States of America, any of its agencies, or contractors or sub-contractors of, or licensees from the Government of the United States of America or its agencies.

(b) The Government of Italy further discharges and agrees to save harmless the Government of the United States of America from any responsibility and liability for the processing, settlement and satisfaction of any such claims of Italian nationals.

2. (a) The Government of Italy waives any claims of Italy against the Government of the United States of America, its agencies or United States nationals arising out of actions with respect to ships under Italian registry and flag, including ships in which there is an Italian interest, between September 1, 1939 and the coming into force of the present Memorandum of Understanding, including claims with respect to the use of Italian ships for civilian or other passenger carriage.

(b) The Government of Italy further discharges and agrees to save harmless the Government of the United States of America from any responsibility and liability for the processing, settlement and satisfaction of any such claims of Italian nationals.

3. The Government of Italy waives any claims of Italy against the Government of the United States of America, its officers or agencies arising out of the maintenance of camps in Italy for displaced persons and for all costs incurred in caring for displaced persons in Italy, including but not limited to claims for reimbursement of the United States share of lira funds advanced to the Allied Financial Agency for the purposes specified in this paragraph.

Displaced persons.

4. (a) The Government of Italy discharges and agrees to save harmless the Government of the United States of America from any responsibility and liability for the processing, settlement and satisfaction of any claims:

(i) of Italian nationals, whether or not asserted in the courts of any country, respecting which the ultimate liability is that of the Government of the United States of America, and arising out of maritime incidents, occurring between September 1, 1939 and the coming into force of the present Memorandum of Understanding, excluding incidents involving ships engaged in purely commercial activities; or

Maritime incidents.

(ii) of Italian nationals or persons domiciled or resident in Italy against the Government of the United States of America, its contractors and sub-contractors, or licensees therefrom, for royalties ultimately paid or payable by the United States of America, or for use of inventions, patented or unpatented, or for infringement of patent rights, arising out of any use of patents or inventions by the Government of the United States of America or such contractors, sub-contractors or licensees, in connection with the wartime activities of the United States of America or programs connected therewith.

Royalties for use of inventions, etc.

(b) The Government of Italy further waives any such claims of Italy.

5. (a) The Government of Italy discharges and agrees to save harmless the Government of the United States of America from any responsibility and liability for the processing, settlement and satisfaction of any claims of Italian nationals, or non-Italian nationals, residing in or transiting Italy, whether or not asserted in the courts of any country, respecting which the ultimate liability is that of the Government of the United States of America and arising out of acts or omission, both line of duty and non-line of duty, of military and civilian employees of the armed forces of the United States of America, occurring between September 1, 1939 and the coming into force of the present Memorandum of Understanding.

Liability arising out of acts or omission of employees of U. S. armed forces.

(b) The Government of Italy further waives any such claims of Italy.

(c) The Government of Italy further agrees to process and to assume full responsibility for the settlement and discharge of any such claims.

Seizure and disclosure of technology.

6. (a) The Government of Italy discharges and agrees to save harmless the Government of the United States of America from any responsibility and liability for the processing, settlement and satisfaction of any claims of Italian nationals against the Government of the United States of America, its agencies, or persons acting under its direction, arising out of the seizure and disclosure of technology, whether patented or not, under programs of the Government of the United States of America for the acquisition and disclosure of such technology in connection with wartime operations and any claim against any person based upon use of information so disclosed.

(b) The Government of Italy further waives any such claims of Italy.

61 Stat., Pt. 2, p. 1396.

7. (a) The obligation to return Italian goods under Article 73(2) of the Treaty of Peace is understood to be an obligation only to return such goods in the condition in which they exist at the time of return.

(b) (i) Except as specified in Article 73(2) of the Treaty of Peace, no claim shall be asserted by Italy against the Government of the United States of America or its agencies, or against duly authorized United States nationals, arising out of or in connection with procurement or requisition of supplies, services or facilities in Italy by the military forces or civil agencies of the United States of America prior to the effective date of the said Treaty.

(ii) The Government of Italy further agrees to process and to assume full responsibility for the settlement and discharge of any such claims of Italian nationals.

8. With respect to any of the waivers included in the present Article, the Government of Italy reaffirms its obligations to make equitable compensation in lira to the extent set out by the terms of Article 76(2) of the Treaty of Peace.

61 Stat., Pt. 2, p. 1402.

ARTICLE II

RENUNCIATION OF CLAIMS BY THE GOVERNMENT OF THE UNITED STATES OF AMERICA

9. The Government of the United States of America, recognizing the contribution of Italy towards the winning of the war by Italian action since October 13, 1943, and recognizing the conditions and terms of the Treaty of Peace with Italy and of various clauses of this financial agreement, agrees to renounce and waive claims of the Government of the United States of America or its agencies arising out of the following connections:

61 Stat., Pt. 2, p. 1245.

(a) Civilian supplies furnished, prior to the effective date of this Memorandum of Understanding, under the military relief program;

(b) Dollars transferred or to be transferred to Italy, equivalent to the net lira expenditures of the United States armed forces in Italy; and

(c) Supplies procured with funds appropriated for the purposes of the Lend-Lease Act and transferred to Italy through the agency of the United States Department of War.

55 Stat. 31.
22 U. S. C. §§ 411-419.

10. The Government of the United States of America waives such claims as it may have for the payment of salary to Italian officer prisoners of war, made consistent with the convention relating to the treatment of prisoners of war, signed at Geneva on July 27, 1929.

Italian prisoners of war.

47 Stat. 2021.

11. (a) The Government of the United States of America agrees to continue to honor in lira, at the prevailing rate of exchange applicable to the Government of the United States of America expenditures in Italy at the time of payment, and in accordance with procedures established by the United States military authorities, all valid evidences of obligations made out by the Government of the United States of America or its agencies and in its name or the name of any of its agencies to former Italian prisoners of war and surrendered Italian personnel, both officer and enlisted, it being understood that the two Governments may enter into a subsequent understanding with reference to the procedures which may be utilized by the Government of the United States of America to meet these obligations.

(b) The Government of Italy further agrees to undertake that all payments which have been made by it to former Italian prisoners of war and surrendered personnel prior to the effective date of this agreement in lira at less than the prevailing rate of exchange applicable to the Government of the United States of America expenditures in Italy at the time of payment, shall be adjusted to such then prevailing rate of exchange.

12. The Government of the United States of America waives all costs, including maintenance costs, incurred in the repatriation of Italian prisoners of war to the assembly point on Italian territory. For the purposes of this Memorandum of Understanding the assembly point on Italian territory shall be considered the first point of arrival of Italian prisoners of war on Italian territory.

13. The Government of the United States of America waives any claims it or its agencies or officers may have with respect to advances made by it toward the financing of Italian Partisans. The Government of the United States of America, in further recognition of the renunciation of claims by the Government of Italy, and with particular reference to paragraph 2(a) above, waives all claims it may have against the Government of Italy resulting from advances made by it toward the maintenance of Italian diplomatic missions, and also Italian shipping and crews in neutral ports.

Italian Partisans, etc.

Ante, p. 3962.

14. (a) The Government of the United States of America waives any claims it or its agencies or officers may have with respect to any transfer made directly by the armed forces of the United States of America, their agencies, or officers of supplies and materials from military stocks to the Government of Italy, to the Italian armed forces or their agencies or officers.

(b) The Government of the United States of America, with reference to 14 (a) above, reserves the right of recapture of any arms,

U. S. right of recapture of arms, etc.

61 Stat., Pt. 2,
p. 1051.

ammunition and implements of war (of the types listed in Proclamation No. 2717 of the President of the United States of America, dated February 14, 1947), which may have been transferred by the armed forces of the United States of America, its agencies or officers, and are held by the Government of Italy, its agencies or officers, on the date on which notice requesting return is communicated to the Government of Italy, but the Government of the United States of America has indicated that it does not intend to exercise generally its right of recapture of such articles. Disposal of such articles by the Government of Italy in or for use in other countries will be made only with the consent of the Government of the United States of America and with payment to the Government of the United States of America of any proceeds of such disposals. The Government of Italy agrees that all such articles held by it will be used only for purposes compatible with the principles of international security and welfare set forth in the Charter of the United Nations.

Surplus property.

15. Nothing contained herein shall be construed to affect in any manner obligations assumed by Italy or the United States of America pursuant to settlements between Italy and the United States of America involving disposal of surplus property.

ARTICLE III

PROPERTY OF NATIONALS OF THE UNITED STATES OF AMERICA

61 Stat., Pt. 2,
pp. 1404, 1405.

16. (a) The Government of Italy will expedite in any manner necessary arrangements now being undertaken, or those necessary to be undertaken, for the desequestration of and release of any unusual controls over the property or interests in property in Italy of nationals of the United States of America, including the cancellations of any controls, contracts, including contracts for the sale of capital assets or a part thereof, agreements or arrangements undertaken during the period of control in accordance with the request, or at the direction of the Government of Italy, its agencies or officials, which are not deemed to have been in the best interest of such property or interests. The Government of Italy further agrees that with respect to the application of Paragraph 4 (a) and 4 (d) of Article 78 of the Treaty of Peace to cases which fall within the terms of this provision, as well as to all cases to which Paragraph 4 (a) and 4 (d) of Article 78 apply, the requirement "for the restoration to complete good order" shall be followed in all cases where there has been (1) deterioration of the physical property while under Italian control, and (2) where the physical property has suffered non-substantial damage as a result of acts of war. In all other cases the requirement to compensate in lira to the extent of "two-thirds of the sum necessary" shall apply, provided that the Government of Italy may, with respect to any case, apply the requirement "for the restoration to complete good order."

(b) The Government of Italy agrees that with respect to the property or interests in property of United States nationals which property or interests are not covered by section (a) above, it will ac-

cord such property or interests treatment identical with that provided in section (a) above.

(c) The Government of Italy shall, with reference to paragraphs (a) and (b) above, apply Paragraph 4 (b) of Article 78 of the Treaty of Peace.

61 Stat., Pt. 2,
p. 1404.

(d) Compensation paid in accordance with terms of this section shall be free of levies, taxes, or other charges and shall be freely usable in Italy but shall be subject to the foreign exchange control regulations which may be in force in Italy from time to time.

ARTICLE IV

PREWAR CLAIMS OF THE GOVERNMENT OF THE UNITED STATES OF AMERICA OR OF UNITED STATES NATIONALS

17. (a) The Government of Italy, recognizing the existence of legitimate claims of the Government of the United States of America or of United States nationals against the Government of Italy or Italian nationals arising out of contracts or other obligations incurred prior to December 8, 1941, agrees that it will make every effort to settle at an early a date as possible, and to facilitate to the extent possible the payment of the debts or other claims referred to hereinabove.

(b) With respect to lira payments made under Italian law to Italian government agencies in purported discharge of debts in non-lira currencies owed by Italian nationals to nationals of the United States of America, the Government of Italy fully recognizes the existence of legitimate claims of the Government of the United States of America or United States nationals in these cases. The Government of Italy further agrees that within six months from the date of the signing of this Memorandum of Understanding it will either assume the obligation to make payment of such debts in foreign exchange to the extent that lira payments were made to the Government of Italy in the manner referred to above, or it will provide that the Italian debtor shall be held directly responsible for the payment of such debts. In either event, the Government of Italy agrees that it will make available the foreign exchange necessary for the discharge of such debts at the earliest date permitted by the Italian foreign exchange position. It is understood that the provisions of this section do not prejudice any settlement between the Government of Italy and the Italian debtors with respect to such lira payments.

ARTICLE V

DEFINITIONS

18. For the purposes of this Memorandum of Understanding, the term "nationals" means individuals who are nationals of the United States of America, or of Italy, or corporations or associations organized under the laws of the United States of America or Italy, at the time of the coming into force of this Memorandum of Understanding, provided, that under Article III above, nationals of the United States of

"Nationals."

America shall, for purposes of receiving compensation, also have held this status either at the time at which their property was damaged or on September 3, 1943, the date of the Armistice with Italy.

ARTICLE VI

CLAUSES OF THE TREATY OF PEACE

61 Stat., Pt. 2, p. 1245. 19. It is agreed that any of the clauses of the Treaty of Peace, dated at Paris February 10, 1947, to which this Memorandum of Understanding may refer, shall be considered as constituting an integral part of this Memorandum of Understanding, as between the Governments of the United States of America and Italy.

ARTICLE VII

EFFECTIVE DATE

20. This Memorandum of Understanding shall enter into force upon the day it is signed.

Valid languages.

Done at Washington in duplicate, in the English and Italian languages, both of which shall have equal validity, this 14th day of August, 1947.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

ROBERT A LOVETT

FOR THE GOVERNMENT OF ITALY:

LOMBARDO

MEMORANDUM D'INTESA

tra il Governo degli Stati Uniti d'America e il Governo Italiano, concernente il regolamento di determinati "claims" del tempo di guerra e di questioni connesse.

Come parte integrale dei provvedimenti che si vengono ora adottando per ristabilire normali rapporti finanziari ed economici fra i nostri Paesi, e come un passo verso la stabilita' economica dell'Italia, il Governo italiano e il Governo degli Stati Uniti d'America hanno concordato il seguente memorandum d'intesa, in cui si dispone per una rinuncia reciproca ai "claims" e per gli accordi relativi.

ARTICOLO I

Rinuncia ai "claims" da parte dell'Italia o di cittadini italiani.

1. (a) A conferma ed in relazione con l'articolo #76 del Trattato di Pace con l'Italia, in data 10 febbraio 1947, il Governo italiano rinuncia ad ogni "claim" di qualsiasi natura dell'Italia, che possa sorgere direttamente dal fatto della guerra o dai provvedimenti adottati a seguito di uno stato di guerra esistente in Europa, dopo il 1 settembre 1939, nei confronti del Governo degli Stati Uniti d'America, di qualsiasi dei suoi organi, o di qualsiasi dei suoi cittadini, o di appaltatori o sub-appaltatori, o di licenziatari del Governo degli Stati Uniti d'America o dei suoi organi.

(b) Il Governo italiano inoltre esonera ed accetta di ritenere indenne il Governo degli Stati Uniti d'America da qualsiasi responsabilita' in ordine all'accertamento, al regolamento ed al soddisfacimento di qualsiasi dei predetti "claims" di cittadini Italiani.

2. (a) Il Governo italiano rinuncia a qualsiasi "claim" dell'Italia nei confronti degli Stati Uniti d'America, dei suoi organi e cittadini, che sorga da azioni concernenti navi sotto registro e bandiera italiani, comprese le navi nelle quali vi sia un interesse italiano, fra il 1 settembre 1939 e l'entrata in vigore del presente memorandum d'intesa, inclusi i "claims" relativi all'uso di navi italiane per il trasporto di passeggeri civili e altri passeggeri.

(b) Il Governo italiano inoltre esonera ed accetta di ritenere indenne il Governo degli Stati Uniti d'America da qualsiasi responsabilita' per l'accertamento, il regolamento e il soddisfacimento di qualsiasi dei predetti "claims" di cittadini italiani.

3. Il Governo italiano rinuncia a tutti i "claims" dell'Italia, nei confronti del Governo degli Stati Uniti d'America, di suoi funzionari o organi, sorgenti dal mantenimento dei campi per i profughi in Italia, e per tutte le spese sostenute per l'assistenza dei profughi in Italia, comprendenti ma non limitantisi ai "claims" relativi al rimborso della quota afferente agli Stati Uniti d'America dei fondi in lire anticipati all'AFA ("Allied Financial Agency") per gli scopi specificati in questo paragrafo.

4. (a) Il Governo italiano esonera ed accetta di ritenere indenne il Governo degli Stati Uniti d'America da qualsiasi responsabilit  per l'accertamento, il regolamento e il soddisfacimento di tutti i "claims":

(i) di cittadini italiani anche se riconosciuti in giudizio in qualsiasi Paese, per i quali la responsabilit  definitiva   del Governo degli Stati Uniti d'America, e derivanti da incidenti marittimi verificatisi tra il 1 settembre 1939 e l'entrata in vigore del presente memorandum d'intesa, esclusi gli incidenti concernenti navi impegnate in attivita' puramente commerciali; oppure

(ii) di cittadini italiani o persone domiciliate o residenti in Italia, nei confronti del Governo degli Stati Uniti d'America, di suoi appaltatori e sub-appaltatori, o di licenziatari per canoni pagati o pagabili in definitiva dagli Stati Uniti d'America o per l'uso d'invenzioni, brevettate o no, o per violazione dei diritti di brevetto, sorgenti da qualsiasi uso di brevetti o di invenzioni da parte del Governo degli Stati Uniti d'America o dei predetti appaltatori, sub-appaltatori o licenziatari, in connessione alle attivita' degli Stati Uniti del tempo di guerra o ai programmi ad esse collegate.

(b) Il Governo italiano rinuncia altres  a qualsiasi di tali "claims" da parte dell' Italia.

5. (a) Il Governo italiano esonera ed accetta di ritenere indenne il Governo degli Stati Uniti d'America da qualsiasi responsabilit  per l'accertamento, il regolamento e il soddisfacimento di tutti i "claims" di cittadini italiani e di cittadini non-italiani, residenti o in transito in Italia, riconosciuti o meno da tribunali di qualsiasi Paese, rispetto ai quali la responsabilit  definitiva   del Governo degli Stati Uniti d'America, e derivanti da atti o omissioni, sia in servizio che fuori servizio, di dipendenti militari e civili delle forze armate statunitensi verificatisi fra il 1 settembre 1939 e l'entrata in vigore del presente memorandum d'intesa.

(b) Il Governo italiano rinuncia altres  a qualsiasi di tali "claims" da parte dell' Italia.

(c) Il Governo italiano concorda inoltre di accertare e di assumere piena responsabilit  per il regolamento e la sistemazione di tutti i predetti "claims".

6. (a) Il Governo italiano esonera ed accetta di ritenere indenne il Governo degli Stati Uniti d'America da qualsiasi responsabilit  per l'accertamento, il regolamento e il soddisfacimento di qualsiasi "claim" di cittadini italiani nei confronti del Governo degli Stati Uniti d'America, di suoi organi o di persone operanti ai suoi ordini derivante dal sequestro e dalla divulgazione di ritrovati tecnici, brevettati o no, conformemente ai programmi del Governo degli Stati Uniti d'America per l'acquisto e la divulgazione di tali ritrovati tecnici in relazione alle operazioni del tempo di guerra e di qualsiasi "claim" nei confronti di qualsiasi persona, formato sull'uso di informazioni cos  divulgate.

(b) Il Governo italiano rinuncia altresì a qualsiasi di tali "claims" da parte dell' Italia.

7. (a) L'obbligo di restituire i beni italiani a norma dell'articolo 73 (2) del Trattato di Pace, viene inteso come obbligazione di restituire soltanto tali beni nelle condizioni in cui si trovano al momento della restituzione.

(b) (i) eccetto quanto specificato nell'articolo 73 (2) del Trattato di Pace, nessun "claim" verrà presentato dall'Italia nei confronti del Governo degli Stati Uniti d'America, di suoi organi e di suoi cittadini debitamente autorizzati, che derivi o sia connesso al reperimento o alla requisizione di rifornimenti, servizi e agevolazioni in Italia da parte delle forze armate o degli organi civili degli Stati Uniti d'America, anteriormente alla data di entrata in vigore del predetto Trattato.

(ii) Il Governo italiano concorda altresì di accertare e di assumere piena responsabilità per il regolamento e la sistemazione di qualsiasi di tali "claims" di cittadini italiani.

8. Riguardo a qualsiasi delle rinunce comprese in questo articolo, il Governo italiano riafferma il suo obbligo di corrispondere equa indennità in lire nei termini stabiliti dall'art. #76 (2) del Trattato di Pace.

ARTICOLO II

Rinuncia ai "claims" da parte del Governo degli Stati Uniti d'America.

9. Il Governo degli Stati Uniti d'America riconoscendo il contributo dell'Italia alla vittoria nella guerra, rappresentato dall'azione italiana a partire dal 13 ottobre 1943, e riconoscendo le condizioni ed i termini del Trattato di Pace con l'Italia e di varie clausole di questo accordo finanziario, concorda di rinunciare ai "claims" del Governo degli Stati Uniti d'America e dei suoi organi sorgenti dai seguenti rapporti:

(a) "Civilian supplies" forniti anteriormente alla data di entrata in vigore di questo memorandum d'intesa, a norma del programma militare di soccorso;

(b) Dollari trasferiti o da trasferire all'Italia, equivalenti alla spesa netta in lire delle forze armate statunitensi in Italia; e

(c) Rifornimenti disposti con i fondi stanziati per gli scopi previsti dal "lend-lease act" e trasferiti in Italia per il tramite di organi del Ministero della Guerra degli Stati Uniti d'America.

10. Il Governo degli Stati Uniti d'America rinuncia a quei "claims" che gli possano derivare dal pagamento di stipendi a ufficiali italiani, prigionieri di guerra, effettuato a norma della convenzione di Ginevra del 29 luglio 1929 relativa al trattamento dei prigionieri di guerra.

11. Il Governo degli Stati Uniti d'America concorda di continuare a far fronte in lire al tasso di cambio applicabile alle spese in Italia del Governo degli Stati Uniti d'America, in vigore al momento del pagamento e secondo le procedure stabilite delle Autorità militari degli Stati Uniti d'America, a tutte le valide documentazioni di impegni emesse dal Governo degli Stati Uniti di America o dai suoi organi o in suo nome o in nome dei suoi organi nei riguardi dei prigionieri di

guerra italiani e di personale arresosi italiano, sia ufficiali che truppa, restando convenuto che i due Governi potranno concludere una successiva intesa con riferimento alle procedure che potranno essere seguite dal Governo degli Stati Uniti d'America per far fronte a tali impegni.

(b) Il Governo italiano ulteriormente conviene di impegnarsi a che tutti i pagamenti in lire che sono stati da esso effettuati a ex-prigionieri di guerra italiani e a personale arresosi italiano prima della data effettiva del presente accordo, per un controvalore inferiore al tasso di cambio applicabile alle spese in Italia del Governo degli Stati Uniti d'America in vigore al momento del pagamento, vengano adeguati a tale tasso di cambio in vigore al predetto momento.

12. Il Governo degli Stati Uniti d'America rinuncia a tutte le spese, comprese quelle di mantenimento, sostenute per il rimpatrio dei prigionieri di guerra italiani fino ai punti di concentramento nel territorio italiano. Ai fini di questo accordo, per punto di concentramento sara' considerato il primo punto di arrivo dei prigionieri di guerra nel territorio italiano.

13. Il Governo degli Stati Uniti d'America rinuncia a qualsiasi "claim" che esso o i suoi organi o i suoi funzionari possano avere in dipendenza di anticipazioni da esso effettuate per il finanziamento dei partigiani italiani. Il Governo degli Stati Uniti d'America, in ulteriore riconoscimento della rinuncia ai "claims" da parte del Governo italiano, o con particolare riferimento al paragrafo 2 (a) di cui sopra, rinuncia a tutti i "claims" che esso possa avere nei confronti del Governo italiano in dipendenza di anticipazioni fatte da esso medesimo per il mantenimento di missioni diplomatiche italiane, nonche' di navi ed equipaggi italiani in porti neutrali.

14. (a) Il Governo degli Stati Uniti d'America rinuncia a qualsiasi "claim" che esso o i suoi organi o i suoi funzionari possano avere in dipendenza di qualsiasi cessione effettuata direttamente dalle forze armate degli Stati Uniti d'America, da loro organi o funzionari, di rifornimenti e materiali prelevati dalle scorte militari, a favore del Governo italiano, delle forze armate italiane o di loro organi o funzionari.

(b) Il Governo degli Stati Uniti d'America, con riferimento al paragrafo 14 (a) di cui sopra, si riserva il diritto di recuperare armi, munizioni e strumenti di guerra (dei tipi elencati nella Proclamazione No. 2717 del Presidente degli Stati Uniti d'America in data 14 febbraio 1947), che possano essere stati ceduti dalle forze armate o da organi degli Stati Uniti d'America, e che siano detenuti dal Governo italiano, da organi o funzionari di questi, alla data in cui venga comunicata al Governo italiano la richiesta di restituzione; il Governo degli Stati Uniti d'America, ha fatto peraltro presente che in linea di massima non intende esercitare il suo diritto di recupero dei materiali predetti. La cessione dei materiali stessi da parte del Governo italiano ad altri Paesi o la concessione in uso in altri Paesi potra' essere fatta solamente

con il consenso del Governo degli Stati Uniti d'America e dietro versamento al Governo degli Stati Uniti d'America di qualsiasi ricavo di tali cessioni. Il Governo italiano concorda che tutti i detti materiali detenuti da esso verranno impiegati soltanto per finalita' compatibili con i principi della sicurezza e del benessere internazionali espressi nella Carta delle Nazioni Unite.

15. Nulla di quanto e' qui contenuto dovra' essere interpretato in modo da modificare in qualsiasi maniera gli obblighi assunti dall'Italia o dagli Stati Uniti d'America, in conformita' al regolamento fra l'Italia e gli Stati Uniti d'America della cessione dei beni "surplus".

ARTICOLO III

Beni di cittadini degli Stati Uniti di America.

16. (a) Il Governo italiano sollecitera' in tutti i modi i provvedimenti ora in corso di adozione, o quelli che occorra adottare, per il dissequestro e per la revoca di ogni controllo straordinario sui beni o sugli interessi di cittadini degli Stati Uniti d'America in beni in Italia, compresa la cancellazione di qualsiasi controllo, contratto, inclusi contratti per la vendita di attivita' o di una parte di esse, accordo o intesa, disposti durante il periodo del controllo, dietro richiesta o per disposizione del Governo italiano, dei suoi organi o funzionari, i quali (provvedimenti) si ritenga non siano stati nel migliore interesse di tali beni o interessi. Il Governo italiano concorda inoltre che riguardo all'applicazione del paragrafo 4 (a) e 4 (d) dell'articolo #78 del Trattato di Pace ai casi che ricadono sotto questa disposizione, nonche' a tutti i casi a cui si applicano le disposizioni dei paragrafi 4 (a) e 4 (d) dell'articolo #78, la prescrizione "per la rimessa in ottimo stato" dovra' essere applicata in tutti i casi in cui vi e' stata (1) deteriorazione dei beni fisici durante il controllo italiano, e (2) nei casi in cui i beni fisici hanno sofferto danni non sostanziali come conseguenza di atti di guerra. In tutti gli altri casi dovra' essere applicata la prescrizione di compensare in lire alla concorrenza dei "due terzi della somma necessaria", salva la facolta' per il Governo italiano, rispetto ad ogni caso, di applicare la prescrizione "per la rimessa in ottimo stato".

(b) Il Governo italiano concorda che rispetto ai beni o agli interessi in beni di cittadini degli Stati Uniti i cui beni o interessi non siano compresi nella precedente sezione (a), accordera' a tali beni o interessi l'identico trattamento previsto nella precedente sezione (a).

(c) In riferimento ai precedenti paragrafi (a)-(b), il Governo italiano applichera' il paragrafo 4 (b) dell'articolo #78 del Trattato di Pace.

(d) Il compenso pagato a norma del disposto di questa sezione sara' esente da imposta, tasse, od altri oneri e sara' liberamente utilizzabile in Italia, ma sara' soggetto alle norme di controllo valutario che al momento saranno in vigore in Italia.

ARTICOLO IV

"claims" prebellici del Governo degli Stati Uniti d'America o di cittadini degli Stati Uniti d'America.

17. (a) Il Governo italiano, riconoscendo l'esistenza di legittimi "claims" del Governo degli Stati Uniti d'America o dei suoi cittadini nei confronti del Governo italiano o dei suoi cittadini, derivanti da contratti o altre obbligazioni anteriori all'8 dicembre 1941, concorda che fara' ogni sforzo per regolare al piu' presto possibile e per facilitare nella misura possibile il pagamento dei debiti o degli altri "claims" a cui sopra ci si riferisce.

(b) Rispetto ai pagamenti in lire fatti a norma della legge italiana, a organi del Governo italiano, con l'intendimento di scaricare i debiti in valute diversi dalla lira dovuti da cittadini italiani a cittadini degli Stati Uniti d'America, il Governo italiano riconosce pienamente l'esistenza di legittimi "claims" del Governo degli Stati Uniti d'America o dei suoi cittadini in questi casi. Il Governo italiano concorda inoltre che entro sei mesi dalla data della firma di questo memorandum d'intesa esso: o assumerà l'obbligo di effettuare il pagamento di tali debiti in valuta estera fino alla concorrenza dei pagamenti in lire effettuati al Governo italiano nel modo anzidetto, oppure prenderà disposizioni perche' il debitore italiano sia tenuto direttamente responsabile per il pagamento di tali debiti. Nell'uno e nell'altro caso il Governo italiano concorda che renderà disponibile la valuta estera necessaria per lo scarico di tali debiti al piu' presto possibile compatibilmente con la posizione valutaria dell'Italia. Resta inteso che le disposizioni di questa sezione non pregiudicano alcun regolamento fra il Governo italiano e i debitori italiani rispetto a tali pagamenti in lire.

ARTICOLO V

DEFINIZIONI

18. Ai fini del presente memorandum d'intesa, l'espressione "cittadini" (nationals) si applica alle persone fisiche che siano cittadini degli Stati Uniti d'America o dell'Italia, e alle Società o Associazioni costituite secondo le leggi degli Stati Uniti d'America o dell'Italia, alla data dell'entrata in vigore del memorandum d'intesa, fermo restando che rispetto al precedente articolo III, i cittadini degli Stati Uniti d'America dovranno, al fine di ricevere il compenso, aver posseduto questo status o all'epoca in cui i loro beni furono danneggiati, oppure al 3 settembre 1943, data dell'armistizio con l'Italia.

ARTICOLO VI

Clausole del Trattato di Pace.

19. E' inteso che qualsiasi delle clausole del Trattato di Pace con l'Italia in data 10 febbraio 1947, alle quali questo memorandum d'intesa si riferisca, sarà considerata come parte integrante di questo memorandum, per cio' che concerne i rapporti fra i Governi degli Stati Uniti d'America e d'Italia.

ARTICOLO VII

Data effettiva.

20. Le disposizioni di questo memorandum d'intesa entreranno in vigore immediatamente all'atto della firma.

Il presente documento viene redatto in Washington in due testi rispettivamente in lingua inglese ed in lingua italiana, aventi ambedue eguale valore, alla data del 14 agosto 1947.

PER IL GOVERNO DEGLI STATI UNITI D'AMERICA:

ROBERT A LOVETT

PER IL GOVERNO ITALIANO:

LOMBARDO

The Chief of the Italian Economic and Financial Delegation to the Acting Secretary of State

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

U. S. military cemeteries in Italy.
Ante, p. 3962.

With respect to the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding settlement of certain wartime claims and related matters", I am authorized, on behalf of the Government of Italy, to make known to you the intentions of the Government of Italy with respect to United States military cemeteries in Italy.

The Government of Italy is deeply aware of the fact that the existence of these cemeteries is the result of the valiant and heroic sacrifices made by nationals of the United States of America in the cause of peace and justice for my country, as well as for their country. My Government is also deeply aware of the fact that for years to come the members of the families and relatives of those United States nationals who are buried in United States military cemeteries in Italy will wish to visit their graves. The Government of Italy, therefore, in recognition of the circumstances which led to the establishment of these cemeteries and in full appreciation of their symbolic significance, offers to undertake to maintain in good order and in perpetuum all United States military cemeteries in Italy.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO
*Chief of the Italian Economic
and Financial Delegation*

The Honorable
ROBERT A. LOVETT,
Acting Secretary of State.

The Acting Secretary of State to the Chief of the Italian Economic and Financial Delegation

DEPARTMENT OF STATE
WASHINGTON
August 14, 1947

SIR:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[Text same as in preceding note.]

The Government of the United States of America not only values the offer of the Government of Italy to maintain in good order and in perpetuum all United States military cemeteries in Italy, but also the motives which prompted that offer.

It is, therefore, with a deep sense of appreciation that I accept, on behalf of my Government, the offer of the Government of Italy to undertake to maintain in good order and in perpetuum all United States military cemeteries in Italy.

Accept, Sir, the renewed assurances of my highest consideration.

ROBERT A LOVETT

Acting Secretary of State

The Honorable

IVAN MATTEO LOMBARDO,

*Chief of the Italian Economic
and Financial Delegation.*

*The Chief of the Italian Economic and Financial Delegation to the
Acting Secretary of State*

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

With reference to the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding settlement of certain wartime claims and related matters", I have the honor to inform you of my Government's undertakings as set forth below with respect to the assistance to be given to nationals of the United States of America with respect to their properties in Italy. This assistance is directed particularly to the implementation of Article 78 of the Treaty of Peace with Italy and to Article III, paragraph 16, of the above Memorandum of Understanding.

Ante, p. 3962.

The Government of Italy shall, as soon as possible, designate an Italian governmental agency having authority to receive and determine claims of nationals of the United States of America with respect to their properties in Italy, and to effect the restoration of such properties, or pay compensation, or both, as provided in Article 78 of the Treaty of Peace with Italy, and in accordance with the terms of Article III, paragraph 16, of the Memorandum of Understanding.

61 Stat., Pt. 2,
p. 1403.
Ante, p. 3966.

With a view to rendering appropriate assistance to nationals of the United States of America having claims falling within the scope of this agreement, and also to any representative who may be designated by the Government of the United States of America to assist such nationals in the preparation and establishment of their claims, the Government of Italy further will, upon request and without charge, furnish copies of pertinent evidence and records in Italy, and will also, upon request and without charge make available to the designated representative of the United States of America funds in lira to the extent necessary to defray the local expenses in Italy, including subsistence, of such representative and his assistants, and also to pay compensation to Italian personnel designated in Italy

61 Stat., Pt. 2,
p. 1403.
Ante, p. 3966.

by such representative, it being understood that such expenses will be kept to a minimum.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO

*Chief of the Italian Economic
and Financial Delegation*

The Honorable

ROBERT A. LOVETT,
Acting Secretary of State.

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

DEPARTMENT OF STATE

WASHINGTON

August 14, 1947

SIR:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[Text same as in preceding note.]

I am pleased to inform you that the undertakings and procedures set forth in your note are satisfactory to my Government. These procedures can be expected to limit the expenses to be incurred under section 5 of Article 78 of the Treaty of Peace, which is a desirable result for both Governments.

61 Stat., Pt. 2,
p. 1405.

Accept, Sir, the renewed assurances of my highest consideration.

ROBERT A. LOVETT
Acting Secretary of State

The Honorable

IVAN MATTEO LOMBARDO,
*Chief of the Italian Economic
and Financial Delegation.*

*The Chief of the Italian Economic and Financial Delegation to the
Acting Secretary of State*

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

Reference is made to Article III, paragraph 16, of the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding settlement of certain wartime claims and related matters", signed this date.

Ante, p. 3966.

One of the more troublesome problems which has arisen in connection with Article 78 of the Treaty of Peace has been concerned with the property in Italy of American oil companies. The principal difficulty which has been encountered in returning such properties to the rightful owners has been the question of the employment rights which accrued during the period of control of the American oil companies by the Government of Italy.

Property in Italy of American oil companies.
61 Stat., Pt. 2, p. 1403.

I am authorized by my Government to advise you of the following agreement on the question of employment rights which has been reached between the Government of Italy and representatives of the oil companies:

1. The Anglo-American companies (which had originally requested the Government of Italy to consider as broken the continuity of employment for the employees on their pay rolls at the moment of liquidation of the companies) have now in principle agreed to re-engage 95% of the personnel. The Azienda Generale Italiana Petroli on its side shall, in full agreement with the Italian Treasury, pay the indemnities for the period running from the date of the liquidation to the date of re-employment. The implementation of this formula can be expected to take place in the very near future.

2. An agreement has been reached on the partitioning of the market between the foreign companies on the one side and Azienda Generale Italiana Petroli on the other side. This agreement has involved considerable sacrifice on the part of Azienda Generale Italiana Petroli.

3. Insofar as the war damages suffered by the American companies are concerned, the duty of the Government of Italy derives from Article 78 of the Treaty of Peace, and the policy applied will be in accordance with Article III, paragraph 16, of the above referred to Memorandum of Understanding.

61 Stat., Pt. 2, p. 1403.
Ante, p. 3966.

It is also understood that the properties and all assets will be returned, including, of course, the employee compensation funds which were on hand at the date of liquidation and which represent the funds available for persons still employed by the companies.

This agreement was made known to the representatives of the American oil companies in the United States of America concerned with this problem, as well as to officials of your Department, all of whom signified their approval.

I can, therefore, confirm to you that the Government of Italy accepts all the above engagements and will implement them at the earliest possible date.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO

*Chief of the Italian Economic
and Financial Delegation*

The Honorable

ROBERT A. LOVETT,

Acting Secretary of State.

The Acting Secretary of State to the Chief of the Italian Economic and Financial Delegation

DEPARTMENT OF STATE
WASHINGTON
August 14, 1947

SIR:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[Text same as in preceding note.]

My Government is very pleased to know that the question of the return of the properties in Italy of American oil companies has been resolved in the manner set forth in your note. The solution is consistent with the terms of Article III, paragraph 16, of the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding settlement of certain wartime claims and related matters", signed this date.

Accept, Sir, the renewed assurances of my highest consideration.

ROBERT A LOVETT
Acting Secretary of State

The Honorable

IVAN MATTEO LOMBARDO,
*Chief of the Italian Economic
and Financial Delegation.*

The Chief of the Italian Economic and Financial Delegation to the Acting Secretary of State

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

With reference to Article 4 of the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding settlement of certain wartime claims and related matters", signed this date, I am pleased to be able to advise you on behalf of the Government of Italy that a plan has been prepared for adjusting the unrepatriated bonds of the Italian dollar issue, service on which has been suspended since 1940.

The proposed plan, which has been approved in principle by the Foreign Bond Holders Protective Council, Inc., will embrace all publicly held dollar bonds comprising three groups: first, bonds of the Kingdom of Italy; second, bonds of the Cities of Rome and Milan, bonds of the Italian Credit Consortium for Public Works, and bonds of the Mortgage Bank of the Venetian Provinces; and third, bonds of

Ante, p. 3966.

Italian dollar bonds.
Ante, p. 3962.

the Italian Credit Institute for Public Utility Enterprises and of eleven public utility corporations.

New bonds will be issued in an amount equal to the principal of the old bonds plus all arrears thereof at the former rates to January 1, 1947. The new bonds to be issued in exchange for the Kingdom of Italy bonds will be issued by the Republic, while those issued in exchange of the old bonds in the second and third groups will be bonds of the Consortium and the Institute respectively, in each case guaranteed as to principal and interest by the Republic.

The new bonds in all three groups are expected to bear interest at 1% for 1947, 1948 and 1949; 2% for 1950 and 1951; and 3% beginning 1952. The first installment of interest on the new bonds will be paid in cash at the time of exchange. Commencing in January 1952 the three issues of bonds will be entitled to a cumulative sinking fund of 1% per annum for 1952 to 1956 inclusive and 2% per annum beginning in 1957.

It is expected that the full details of the plan will be made public and the offer to the old bond holders will be made in the near future, as soon as the necessary registration under the Security Act of 1933 and other arrangements are completed. There is enclosed herewith for your information additional details concerning the proposed plan.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO

*Chief of the Italian Economic
and Financial Delegation*

Enclosure:

Italian Dollar Bond Tabulation.

The Honorable

ROBERT A. LOVETT,

Acting Secretary of State.

ITALIAN DOLLAR BONDS

There are presently outstanding approximately \$108,000,000 of nonrepatriated Italian dollar bonds on which service was suspended on June 10, 1940, and it is the desire of the Government of Italy to make an adjustment with respect thereto.

These obligations fall into three categories: first, bonds issued by the Government of Italy; second, bonds issued by the Cities of Rome and Milan and by the Italian Credit Consortium for Public Works, and the Mortgage Bank of the Venetian Provinces; and third, various corporate obligations. In connection with formulating an adjustment of Italian dollar bonds, it has been considered advisable to issue three types of obligations—one a direct obligation of the Government of Italy, to be issued in exchange for bonds falling within the first category and the other two being obligations of semi-governmental agencies, guaranteed as to principal and interest by the Government of Italy, to be issued in exchange for bonds falling within the second and third categories.

I. Bonds of the Kingdom of Italy:

The issue of the above obligor to be considered in the following:

Issue	Maturity	Interest Dates
Kingdom of Italy	7s, 1951	J & D 1

II. Bonds of the Cities of Rome and Milan, the Italian Credit Consortium for Public Works and the Mortgage Bank of the Venetian Provinces:

Issue	Maturity	Interest Dates
City of Milan	6½s, 1952	A & O 1
City of Rome	6½s, 1952	A & O 1
Consortium for Public Works	7s, 1947	M & S 1
Mortgage Bank of the Venetian Provinces	7s, 1952	A & O 1

III. Corporate Obligations:

The Corporate obligations outstanding are twelve issues of dollar bonds, 8 of which represent, directly or indirectly, obligations of utility companies and 4 of industrial companies. These obligations are the following:

Issue	Maturity	Interest Dates
Italian Public Utility Credit Institute	7s, 1952	J & J 1
Adriatic Electric Co.	7s, 1952	A & O 1
Piedmont Hydro-Electric Co.	6½s, 1960	A & O 1
Lombard Electric Co.	7s, 1952	J & D 1
Isarco Hydro-Electric Co.	7s, 1952	M & N 1
Meridionale Electric Co.	7s, 1957	A & O 1
United Electric Service Co.	7s, 1956	J & D 1
Terni Industrial and Electric Co.	6½s, 1953	F & A 1
Isotta Fraschini Automobile Factory	7s, 1942	J & D 1
Ercole Marelli Electric Manufacturing Co.	6½s, 1953	M & N 1
Ernesto Breda Co.	7s, 1954	F & A 1
*Crespi Cotton Works	7s, 1952	M & N 1

*The lira bonds of Crespi Cotton Works, Ltd. (now Italian Textile Establishment (Milan) were originally sold in the U. S. with provision for payment in dollars at a rate of not less than 3.64 cents to the lira.

Adjustment plan.

In order to effect an adjustment with the holders of such obligations, the following plan is proposed:

1. (a) The Government of Italy will offer a like principal amount of its 3% 30 year External Sinking Fund Bonds in exchange for the outstanding principal amount of the obligations of the Kingdom of Italy.

(b) The Italian Credit Consortium for Public Works, one of the present obligors and a semi-governmental agency, will offer (pursuant to authority granted by the Government of Italy) its bonds in exchange for the outstanding principal amount of the obligations of the Cities of Rome and Milan, the Italian Credit Consortium for Public Works and the Mortgage Bank of the Venetian Provinces. The entire debt service on such bonds will be guaranteed by the Government of Italy.

(c) The Italian Public Utility Credit Institute, one of the present obligors and a semi-governmental agency, will offer (pursuant to authority granted by the Government of Italy) its bonds in exchange for the outstanding principal amount of the twelve corporate issues.

The entire debt service on such bonds will be guaranteed by the Government of Italy.

2. Semi-annual interest payments on the three issues of bonds will accrue from January 1, 1947. Interest will be paid in 1947, 1948 and 1949 at the rate of 1% per annum; in 1950 and 1951 at the rate of 2% per annum; and in 1952 and subsequent years at the rate of 3% per annum. Upon exchange of old bonds for new bonds, a cash payment will be made for interest accrued from January 1, 1947 to July 1, 1947, at the rate of 1% per annum.

3. Interest in arrears on the various bond issues will be computed at the rates stated in the bonds from the date of the last coupon payment to January 1, 1947 and additional (a) Government of Italy Bonds, or (b) Italian Credit Consortium for Public Works Bonds, or (c) Italian Public Utility Credit Institute Bonds, as the case may be, will be issued in settlement thereof, except that no bonds will be issued in principal amounts of less than \$100. Any balance which may be due on account of accrued interest over and above a multiple of \$100 will be discharged by an equal face amount of non-interest bearing scrip exchangeable for Government of Italy bonds or Italian Credit Consortium for Public Works bonds or Italian Public Utility Credit Institute bonds, as the case may be, in aggregate amounts of \$100 or any multiple thereof.

4. Commencing January 1, 1952, the three issues of bonds will be entitled to a cumulative sinking fund, calculated on the nominal amount of bonds to be outstanding initially, at the following rates:

1952 to 1956 inclusive	1% per annum
1957 and subsequent years	2% per annum

such sinking fund to be applied semi-annually to the purchase of bonds at or below par or to the extent not so obtainable in redemption at par of bonds to be selected by drawings.

5. The Government of Italy is prepared to agree to set aside monthly in a segregated account with the Bank of Italy foreign exchange equivalent to $\frac{1}{2}$ of the semi-annual service requirement for the three issues of bonds.

★ ★ ★

The respective approximate principal amount of the three proposed 3% thirty year bonds to be outstanding (including bonds issued in settlement of all arrears of interest to January 1, 1947) are shown in the attached tabulation, which also sets forth a schedule of the relative interest and amortization payments.

★ ★ ★

No provision is being made at this time for the outstanding bonds of the General Italian Edison Electric Company, all of which bonds are owned by the International Power Securities Corporation, because of negotiations presently being conducted by General Italian Edison Electric Company with the International Power Securities Corporation looking toward the exchange of such bonds for stocks of the General Italian Edison Electric Company.

Bonds of General
Italian Edison Electric
Company.

PROPOSED ITALIAN ISSUES TO BE DATED AS OF JANUARY 1, 1947, DUE 1977

	Government Issue	Credit Consortium	Pub. Util. Credit Institute	Total	
				Semi-Annual	Annual
Original Principal Amount to be Outstanding	\$40,257,310	\$38,055,462 ★ ★ ★	\$58,065,712	\$136,378,485	
Semi-Annual Service Requirements:					
1947 to 1949					
Interest 1%	\$ 201,286	\$ 190,277	\$ 290,328	\$ 681,891	1,363,782
1950 to 1951					
Interest 2%	402,573	380,544	580,657	1,363,784	2,727,568
1952 to 1956					
Interest 3% Sinking fund 1%)	805,145	761,108	1,161,313	2,727,566	5,455,132
1957 to 1977					
Interest 3% Sinking fund 2%)	1,006,432	951,385	1,451,642	3,409,439	6,818,918
Amount Bonds retired at par 6th to 10th years	2,154,308	2,036,481	3,107,299	7,298,088	
% of original issue					5.35%
Amount of Bonds retired at par 11th to 30th years	21,846,788	20,651,864	31,511,032	74,009,684	
% of original issue					
Amount Bonds retired at par 6th to 30th years	24,001,096	22,688,343	34,618,331	81,307,772	
% of original issue					59.62%

UNREPATRIATED BONDS OUTSTANDING

Interest Dates	Principal Amount Outstanding	Interest Arrears to Dec. 31, 1946 %	Amount	Total	Approximate Amount of New Bonds
Kingdom of Italy - 7s, 1951					
J & D 1	27,558,400	46.08	12,698,910.72		40,257,310.72
City of Milan - 6½s, 1952					
A & O 1	13,082,800	43.87	5,743,811.36	18,836,611.36	
City of Rome - 6½s, 1952					
A & O 1	9,911,800	43.87	4,348,306.66	14,260,106.68	
Credit Consortium - 7s, 1947					
M & S 1	2,704,000	47.83	1,293,323.20	3,997,323.20	
Mortgage Bank of Venetian Provinces - 7s, 1952					
A & O 1	666,500	47.25	314,921.25	961,421.25	38,055,462.47
	26,375,100		11,700,362.47		
Ital. Pub. U. Cr. Inst. - 7s, 1952					
J & J 1	7,878,500	49.	3,860,465.00	11,738,965.00	
Adriatic Elec. Co. - 7s, 1952					
A & O 1	2,091,000	47.25	987,997.50	3,078,997.50	
Piedmont H-E Co. - 6½s, 1960					
A & O 1	5,473,000	43.87	2,401,005.10	7,874,005.10	
Lombard Elec. Co. - 7s, 1952					
J & D 1	2,879,000	46.08	1,326,643.20	4,205,643.20	
Isarco H-E Co. - 7s, 1952					
M & N 1	2,091,500	46.67	976,103.05	3,087,603.05	
Meridionale Elec. Co. - 7s, 1957					
A & O 1	8,765,500	47.25	4,145,698.75	12,907,198.75	
United Elec. Service Co. - 7s, 1956					
J & D 1	2,748,000	46.08	1,266,278.40	4,014,278.40	

UNREPATRIATED BONDS OUTSTANDING—Continued

	Interest Dates	Principal Amount Outstanding	Interest Arrears to Dec. 31, 1946		Total	Approximate Amount of New Bonds
			%	Amount		
<u>Terni Ind. & Elec. Co. - 6½s, 1953</u>						
F & A 1		5,032,000	44.96	2,262,387.20	7,294,387.20	
<u>Isotta Frasch. Auto Factory - 7s, 1942</u>						
J & D 1		253,000	46.08	116,582.40	369,582.40	
<u>Ercole Marelli Elec. Co. - 6½s, 1953</u>						
M & M 1		1,022,000	43.33	442,852.60	1,464,832.60	
<u>Ernesto Breda Co. - 7s, 1954</u>						
F & A 1		983,000	48.42	475,968.60	1,458,968.60	
<u>Ital. Textile Estab. Milan - 7s, 1952</u>						
M & N 1		*389,480	46.67	181,770.32	571,250.32	58,065,712.12
		39,605,980		18,439,732.12		40,257,310.72
		27,558,400		12,698,910.72		38,055,462.47
		26,375,100		11,700,362.47		58,065,712.12
		39,605,980		18,439,732.12		136,378,485.31
		93,539,480		42,839,005.31		

* The principal amount of bonds outstanding is Lira 10,700,000.

The Acting Secretary of State to the Chief of the Italian Economic and Financial Delegation

DEPARTMENT OF STATE

WASHINGTON

August 14, 1947

SIR:

I have the honor to acknowledge receipt of your note of this date in the following terms:

Ante, p. 3980.

[Text same as in preceding note.]

The plan proposed by you with respect to the unrepatriated bonds of the Italian dollar issues, service on which has been suspended since 1940, satisfactorily complies with the obligations undertaken by the Government of Italy in paragraph 17 of Article IV of the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding settlement of certain wartime claims and related matters".

Ante, p. 3967.

Accept, Sir, the renewed assurances of my highest consideration.

ROBERT A LOVETT

Acting Secretary of State

The Honorable

IVAN MATTEO LOMBARDO,

*Chief of the Italian Economic
and Financial Delegation.*

MEMORANDUM OF UNDERSTANDING

Between the Government of the United States of America and the Government of Italy regarding Italian assets in the United States of America and certain claims of United States nationals.

Italian property in
U. S.

61 Stat., Pt. 2,
p. 1406.

Discussions have taken place with representatives of the Government of Italy on the question of disposition of Italian property in the United States of America. These discussions have grown out of the terms of the Treaty of Peace with Italy dated at Paris February 10, 1947, particularly Article 79 thereof; and out of the financial and other relations between the United States of America and Italy during the period since the Italian Armistice. As a further step toward the bettering of relations between Italy and the United States of America, the Government of the United States of America has felt it desirable, subject to appropriate governmental action, to renounce certain of the rights granted to it under the terms of the Treaty of Peace, and to return and unblock property in the United States of America which has been vested or blocked by the Government of the United States of America by reason of an interest of Italy or Italian nationals. The Government of Italy, on the other hand, has recognized that in justice it should provide funds to be utilized by the Government of the United States of America in application to claims of United States nationals arising out of the war with Italy.

The Government of the United States of America and the Government of Italy have, therefore, reached an understanding, as follows:

ARTICLE I

61 Stat., Pt. 2,
p. 1406.

1. The Government of the United States of America, referring to Article 79 of the Treaty of Peace with Italy, dated at Paris February 10, 1947, nevertheless agrees, within the limits provided by law:

40 Stat. 411.
50 U. S. C. app. §§1-38.

Post, p. 3991.

Release of blocked
property.

(a) to take the necessary steps to effect the return of property and interests vested in or transferred to any officer or agency of the Government of the United States of America under the Trading with the Enemy Act, as amended, which were owned by the Government of Italy or Italian nationals immediately prior to such vesting or transfer, or the net proceeds of such property or interest; provided, however, that such return shall be subject to the conditions and exceptions set forth in Annex I, which constitutes an integral part of this Memorandum of Understanding;

(b) to take the necessary steps to effect the release by the United States authorities of blocked property and interests in the United States of America of Italy or Italian nationals. Such release shall be effected in accordance with conditions stated in a letter of assurances, dated today, and addressed by the Italian authorities to

the Secretary of the Treasury of the United States of America, it being understood that the unblocking procedure will actually be put into effect not later than one month from the date of this Memorandum of Understanding;

(c) to take the necessary steps to return, in their condition at the time of return, to the Government of Italy all vessels which were under Italian registry and flag on September 1, 1939, which were thereafter acquired by the Government of the United States of America either by purchase or by forfeiture and which are now owned by the Government of the United States of America; provided, that in the event forfeiture proceedings against any of the vessels are dismissed, the Government of Italy agrees to discharge and save harmless the Government of the United States of America from any responsibility and liability for the processing, settlement and satisfaction of any claims against such vessels; and

Return of vessels,
etc.

(d) to take the necessary steps, subject to all terms and conditions of authorizing legislation, to transfer to the Government of Italy surplus liberty ships of the Government of the United States of America, to be operated by Italy for commercial uses, of a total tonnage approximately equal to the total tonnage of vessels which were under Italian registry and flag on September 1, 1939, and were subsequently seized in United States ports and thereafter lost while being employed in the United States war effort, provided that the selection of such surplus ships shall be by the Government of the United States of America, after consultation with the Government of Italy, and provided further that the ships shall be transferred on an as is where is basis.

2. The release or return of property and interests under the present Article shall not prevent the assertion of rights or claims to, against or with respect to such property and interests or the proceeds thereof; nor (in accordance with Article 76 of the Treaty of Peace signed at Paris) shall this Memorandum of Understanding or its execution in any way give rise to any cause of action or claim against the Government of the United States of America, or any officer or agency thereof.

61 Stat., Pt. 2,
p. 1401.

3. (a) The provisions of this Article shall in no manner impose any obligation upon the Government of the United States of America to return any royalty or other compensation or right to receive a royalty or other compensation to the Government of Italy or any Italian national arising out of the use prior to December 31, 1945 of any invention, patent or patent right in the United States held by the Government of Italy or Italian nationals, or subject to return to the Government of Italy or Italian nationals pursuant to this Memorandum of Understanding.

Royalties for use of
inventions, etc.

(b) The Government of Italy recognizes that the Government of the United States of America, its agencies or United States nationals, have no responsibility for the processing, settlement or satisfaction of any claims of Italian nationals falling under the terms of this paragraph and agrees, consistent with Paragraph 3 of Article 79 of the Treaty of Peace, to compensate Italian nationals for any duly established claims falling under the terms of this Article.

61 Stat., Pt. 2,
p. 1407.

(c) Except as set forth in this Memorandum of Understanding or in Annex I hereto, industrial property released or returned by the Government of the United States of America pursuant to paragraph 1 of the present Article shall be subject only to such restrictions as may otherwise be generally applicable to industrial property in the United States of America held by foreign countries or nationals of such countries.

ARTICLE II

Italian payment.

4. The Government of Italy agrees to pay and deposit with the Government of the United States of America on or before December 31, 1947 the sum of \$5,000,000 (five million dollars) in currency of the United States of America, this sum to be utilized, in such manner as the Government of the United States of America may deem appropriate, in application to the claims of United States nationals arising out of the war with Italy and not otherwise provided for.

ARTICLE III

DEFINITIONS

"Italian nationals."

5. For the purposes of this Memorandum of Understanding, the term "Italian nationals" means individuals who are nationals of Italy or corporations or associations organized under the laws of Italy, at the time of the coming into force of this Memorandum of Understanding.

ARTICLE IV

CLAUSES OF THE TREATY OF PEACE

61 Stat., Pt. 2,
p. 1245.

6. It is agreed that any of the clauses of the Treaty of Peace, dated at Paris February 10, 1947, to which this Memorandum of Understanding and the Annex hereto may refer, shall be considered as constituting an integral part of this Memorandum of Understanding and the Annex hereto, as between the Governments of the United States of America and Italy.

ARTICLE V

EFFECTIVE DATE

7. This Memorandum of Understanding shall enter into force upon the day it is signed.

Valid languages.

Done at Washington in duplicate, in the English and Italian languages, both of which shall have equal validity, this 14th day of August, 1947.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

ROBERT A LOVETT

FOR THE GOVERNMENT OF ITALY:

LOMBARDO

ANNEX I

The Government of the United States of America intends to effect returns, pursuant to Article I, paragraph 1 (a) of this Memorandum of Understanding, by appropriate legislation permitting returns of vested property to the Government of Italy and subjects or citizens of Italy and corporations or associations organized under the laws of Italy upon the terms and conditions generally applicable to return of such property to others eligible for return pursuant to Section 32 of the Trading with the Enemy Act, as amended.

Ante, p. 3988.

It is understood that while the Government of the United States of America will seek to eliminate Italian nationality as a disqualification from eligibility for return pursuant to Section 32 (a) of the Trading with the Enemy Act, as amended,

60 Stat. 50.
50 U. S. C. app.
§§ 32, 619.

(a) The Government of the United States of America does not intend to assume any obligation to make returns to any of the following:

Nonassumption by
U. S. of obligation to
make returns in cer-
tain cases.

(1) The Italian Fascist Party, any organization closely affiliated therewith (other than the Government of Italy) or any person who was a member of such party or organization at any time after September 8, 1943; or

(2) Any person, firm or organization convicted of violation of any of the statutes set forth in Section 34 (a) of the Trading with the Enemy Act, as amended; or

60 Stat. 925.
50 U. S. C. app. §§ 34,
620.

(3) Any person, firm or organization convicted of war crimes or of having collaborated with an enemy country after September 8, 1943; or

(4) Any person, firm or organization indicted or officially charged with war crimes or with having collaborated with an enemy country after September 8, 1943, until such person, firm or organization has been officially acquitted or cleared of such indictment or charge; or

(5) A corporation or association organized under the laws of any country other than Italy or Trieste; or

(6) Any individual who was at any time after December 7, 1941, a citizen or subject of a nation other than Italy with which the United States of America has at any time since December 7, 1941, been at war; or

(7) Any individual voluntarily resident at any time since December 7, 1941, within the territory of any nation other than Italy with which the United States of America has at any time since December 7, 1941, been at war;

(b) Ultimate disposition of property falling under the terms of section (a), paragraphs (1)–(7) above is reserved for future decision by the Government of the United States of America, after consultation between the Governments of Italy and the United States of America;

Ultimate disposition
of certain property.

(c) The Government of the United States of America does not intend to make returns in any case in which it deems that return would be contrary to its interests in respect of national security or antitrust or fiscal policy; and

(d) The Government of the United States of America does not intend to assume any obligation to make returns of any property which was used pursuant to an arrangement to cloak or to conceal any property or interest within the United States of America of any person ineligible to receive a return under Section 32 (a) (2) of the Trading with the Enemy Act, as amended.

60 Stat. 51.
50 U.S.C. app. §§32,
619.
Literary, artistic or
industrial property.

It is further understood that in the case of any literary, artistic or industrial property to be returned, the property shall remain subject to all licenses and agreements for licenses which were granted or entered into by the United States of America with respect to it and which were in effect immediately prior to return; and any rights of the Government of the United States of America to revoke any such license or agreement for license shall not be included within the return.

MEMORANDUM D'INTESA

tra il Governo degli Stati Uniti d'America ed il Governo italiano relativamente ai beni italiani negli Stati Uniti d'America ed a taluni "claims" dei cittadini degli Stati Uniti d'America.

Hanno avuto luogo con i rappresentanti del Governo italiano discussioni sulla questione della destinazione dei beni italiani negli Stati Uniti d'America. Queste discussioni hanno avuto origine dalle disposizioni del Trattato di Pace con l'Italia, in data 10 febbraio 1947 ed in particolare dall'articolo #79 di tale documento, e dall'esame delle relazioni finanziarie e generali tra gli Stati Uniti d'America e l'Italia durante il periodo posteriore all'Armistizio con la Italia. Come un ulteriore passo verso il miglioramento delle relazioni tra la Italia e gli Stati Uniti d'America, il Governo degli Stati Uniti d'America ha ritenuto desiderabile, sotto riserva dei provvedimenti governativi appropriati, di rinunciare a taluni dei diritti assicurati ad esso dalle clausole del Trattato di Pace, e di restituire e sbloccare i beni negli Stati Uniti d'America che siano stati sottoposti a sequestro ("vested") o siano stati bloccati dal Governo degli Stati Uniti d'America in ragione di un interesse dell'Italia o di cittadini italiani. Il Governo italiano, d'altra parte, ha riconosciuto rispondente a giustizia di dover fornire i fondi che devono essere utilizzati da parte del Governo degli Stati Uniti d'America in soddisfacimento di "claims" dei cittadini degli Stati Uniti d'America sorti dalla guerra con l'Italia.

Pertanto e' stato concordato tra il Governo degli Stati Uniti d'America ed il Governo italiano il seguente memorandum d'intesa.

ARTICOLO I

1. Il Governo degli Stati Uniti d'America, in relazione e nonostante l'articolo #79 del Trattato di Pace con l'Italia, in data 10 febbraio 1947, conviene, nei limiti fissati dalla legge:

(a) di adottare le misure necessarie per effettuare la restituzione dei beni e degli interessi posti sotto sequestro ("vested") o trasferiti a qualsiasi funzionario o organo del Governo degli Stati Uniti d'America in base al "Trading with the Enemy Act" cosi' come emendato, appartenenti all'Italia o a cittadini italiani nel periodo immediatamente precedente tale sequestro o trasferimento, ovvero di restituire il ricavo netto di tali beni o interessi; purché, tuttavia, tale restituzione sia subordinata alle condizioni e alle eccezioni enunciate nell'Annesso I, che costituisce una parte integrante di questo memorandum d'intesa;

(b) di adottare le misure necessarie per procedere al rilascio, da parte delle Autorita' degli Stati Uniti d'America dei beni e degli interessi, bloccati negli Stati Uniti d'America, dell'Italia o dei cittadini italiani. Tale rilascio dovra' essere effettuato in conformita' alle condizioni stabilite in una lettera di assicurazione in data odierna indirizzata dalle Autorita' italiane al Segretario del Tesoro degli Stati Uniti d'America, essendo inteso che la procedura di sblocco sara' effettivamente messa in atto non piu' tardi di un mese dalla data del presente memorandum d'intesa;

(c) di adottare le misure necessarie per restituire al Governo italiano, nello stato in cui si trovano al momento della restituzione tutte le navi sotto registro e bandiera italiani al 1 settembre 1939 che furono successivamente acquisite dal Governo degli Stati Uniti d'America sia mediante compera, sia mediante confisca e che siano attualmente in possesso del Governo degli Stati Uniti d'America purché nel caso in cui le cause di confisca contro una qualsiasi delle navi venissero abbandonate, il Governo italiano convenga di esonerare e ritenere indenne il Governo degli Stati Uniti d'America, da qualsiasi responsabilit  in ordine all'accertamento, al regolamento e al soddisfacimento di qualsiasi "claim" contro tali navi;

(d) di adottare le misure necessarie, subordinatamente a ogni termine e condizione contenuta nelle disposizioni di legge relative, per trasferire al Governo italiano navi Liberty "surplus" del Governo degli Stati Uniti d'America, da usarsi dall'Italia per usi commerciali, per un tonnellaggio complessivo approssimativamente uguale al tonnellaggio complessivo delle navi sotto registro e bandiera italiani al 1 settembre 1939, e che furono successivamente sequestrate nei porti degli Stati Uniti d'America e poi perdute mentre erano impiegate nello sforzo bellico degli Stati Uniti d'America, purch  la scelta di tali navi "surplus" venga effettuata da parte del Governo degli Stati Uniti d'America, dopo consultazione con il Governo italiano e purch  inoltre tali navi vengano trasferite sulla base "dove si trovano e nello stato in cui si trovano".

2. Il rilascio o la restituzione dei beni e degli interessi disposti dal presente articolo non potranno impedire di far valere in giudizio i diritti o i "claims" circa, contro, o relativamente, tali beni e interessi o i loro ricavati, ne' il presente memorandum d'intesa o la sua esecuzione potranno in qualsiasi modo (in conformit  dell'articolo #76 del Trattato di Pace firmato a Parigi) dare origine a qualsiasi giudizio o "claim" contro gli Stati Uniti d'America o loro funzionari o organi.

3. (a) Le disposizioni di questo articolo non potranno in alcun modo imporre al Governo degli Stati Uniti d'America l'obbligo di restituire i canoni o altri compensi o diritti a ricevere canoni o altri compensi dovuti al Governo italiano o a cittadini italiani per uso anteriore al 31 dicembre 1945, di invenzioni, brevetti o diritti di brevetto posseduti negli Stati Uniti d'America dal Governo italiano o da cittadini italiani o soggetti a restituzione al Governo italiano o a cittadini italiani in base al presente memorandum d'intesa;

(b) Il Governo italiano riconosce che il Governo degli Stati Uniti di America ed i loro organi o cittadini, non hanno responsabilit  ai fini dell'accertamento, della sistemazione o del regolamento dei "claims" di cittadini italiani che cadono sotto le disposizioni del presente paragrafo e conviene, in conformit  al paragrafo 3 dell'articolo 79 del Trattato di Pace, d'indennizzare i cittadini italiani per i "claims" dovutamente fondati che cadono sotto le disposizioni del presente articolo.

(c) Salvo quanto disposto nel presente memorandum d'intesa o nell'Annesso I ad esso, i diritti di propriet  industriale rilasciati o restituiti dal Governo degli Stati Uniti d'America in conformit  al

paragrafo 1 del presente articolo, saranno sottoposti soltanto a quelle restrizioni che siano altrimenti applicabili in via generale negli Stati Uniti d'America ai diritti di proprietà industriale appartenenti a Paesi esteri o a cittadini di tali Paesi.

ARTICOLO II

4. Il Governo Italiano si impegna a pagare e a depositare presso il Governo degli Stati Uniti d'America il o prima del 31 dicembre 1947, la somma di \$5.000.000 (cinque milioni di dollari) in valuta degli Stati Uniti d'America, dovendo questa somma essere utilizzata, nel modo che il Governo degli Stati Uniti d'America ritenga conveniente, per il regolamento dei "claims" dei cittadini degli Stati Uniti d'America sorti a causa della guerra con l'Italia e per i quali non sia stato altrimenti disposto.

ARTICOLO III

DEFINIZIONI

5. Ai fini di questo memorandum d'intesa, l'espressione "cittadini italiani" indica le persone aventi nazionalità italiana o le Società ed Associazioni costituite secondo le leggi italiane, al momento della entrata in vigore del presente memorandum d'intesa.

ARTICOLO IV

Clausole del Trattato di Pace

6. E' inteso che qualsiasi delle clausole del Trattato di Pace con l'Italia, firmato a Parigi il 10 febbraio 1947, alle quali questo memorandum d'intesa e l'annesso ad esso si riferiscono, sarà considerata come parte integrante di questo memorandum d'intesa e dell'annesso ad esso, per ciò che concerne i rapporti fra i Governi degli Stati Uniti d'America e d'Italia.

ARTICOLO V

Data effettiva.

7. Le disposizioni di questo memorandum d'intesa entreranno in vigore immediatamente all'atto della firma.

Il presente documento viene redatto in Washington in due testi, rispettivamente in lingua inglese ed in lingua italiana, aventi ambedue eguale valore alla data del 14 Agosto 1947.

PER IL GOVERNO DEGLI STATI UNITI D'AMERICA:

ROBERT A LOVETT.

PER IL GOVERNO ITALIANO:

LOMBARDO

ANNESSE I

Il Governo degli Stati Uniti d'America intende procedere alla restituzione al Governo italiano ed ai sudditi o cittadini italiani e alle Società o Associazioni costituite secondo le leggi italiane, in esecuzione dell'articolo I paragrafo 1 (a) di questo memorandum d'intesa, mediante opportuni provvedimenti di legge atti a consentire la restituzione dei beni posti sotto sequestro ("vested"), in base alle disposizioni ed alle condizioni generalmente applicabili alla restituzione di detti beni alle altre persone ammesse alla restituzione in virtù della sezione 32 del "Trading with the Enemy Act", così come emendato.

E' inteso che mentre il Governo degli Stati Uniti d'America dovrà cercare di eliminare la nazionalità italiana come causa di esclusione dall'ammissione alla restituzione dei beni prevista dalla sezione 32 (a) del "Trading with the Enemy Act", così come emendato:

(a) Il Governo degli Stati Uniti d'America non intende assumere alcun obbligo di effettuare la restituzione alle seguenti persone o enti:

- 1) Partito Fascista Italiano ed organizzazioni strettamente affiliate allo stesso (diverse dal Governo italiano) o a persone che siano state membri di tale partito o organizzazione, in qualsiasi periodo successivo all'8 settembre 1943; o
- 2) Qualsiasi persona, ditta o organizzazione condannata per violazione di una delle disposizioni di cui alla sezione 34 (a) del "Trading with the Enemy Act", così come emendato; o
- 3) Qualsiasi persona, ditta o organizzazione condannata per crimini di guerra o per avere collaborato con un Paese nemico dopo l'8 settembre 1943; o
- 4) Qualsiasi persona, ditta o organizzazione accusata o ufficialmente imputata di crimini di guerra o di collaborazione con un Paese nemico dopo l'8 settembre 1943, fino a quando tale persona, ditta o organizzazione non sia stata ufficialmente assolta o discolpata da tale accusa o imputazione; o
- 5) Le Società o Associazioni costituite secondo le leggi di qualsiasi Paese diverso dall'Italia o da Trieste; o
- 6) Qualsiasi persona che sia stata in qualsiasi momento dopo il 7 dicembre 1941, cittadino o suddito di uno stato diverso dall'Italia con il quale gli Stati Uniti d'America siano stati in guerra in qualsiasi momento dopo il 7 dicembre 1941; o
- 7) Qualsiasi persona che abbia avuto volontariamente la propria residenza in qualsiasi periodo dopo il 7 dicembre 1941 nel territorio di qualsiasi Stato diverso dall'Italia con il quale gli Stati Uniti d'America siano stati in guerra in qualsiasi momento dopo il 7 dicembre 1941;

(b) La destinazione definitiva dei beni che cadono sotto i termini della precedente sezione (a), paragrafi (1)-(7), e' riservata alle decisioni che potranno essere prese in avvenire dal Governo degli

Stati Uniti d'America, dopo consultazione tra i Governi dell'Italia e degli Stati Uniti d'America;

(c) Il Governo degli Stati Uniti d'America non intende di procedere a restituzioni in qualsiasi caso in cui essi ritengano che la restituzione sarebbe contraria ai propri interessi per ciò che riguarda la sicurezza nazionale o la politica anti-trust o la politica fiscale; e

(d) Il Governo degli Stati Uniti d'America non intende assumere alcun obbligo di procedere a restituzioni di beni che siano stati usati in base ad un accordo tendente a mascherare o nascondere beni o interessi negli Stati Uniti d'America di persone non ammesse a ricevere la restituzione dei beni a norma della sezione 32a (2) del "Trading with the Enemy Act", così come emendato.

E' inteso inoltre che i diritti di proprietà letteraria, artistica o industriale, che debbono essere restituiti, resteranno soggetti a tutte le licenze e convenzioni sulle licenze che siano state concesse o registrate negli Stati Uniti d'America relativamente a questi diritti e che fossero in vigore immediatamente prima della restituzione; non sarà compresa in questa restituzione la facoltà degli Stati Uniti d'America di revocare tali licenze o convenzioni sulle licenze.

The Chief of the Italian Economic and Financial Delegation to the Acting Secretary of State

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

Reference is made to the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding certain assets in the United States of America and certain claims of United States nationals", signed this date.

Ante, p. 3988.

In connection with the return to Italy and Italian nationals of property vested in the Office of Alien Property of the Department of Justice of the United States of America, I take this opportunity to inform you that the Government of Italy has designated the Italian Ministry of Treasury as its agency to certify claims for the return of such property.

LOMBARDO

*Chief of the Italian Economic
and Financial Delegation*

The Honorable

ROBERT A. LOVETT,
Acting Secretary of State.

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

DEPARTMENT OF STATE

WASHINGTON

August 14, 1947

SIR:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[Text same as in preceding note.]

I will immediately bring your note to the attention of the Office of Alien Property, Department of Justice, which will communicate directly with the Italian Ministry of Treasury concerning the implementation of the certification agreement.

ROBERT A. LOVETT

Acting Secretary of State

The Honorable

IVAN MATTEO LOMBARDO,
*Chief of the Italian Economic
and Financial Delegation.*

*The Chief of the Italian Economic and Financial Delegation to the
Acting Secretary of State*

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

In connection with the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding Italian assets in the United States of America and certain claims of United States nationals", signed this date, I wish to bring to your attention the question of the exclusion of Italy from the benefits of the Boykin Act, Public Law 690, 1946, 79th Congress.

Section XIV of this Act specifically excludes from its benefits the citizens of any country with which the United States of America has been at war. In this connection, I wish to refer to the terms of Annex XV of the Italian Treaty of Peace relating to Industrial, Literary and Artistic Property. My Government believes that it would be consistent with the spirit of Annex XV for the Government of the United States of America to amend the Boykin Act so as to authorize the granting of reciprocal rights by the United States of America to Italy and Italian nationals.

I am pleased to be in a position to advise you that at the present time Italy grants to the United States of America and its nationals the rights and privileges referred to in Annex XV. In this connection reference is made to Article I of the Italian Law of September 5, 1946, No. 123, which grants to United States nationals rights with respect to their patents in Italy which are denied to Italian nationals with respect to their patents in the United States of America.

In view of the above circumstances, I should appreciate it if you would advise me of the policy and intentions of the Government of the United States of America in this matter.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO

*Chief of the Italian Economic
and Financial Delegation*

The Honorable

ROBERT A. LOVETT,
Acting Secretary of State.

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

DEPARTMENT OF STATE

WASHINGTON

August 14, 1947

SIR:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[Text same as in preceding note.]

Ante, p. 3988.

60 Stat. 940.
35 U. S. C. §§ 101-
114.
60 Stat. 944.
35 U. S. C. § 113.

61 Stat., Pt. 2, p. 1472.

61 Stat., Pt. 1, p. 794.

I am pleased to be able to inform you that Public Law 380, a copy of which is attached hereto, which was recently enacted by the Congress, amends the Boykin Act by removing present restrictions against the enjoyment by Italy and Italian nationals of the rights granted by the Act, on a finding by the Commission on Patents that Italy grants such rights to the United States of America and its nationals.

It is noted that in your note you state that the Government of Italy grants substantially such rights to the United States of America and its nationals.

Accept, Sir, the renewed assurances of my highest consideration.

ROBERT A LOVETT
Acting Secretary of State

Enclosure:

Public Law 380

The Honorable

IVAN MATTEO LOMBARDO,
*Chief of the Italian Economic
and Financial Delegation.*

*The Chief of the Italian Economic and Financial Delegation to the
Acting Secretary of State*

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

I have the honor to refer to the "Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding Italian assets in the United States of America and certain claims of United States nationals", signed this date.

In consideration of the undertakings by the Government of the United States of America, provided therein, dealing with the question of vessels which were under Italian registry and flag on September 1, 1939, I am authorized, on behalf of my Government, to enter into the following undertakings:

Notwithstanding the fact that the return of the passenger vessels *Conte Grande* and *Conte Biancamano* supersedes the operating agreement relating to these vessels concluded between the Government of Italy and the United States Maritime Commission, dated May 2, 1947,¹ in implementation of an understanding set forth in an aide memoire of January 8, 1947¹ from the Department of State to the Embassy of Italy in Washington, relating to these vessels and also to the operation of the Italian passenger vessels *Saturnia* and *Vulcania*, the Government of Italy agrees that, for the period up to and including

Ante, p. 3988.

¹ [Not printed.]

December 31, 1949, or for such time during that period that the vessels *Saturnia* and *Vulcania* are under Italian ownership and control, their operation will be continued subject to the rights and privileges of the Government of the United States of America as set forth in the afore-said aide memoire of January 8, 1947, and under arrangements substantially similar to those currently applying to the *M. V. Saturnia*, subject to such modifications to these arrangements as may be agreed to in the light of existing conditions.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO

*Chief of the Italian Economic
and Financial Delegation*

The Honorable

ROBERT A. LOVETT,

Acting Secretary of State.

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

DEPARTMENT OF STATE

WASHINGTON

August 14, 1947

SIR:

I have the honor to acknowledge receipt of your note of this date, in the following terms:

[Text same as in preceding note.]

On behalf of my Government, I am pleased to accept the undertakings of the Government of Italy, as set forth in your note, with reference to the operation of the Italian passenger vessels *Saturnia* and *Vulcania*. At such time as your Government may wish to discuss modifications to the existing arrangements, appropriate officials of this Government will be prepared to enter into the necessary discussions.

Operation of *Saturnia* and *Vulcania*.

Accept, Sir, the renewed assurances of my highest consideration.

ROBERT A. LOVETT

Acting Secretary of State

The Honorable

IVAN MATTEO LOMBARDO,

*Chief of the Italian Economic
and Financial Delegation.*

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

DEPARTMENT OF STATE

WASHINGTON

August 14, 1947

SIR:

I have the honor to refer to the "Memorandum of Understanding between the Government of the United States of America and the

Ante, p. 3988.

Government of Italy regarding Italian assets in the United States of America and certain claims of United States nationals", signed this date.

Questions have been raised by you concerning:

Ante, p. 3991.

Ante, p. 3992.

- (1) the scope of paragraph (a) (ii) of Annex I to the memorandum referred to above;
- (2) the meaning of the final (unnumbered) paragraph of Annex I; and
- (3) whether, with respect to the revocable, royalty-free, non-exclusive licenses granted by the United States of America, the Government of the United States of America will object if, after the return of such properties, the owners may negotiate with the licensees with a view to altering the terms of the licenses granted to them by the Government of the United States of America.

I am in receipt of the following letter from Mr. David L. Bazelon, Assistant Attorney General, Director of Alien Property, dated August 12, 1947:

"My advisors have informed me that during the July 2, 1947 conference on the documents implementing and/or supplementing the Treaty of Peace with Italy, members of the Italian delegation raised several questions regarding the meaning and scope of certain sections of Annex I of the Memorandum of Understanding between the Government of the United States of America and the Government of Italy regarding Italian assets in the United States and certain claims of United States nationals. Since the questions raised relate to vested property, representatives of the Department of State have asked for my comments and observations.

Ante, p. 3991.

"The members of the Italian delegation have inquired as to the scope of paragraph (a) (2) of Annex I mentioned above. The paragraph under reference provides that the United States does not intend to assume any obligation to make returns to any person, firm, or organization convicted of violation of any of the statutes set forth in Section 34 (a) of the Trading with the Enemy Act, as amended. The statutes (Title II and III of the Act of June 15, 1917, 40 Stat. 217, 220, 221, as amended) prohibiting commission of injury to vessels on the high seas or within the jurisdiction of the United States are not among the statutes enumerated in Section 34 (a) of the Trading with the Enemy Act, as amended. Hence, acts of sabotage committed on Italian vessels which were subsequently vested by the United States Alien Property Custodian will not in themselves be grounds for refusal to return the interest acquired in such vessels by vesting action.

60 Stat. 925.
50 U. S. C. app.
§§ 34, 620.

50 U. S. C. §§ 191-194; 18 U. S. C. § 502.

Ante, p. 3992.

Ante, p. 3988.

"The members of the Italian delegation have also raised questions with respect to the meaning of the final (unnumbered) paragraph of Annex I. The paragraph under reference provides that the United States intends to return, pursuant to the provisions of Article I, paragraph 1 (a) of the Memorandum of Understanding mentioned above, literary, artistic or industrial property vested

by the United States Alien Property Custodian from the Italian Government or from Italian nationals. Literary, artistic or industrial property so returned will remain subject to all licenses and agreements for licenses granted or entered into by the United States and which are in effect prior to the return of such properties.

"It is the intention to return the proceeds from licenses and agreements for licenses granted or entered into by the United States with respect to literary and artistic property. Such proceeds will be subject to return pursuant to Article I, paragraph 1 (a), of the Memorandum of Understanding. With respect to industrial property where the United States has granted revocable, royalty-free, non-exclusive licenses it is the intention of the United States not to issue additional similar licenses or to reissue any such licenses which have been cancelled or revoked.

Proceeds from
licenses.

Ante, p. 3988.

"With respect to the revocable, royalty-free, non-exclusive licenses granted by the United States, members of the Italian delegation have inquired whether the United States Government will object if, after the return of such properties, the owners negotiate with the licensees with a view to altering the terms of the licenses granted to them by the United States. It is not the intention of the United States to interpose any objection to such negotiations, provided that such negotiations and any changes in the terms of the licenses are in conformity with all laws of the United States, including the anti-trust laws. Also, it must be clearly understood that the United States assumes no obligations with respect to these negotiations and the licensees are in no way obligated to negotiate any changes in the terms of the licenses granted to them by the United States."

Accept, Sir, the renewed assurances of my highest consideration.

ROBERT A. LOVETT
Acting Secretary of State

The Honorable

IVAN MATTEO LOMBARDO,
*Chief of the Italian Economic
and Financial Delegation.*

*The Chief of the Italian Economic and Financial Delegation to the
Acting Secretary of State*

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

I have the honor to acknowledge receipt of your note of this date, in the following terms:

[Text same as in preceding note.]

I appreciate very much the information set forth in your note.

LOMBARDO

*Chief of the Italian Economic
and Financial Delegation*

The Honorable

ROBERT A. LOVETT,
Acting Secretary of State.

*The Chief of the Italian Economic and Financial Delegation to the Acting
Secretary of State*

ITALIAN EMBASSY
WASHINGTON, D. C.

Italian Economic and Financial Delegation

AUGUST 14, 1947

SIR:

I wish to express my satisfaction at the successful conclusion of discussions with the Government of the United States of America concerning commercial policy and related matters of mutual interest in furthering the economic relations between the Governments of the United States of America and Italy.

I am authorized to inform you that my Government agrees to the following understandings which have resulted from these discussions:

1. The two Governments affirm their continued support of the principles set forth in the notes exchanged between them December 6, 1945, and reiterate their desire to achieve the elimination of all forms of discriminatory treatment in international commerce and the reduction of tariffs and other trade barriers.

2. The two Governments having already entered into preliminary discussions concerning a comprehensive treaty of friendship, commerce and navigation which will regulate to their mutual satisfaction economic relations between the two countries, express their intention to enter into negotiations looking toward the conclusion of such a treaty this year. Meanwhile, the two Governments will continue to accord to articles the growth, produce or manufacture of the other, unconditional most-favored-nation treatment with respect to customs duties, the rules and formalities of customs, and the taxation, sale, distribution, and use within its territory of such articles.

I am also authorized, on behalf of my Government, to advise you that the Government of Italy has been following with deep interest the steps being taken to form an international trade organization of the United Nations and is in full agreement on the fundamental principles of the proposed charter for such an organization.

Accept, Sir, the renewed assurances of my highest consideration.

LOMBARDO

*Chief of the Italian Economic
and Financial Delegation*

The Honorable

ROBERT A. LOVETT,

Acting Secretary of State.

*The Acting Secretary of State to the Chief of the Italian Economic and
Financial Delegation*

DEPARTMENT OF STATE

WASHINGTON

August 14, 1947

Sir:

I have the honor to acknowledge receipt of your note of this date in the following terms:

[Text same as in preceding note.]

On behalf of my Government, I wish to confirm to you the agreements set forth in your note. I also wish to express my Government's appreciation for the views you have stated, on behalf of your Government, with respect to the International Trade Organization.

Accept, Sir, the renewed assurances of my highest consideration.

ROBERT A LOVETT

Acting Secretary of State

The Honorable

IVAN MATTEO LOMBARDO,

*Chief of the Italian Economic
and Financial Delegation.*