

Declassified E.O. 12356 Section 3.3/NND No. 785016

ACC - Italy

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Declassified E.O. 12356 Section 3.3/NND No. 785016

10000/105/21

040.7 Property Control Sub-Commission
Nov. 7, 1943 - Sept. 20, 1944

Declassified E.O. 12356 Section 3.3/NND No. 785016

HEADQUARTERS
ALLIED CONTROL COMMISSION

Suspense _____

Date 19 Sep 44

FROM	TO	FROM	TO
Chief Staff Officer		Patriots Branch	
Secretary General		Security Branch	
Archivist		Establishments Branch	
Admin Section	✓	Director	
Interior		Executive Officer (A)	
Public Safety		Executive Officer (B)	
Public Health		G-1 (A)	
Property Control	✓	G-1 (B)	
Legal		G-4 (A)	
Education		G-4 (B)	
Monuments & Fine Arts		H.Q. Comd	
Economic Section		Adjutant	
Agriculture		Message Center	
Commerce		Orders & Bulletins	
Finance		2075 Regt	
Food		Political Section	
Industry		Navy	
Labor		Air	
Mining Division		Air	
Public Works & Utilities		Communications	
Requisition Division		Civil Censorship Group	
Shipping		W. H. D. & P. O. W.	
Transportation		Public Relations Branch	
E.C. & M.C. Section		U.N.R.R.A.	
P.A. to Executive Commissioner			
Civil Affairs Branch			
Information Division			
Liaison Division			
I. & D.P. S.C.			
Italian Refugees Branch			

FOR

Signature _____
Remarks/Recommendation _____
Information _____
Approval/Disposal _____
Appropriate Action _____
Investigation & Report _____
Dispatch _____

125

REMARKS See 1st & legal officer's remarks
20/9/44
Noted
flb
RR

CC/ah

ACC/WT/IR/CF

19 September 1944

Subject: A.G.I.P.

To : Vice President
Administrative Section

1. I discussed the subject of the attached memorandum with Mr. *of*land on 18 Sept 44.

2. You will note in the third paragraph of the memorandum that all the assets of the Allied oil companies were transferred to A.G.I.P. by decree of 30 July 1942. This was done under a war law similar to those in our own countries, empowering the Italian Government to acquire the assets of these companies to further the war effort.

3. I am of the opinion, and Mr. *of*land agrees, that this is not a case for Property Control. It appears that the course now is to further the Allied war effort, and incidentally look after the interests of the oil companies by control of the operation of A.G.I.P. I understand from Mr. *of*land that this will be accomplished by the appointment of three representatives of Allied oil companies to a board of five who will advise the commissario appointed for A.G.I.P. These Allied representatives will be *of*land, Frothingham and one other.

4. The question involved in the A.G.I.P. case is similar to that presented by the "Compagnia Italiana Marconi" set forth in the attached memorandum, dated 15 Sept 44, to the Legal Sub-Commission.

Charles Carroll

CHARLES CARROLL
Lt. Col., ord. Dept.
Acting Director
Property Control Sub-Commission

CO/100/87

REC, 221324/CF

13 September 1944

Subject: Compagnia Italiana Marconi.

To : Director, Legal Sub-Commission.

1. The subject company, the stock of which is owned by Italian nationals, is the owner, by purchase, of certain Italian interests of Marconi Wireless Telegraph Co., Ltd. London, a British company. The interests or assets so purchased consisted of:

- (1) Ufficio Marconi, the " Agenzia Generale per l'Italia della Marconi Wireless Telegraph Co., Ltd di Londra", which was not a corporation but merely a branch office of the British company.
- (2) two factories for making radio sets and parts, originally located in Genoa and later moved in whole or in substantial part to Sesto, and
- (3) Ufficio Bautici, sub-offices of Ufficio Marconi located in Venice and Naples.

The whole of these interests were usually, and hereafter will be, referred to as Ufficio Marconi. For an accountant's description of the assets so purchased see Exhibit I hereto attached, which is the balance sheet of Ufficio Marconi upon which the sale price was based. Exhibit II is a balance sheet as of a later date, attached for information only.

2. Ufficio Marconi was sequestered at a time prior to any of the transactions herein mentioned. The sale to the subject company (Compagnia Italiana Marconi) was made under Fascist Government decree of 4 Feb 43 (see Exhibit III hereto attached) as modified by decree of 17 July 1943 (see Exhibit IV hereto attached). These decrees provided for nationalization of foreign business concerns in Italy. The sale was executed by decree of 23 Aug 43 (see Exhibit V hereto attached), and consignment pursuant thereto was made by verbale dated 4 Oct 1943 (see Exhibit VI hereto attached).

3. The sale price was approximately Lit. 43 million, less a credit of Lit. 20 million. This Lit. 20 million represented the cost of transferring plants and equipment

from Venice to Pistoia, and was apparently advanced by a certain San Giorgio Company. After the San Giorgio Company had paid such expenses, it formed the new Compagnia Italiana Marconi and requested that the sale be made to the latter company. In addition to the aforesaid credit of Lit. 20 million on the purchase price, a down payment of Lit. 6 million was made by the San Giorgio Company to the Tesoreria Provinciale di Roma, through the Ministry of Finance, for the account of the Marconi Wireless & Telegraph Co Ltd, London. The balance of Lit. 17 million was to be paid, we are informed, in 12 monthly installments, beginning Aug 43, to the Ministry of Finance at Brescia, near Milan.

4. It cannot now be determined whether or not the balance of the purchase price was paid, nor can it be determined whether Lit. 43 million was a fair price for the property which was the subject of the sale.

5. Upon our entrance into Rome, the bank accounts of this subject company (Compagnia Italiana Marconi) were blocked, either by mistake or because of the former British ownership of its assets. The reason is not important.

6. The former sequesterator of the British interests, the Marchese Marconi, who executed the verbale referred to in paragraph 2 above, is now the President of the subject Italian company. There is an office of the subject company in Rome, some of the bank accounts are in Rome, and the president of the company (Marchese Marconi) is in Rome, while the principal physical assets of the Company are in Pistoia and Genoa.

7. A question has now arisen as to the duty or authority of officers of the Property Control Sub-Commission to control or supervise the activities of the subject Italian Company in A.S.G. territory or in territory which has been restored to the Italian Government. If we have such authority, we may wish to remove the President of the Company and substitute another, we may wish to keep the bank accounts

blocked, and we may wish to advise or instruct the officers of the Company on questions of policy. If we have no jurisdiction in the premises then we should unblock bank accounts and relinquish all control over the company and its officers.

8. In our opinion the matter is one of high policy. As we move into the highly industrialized North, there will be a constantly increasing number of cases similar to this. Sometimes the sale will appear to have been made for a fair price and at other times for a wholly inadequate price. In some cases the whole transaction will seem fraudulent and unjust from our point of view, but still technically within the law. It would appear that the issues, of mixed law and fact, should eventually be determined by a commission, by courts, or by other bodies of a juridical nature. This answer to the present question depends, however, upon the view which it is desired that we are to take of such sales or transfers. If the sale made in accordance with Italian law is prima facie good, then no doubt Property Control has no jurisdiction of the Italian Company. On the other hand if such sale is prima facie bad, then perhaps we should endeavor to conserve and protect the company's assets against a day when they will be restored to the former United Nations owner.

9. Will you please advise us as to what action, if any, we should take with respect to the Compagnia Italiana Baroni and its affairs (a) in AMG territory, (b) in territory restored to Italian Government.

10. The matter is urgent.

CHARLES CARROLL
Lt. Col., Ord. Dept.
Acting Director
Property Control Sub-Commission

421

ARN. HOPLAND

APHQ Petroleum Section

R.A.A.C.

C.M.P.

20 Via XIII Marzo

4th Floor.

18 Sep. 1944

Dear Brigadier Upjohn,

With reference to the discussion of Saturday last with you, Prothingham and myself, I attach hereto an aide-memoire giving some information on the question of Allied oil interests.

Lt. Col. Carroll has sent me a copy of Lt. Col. Thackrah's memorandum "Policy as to function of Property Control".

As you will see from the attached aide-memoire, the 21 Allied oil companies were originally sequestered, but subsequently - by decree of the 30th July 1942 - transferred to A.G.I.P. in which they were absorbed, completely losing their identity, although the foreign oil companies apparently continued to exist under Italian law, without however any assets or staff.

The arrangement suggested by Lt. Col. Thackrah does not cover the case of oil companies, whose properties are not in the hands of sequestrators but in the hands of AGIP. Hence our insistence that the "Commissario" of the AGIP should be appointed in accordance with the Allied wishes.

The memorandum raises many important points, which Prothingham and I are studying, but at first sight it seems desirable to us, that when those matters are taken up with the Italian Government, it is made quite clear to them, that for the reasons mentioned above the oil companies are a different case which will be dealt with separately.

We will contact Lt. Col. Carroll and Thackrah on the matter.

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We will contact Lt. Col. Carroll and Thackrah on the matter.

Yours very sincerely,



Encl.

AIDE - MEMOIRE.

CIP was formed upon request of the Allies as a military necessity and the Allied authorities have a primary interest in its smooth working.

CIP's activities are those of an Italian group in Italy and to fulfill its task properly it seems necessary to have CIP constituted under Italian law, instead of it remaining only an Allied military creation.

It has become abundantly clear that in constituting CIP under Italian law great care has to be taken that the already heavily damaged Allied oil interests in Italy are fully protected against the intrigues of Italian oil interests.

Allied oil interests are by far the largest Allied investment in Italy and those interests have been treated by the Italian Fascist Government far worse than similar interests have been treated in other enemy countries like Germany, Hungary, Roumania, etc. Whilst in those countries the Allied oil companies have continued to exist under the management of their own national directors, the Fascist Government dismissed all Italian directors and many of the senior staff of the Allied oil companies.

The management was taken over by sequestrators which were taken [exclusively] from the managers and senior staff of the Government owned competitive oil company AGIP.

At a later date all Allied oil companies were transferred to the AGIP in a manner which cannot be described other than as forcible.

The total book value of the Allied oil companies was about L. 2.500 million (at the pre war rate of exchange 125 million dollars). Italian "experts" estimated in 1942 the value at L. 1.240 million. AGIP bringing forward a number of ill-founded reasons, finally managed to get the value reduced to 840 million Lire of which however only 490 million Lire (at present rate of exchange \$ 4.900.000) was to be paid to the share holders, whereas 350 million Lire were to be paid to the Italian Government for the value of the licenses which the Italian Government had granted in the past to the Allied oil companies.

Whereas the Italian Gov.t had not pursued during the war a policy of nationalization of the oil industry - other Italian

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Whereas the Italian Gov.t had not pursued during the war a policy of nationalization of the oil industry - other Italian oil companies like Permolio, Aquila, ANIC, Petrolea, etc., continue to exist side by side with the AGIP - it has been the predominant and openly stated policy of the AGIP management to liquidate and smash forever the Allied competitors.

The interests of the Allied oil companies before the war can be divided in three categories:

- a) The parent companies in the Allied countries supplied oil products to their subsidiary companies in Italy.

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- b) The Italian subsidiaries had large distributing organizations and a large share in the distributing market.
- c) The Italian subsidiaries built large refineries in Italy for which their parent companies supplied the necessary capital.

Interests mentioned under a) cannot at present come under discussion since supplies to Italy will be determined by the Allied nations and the Italians will have little or no say in the matter. The interests under b) and c) are those for which full indemnification has to be made for damages done and which have to be protected from further damage. It is difficult if not impossible to assess the actual damages done to Allied interests. Not only have many refineries, installations, depots and other physical assets been entirely destroyed but organizations which have been carefully built up during many years have been liquidated or scattered to the four winds.

The Italian Gov.t have not only made this possible but have actively pursued such a policy through the AGIP.

Of those two entirely Fascist and autarchic creations AGIP and ANIC, the present Italian Gov.t owns the AGIP entirely and has large measure of control in the ANIC.

The AGIP in turn owns such physical assets of Allied companies as still exist whereas the ANIC owns the only undamaged oil refinery in Italy.

Whereas the Italian Gov.t will ^{be} eventually left free to decide on its own internal policy, it is on the other hand logical that the Allied authorities should see to it that any Italian policy will not add to the reparation which the Italian Gov.t will have to make for the damage already done to Allied oil interests.

Sooner or later the following two questions must be the subject of discussion between the Italian Government and the Allies:

1. In which way shall the Italian Gov.t indemnify the Allied oil interests:
 - a) for the destruction of physical properties,
 - b) for the damages done to the organizations of the Allied oil companies.

2. In which way does the Italian Gov.t intend to assure the

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1. In which way shall the Italian Gov.t indemnify the Allied oil interests:
 - a) for the destruction of physical properties,
 - b) for the damages done to the organizations of the Allied oil companies.
2. In which way does the Italian Gov.t intend to assure the protection of Allied interests in the Italian oil industry after the war.

The Italian Gov.t must be made to realize that these are the terms of the problem it will eventually have to face, and should be thinking about, but that until such time as they can be settled - which is certainly not now - such questions as the form and scope of CIP, the composition of its managing committee, the control of the two companies AGIP and ANIC (through Commissari) must be dealt with in accordance with Allied requirements, not only from the military point of view but also as regards the protection of Allied interests.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394.

ACC/LOIA/S/L.

18 September 1944.

SUBJECT : Memo on Property Control.

TO : V. P. Adm Sec.

1. Reference your OAO.7/AS dated 16 Sep 44.
2. The alterations in policy proposed in Lt.Col. Thackrah's memo do not appear to me to affect Allied interests in oil companies such as A.G.I.P., A.M.C. etc. I have read the Minutes referred to by you.

70/4/44
Wb
Richard H. Wilmer
RICHARD H. WILMER.
Colonel, CAC.
Chief Legal Officer.

RGW/wcw.

040/Pe
1/14/44
HEADQUARTERS REGION IX
ALLIED MILITARY GOVERNMENT
APO 394

1 September 1944

Ref: RIX/GP/01.1

SUBJECT: Report month of August 1944.

TO : Director of Property Control Sub-Commission, A.G.C.

1. Personnel: Captain G. H. Hewett assigned as Regional Controller of Property by Regional Commissioner.
2. Planning is proceeding and movement to forward areas is being prepared for.
3. Friendly relations are being maintained with all Division heads.

For the Regional Commissioner:

G. H. Hewett
G. H. HEWETT
Regional Controller
of Property.

HEADQUARTERS
3 SEP 1944
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1834

040/Pe ✓

RESTRICTED

FOR INFORMATION ONLY

ADMIN

3936 Le

RE: ACC FOR PROPERTY CONTROL

ACC REGION 1 (CANN)

6/23

REF 221330A



NONE
CITE: REG-308

RESTRICTED. REFERENCE TRANSFER FORGLO DI SICILIA YOUR INSTRUCTIONS TO YOUR INSTRUCTIONS TO HAND OVER TO PREFECT OF CATANIA. LEGISLATIVE DEGREE NUMBER 159 DATED 27 JULY 1944 ARTICLE 39 STATES DELIVERY TO BE MADE TO AMMINISTRAZIONE FINANZIARIO DELLO STATO WHICH MEANS INTENDENTE DIFINANZO AND NOT PREFECT. THIS OPINION CONFIRMED BY ITALIAN LEGAL ADVISERS TO PROPERTY DIVISION AT BOTH PALERMO AND CATANIA ALTO COMMISSARIO BENI FASCISTI NONE APPOINTED UNDER ARTICLE 40 SAME DEGREE CABLED INTENDENT CATANIA 12 SEPTEMBER TO RECEIVE PROPERTY. PLEASE RECONSIDER AND INSTRUCT.

ACC DIST

Action Prop Control (2)
Inc A/c
ADMIN
FINANCE
FILE (2)
FOAT

415

RESTRICTED

REF 230830A

20/sep/44

JRH

R. PROTHINGHAM
AFHQ Petroleum Section
Via XXIII Marzo, 20

19 Sep. 1944

Dear Brigadier Upjohn,

Referring to Holland's note of the 18th Sep. and the general aide-memoire attached thereto, enclosed is a memorandum which comments more specifically on Lt. Col. Thackrah's letter of Aug. 27 on Property Control Policy, as regards the protection of Allied oil properties and interests.

We will discuss this with Lt. Col. Carroll and Lt. Col. Thackrah, but thought you might like to have a copy. We are also handing a copy to Col. Wilmer for his information.

Yours very truly,

R. Prothingham
Am. Holland

Encl.

414

Protection of Allied oil properties
and interests in Italy.

Sep. 19, 1944

Lt. Col. Thackrah's memorandum of Aug. 27 on Property Control Policy does not deal, perhaps intentionally, with the case of the Allied oil interests in Italy. These were not left under sequestration and organized property control with any idea of eventual restitution to their rightful owners, but on the contrary were sold outright at a derisory figure to the Government owned oil company AGIP and subsequently absorbed into it, completely losing their identity.

The settlement of the claims of the owners against the Italian Government involves not only the question of compensation for damage done, but also that of the status and treatment of Allied oil interests in the post war Italian petroleum economy. The latter question in turn involves many factors which are indissolubly linked with the international oil policy now in discussion between the British and American Governments and oil interests.

Until it is clear how all these questions are going to be dealt with, it is important that the Italian Government shall not be permitted to disavow its liability in any manner.

In the meantime however the Allied oil interests have no wish to take back their properties (most of those so far encountered have been badly damaged if not destroyed, by bombardment or German demolition) or to accept any form of partial compensation. They do not have properly qualified representatives here to deal with such questions in any case.

It is therefore important that any decrease or measures contemplated by the Italian Government in the sense of paragraph 4 c) I of the memo should not affect or prejudice the position of the Allied oil interests in that respect. Too much is at stake. The Allied oil investments in Italy represent a continuous and cumulative development of over 30 years and were the biggest Allied property interest in this country (the total book value was about Lire 2,500,000,000 equivalent to \$ 125,000,000 at

of Allied oil interests in Italy. These were not left under sequestration and organized property control with any idea of eventual restitution to their rightful owners, but on the contrary were sold outright at a derisory figure to the Government owned oil company AGIP and subsequently absorbed into it, completely losing their identity.

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On the other hand, although the fundamental liability of the Italian Government must remain absolute, it is not desirable that it should actually take over the management and operation of the Allied oil properties in the sense of para 4, c) II.

The use and control of all petroleum installations and services is an Allied right under the Armistice. The Allies have set up CIP for that purpose as the coordinating agency for the entire

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Italian petroleum industry, and all petroleum activity.

In the opinion of the Petroleum Advisers, the most practical and at the same time the most acceptable manner in which the Italian Government can discharge its interim responsibility for the care and maintenance of Allied oil property pending settlement with the owners would be for it:

1. To give CIP whatever legal status may be required under Italian law in order that it may effectively control and coordinate all local petroleum activity including the use and operation of all installations.
2. To make the CIP Managing Committee, three of the five members of which are former local executives of the Allied interests in question, Commissario of AGIP, as A.C.C. already requested in July.

The fact that CIP's activities in a general sense are subject to Allied supervision through the Petroleum Section and A.C.C. seems to provide sufficient guarantees for the Allied interests on the one hand and to the Italian Government on the other.

At the same time should an intervention of the D.P.C. be advisable at some later date in accordance with para 4, c) III, the Petroleum Advisers would be in a position to verify the facts and to recommend action.

HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394
ADMINISTRATIVE SECTION

19 Sep 44

By 040.7 ✓

SUBJECT : Procedure to be followed by Allied Officers in dealing with property belonging to Fascist institutions,

TO : Director, Property Control Sub-Commission,

- 1 Property of Fascist organisations will be consigned over to the Prefect.
- 2 A receipt specifying the date, nature, location and condition of the property will be obtained from the Prefect.
- 3 A duplicate of the receipt will be forwarded to the High Commissioner for Defascism by a letter prepared by you for the Vice President's signature.

Ext. 469
SHW/mh

S.H. WHITE, Col.
for CPO Admin Section

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(1494)

HEADQUARTERS
ALLIED DEFENSE COMMISSION
APO 394
ADMINISTRATIVE SECTION

040.7/AS

16 Sep 44

SUBJECT : Memo on Property Control.

TO : Legal Sub-Commission
Property Control Sub-Commission.

The Acting Chief Commissioner has raised the question as to whether the alterations in policy proposed in the memo prepared by Lt Col Thackrah and approved by him yesterday will in any way affect the position with regard to Allied interests in oil companies such as ANIP, ANIP and the like.

I shall be glad if you will consider this matter and let me know your views bearing in mind the discussions with Pet Sec AF HQ in March-May of this year which are recorded in minutes no doubt in your possession.

G.R. UNWIN Brig
V.P. Admin Section

Ext 325
GRI/jac

CC/1a

0401pc

ACC/030/CP

29 August 1944

Subject: Letter for Acting Chief Commissioner's Signature.

To : Vice-President,
Administrative Section, ACC.

1. Attached is a letter for Captain Stone's signature addressed to the C-in-C, A.A.I. requesting authority to use the notice referred to in the letter.
2. The notice has been approved as to form and content by the Legal Sub-Commission.
3. Its form and content have similarly been discussed with Colonel Cunningham and Major Friend-James, A.A.I.
4. It is similar to a notice approved by General Mark W. Clark for use in the territory covered by the 5 Army.
5. If you find the attached in order, will you please send it forward.

Charles Carroll

CHARLES CARROLL
Lt.Col., Ord.Dept
Acting Director
Property Control Sub-Commission

*6. Attached is a note from
Major Friend-James, just
received.*

Wb

Subject:- Controller of Property Notices.

28 AUG 44.

To:- Lt.Col.Charles Carroll,
Property Control Sub Commission,
A.C.C.

From:- A.C.C. Liaison,
Main HQ. A.A.I.

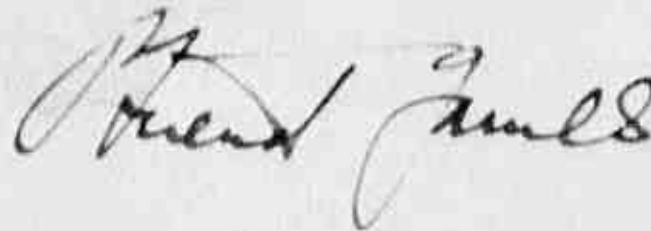
Ref. ACCL/313.

Reference your ACC/030/CP of 28 AUG 44,
and confirming our conversation.

Capt Oden, A.C.C. Liaison Officer, Adv.
A.A.I. has at my request conferred with the M.A.
to the C in C, who has asked that the proposed
notice should be submitted for the C in C's
approval.

If therefore, the Acting Chief Commissioner
will kindly let me have a letter for the
Commander in Chief, I will send it to the L.O..
A.A.I. Adv.

I am going up to A.A.I. Adv on 31 Aug
returning the following day. Please let me know
if I could help further.



Major,
A.C.C. Liaison Officer.

ADD/032/CP

25 Aug 44

SUBJECT: Survey of Allied-owned Property in Rome.

TO: AFHQ, G-5 Section, APO 512.
(Attention Lt Col. FAIRMAN).

- 1 Reference your letter of 20 Aug 44 to this office and your letter of 7 Aug 44 to Combined Chiefs of Staffs, both your G-5 306.1.
- 2 As you have advised the Combined Chiefs of Staffs, the Property Control Sub-Commission is prepared to answer individual inquiries concerning properties or interest of nationals of the United Nations in Rome and in most other parts of occupied Italy. It will be some time, of course, before accurate information concerning properties in newly occupied cities, such as Florence, is available.
- 3 Specifically, in answer to Mr. LEBUE's inquiry, reports may be furnished, through channels, when individual requests are received. Such reports will include balance sheets, operating statements, and a general picture of the conditions of the company or property as it exists today. It is considered inadvisable to agree to furnish inventories. As a rule insufficient copies are available for this purpose.
- 4 We agree with the suggestion contained in para 4 of your letter of 7 Aug 44. There should be some screening of requests. Requests for reports in gross should not be entertained. For example, I suggest that it would place a heavy burden indeed, upon the Property Control Sub-Commission to furnish at one time, reports on all American concerns doing business in Rome.

FOR THE ACTING CHIEF COMMISSIONER:

G.R. UNGER, Col
A/Head Admin Sec.

(SECRET)
ALLIED CONTROL COMMISSION
GENERAL ADMINISTRATIVE INSTRUCTION NO.
FOR TERRITORIES CONTROLLER IN OR PROPERTY SUBJECT
TO ALLIED MILITARY
GOVERNMENT

PART I - DUTIES

1. The Controller of Property will be responsible for the custody of:
 - (a) Property of Allied Governments or nationals,
 - (b) Such property of the Italian State including that of semi-fatal institutions and the Fascist Party, as is not in the custody of some other branch of the Armed Forces, or AVG or of the Italian officials responsible thereto.
 - (c) Enemy State property not in custody of some other branch of the Armed Forces or of a protecting power.
 - (d) Such abandoned property or property belonging to absentees owners of which no representatives can be found in the occupied Territory as the Chief Commissioner or an officer empowered by him, may direct.
2. He may also be required to take into his control, when directed to do so by the Chief Commissioner or an officer empowered by him:
 - (a) Any property the control of which is in the opinion of the Chief Commissioner or an officer empowered by him, essential to the needs of the Allied Forces or inhabitants of the Occupied Territory.
 - (b) The property of any person, company or institution whose activities are deemed by the Chief Commissioner or an officer empowered by him, to be prejudicial to the safety of the Allied Forces or of public order.

For the purpose of ^(a) ~~the~~ above, the term "Allied" will be deemed to include all the United Nations and France.

With respect to ^(a) ~~the~~ above, the term "enemy" State Property" includes all property owned, controlled or administered by any state at war with any of the United Nations, and also that of companies, institutions or bodies in which any such states has any substantial interest or over which it exercises substantial control.
3. The Controller of Property will have the following powers with respect to any property taken under his control. These will be exercisable at his discretion subject to the limitations laid down in para. 4 below.

PART II - POWERS

- (b) ~~Enemy~~ property of the Italian State including that of semi-
retal institutions and the Fascist Party, as is not in
the custody of some other branch of the Armed Forces, or
AMG or of the Italian officials responsible thereto.
(c) Enemy State property not in custody of some other branch
of the Armed Forces or of a protecting power.
(d) Such abandoned property or property belonging to absentee
owners of which no representatives can be found in the
occupied Territory as the Chief Commissioner or an officer
empowered by him, may direct.

2. He may also be required to take into his control, when directed
to do so by the Chief Commissioner or an officer empowered by
him;

- (a) Any property the control of which is in the opinion of
the Chief Commissioner or an officer empowered by him,
essential to the needs of the Allied Forces or inhabitants
of the Occupied Territory.
(b) The property of any person, company or institution whose
activities are deemed by the Chief Commissioner or an
officer empowered by him, to be prejudicial to the safety
of the Allied Forces or of public order.

For the purpose of ^(c) ~~the~~ above, the term "Allied" will be deemed to
include all the United Nations and France.

With respect to ^(c) ~~the~~ above, the term "enemy" State Property"
includes all property owned, controlled or administered by any
state at war with any of the United Nations, and also that ~~of~~
companies, institutions or bodies in which any such states has
any substantial interest or over which it exercises substantial
control.

PART II - POWERS

3. The Controller of Property will have the following powers with
respect to any property taken under his control. These will be
exercisable at his discretion subject to the limitations laid
down in par. 4 below.

- (a) To sell any part of the property which consists of perish-
able goods, produce, growing crops, stock-in-trade or
other moveable property under his control, whose physical
condition is from its nature likely to depreciate.
(b) To let property capable of being let.
(c) To pay any rates, taxes or other imposts due in respect
of the property.
(d) To pay any mortgage interest or other payments accrued on
the property.
(e) To pay any other sum necessary for the preservation of
the property.
(f) To enter into any contract or execute any instrument
necessary for the exercising of the foregoing powers.
(g) To carry on in person or by duly appointed agent any
business or commercial undertaking.

- (n) To do all such things in relation to the property which he takes under his control as he would do if he held a General power of attorney from the owner.
- (1) With the consent of the Director of Property Control to make payments from time to time, out of the assets under his control, to dependents of an absent owner for their maintenance and support.
4. The powers of the CP will be subject to the following limitations:
- (a) In all cases where it is necessary to raise money on the security of the property for its preservation or maintenance, he will before taking any action, obtain the authority of the DPC. In the case of commercial enterprises no loans other than temporary advances contracted in normal ways of business shall be raised, nor shall any assets of the company be pledged without the consent of the DPC. Where it is necessary to enter into any contract, or to execute an instrument necessary for the exercise of any of his powers, other than for the purpose mentioned in Par. 3 above, the authority of the DPC will be obtained.
- (b) Where the expenditure required for repairs to any property exceeds the sum of Lire 20,000, the CP will, before entering into contract or assuming any obligation with respect to the case, submit an estimate to and obtain the approval of the DPC.
- (c) Where the income from a property is insufficient to meet:
- (i) the necessary expenses for maintenance, or
 - (ii) in the case of properties damaged by military action, any expenditure immediately necessary to prevent further deterioration in value, the CP will adopt the procedure set forth in the previous paragraph.

PART III - OPERATIONS

- (a) The first task of the CP after the effective military occupation of an area is to locate and take steps to protect from damage the more important properties referred to in Paragraphs 1(a) to (c) Part I, and the contents from looting (whether by civilians or by members of the Armed Forces). He will arrange with SCAC, and (i) to have notices posted or signs erected that the premises in question are under the custody of the AMG and entrance to unauthorized persons is forbidden.
- (ii) to request military or police guards to be posted to protect them.
- (b) He will next obtain from the appropriate authorities a complete list of Allied properties in the district, with description of the same and send this to:
- (i) AD, Claims and Hirings (see par 4(2) below)

- (b) loans other than temporary advances contracted in normal ways of business shall be raised, nor shall any assets of the company be pledged without the consent of the DPC. Where it is necessary to enter into any contract, or to execute an instrument necessary for the exercise of any of his powers, other than for the purpose mentioned in Par. 3 above, the authority of the DPC will be obtained.
- (c) Where the expenditure required for repairs to any property exceeds the sum of Lire 20,000, the CP will, before entering into contract or assuming any obligation with respect to the case, submit an estimate to and obtain the approval of the DPC.
- (d) Where the income from a property is insufficient to meet:
 - (1) the necessary expenses for maintenance, or
 - (2) in the case of properties damaged by military action, any expenditure immediately necessary to prevent further deterioration in value, the CP will adopt the procedure set forth in the previous paragraph.

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- (a) The first task of the CP after the effective military occupation of an area is to locate and take steps to protect from damage the more important properties referred to in Paragraphs 1(a) to (c) Part I, and the contents from looting (whether by civilians or by members of the Armed Forces). He will arrange with SCAG to have notices posted or signs erected that the premises in question are under the custody of the AMG and entrance to unauthorized persons is forbidden.
- (b) (2) to request military or police guards to be posted to protect them.
- (b) He will next obtain from the appropriate authorities a complete list of Allied properties in the district, with description of the same and send this to, (1) AD, Claims and Hirings (see par A(2) below)

6. The CP will proceed to take formal custody of the properties specified in paragraph 1 above, in accordance with the following directives:

7. ~~ALLIED PROPERTY.~~

- (a) Real Property. Under Italian war legislation a special department of the Ministry of Finance called "ESLI" (Ente di Gestione e Liquidazione Immobiliare) was established to deal with real properties belonging to enemy nationals. This department appointed as sequestrators for the same, the principal mortgage loan institutions (Istituto di Credito Fondiario) in the region in which the property was situated, e.g. the Banco di Sicilia for Sicily and the Banco de Napoli for southern Italy.

On taking custody of properties CP will normally, unless either the owner or his duly constituted legal representative is available, instruct these institutions to continue to manage them on his behalf. Before doing so, the CP will satisfy himself that the institution has been acting in a trustworthy manner. If he has reason to be dissatisfied with their conduct he will report to DPC recommending the appointment of some other person or institution to manage properties.

If a duly appointed representative of the owner is available the management of the property may be entrusted to him, unless there are special reasons to the contrary. The representative will be responsible to CP for the management of the property.

If the owner is available the CP may place him in possession of his property after verification of his title and obtaining of clearance.

Where the property of an Allied nation or company has been let or sublet, it shall be the duty of the CP to satisfy himself that the terms of any lease or sub-lease granted by the sequesteror are reasonable, and take such steps as are in his power to ensure that the terms of the lease or sub-lease are being duly carried out, and that the rents are paid as when they become due. If in his opinion the said terms are inequitable, the CP may with the consent of the DPC, terminate the lease or sub-lease. On the expiry of such lease or sub-lease, the CP will make arrangements either for its renewal or for the granting of a new lease or sub-lease. Such renewals or new leases shall not, except with the consent of the DPC, exceed the term of one year. Where the property of an Allied nation or company consists of a mortgage, the CP will take custody of the mortgage deed and take such action as may be appropriate, to ensure that the terms of the said contract are carried out, both as to the payment of the interest and the repayment of the principal sum. The CP may however make arrangements for the renewal of the same for a period not exceeding one year at any other time.

On taking custody of any property the CP will make full note of its condition and prepare a detailed inventory of its contents under such an inventory has been taken by the sequesteror. If such an inventory is in existence the CP will check it and agree a list of shortages with the sequesteror from whom he will obtain a copy of the original inventory. CP will obtain from sequesteror a financial statement at the date of taking custody.

All expenses for management and maintenance of Allied property taken in custody by the CP will be charged against the estates in question. The CP will not employ AMG funds for this purpose unless expressly authorized to do so by the CPO.

In all cases where real property, including enemy property, is taken into custody the appropriate Ufficio del Registro should be informed and required to record the fact in their

ion of his property after verification of his title and obtaining of clearance.

where the property of an Allied nation or company has been let or sublet, it shall be the duty of the CP to satisfy himself that the terms of any lease or sub-lease granted by the sequesteror are reasonable, and take such steps as are in his power to ensure that the terms of the lease or sub-lease are being duly carried out, and that the rents are paid as when they become due. If in his opinion the said terms are inequitable, the CP may with the consent of the DPC, terminate the lease or sub-lease. On the expiry of such lease or sub-lease, the CP will make arrangements either for its renewal or for the granting of a new lease or sub-lease. Such renewals or new leases shall not, except with the consent of the DPC, exceed the term of one year. Where the property of an Allied nation or company consists of a mortgage, the CP will take custody of the mortgage deed and take such action as may be appropriate, to ensure that the terms of the said contract are carried out, both as to the payment of the interest and the repayment of the principal sum. The CP may however make arrangements for the renewal of the same for a period not exceeding one year at any other time.

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All expenses for management and maintenance of Allied property taken in custody by the CP will be charged against the estates in question. The CP will not employ AMG funds for this purpose unless expressly authorized to do so by the CPO.

In all cases where real property, including enemy property, is taken into custody the appropriate Ufficio del Registro should be informed and required to record the fact in their registers.

Property requisitioned by the Armed Forces.

The following procedure has been laid down in respect of requisitioning and payments for property belonging to Allied nationals in British military areas:

(a) Requisition forms will be served by the Hiring officer either on the local authorities (Comune) or on the Italian military authority "Genio Militare". Hiring officer will inform the Commando Genio Militare of particulars of premises requisitioned and the latter will be responsible for seeing that payments are made through the Banca d'Italia.

(b) Where the owner or occupier of requisitioned property is a national of the United Nations, the Hiring officer will

See that a correct schedule of condition is prepared by the Commando Genio Militare and that a air rental is agreed and paid promptly. Schedules of condition and hirings agreement will be prepared by the Commando Genio Militare and submitted for approval to the Hirings officer.

(c) Payments will be made by the Italian authorities to the CP or where the property has been handed over to him, to the owner of his legal representative.

(d) On de-requisitioned the Hirings officer will ensure that dilapidations are properly assessed and compensation paid.

(e) The CP will, at the earliest opportunity, furnish AD Claims and Hirings with a list of properties belonging to Nationals of the United Nations, and AD Hirings will in person advise CP, (2) the requisitioning or (22) de-requisitioning of such properties.

(f) Procedure outlined in (a) and (b) above will also be applied in the case of properties belonging to friendly neutral states. AD Claims and Hirings will inform CP of any such property requisitioned, and CP will, if the owner or legal representative is absent, apply to the Italian Courts for the appointment of a curator for the same, and inform AD Claims & Hirings of the name and address of the person appointed.

(g) Procedure in U.S. military areas follows in general arrangements specified in (a) above. CPs should make themselves acquainted with the provisions in AFHQ Administrative Memoranda Nos. 26, 95 and 85.

(c) (iii) Chattels.

The CP will take formal custody of chattels belonging to an Allied National or company and will satisfy himself that the arrangements for their safe custody are adequate, and if not, make arrangements for their safe custody, e.g. in the safe deposit of a bank, warehouse, etc.

(c) (iv) Bank Balances, etc.

The CP will take custody of all bank balances and negotiable instruments, etc. belonging to an Allied national or company lying in the banks in his district. He will transfer them to his account, where they will be kept in the name of the CP for account of the owner, and where appropriate placed on time deposit for such period as may seem desirable. A similar procedure will be followed with respect to Postal and Savings Bank deposits. Where any such balances, etc. have been transferred by the order of the Italian Government to a central institution, (e.g. Banca d'Italia or Istituto Cassa) the CP will forward to this HQ and branch a list of the items so transferred, showing, (a) the name and where possible, the address of the owner, (b) the name of the transferring bank, (3) dates of sequestration, (4) the name and address of the institution to which transferred, and (5) the date of transfer.

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(f) Procedure outlined in (a) and (b) above will also be applied in the case of properties belonging to friendly neutral states. AD Claims and Hirings will inform CP of any such properly requisitioned, and CP will, if the owner or legal representative is absent, apply to the Italian Courts for the appointment of a curator for the same, and inform AD Claims & Hirings of the name and address of the person appointed.

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The CP will take custody of all bank balances and negotiable instruments, etc. belonging to an Allied national or company lying in the banks in his district. He will transfer them to his account, where they will be kept in the name of the CP for account of the owner, and where appropriate placed on time deposit for such period as may seem desirable. A similar procedure will be followed with respect to Postal and Savings Bank deposits. Where any such balances, etc. have been transferred by the order of the Italian Government to a central institution, (e.g. Banca d'Italia or Istituto Camm) the CP will forward to this HQ and branch a list of the items as transferred showing, (a) the name and where possible the address of the owner, (b) the name of the transferring bank, (c) dates of sequestration, (d) the name and address of the institution to which transferred, and (e) the date of transfer.

(v) Securities.

CP will take custody of all securities belonging to allied nationals or companies lying in banks and financial institutions. He will transfer any such securities be found elsewhere to a reliable bank. Securities will be held in the name of the CP for account of the owner, and banks will be instructed to collect and pay into the appropriate account any sums in respect of dividends, sinking fund payments, etc, which may accrue or have accrued, where they will be held, where suitable, on fixed deposit. Where securities belonging to Allied Nationals have been transferred by order of the Italian Government to central institutions, CP will forward a schedule of securities so transferred, with details similar to those laid down in (a) to (f) of the previous paragraph, to HQ, ACC.

VI. Commercial and Industrial Undertakings.

(a) The sequestration of industrial and commercial concerns and business was entrusted by the Italian Government to the Ministry of Corporations, who appointed individual sequestrators for each business. These sequestrators were frequently high ranking Fascist Party officials who assumed the functions of the Board of Directors, leaving the actual conduct of the business to a manager. CP, unless there are strong reasons to the contrary, will dispense with the services of the sequestrators and will normally retain the existing management, provided he is satisfied as to its trustworthiness and efficiency. If he is not so satisfied he will appoint a suitable person or persons to manage the business on his behalf.

(b) On taking formal custody of an industrial or commercial business, CP will as regards according to the conditions, prepare inventories, etc. follow the procedure laid down in GA (I) and (f). 7. He will also cause a balance sheet to be prepared showing the financial position of the undertaking on the date of taking custody and will submit to this HQ a monthly income and expenditure account and such other records as may from time to time be required by DFC. All surplus funds not required for the day to day operations of the undertaking will be paid into the CP's account.

(c) Where any Allied business or company has been put into liquidation and the liquidation has not been completed, CP will report the facts to the DFC, together with his recommendation as to whether the liquidation should be allowed to proceed or whether the business should be re-started.

(d) Where in addition to being sequestered, the assets of the Allied business or company have also been expropriated by the Italian Government and handed over to an Italian undertaking, the CP will report instructions as to the action to be taken.

(e) Where any industrial or commercial concern operates in more than one region, all decisions on policy will be referred to DFC, who may delegate to one of the Regional PCs the responsibility for the supervision of its operation.

8. ENEMY PROPERTY.

(i) Property of Enemy States.

The CP unless otherwise instructed, will be responsible for the custody of all property belonging to enemy states in occupied territory, not occupied by AMG or any other branch of the Armed Forces, except where such property has been placed under the protection of a protective power, the representative of which is in a position to

business, CP will as regards according to the conditions, prepare inventories, etc. follow the procedure laid down in SA (I) and (f). 7600. He will also cause a balance sheet to be prepared showing the financial position of the undertaking on the date of taking custody and will submit to this HQ a monthly income and expenditure account and such other records as may from time to time be required by DPC. All surplus funds not required for the day to day operations of the undertaking will be paid into the CP's account.

(c) Where any Allied business or company has been put into liquidation and the liquidation has not been completed, CP will report the facts to the DPC, together with his recommendation as to whether the liquidation should be allowed to proceed or whether the business should be restarted.

(d) Where in addition to being sequestered, the assets of the Allied business or company have also been expropriated by the Italian Government and handed over to an Italian undertaking, the CP will report instructions as to the action to be taken.

(e) Where any industrial or commercial concern operates in more than one region, all decisions on policy will be referred to DPC, who may delegate to one of the Regional PCs the responsibility for the supervision of its operation.

8. ENEMY PROPERTY.

(i) Property of Enemy States.

The CP unless otherwise instructed, will be responsible for the custody of all property belonging to enemy states in occupied territory, not occupied by AMG or any other branch of the Armed Forces, except where such property has been placed under the protection of a protective power, the representative of which is in a position to exercise effective custody, e.g. Embassies and Legations, Consulates, etc.

(ii) Property of Enemy Nationals.

CP will at the earliest opportunity forward to CIC and FSS a list of all property belonging to enemy nationals.

9. ITALIAN STATE PROPERTY.

(i) Property of the Italian State.

In general, all such property of the Italian State as is not already in the custody of AMG or of some other branch of the Armed Forces will be looked after by the appropriate Italian officials, the major portion of whom are expected to remain at their posts.

There will therefore be no necessity for CP to take formal custody. Instructions should however be given to Italian officials at the earliest opportunity to check inventories and establish lists of shortages, dilapidations, etc. Cases may occasionally arise, e.g. state premises previously occupied by the Armed Forces and subsequently evacuated by them, where the CP will have to make arrangements for their temporary custody. Liaison should be maintained for this purpose with Real Estate Branch of the US Corps of Engineers and/or AD Claims & Hearings. CP should obtain from Hearings Officer (British) and/or Real Estate Branch US Corps of Engineers, a list of all government premises occupied by them together with a record of dates of occupation and evacuation.

(B) Property of the Fascist Party.

Subject to the qualifications contained in Article 3 of Proc. No. 7, the property of the Fascist Party will be treated as property of the Italian State, (see (a) above), but as occasions may arise when all responsible party officials may run away, the duty of looking after Fascist Party property may fall in some instances on the CP who will when so directed by the CC or officer empowered by him, take such steps as he deems necessary to secure the protection of such buildings and their contents as are not occupied by AMG or other branches of the Armed Forces, in the absence of any authorised officials of the Fascist Party.

10 B. MUNICIPAL PROPERTY.

Municipal property is regarded as private property under international law, and as municipalities, as bodies corporate, will not be dissolved; municipal property will be treated as private property whose owner is present. The CP will therefore not be responsible for taking it into custody unless specially directed to do so by the CC or an officer empowered by him.

11 B. ABANDONED PROPERTY.

The CP will only be required to take abandoned Italian property into custody in exceptional circumstances. He will however take into custody all such property belonging to Nationals or States at war with the United Nations in accordance with (a) above. Wherever practicable he will make arrangements through the CLO of the Region for the appointment by the Italian Courts of a trustee for abandoned property belonging to Italian Nationals. The following procedure will be followed by agreement with the President of the Tribunale. The CP will notify the senior notary (notario) of the district or town where the said property is situated, for the appointment of a "Curatore" for such property. The notary will issue a recommendation as to the necessity of appointing a "Curatore" and forward it to the CLO of the Province for his approval. The recommendation will then be transmitted to the competent Presidente del Tribunale, who will appoint a curatore chosen

(RE) Property of the Fascist Party.

Subject to the qualifications contained in Article 3 of Proc. No. 7, the property of the Fascist Party will be treated as property of the Italian State. (see (a) above). but as occasions may arise when all responsible party officials may run away, the duty of looking after Fascist Party property may fall in some instances on the CP who will when so directed by the CC or officer empowered by him, take such steps as he deems necessary to secure the protection of such buildings and their contents as are not supplied by AMG or other branches of the Armed Forces, in the absence of any authorized officials of the Italian State.

10.3.

MUNICIPAL PROPERTY.

Municipal property is regarded as private property under international law, and as municipalities, as bodies corporate, will not be dissolved; municipal property will be treated as private property whose owner is present. The CP will therefore not be responsible for taking it into custody unless specially directed to do so by the CC or an officer empowered by him.

10.4. ABANDONED PROPERTY.

The CP will only be required to take abandoned Italian property into custody in exceptional circumstances. He will however take into custody all such property belonging to Nationals or States at war with the United Nations in accordance with (a) above. Wherever practicable he will make arrangements through the CLO of the Region for the appointment by the Italian Courts of a trustee for abandoned property belonging to Italian Nationals. The following procedure will be followed by agreement with the President of the Tribunale. The CP will notify the senior notary (notario) of the district or town where the said property is situated for the appointment of a "Curatore" for such property. The notary will issue a recommendation as to the necessity of appointing a Curatore and forward it to the CLO of the Province for his approval. The recommendation will then be transmitted to the competent Presidente del Tribunale, who will appoint a Curatore chosen from the list of notaries exercising their functions in the district in which the property is situated. Notice that such procedure is coming into force should be published in the local newspaper and through any means of official publicity at the disposal of AMG.

10.5. PRIVATE INDUSTRIAL AND COMMERCIAL UNDERTAKINGS.

(a) Where private industrial or commercial undertakings are operated under the control of the CP in accordance with par. 2 (a) and (b) above, the procedure laid down in par. 8 (a) and (b) above will be observed. (b) If the property in question has been previously operated by any branch of the Armed Forces the Co-operation of the operating unit should be obtained in the preparation of inventories with a view to establishing a list of any plant, machinery, etc. which may have been removed by them.

13 VII. AGENTS AND MANAGERS.

Agents and managers appointed by the CP will not, unless authorized him in writing to do so;

- a. Dispose of or contract a charge upon land.
- b. Alter the object or legal form of an undertaking
- c. Dispose of or liquidate any undertaking
- d. Dispose of any capital assets except in the ordinary course of business
- e. Contract new leases
- f. Enter into contracts.

14 VIII. REPORTS AND RETURNS.

CP will render HQ, ACC through the appropriate channels, the following returns:-

- a. A list by nationalities of all United Nations properties in their Regions, together with a brief description, location, name and address of the owner, former sequester and present occupier.
- b. A list by nationalities of all enemy property in their regions, together with a brief description, location, name and address of owner, and tenant or manager.
- c. An initial report on each commercial or industrial concern contained in (a) and (b) above.
- d. Monthly return showing any changes in the disposition of properties mentioned in (a) and (b) above.
- e. Copies of Declarations of Custody.
- f. A monthly report on the activities of CPs to reach HQ, ACC not later than the 5th day of the succeeding month. (see annex A for specimen form).
- g. Monthly income and expenditure or operating statement for each industrial and commercial concern under his control.
- h. Quarterly income and expenditure statement for all real properties under their control - (except those of insignificant value which have been left to the custody of the owner's relatives).

CP will render HQ, ACC through the appropriate channels, the following returns:-

- a. A list by nationalities of all United Nations properties in their Regions, together with a brief description, location, name and address of the owner, former requestor and present occupier.
- b. A list by nationalities of all enemy property in their regions, together with a brief description, location, name and address of owner, ~~and~~ tenant or manager.
- c. An initial report on each commercial or industrial concern contained in (a) and (b) above.
- d. Monthly return showing any changes in the disposition of properties mentioned in a and b above.
- e. Copies of Declarations of Custody.
- f. A monthly report on the activities of CPs to reach HQ, ACC not later than the 5th day of the succeeding month. (see annex A for specimen form).
- g. Monthly income and expenditure or operating statement for each industrial and commercial concern under his control.
- h. Quarterly income and expenditure statement for all real properties under their control - (except those of assignees) whose value which have been left to the custody of the owner's relatives;

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MINUTES OF A MEETING
Held at 1100 hrs 25 Feb 44 in Room 78

Present : LORD STANSBATE VP and representatives of
Legal, Property, Public Safety, Finance
and the Political Sub-Commissions.

- 1 To consider the position as to the Property of Enemy Nationals.

From the discussion it appeared that steps had already been taken to block the withdrawal of enemy funds and securities and that the question was limited to the possibility of income from or the proceeds of sale of other property being used for subversive purposes.

The opinion of the meeting was:

- a That the compilation of a record of private property owned by the German Nationals was impracticable.
 - b That a general sequestration of such property by the Italian Government was undesirable owing to probable German retaliatory action.
 - c That if there was any evidence of any subversive action the matter could be dealt with by the appropriate Security body.
- 2 To consider what action should be taken with regard to Fascist Property.

It was decided that no decision could be arrived at until an agreement had been reached with the Italian Government on its labour policy.

NOTES OF A MEETING
to consider position of Property of Enemy Nationals
whose countries are not at war with Italy, held at
1100 hours in Room 75 on 23 February 1944.

Present: Lord Stanegate

V. P. (Chairman)

Col. McJohn }
Col. Silber }
Major Grossman }

Legal

Lt Col. Harris }
Lt Col. Glenn }

Property

Colonel Kirk

Safety

Lt Comm. Lawler

Finance

Capt. Pearson

Political

Lt Col. Gripps }
Major White }

Administrative

Lt Col. Harris: The Armistice terms provide for the impounding
of the property of all nations at war with allies
or whose territory has been occupied by such nations
whether or not they are at war with Italy.

Bank funds and Securities etc. had already been blocked, but it was impos-
sible that other forms of private property belonging to enemy nationals in
the hands of Italian nominees might be made for subversive purposes.

The Italian War laws contained provisions empowering the Govt. to sequester
the property of enemy nationals and obliging all holders of the same to declare
it. This legislation had been re-enacted in summary form in a decree dated
10 February 1944 but of course was applicable only to German property and not to
property of other nations at war with the United Nations but not with Italy.

The question was

i whether we should insist on the Italian Government observing the
Armistice Terms in respect of

a German and

b other Axis allied property.

ii What action if any should be taken in respect of such property in
occupied territory.

presumably be required.

Col. McJohn: The question is a political one.

Lt Comm Lawler: The funds of fascist organisations have already
been blocked. Similar action has been taken in the
following cases of property belonging to individuals
when they have been active supporters of the fascist

party or there is reasonable grounds for believing that they have been trading with enemy or enemy occupied countries.

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It is not considered that the matter is one of the first urgency at the moment but it will become urgent as the advance proceeds and more of Italy is held.

Finance will cooperate with Property when the matter is far enough advanced.

Lt Col Harris: Germans resident in Sicily are still leading internally.

Lord Stanegate: Can we confine the present discussion to the Private property of enemy nationals?

Col. Upjohn: Private property of enemy nationals is not reliable but it may be requisitioned. In the U.K. the government took steps to sequester enemy property but in enemy territory the only rights which can be exerted are those under the Hague conventions. The rights of an occupying army do not allow of the taking over of property. The question is whether Italy should not take steps similar to those which HM government took in the U.K. which would allow of the sequestration of the property of enemy nationals.

Lt Col Harris: Cannot one put the property under control so as to prevent its use?

Lt Gen Lawler: Property used to help the enemy has been impounded. That is control not sequestration.

Lt Col Harris: Sequestration does not imply any change in title, only custody. The question is one of security, whether it is desirable to prevent its possible use in assistance of the enemy.

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Lt Gen Lawler: It is doubtful whether it is possible for the allies to control private property of enemy nationals or if Italy has the staff necessary to deal with the matters.

Col. Upjohn: Why does the question arise now. If it is urgent why was it not taken up before. The position has existed from the first.

Lt Col Harris: Because of shortage of staff. /

Col. Upjohn: Staff is still short. If a security question does exist it is most important that it should be taken up.

Lt Col Harris: If a German owns a villa he can let it and use the rent for improper purposes.

Col. Hojahn: Italy has been warned of the possibility of her being requested to impound enemy property.

Lt Col Harria: Italian Government had taken powers to sequester German property. Should they be asked,

- i to use these powers and/or
- ii to take similar steps with regard to property of other axis - allied nationals.

Capt Pearson: Mr. Caccia thinks that Par 6 of Col. Harri's memo puts the matter in a nutshell. There is a very real fear of German retaliation in N. Italy if German property is seized in S. Italy. He thinks that there should not be any general instruction but that seizures should be limited to specific property. Any action would have to be by Admin. decrees so that each case would be taken separately and can easily be considered on its merits as it arises. Each case should be submitted to higher authority and would then be decided on its merits and not as a result of a generally prescribed policy.

Lord Stansgate: Should Property Control make recommendations as to the property to be considered.

Lt. Col Harria: We have not the information. ^{yes} There is quite a lot of such property in Southern Italy.

Col. Hojahn: Finance is in quite a different position.

Lt Colm Lawler: Yes, we have already noted. All funds are blocked. The amount which has been blocked is relatively small - about 4 million Lira.

Lord Stansgate: Can we say that Col. Harria and Mr. Caccia should discuss paragraphs 1 to 6, and see if they can come to a decision; other Sub-Commissions are not interested.

How to deal with "Enemy property in occupied territory". The question is whether A & E should act or whether the Italian Government should be asked to do so.

Lt. Col Harria: It would be better if Italy acted rather than A & E.

Lord Stansgate: Then the position is that Mr. Caccia should consider such cases.

Col. Hojahn: There is an Italian law enabling a census of enemy property in Italy to be taken. Can that be made to apply to German property?

Lt Col Harria: It is desirable that a census of German property should be made.

Lord Stansgate: Is it agreed that Italy should be asked to do this.

Lt Col Harria: We should insist that the Italian Government should obtain this information.

Lord Stansgate: It is agreed that Mr. Caccia will consider case by case.

Col Wilmer: H.M. AND power to seize this property?

Lt Col Harris: Yes, if the property can be used to subversive ends.

Col Upjohn: Is not that stretching the intention of the Proclamation.

Lt Col Harris: The power will only be used if there is reason to believe that the property is being used to subversive ends.

Lord Stanagate: That is agreed. Now as to countries not at war with Italy, -satellite and occupied.

Col Wilmer: That is a political matter. Are there not at present satellite countries which we are endeavouring to get in on our side. May we not antagonize them if we seize the property of their nationals.

Col Upjohn: Is it possible to make a survey with the present Staff.

Lt. Comm Lawler: Yes.

Lt. Col Harris: We can get them to pass a decree requiring all persons to declare what (non-Italian) property they hold.

Col Upjohn: If Property is used for subversive purposes is it not a matter for Public Safety?

Lt Col Harris: Unless we know what the property is we shall not know what to watch. A census of property is desirable.

Lt Comm Lawler: It is impracticable. The Italians have neither sufficient staff nor the stationery. They would require a large staff, a large supply of paper for the forms which would have to be broadcast and such other stationery; and if it is to be completed in time to be useful they would want modern tabulating machines.

Lt Col Harris: If the general opinion is that the matter can wait- I shall be very happy.

Lord Stanagate: I think the CIC can deal with any subservice activity

Col Kirk: I do not think a return will be helpful.

Lt Col Harris: Then it is agreed we do nothing.

Lord Stanagate: An inventory of German property will be convenient but it is not desirable in the case of other nationals. Each proposal for sequestration of German property will be considered case by case on its merits. Any possible subversive action will be investigated by the CIC.

Lt Col Harris: H.M. Government may still want to know why we are not enforcing Art.23, c-d, of the Armistice Terms.

Capt. Pearson: Has the Italian Gov't appointed any officer, vis. a. vis. Col Harris.

Lt Comm Lawler: No, they have the matter under consideration.

To Consider what Action Should be Taken
with Regard to
Fascist Property

Lord Stanagate: We had recently dealt with the question of the property of the OIL and had decided not to take up the wider question of other Fascist property but the whole has been raised by the Property Controller and we must now go into it.

Col Upjohn: Fascist property should be taken into custody by some person, beyond that we are not concerned.

Lt Col Harris: The question is larger than that. There is a large amount of property not dealt with by the Decree of 2 Aug. Considerable property is owned by syndicates. In Sicily, the syndicates are being liquidated. It does not touch syndicates' property.

Col Upjohn: Syndicates are being reconstructed in Italy.

Lt Col Harris: Perhaps we should not touch this property.

Lord Stanagate: What are the rights of the Allies?

Col Upjohn: We can take Fascist property if we want to.

Lt Col Harris: That is not the point. Are we going to let the syndicates carry on or liquidate them.

Col Upjohn: That raises the bigger question as to what the Italian Government will do with regard to this and their labour policy.

Lt Col Harris: The amount of property which is not affected by the decree is quite substantial. What is going to be done about it.

Col Upjohn: That cannot be decided before the labour policy has been decided and that matter is on a very high level.

Lt Col Harris: In Sicily the process of liquidation of fascist property is conducted by Italian officials but under the Controller of Property. I want a decision as to what is to be done if Regions 3, 4, and 5 follow the precedent of Region 1. Is the Property Controller to take charge. 395

Col Upjohn: The Property Controller will be responsible.

Lt Col Harris: ^{Labour} It is suggested that the Italian Government should appoint officials and that they should be allowed to liquidate

Lord Stanagate: It seems that nothing useful can be done before the labour policy is decided.

Lt Col Harris: Can the Property Controller be informed when the policy decision has been made?

NOTES OF A MEETING
to consider the Situation of Property of Enemy Nationals
whose countries are not at war with Italy, held at
1100 hours in Room 75 on 25 February 1944.

Present: Lord Stanagate	V. P. (Chairman)
Col. Upjohn } Col. Wilmer } Major Grossman }	Legal
Lt Col. Harris } Lt Col. Glenn }	Property
Colonel Kirk	Safety
Lt Comm. Lawler	Finance
Capt. Pearson	Political ()
Lt Col. Gripps } Major White }	Administrative

Lt Col. Harris: The Armistice terms provide for the impounding of the property of all nations at war with allies or whose territory has been occupied by such nations whether or not they are at war with Italy. Dealing with funds in banks or with securities has already been blocked. It is possible that other forms of private property of enemy nationals in the hands of Italian nominees might be used to raise funds to be used for subversive purposes. Italian law already contains a decree which enables the Italian Government to compel enemy nationals to declare property. Though this was originally directed against the allies it can now be used in connection with German property. The question is whether we should not get the Italians to do something (a) with regard to obtaining particulars of German property (b) obtaining powers with regard to property belonging to nationals of nations with whom we but not Italy are at war. The Armistice terms direct that it should be impounded to prevent its use against the allies.

So far as occupied territory is concerned, should we do anything, even if we do not ask the Italians to take any action in controlled territory.

If we wish the Italian Government to act, what steps should we take to bring such action about (a) against Germany (b) against other enemy countries not at war with Italy in which cases legislation will presumably be required.

Col. Upjohn: The question is a political one.

Lt Comm Lawler: The funds of fascist organizations have already been blocked. Similar action has been taken in the following cases of property belonging to individuals when they have been active supporters of the fascist

24/1/44
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party or there is reasonable grounds for believing that they have been trading with enemy or enemy occupied countries.

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Col. Spjohm: Private property of enemy nationals is not seizable but it may be requisitioned. In the U.K. the government took steps to sequester enemy property but in enemy territory the only rights which can be exerted are those under the Hague conventions. The rights of an occupying army do not allow of the taking over of property. The question is whether Italy should not take steps similar to those which HM government took in the U.K. which would allow of the sequestration of the property of enemy nationals.

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Declassified E.O. 12356 Section 3.3/NND No. 785016

HEAD HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

70/9/14

28 Feb 44.

SUBJECT : Postings of Officers.

TO : Director of Property Control Subcommission.

1. With reference to your 6010/CP of 24 Feb. attached is a copy of the request for orders which is passed through RCMO.

For security reasons dates of departure are not announced beforehand. The timing of the issue of the orders must be left to G-1.

[Signature]
R. E. CHIFFO
Lt. Colonel:387
for VP. Adm. Sec.

CONFIDENTIAL

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
APO 394

Administrative Section.

26 Feb 44.

70/5/44

SUBJECT : Property Control Subcommission - Staff Appointments.

TO : COMB Sec. HQ. APO 394.

1. The following two officers are under orders for employment in another Theatre:

Capt. Halimath	(B)	RPCC Region I.
Lt. Col. M. E. Glenn	(A)	RPCC Subcommission.

2. The following appointments to take place from the dates when the respective vacancies occur have been proposed by the RPCC Subcommission and are approved:

Lt. Col. C. Carroll	(A)	RPCC Region IV to be RPCC Subcommission.
Maj. P. D. Striver	(A)	to be RPCC Region IV.
Maj. H. P. Sundy	(B)	to be RPCC Region I.

3. Will you please arrange for orders to give effect to the above to be published in due course.

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RRC
R. R. CHIPPS.
Lt. Colonel.
for VP, Adm. Sec.

Copy 5: Property Control.

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
PROPERTY CONTROL SUB-COMMISSION
APC 394

6010/CP.

24 February 1944.

Subject: Postings of Officers - Property Control Sub-Commission.

To : Vice President, Administrative Section.

1. Major H. P. Bundy (B) 14467 is now temporarily assigned to Region I pending the departure of Capt. Hellmuth, Regional Property Control Officer, Region I, who was on the first list for transfer to U.K.
2. I should be grateful if you would.
 - (a) Inform me of the date of Capt. Hellmuth's departure, and
 - (b) Take the necessary steps for Major Bundy to be posted as Regional Property Control Officer on Capt. Hellmuth's departure.
3. Lt. Col. M. R. Glenn (A), Deputy Director of Property Control, is under orders to depart for U.K. and will be leaving about the end of this month. The senior American officer remaining in this Sub-Commission is Lt. Col. Cassius Carroll 0212391, who is at present RPOC Region IV. I recommend that he be appointed as DEPC in Lt. Col. Glenn's place.
4. In Lt. Col. Carroll's place as RPOC Region IV, I recommend the appointment of Major Paul D. Shriver, sp Res. 0520129.
5. I should be glad if you would cause the necessary orders to be given to effect the above.

Ch. S. Harris
C. S. HARRIS,
Lieut-Colonel. JDU
Director of Property Control.

050-7.

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REMI HEADQUARTERS
ARMY CONTROL COMMISSION
PROPERTY CONTROL SUB-COMMISSION
APO 394

ACC/0/15/07.

27 February 1946.

Subject: Posting of Officer.

To : Administrative Section.

1. It is requested that Capt. D.F. Lee (A) 551507 be posted to Region III on temporary duty for an indefinite period.

2. It is considered very necessary that the Property Control staff, Region III, be increased at this time to enable it to properly perform its functions.

C. H. L. HARRIS.
Lieut-Colonel.
Director of Property Control.

REMG Sec

Approved: *May the necessary steps be taken please*

for it will be

27 February
TX - 00.

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ALLIED MILITARY GOVERNMENT

SUBJECT: Organization - Property Control Sub-Commission.

FILE No. 6072/CP.

TO

The Adjutant.

AMGOT HQ, SICILY.

7 NOV 1943.

I propose the following organization for the Property Control Sub-Commission:

A. Headquarters.

The Sub-Commission will be divided at HQ into 4 Divisions, dealing respectively with (i) Industrial and Commercial Undertakings, (ii) Real Estate and Movable Property, (iii) Bank Balances and Securities, and other negotiable instruments, (iv) Accounts.

The distribution of personnel is shown on the attached chart.

B. Regions.

The regional staff will consist of a Controller of Property, a Deputy Controller of Property where justified, and Assistant Controllers of Property, each A.F.C. corresponding through the Regional C.P. with the 4 Divisional Chiefs at HQ on matters falling within their provinces.

C. H. Harris

C. H. HARRIS,
Lieut-Colonel,
Director of Property Control.

cd

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