

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

785017

ACC

10000/109/1400

DISPOSAL OF PROPE  
MAR. 1944

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DISPOSAL OF PROPERTY BY ITALIAN LEGATION AT LISBON  
MAR. 1944

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HEADQUARTERS  
ALLIED CONTROL COMMISSION  
ECONOMIC SECTION  
APO 394

71 APR Recd  
104  
JBT/job

31 March 1944

ES/7

SUBJECT: Disposition of Property by Italian Legation at Lisbon.

TO : Executive Commissioner

1. Ref. attached correspondence this section has stated in enclosure "B" that it has no objections to the transaction under reference.

2. As, however, the blankets are stated to be needed for relief purposes, (this was not apparent in enclosure "A") the correspondence is passed to you for such action as you may consider necessary.

*D.S. Adams*  
D.S. ADAMS  
Colonel, C.E.  
Executive Officer  
Economic Section

2 Incl:

1. Ltr., fr AFHQ, Civil Affairs Office dated 25 Mar 44. (3 copies).
2. Ltr. 390 fr Political Section, ACC dated 27 Mar 44. (with Incls).

*Pa*  
*see 6*

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HEADQUARTERS ALLIED CONTROL COMMISSION

ART 394

U. S. ARMY

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March 27, 1944.

MEMORANDUM TO: Acting United States Member, Advisory Council  
for Italy.

Reference is made to your Memorandum of March 14, concerning disposal of property by the Italian Legation at Lisbon. In compliance with the Department of State's instruction, it has been discussed with the Italian Foreign Office and appropriate instructions have been prepared for the Italian Legation in Lisbon in the form of the attached telegram to be forwarded.

Samuel Reber  
Vice President, Allied Control Commission  
Political Section

Enc:  
# 45 to Lisbon in quad.

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ALLIED FORCE HEADQUARTERS  
Civil Affairs Office

March 25, 1944.

TO: Allied Control Commission,  
Naples.

SUBJECT: Disposition of Property by Italian Legation  
at Lisbon.

Reference is made to Civil Affairs' memorandum of March 18, 1944, concerning the desire of the Italian Legation at Lisbon to sell a stock of tea in its possession and use the proceeds to purchase blankets in Portugal to send to Southern Italy for relief purposes, and suggesting that this matter be taken up with the Italian Government with a view to having appropriate instructions issued to its Legation at Lisbon.

This office now has been informed by the American Legation at Lisbon that the British Ministry of Economic Warfare has indicated that, for administrative reasons, and also because they are in principle not inclined to permit Italians to make random purchases in restricted neutral markets, they prefer that the proceeds from the proposed sale of tea be credited to the Royal Italian Government and used to defer diplomatic expenses of that Government in Portugal, rather than utilized for the purchase of blankets.

The Department of State believes that use of the proceeds either to buy goods which otherwise the Allies would supply or to maintain the Italian Legation at Lisbon is in general unobjectionable.

In view of the foregoing, it may be well to request the Italian Government to instruct its Legation at Lisbon to make use of the proceeds from the proposed sale of tea only in agreement with the British and American authorities at Lisbon.

*H. J. L'Heureux*

H. J. L'Heureux  
Acting Chief Civil Administrator

31 Mar 17  
Copies to: MGE, AFHQ  
G-2 "  
Office of British Resident Minister

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J-1931  
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UNITED STATES MEMBER  
ADVISORY COUNCIL FOR ITALY

March 18, 1944.

TO: Allied Control Commission,  
Naples.  
SUBJECT: Disposition of Property by Italian Legation  
at Lisbon.

1. There are enclosed copies of:

- a) A memorandum from this Section to Military Government Section, dated March 17, 1944, concerning the desire of the Italian Legation at Lisbon to sell a stock of tea in its possession and use the proceeds to purchase blankets in Portugal to send to Southern Italy for relief purposes.
- b) A memorandum from the Economic Section of the Allied Control Commission, dated March 14, 1944, stating that there are no objections on the part of the Allied Control Commission to the proposed transaction.

2. It is suggested that, in accordance with the Department of State's suggestion mentioned in the penultimate paragraph of enclosure A., the Allied Control Commission now take up the matter with the Italian Government with a view to having appropriate instructions issued to the Italian Legation at Lisbon.

3. The Office of the British Resident Minister concurs.

*H. J. L'Heureux*  
H. J. L'Heureux  
Acting Chief Civil Administrator.

Enclosures:  
2 memoranda.

Copies to: M.G.S.  
G-2  
Office of British Resident Minister

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C O P YENCLOSURE "A"

7 March 1944.

TO: Military Government Section, AFHQ

SUBJECT: Request for Views of ACC regarding disposition of certain Property by Italian Legation at Lisbon.

The Department of State, in a telegram dated March 4, 1944, has requested that Grady be informed of the desire of the Italian Legation at Lisbon to obtain approval for the sale of a stock of tea in its possession, the proceeds of which would be used to purchase blankets manufactured in Portugal. It is the understanding of the Department of State that the Italian Legation at Lisbon already has a quantity of blankets in its possession. The total number of blankets would probably not be large. The Department of State has requested Lisbon to furnish this office with information regarding the quantity and type of blanket concerned and whether any shipping arrangements have been made.

Lisbon has been informed by the Department of State that the disposition of Italian assets abroad can be made only with the approval of the Allied Control Commission and that the above request is, accordingly, being submitted to the ACC. The Italian Legation has been requested to indicate whether it appears possible to dispose of the goods held by it in Lisbon.

The Department of State advises that it has no objection to the sale of tea nor to the use of the proceeds either for purchasing supplies which the Allies would otherwise have to furnish or for the maintenance of the Italian Legation. The British views are understood to be similar.

Inasmuch as the disposition of Italian property abroad without the consent of the United Nations is forbidden under article 33 (b) of the long terms, the view of the Allied Control Commission would be appreciated.

The Department of State suggests that the Italian Government give appropriate instructions to the Italian Legation ..

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Legation at Lisbon for the reason that the action looking forward to the sale of the tea has been initiated by the Legation at Lisbon.

It is urged that a reply to the foregoing be obtained as promptly as possible in order that the Department of State may be appropriately informed.

H. J. L'Heureux  
Acting Chief Civil Administrator

cc Mr. Macmillan

HJL.b

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C O P Y

ENCLOSURE "B"

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
ECONOMIC SECTION  
Office of the Vice President

14 March 1944.

ES/7

SUBJECT: Disposition of Property by Italian Legation  
at Lisbon.

TO: Major T. B. Jackman, AFHQ, MGS.

1. In the temporary absence of Mr. Grady, the Economic Section proffers the opinion that the Italian Government should be officially notified that there are no objections on the part of ACC to the sale of the stock of tea and the purchase of blankets by the Italian Legation at Lisbon.

2. The proper Subcommissions have been consulted on this matter and hold the above views. It should be made clear to the Italian Government, however, that any further matters of the kind must continue to be referred to ACC in accordance with Article (B) of the long terms.

/s/ D. S. ADAMS  
Colonel, C.E.  
Executive Officer,  
Economic Section.

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