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

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MADDA + TROVATORE

May. Dec. 1944

775-14A
COPYNo. 49
57/6/45NOTE VERBALE.

The Political Section of the Allied Commission presents its compliments to the Ministry of Foreign Affairs and has the honour to state that according to information received from the British Embassy in Madrid, the Italian Embassy there will receive in the next few weeks about 230,000 pesetas from the sale of scrap iron from the S.S. "Madda". The British Embassy state that, in discussions with the Italian Embassy, the latter have agreed that this sum should be earmarked for the maintenance of Italian diplomatic representation in Spain. It appears, however, that the Italian Government have given instructions that the proceeds of the sale of this scrap iron must be held in a blocked account in Madrid for the account of the owners of the ship.

2. The Political Section presume that these instructions were given before the Italian Ministry of the Treasury agreed to cancel their veto on the use by Italian Missions abroad of local assets for purposes other than commercial expenditure. The Political Section therefore expresses the hope that the Italian Government will issue further instructions in the near future to enable the Italian Embassy in Madrid to apply the funds obtained from the sale of this scrap iron to expenditure directed towards the maintenance of Italian diplomatic representation in Spain.

Rome,
3rd. February, 1945.

2167

Approved to
[Signature]
[Date]

Ministero degli Affari Esteri

6/8/44

MEMORANDUM FOR THE POLITICAL SECTION A.S.

As the Allied Commission are aware (reference is made to Memorandum n.5/1137/177 of November 29), instructions have been already issued in order that the Italian Embassy in Madrid sell in Spain the cargo of scrap iron of the Italian steamer "MADDA", thus renouncing its importation into Italy; a decision which obviously implies a serious detriment to the Italian interests.

At the same time the said Embassy has been instructed to approach the Allied missions in Madrid (which had formerly laid a claim to the proceeds of the sale of the S/S Madda's cargo as reimbursement for money advanced by them to uphold Italian offices in Spain) with a view to their abandoning their claim, as it is anticipated that their advances will be repaid through the partial destination of the Madda's and Trovatore's charters and other sources of profits.

The Ministry for Foreign Affairs would be grateful if the A.S. could kindly use their good offices in order that instructions as above be sent by the Allied Governments to their Embassies in Madrid.

Rome, 31st December, 1944.



Cfr. Dubro.

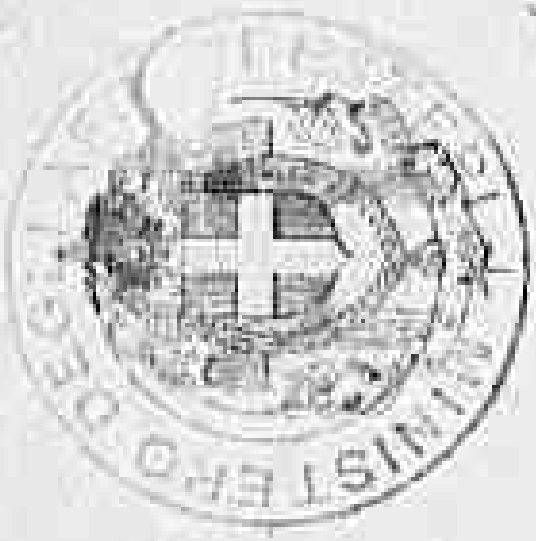
to send copies to U.S. & Brit. Embassies. &
to Shipping 3/4 with copies.

Copies sent
7.11.45
S.E.M.

2166

1/6/45
6/1/45

775 MADDA



Ministero degli Affari Esteri

Ufficio Collegamenti

nr. 6/1127/477

MEMORANDUM FOR THE POLITICAL SECTION - A.C. =

1. - Reference to mem. no 775 of November 13th concerning S/S.S "MADDA" and "TROVATORE" and "MADDA"'s cargo.

2. - To-day the Ministry for Foreign Affairs have handed to the A.C., with the request to urgently forward it to the Italian Embassy at Madrid, a telegram numbered 990 that reproduced word by word the draft prepared by the Shipping Subcommission A.C., except for the last period which concerns the "MADDA"'s cargo.

3. - This last period has been substituted by the following:

"As regards "Madda"'s cargo, in consideration of the urgency of unloading the ship so as to render her available for charter, please have her unloaded and ^{into} sold on the basis of conditions indicated with telegram 1164.

"As regards the proceeds of the sale, I approve opening of credit in that Embassy's name/indicated by you.

"Please request those Allied Embassies to abandon their claim to the proceeds of the sale as reimbursement for money advanced, as it is anticipated that it will be repayed through partial destination to that end of charters of "Madda" and "Tro-^{Trovatore}vetore" and other profits."

With this formula, while it is provided to the ^{proceeds} of the "MADDA", the necessary details are furnished as regards the

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MEMORANDUM FOR THE POLITICAL SECTION - A.C. =

1. - Reference to mem. no 775 of November 19th concerning S/S.S. "MADDA" and "THOMAS" and "MADDA"'s cargo.

2. - To-day the Ministry for Foreign Affairs have handed to the A.C., with the request to urgently forward it to the Italian Embassy at Madrid, a telegram numbered 990 that reproduced word by word the draft prepared by the Shipping Subcommittee A.C., except for the last period which concerns the "MADDA"'s cargo.

3. - This last period has been substituted by the following:

"As regards 'Madda's' cargo, in consideration of the urgency of unloading the ship so as to render her available for charter, please have her unloaded and ^{the cargo} sold on the basis of conditions indicated with telegram 1164.

"As regards the proceeds of the sale, I approve opening of credit in that Embassy's name/indicated by you.

"Please request these Allied Embassies to abandon their claim to the proceeds of the sale as reimbursement for money advanced, as it is anticipated that it will be repayed through partial destination to that end of charters of "Madda" and "Trovatore" and other profits."

With this formula, while it is provided to the forwarding of the "MADDA", the necessary details are furnished as regards the sale.

4. - By forwarding the telegram no 990 according to the draft suggested by the Shipping Subcommittee, the Italian Government

Copy sent to the Ministry for Foreign Affairs - 14/11/44



Ministero degli Affari Esteri

- 2 -

government have intended to give once again proof of their desire to keep in due consideration the point of view of the Allied authorities and so as to implement this desire they have authorized the sale in Spain of the cargo of the "Medea" at a price inferior by half to that at which it was paid for.

Furthermore, the Italian Government deprive the Country, in this way, of goods that are urgently needed for its reconstruction.

5. - As regards the delays mentioned under 5 in the A.C.'s Memorandum, it is pointed out that they are largely due to the fact the A.C. and the Italian Government have viewed the question of the charter of the two ships from a different angle resulting from a deeper comprehension and withholding, on our part, of Italian interests. It must be also borne in mind that some delays have occurred during the transmission of telegrams from this Ministry to the Italian Embassy in Madrid.

Lastly, the charterings by Spain of the ships is connected, according to the agreements of May the 1st between that Country and the Allies, to the undertaking that their ownership shall be settled by an arbitration concerning the eventual responsibility of the Italian Navy in the sinking of two merchant ships. In this way Italy risks losing, despite the very grave conditions of her economy, two of the few units of her merchant

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- 2 -

Government have intended to give once again proof of their desire to keep in due consideration the point of view of the Allied Authorities and so as to implement this desire they have authorized the sale in Spain of the cargo of the "Medea" at a price inferior by half to that at which it was paid for.

Furthermore, the Italian Government deprive the Country, in this way, of goods that are urgently needed for its reconstruction.

5. - As regards the delays mentioned under 5 in the A.C.'s Memorandum, it is pointed out that they are largely due to the fact the A.C. and the Italian Government have viewed the question of the charter of the two ships from a different angle resulting from a deeper comprehension and upholding, on our part, of Italian interests. It must be also borne in mind that some delays have occurred during the transmission of telegrams from this Ministry to the Italian Embassy in Madrid.

Lastly, the charterings by Spain of the ships is connected, according to the agreements of May the 1st between that Country and the Allies, to the undertaking that their ownership shall be settled by an arbitration concerning the eventual responsibility of the Italian Navy in the sinking of two merchant ships. In this way Italy risks losing, despite the very grave conditions of her economy, two of the few units of her merchant Navy that are still left to her.

Rome, November 29th 1944

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C O P Y

Ministero degli Affari Esteri

Nr. 6/1127/477

Ufficio Collegamento

MEMORANDUM FOR THE POLITICAL SECTION - A.C. -

1. - Reference to Mem. No. 975 of November 19th concerning S/S.s "MADDA" and "TROVATORE" and "MADDA's" cargo.

2. - To-day the Ministry for Foreign Affairs have handed to the A.C., with the request to urgently forward it to the Italian Embassy at Madrid, a telegram numbered 990 that reproduces word by word the draft prepared by the Shipping Subcommission A.C., except for the last period which concerns the "MADDA's" cargo.

3. - This last period has been substituted by the following:

"As regards "Madda's" cargo, in consideration of the urgency of unloading the ship so as to render her available for charter, please have her unloaded and the cargo sold on the basis of conditions indicated with telegram 1164.

"As regards the proceeds of the sale, I approve opening of credit in that Embassy's name as indicated by you.

"Please request those Allied Embassies to abandon their claim to the proceeds of the sale as reimbursement for money advanced, as it is anticipated that it will be recovered through partial destination to that end of charters of "Madda" and "Trovatore" and other profits."

With this formula, while it is provided to the unloading of the "MADDA", the necessary details are furnished as regards the sale.

4. - By forwarding the telegram No. 990 according to the draft suggested by the Shipping Subcommission, the Italian Government have intended to give once again proof of their desire to keep in due consideration the point of view of the Allied Authorities and so as to implement this desire they have authorized the sale in Spain of the cargo of the "Madda" at a price inferior by half to that at which it was paid for.

Furthermore, the Italian Government deprive the Country, in this way, of good that are urgently needed for its reconstruction.

5. - As regards the delays mentioned under 5 in the A.C.'s Memorandum, it is pointed out that they are largely due to the fact that the Italian Government have viewed the question of the charter of the two ships from a different angle resulting from a deeper comprehension and

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upholding, on our part, of Italian interests. It must be also borne in mind that some delays have occurred during the transmission of telegrams from this Ministry to the Italian Embassy in Madrid.

Lastly, the chartering by Spain of the ships is connected, according to the agreement of May the 1st between that Country and the Allies, to the undertaking that their ownership shall be settled by an arbitration concerning the eventual responsibility of the Italian Navy in the sinking of two merchant ships. In this way Italy risks losing, despite the very grave conditions of her economy, two of the few units of her merchant Navy that are still left to her.

/s/ G.D.B.

Rome, November 29th 1944

(Seal)

2162

HEADQUARTERS ALLIED COMMISSION
POLITICAL SECTION
APG 394

Ref 1775

17 November 1944

ADDRESSEE TO: Italian Ministry of Foreign Affairs, Rome.

SUBJECT: Italian Merchant Vessels in Spanish Waters.

1. This refers to your telegram No. 991 dated 14 November 1944 to the Italian Embassy at Madrid on the subject of "VIRGO" and "TAS-VIRGO", and the cargo of "VIRGO".

2. Following consultations with the Chairman of the Mediterranean Shipping Board, the Director of the Shipping Sub-Commission, A.C., and the Navy Sub-Commission, A.C., it is requested that the reference to Italian warships be deleted from the telegram covering the terms and conditions which apply to the chartering of Italian merchant steamers "VIRGO" and "TAS-VIRGO", which were the subject of the communication of the Chairman of the Mediterranean Shipping Board to the Director General of the Italian Merchant Marine dated October 25, 1944.

3. It is urgently desired that further delay be avoided in bringing the vessel in a position to comply with charterparty conditions. In a telegram just received from the Ministry of Air Transport, London, attention is called to the lack of the instructions which the Italian Embassy in Madrid requires from the Italian Ministry of Foreign Affairs. It is pointed out that this matter has been dragged on for several months and request is made that some definite and immediate action now be taken.

4. The Political Section takes the liberty of attaching hereto a telegram prepared by the Shipping Sub-Commission, A.C., which presents the matter in a manner considered by it to be desirable.

5. It will be gratifying were the Ministry to see fit to approve the dispatch of this telegram as keen disappointment has been felt in the delay which has precluded the bringing of this matter to a successful conclusion despite the efforts of the allies to do so in the interest of all parties concerned.

For the Chief Commissioner:-

2164

WILLIAM J. SCOTT
Vice-President, Political Section

Encl.

Subject: "MADDA" and "TREVATTO" and cargo of "MADDA"

To : Italian Embassy - Madrid

No. 543.

Ministry of Marine state they are in agreement with MESSO for chartering "MADDA" and "TREVATTO" on the basis indicated your No. 1090.

Respecting para. 2 it is specified that the charter hire of 30/24 is for ton deadweight.

Respecting paras. 3 and 4, it is understood that marine insurance and war risk are for account of the Spanish Government. Policies must be issued in the name of the Italian Government.

Ministry of Marine are in agreement with MESSO that cost of small, strictly necessary repairs to maintain Classification will be advanced by the guarantee against Charter hire.

As regards valuation of vessels, Ministry of Marine consider figure 800/900 pesetas per ton deadweight as basis for discussion but desire to obtain some increase.

As regards duration of Charter, the said Ministry proposes it be a fixed term: one year.

Please act in accordance and arrange to keep this Ministry informed telegraphically of the progress of the negotiations.

Draft of final agreement must be previously approved by the Ministry of Marine.

The question of the cargo of the "MADDA" is being studied by the responsible Ministries, but should be discharged and held on shore "for account of whom it may concern".

ROUGH TRANSLATION OF LAST PART OF
TELEGRAM N.990 FOR ITAL.EMBASSY
MADRID

X As far as the freight of "Mad-
da" is concerned, owing to the urgen-
cy of making her available for further
charter, see that she be unloaded and
that the freight be sold on the condi-
tions specified in your telegram II64.

Concerning amount collected from
above sale, it is approved that Embassy
be accredited with same as suggested by
you.

Ask Allied Embassy to kindly drop
their request of collecting amount of a
bove mentioned sale as a refund of known
advances, in view of the fact that pay-
ment will be made from partial allotment
of charters of "Madda" and "Trovatore"
and from other sales that are at present
on the way. X

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Tel: 437

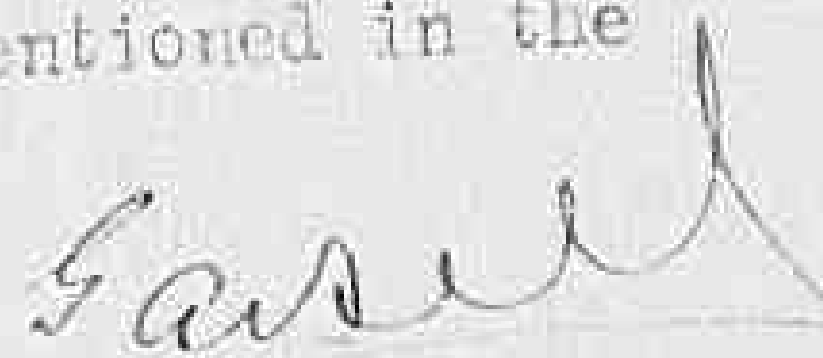
TO : Vice President, Political Section.
FROM: Liaison Shipping Sub-Commission.
DATE: 7th December, 1944.

"MADDA" and "TROVATORE"

I return the draft of the outgoing telegram No. 1060 from the Italian Ministry of Foreign Affairs to the Italian Embassy, Madrid, to which MWTR Med. does not object although it is regretted that the Ministry of Marine should feel it necessary to see the text of the charter before it is signed as this means still further delay. We are raising no objection at this moment in order not to hold up the despatch of the message, but if much further delay is entailed we may have to make some recommendation.

There is one point we should like to have brought to the notice of the Ministry of Foreign Affairs. We have remarked a tendency to repeat instructions in other than the agreed text. If it is strictly necessary to repeat instructions we suggest the original text be rigidly adhered to, otherwise misunderstandings may arise.

MWTR Med.'s comments are limited, of course, to the questions dealing with the charters of these vessels, and not to the arbitration proceedings which are mentioned in the messages.



G.A. BELL.

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

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ALLIED CONTROL COMMISSION
INTER OFFICE MEMORANDUM

SUBJECT: MADDA and TROVATORE

FILE No. 775

TO : Shipping Subcommittee
(Mr. Bell)

4 December 1944

Please see attached outgoing telegram to Madrid
regarding MADDA and TROVATORE.

Do you agree to the dispatch of this message?

JM Decker
Political Section

2157

TO: POLITICAL SECTION

FROM: MR CATTY CSM

NOVEMBER 23rd 1944

*concerning Madde + Soratore
Jm*

Telegram Madrid to Rome No. 1310 Nov. 18th (Decypher of Pt. 1 attached).

1. Marc hese DALLA ROSA rang me up this morning to say he was sending over Pt.1. of this telegram. It appeared that you had asked for it to be decyphered by Ministry, as our cyphere room couldn't straightened it out.
2. Sig. WITTIG, who brought it to me, showed me where the encypherer had gone wrong.
3. The Marchese requested that Nos. 1008 and 1020 outwards, which he said you were holding until you saw what was in this Pt.1., be now dispatched.
4. If he asks me about it, I shall assume, unless I hear from you to the contrary that this has been done.

*1008 & 1020 held
for 970*

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

785016

MINISTRY OF FOREIGN AFFAIRS

No. 2388

Subject: "MADDA" and "TROVATORE" and cargo of "MADDA".

Date: 14.11.44

To: Italian Embassy - Madrid.

No. 990.

Ministry of Marine state they are in agreement with MEDBO for chartering "MADDA" and "TROVATORE" on the basis indicated your No. 1090.

Respecting para. 2 it is specified that the charter hire of 3s/9d is for ton deadweight.

Respecting paras. 3 and 4 it is understood that marine insurance and war risk are for account of the Spanish Government. Policies must be issued in the name of the Italian Government.

Ministry of Marine are in agreement with MEDBO that cost of small, strictly necessary repairs to maintain Classification will be advanced by the Spaniards against Charter hire.

As regards valuation of vessels, Ministry of Marine consider figure 850/900 pesetas per ton deadweight as basis for discussion but desire to obtain some increase.

As regards duration of Charter, the said Ministry proposes it be a fixed term: one year.

Please act in accordance and arrange to keep this Ministry informed telegraphically of the progress of the negotiations.

Draft of final agreement must be provisionally approved by the Ministry of Marine.

(Note: the following para. is the final para. of the telegram.) The question of the cargo of the "MADDA" is being studied by the responsible Ministries and their instructions will be sent to you as soon as possible.

Note: Message continues -

The foregoing is so far as it concerns the question of chartering the "MADDA" and "TROVATORE". Before proceeding to define the foregoing conditions with the Spanish Government,

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however, it would appear opportune to profit by this occasion to insist on our request for a speedy release of our interned war-ships.

The Spanish Government should be told that, at this time when we are about to make a great sacrifice in putting at their disposal two of the very few mercantile units which still belong to us, Spain, for her part, should accept our request for release of our war-ships, as the present political and war conditions no longer constitute a justification for their internment.

Put this proposition before the allied Ambassadors, who have already given such valuable help in the solution of this question and, in the light of recent understanding on the part of the Governments of London and Washington, try to devise some combined action in this respect with the Spanish Government.

Coll.
Spediz.
Tratt.
Viz.

R. MINISTERO DEGLI AFFARI ESTERI

P

Telegramma in PARTENZA

N. coll: 2388

Oggetto: "MADDA" e "TROVATORE" e carico "MADDA" -

Data: 14-11-44

Tramite: C.A.

Diratto a: R. AMBASCIATA ITALIANA - MADRID



Testo: (originale) N. 990 -- Novembre 14 -

Ministero Marina comunica essersi accordato con "Medbo" ("Mediterranean Shipping Board") per noleggio "Madda" e "Trovatore" su basi indicate Suo 1090.

Circa punto 2 si precisa che prezzo noleggio 3 sceillini e 9 denari est per tonnellata portata.

Circa punto 3 et 4 è inteso che assicurazione marittima et rischio guerra sono a carico parte spagnola. Polizze dovranno essere intestate a Governo Italiano.

Ministero Marina accordatosi con Medbo che costo piccole riparazioni strettamente necessarie per mantenere classifica sarà anticipato per parte spagnola in conto contratto nolo.

Per valutazione navi Ministero Marina considera cifra 850/900 pesetas per tonnellata di portata come base discussione ma desidera ottenere qualche maggioranza.

Circa durata noleggio detto Ministero propone che sia a termine fisso: un anno.

Pregola agire in conseguenza, provvedendo tenere telegraficamente informato questo Ministero circa andamento trattative.

Schema contratto definitivo dovrà essere ¹⁸⁹⁴ preventivamente approvato da Ministero Marina.

Ciò per quanto concerne questione noleggio "Madda" e

Data: 14-11-44

Proville: C.A.

Diretto a: R. AMBASCIATA ITALIANA - MADRID

Testo: (originale) N° 990 - Novembre 14 -

Ministero Marina comunica essersi accordato con "Medbo" ("Mediterranean Shipping Board") per noleggio "Madda" e "Trovatore" su basi indicate Sub 1090.

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Pregola agire in conseguenza, provvedendo tenere telegraficamente informato questo Ministero circa andamento trattative.

Schema contratto definitivo dovrà essere ²preventivamente approvato da Ministero Marina.

Ciò per quanto concerne questione noleggio "Madda" e "Trovatore". Prima però di procedere definizione predette condizioni con codesto Governo, sembrerebbe utile approfittare occasione per insistere nostra richiesta pronto rilascio navi da guerra internate.

Consegnato a:

il:

./.

Coll. :
Spediz. :
Tratt. :
Vis. :

R. MINISTERO DEGLI AFFARI ESTERI

P

Telegramma in PARTENZA

N.º coll.: 2388

Oggetto :

Data :

Tramite :

Diretto a :



Testo : (originale) N.º

-- 2 --

Dovrebbe essere detto a Governo Spagnolo che nel momento in cui si accingiamo compiere grave sacrificio di mettere a sua disposizione due delle pochissime unità mercantili che ancora ci restano, Spagna dovrebbe per parte sua decidersi accogliere nostra richiesta rilascio nostre navi guerra cui internamento nelle presenti condizioni politiche e belliche generali non ha più alcuna giustificazione.

Prospetti ciò a codesti Ambasciatori alleati che già hanno dato così valido contributo per soluzione questione e, data comprensione recentemente trovata presso Governi Londra et Washington, veda di studiare con loro azione combinata in tal senso presso Governo Spagnolo.

Questione carico "Madda" è allo studio presso Dicasteri competenti e si fa riserva inviare quanto prima istruzioni.

PRUNAS

NOT FOR DESPATCH

TEXT IN CIPHER ENCLOSED

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Tramite:



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Diretto a:

Testo: (originale) N°

Dovrebbe essere detta a Governo Spagnolo che nel momento in cui si accingiamo compiere grave sacrificio di mettere a sua disposizione due delle pochissime unità mercantili che ancora ci restano, 'Spagna dovrebbe per parte sua decidersi accogliere nostra richiesta rilascio nostre navi guerra cui internamento nelle presenti condizioni politiche e belliche generali non ha più alcuna giustificazione.

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PRUNAS

NOT FOR DESPATCH
TEXT IN CIPHER ENCLOSED

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Copia n. 2

Consegnato a:

HEADQUARTERS ALLIED COMMISSION
POLITICAL SECTION
APO 394

Ref: 775-12P

23 November 1944

SUBJECT: Italian Naval Vessels in Spanish Waters

TO : Italian Ministry of Foreign Affairs

1. With reference to Political Section's Note No. 775 dated 19 November 1944, on the subject of the Italian Naval Ships, Madda and Trovatore, and the cargo of the Madda, I have to inform you that there now has been received a telegram from the American Embassy at Madrid which states that the American Ambassador has been given a guarantee by the Spanish Minister of Foreign Affairs that the Italian war ships in the Balearics would be released at the earliest practical date following a determination of justification under international law, and upon completion of arrangements to be made with the Minister of Marine.

2. This is to indicate further that the question of the Italian Merchant Vessels and of the Italian Naval Vessels have been considered separately.

WILLIAM W. SCHOTT
Vice President, Political Section

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PARAPHRASE OF TELEGRAM RECEIVED FROMAMERICAN EMBASSY, MADRIDDATED NOVEMBER 13, 1944.

According to information received here a meeting was held, presumably in Naples, on October 25 between British representatives and the Director General of the Italian Marine Navy at which it was agreed by the Italians that their Embassy in Madrid would be instructed to conclude at once direct with the Spanish Government the charters of *Trovatore* and *Madda*, the resulting money to be utilized for official Italian expenses. Instructions have not yet been received by the Italian Embassy and it would be appreciated if the Italian authorities could be pressed to expedite instructions to their Madrid Embassy, since their unconcern and lack of interest regarding the implementation of an obligation to which we were a party and which has been fulfilled by the Spanish Government on its part causes much inconvenience.

-*-*-*-*-*-*-*-*-

2151

Copy of note to INRA # 775 Nov. 19
to Bureau of INRA 22
HMS

MEMORANDUM.

To: Vice-President, Political Section
 From: Liaison Shipping Sub-Commission Tel. 437.
 Date: 18th. November 1944.

Subject: Italian merchant vessels in Spanish waters.
 Referring to draft of telegram N°990 dated 14th. November 44 from the Ministry of Foreign Affairs to the Italian Embassy, Madrid, I have spoken with the Chairman of the Mediterranean Shipping Board, Director of the Shipping Sub-Commission, and with the Navy Sub-Commission, and have been instructed to request that reference to Italian warships be omitted from the message conveying the terms and conditions which apply to the chartering of the Italian merchant steamers, "MADDA" and "TROVATORE" and which were set out in the letter from the Chairman of the Mediterranean Shipping Board to the Director General of the Italian Mercantile Marine dated 25th. Oct. 44.

The last paragraph of the message respecting the cargo at present on board the "MADDA" should be amended in order to avoid further delay in placing the vessel in a position to comply with charterparty conditions. There seems to be no justification why the said cargo should not be discharged and, pending the outcome of the discussions between the various Italian Authorities mentioned in the paragraph, held on shore "for account of whom it may concern". I am to suggest that the paragraph be redrafted accordingly.

I pointed out in my Memorandum of 2nd. November that this matter has been dragging on for one reason or another for many months.

A Signal has just been received from the Ministry of War Transport, London, calling attention to lack of instructions which the Italian Embassy in Madrid required from the Ministry of Foreign Affairs. The final paragraph of the Signal speaks for itself:-

"This embarrassing and discreditable extended state of affairs has now dragged on for several months.
 "Can anything be done to assure that the Italians not only promise

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"promise to give necessary instruction, but actually
"telegraph them through safe and rapid channel."

It would be appreciated if you would pass to the
Ministry of Foreign Affairs the feeling of keen disappointment
which this delay has caused in bringing this matter to a
successful conclusion in spite of the efforts of the Allies
to do so in the interest of all parties concerned.

It would be appreciated, moreover, if prompt steps
could now be taken to despatch a telegram to Madrid to clear
up this situation without further delay.

G. A. Bell
G. A. Bell.

MEMORANDUM *Indurme*

TO : Vice President, Political Section

FROM: Liaison Shipping Sub-Commission

DATE: 2nd November, 1944.

SUBJECT: Italian merchant vessels in Spanish waters.

Referring to my Memorandum of 28 Oct 44, as the outward telegram from the Italian Ministry of Foreign Affairs respecting the "MADDA" and "TROVATORE", which the Director General of the Italian Mercantile Marine undertook to send immediately to the Italian Embassy Madrid, has not yet, apparently, been submitted to you, may I ask whether it would be possible for an enquiry to be made as to when its despatch may be expected.

I should point out that this matter has been dragging on for one reason or another for many months and it was in order to finalise the position that MWTR Med. met the Director General of the Italian Mercantile Marine on 25th October, following which the latter was handed a Memorandum on the lines of which the outward telegram was to be based. Copy of the Memorandum was attached to my letter to you referred to above.

G.A. Bell
G.A. BELL

Memorandum

To: Vice President, Political Section
From: Liaison; Shipping Sub-Commission
Date: 28th. October 1944.

Subject: Italian merchant vessels in Spanish waters.

Attached is copy of a letter dated 25 Oct. which Mr. Ian D. Campbell, Acting Chairman, Mediterranean Shipping Board, handed to Lieut. General Matteini respecting charter party of the "MADDA" and "TROVATORE" also in respect of the cargo at present on board the "MADDA".

G.A. Bell
G.A. Bell.

Copy.

25th. October 1944.

To: Lt. Gen. Matteini,
Director General Italian Mercantile Marine.

From various despatches and signals passing between H.M. Embassy, Madrid, and Foreign Office, London, also from instructions received from my Minister in connection with the chartering of the Italian vessels "MADDA" and "TROVATORE", the following sets out the conditions and terms which apply:

1. British Authorities agree to the Charter Party being concluded between the Royal Italian Government and the Spanish Government.
2. The British Government will arrange conditions of charter and fix valuations.
3. Value of vessels remains to be fixed.
4. Maximum rate of hire to be 3/7d. up to 3/9. per ton deadweight.
5. Marine and War Risk Insurance for Spanish account, but policies to be made out in the name of the Royal Italian Government.
6. The cost of small strictly necessary repairs to maintain Classification will be advanced by the Spaniards against Charter hire.
7. Hire and any other payments due under the charters to be employed for the approved purposes of the Royal Italian Embassy, and/or Italian ships in Spain, and/or for the reimbursement of previous Anglo-American advances made for this purpose.

London have requested that urgent authority is passed to the Royal Italian Embassy on the above points, also that instructions are issued in connection with the destination and disposal of the cargo at present on board "MADDA".

(Signed) IAN. D. CAMPBELL
Acting Chairman
Mediterranean Shipping Board.

8. 1320e.

NOTES

UNITED STATES

For Sell (Lifetime Earnings Sub Coordination)

114507-88785

1. Director General Italian Merchant Marine agreed at meeting 25th Oct. to instruct Italian Embassy Madrid to conclude Charters for Hadda and Trovatore on following lines:-
2. (a) Charters will be signed between Italian and Spanish Governments
(b) British Government will fix values and Charter Terms.
(c) Values remain to be fixed.
(d) Maximum rate 3/7d up to 3/6d per deadweight ton.
(e) Marine and War Risk Premiums for Spanish Account, Policies in name of Italian Government.
- (2) Spaniards will advance monies against Charter hire for mail necessary classification repairs.
- (3) Monies due under Charters to be used for Italian Embassy or Italian ships in Spain, or reimbursement of previous advances British or American under approval.

3. Matetinskii undertook to signal Hrubid immediately on above lines also to give instructions regarding destination and disposal of loaded cargo in Brazil.

0011-8519/97/0005-0000\$05.00/0

Diat. 7, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 84

2.12

T. G. D. 1905

Date: 28-10-23.

2143

Mr. Caccia

Reference 10/72/44

It seems that the negotiations for the charter-hire of the S.S. Madda and the S.S. Trovatore on the terms provisionally agreed with the Spaniards, have now reached a point when all that is lacking is the formal agreement of the Italian representative in Madrid. The bases of agreement are that:-

- (a) Hire and any other payments due under the charters must be employed for the approved expenses of the Italian Embassy and ships in Spain or for the re-imbursement of previous Anglo-American advances for these purposes.
- (b) The Italians must obtain instructions accordingly from their Government if required.
- (c) No further advances for these purposes will be authorised until satisfactory arrangements are made.

2. The Foreign Office wish the Italian Government to send instructions urgently to their representative in Madrid to finish the negotiations. We understand that the Ministry of War Transport representative in the Mediterranean is acquainted with all the details of the case.

3. We should be grateful if you would approach the Italian Government accordingly.

(for A. S. Halford)
Caccia.

27th October 1945.

Copies of Mr Campbell's letter
(a. Italian of Italian)
given to Robert [initials] with
Vatol representative HAT 291x.

HC
FLAG OFFICER LIAISON, ITALY,
ALLIED CONTROL COMMISSION,
HEADQUARTERS,
ROME.

26th October, 1944.

No. L.316/5

MINISTRY OF MARINE,
ROME.

MERCHANT VESSEL "MADDA"

With reference to your letter 650/UT of 21st October, 1944, specific instructions regarding the "MADDA" and her cargo have been given to the Direttore Generale della Marina Mercantile by the Mediterranean Shipping Board and to the Italian Ministry of Foreign Affairs, by the Political Section, Allied Control Commission. Such instructions were issued only after careful consideration by the cognisant Allied Authorities. Therefore, it is intended to take no additional action on your letter.

2. In future correspondence, it would be helpful if indications could be given when a matter has been referred previously to Allied agencies.

(Sgt) I. M. PALMER
for REAR ADMIRAL.

2144

cc. Political Section, AC
Shipping Sub-Com., AC

From: MINISTRY OF MARINE (Cabinet)
To : F.O.L.I.
Date: 21.10.44
Ref.: 650/UT

Subject: M/V. MADDA's Cargo.

The Italian M/V. MADDA is in the Canaries and, following arrangements between the Italian and British Authorities, she should be chartered to Spain. It is therefore necessary to unload her cargo of scrap iron.

It had been proposed to sell the cargo in Spain, but the price obtainable is considerably under cost.

Therefore it is thought that it would be advisable for MADDA to bring this cargo to Italy where, moreover, it would be very useful for the National industry.

The Royal Italian Embassy at Madrid has informed that this would be objected to on the grounds of congestion in Italian ports.

Your Command is requested to examine the matter, having in mind that only one ship is involved and that MADDA's cargo would considerably help Italian reconstruction.

Kindly deal with this matter at earliest convenience so as to expedite reply to R. Ital. Embassy at Madrid.

(Sgd.) THE MINISTER

DG/P

2143

Cargo of Madder
TRANSLATION

FROM: Italian Ministry of Foreign Affairs, Rome
TO : Italian Embassy, Madrid

Dispatch 13/03554/95

4 November 1944

SUBJECT: Cargo of the Vessel "MADDA"

REFER : Previous correspondence and final telegram on the subject dated 27 October from your Embassy.

For your convenient information and for whatever use, we transmit herewith a communication received on 30 October from the Ministry of Treasury on this subject:

"Because the Administration in management had standard of definite determinations to adopt of it for the utilization of this vessel and for the recovery of its cargo, it is communicated that the Italian Union of Re-Insurance, which, as is known, acts, for account of the State, the insurances for war risks to maritime and air navigation, has pointed out that the vessel "MADDA" upon departing from Norfolk, USA, for Italy, was assured against war risks for a value of Lire 2,400,000, and its cargo (scrap iron belonging to Endiro, a scrap distributing firm) for a sum of Lire 5,060,000.

"The body of the ship continued to be insured against war risks without solution of continuity from the day of its refuge in a Spanish port.

"The final cover, notified to the fore-said Action of the Genova Branch of the Insurance Company, results for one month from the 1st of September 1943 for a value in Italian Lire of 7,118,805.

"The cargo following refuge in the above-said port was no longer insured against war risks."

"There is due to the Insurance Agency an indemnity of Lt. 151,114,15 for quota weighing on the cargo of the merchandize, which contribution of general damage determined pursuant to stranding of the ship in the port of refuge."

By order of the Minister

/s/ Carl ????

2142

*Translation of dispatch
sent to Madrid.
8 Nov 44
JMTD*

*Copy of original
taken by Mr. Bell,
Shipping S/C
8 Nov 44*

Memorandum

Copy given to Sig. Cattadini - who has passed to Robert -

26 October 1944. *ATC*

Many other things in the 27/12

On, or about 27/23 September, Mr. Gibson Graham telegraphed MWT London:-

I have informed him (Minister of Marine CORSI) now that he must send instructions immediately to his Embassy in Madrid regarding the discharge and sale of the cargoes ex MADDA and POLLENZO.

On 7 October Mr. Bell reminded General Matteini of these instructions following which General Matteini was good enough to send Mr. Bell a note that the Italian Ministries of Foreign Affairs and Finance insisted on the MADDA cargo of scrap iron being brought to Italy. This note is dated 9 Oct and is in itself an acknowledgement of Mr. Gibson-Graham's instructions as it states that "cargo is not a matter for the Merchant Marine".

Mr. Campbell saw General Matteini on the 24th. Oct. and again on the 25th. October. The subject of their discussion was "Italian merchant vessels in Spanish waters".

Mr. Campbell handed General Matteini a note last night (25th. October) which deals principally with the terms and conditions of charter parties for the "MADDA" and "TROVATORE" and repeated MWT, London, request that

"urgent authority is passed to the Royal Italian Embassy
"on the above points also that instructions are issued both
"as to destination and disposal of the cargo at present
"on board the MADDA."

Mr. Campbell repeated to Mr. Bell this morning (26 Oct) that AFHQ would not agree to the cargo of this ship being imported into already congested Italian ports; this matter was not open for discussion.

Mr. Campbell added that General Matteini had promised to telegraph Rome of the instructions contained in the note he received last night.

General Matteini was to see Admiral Casard *2141*
Taranto today.

G.A. Bell

Shipping Sub-Commission Liaison HQ ACC

URGENT

Mr. Bell, Shaping Sub Commission

1. Could you have a word with Mr. Caccia about this matter this afternoon?
2. The M.F.A. are now alleging that Mr. Graham has never given any instruction that the vessel must be unloaded in Spain.

Political Section,
26.10.44



N. 6/852/373

Ministry of Foreign Affairs

MEMORANDUM FOR THE POLITICAL SECTION A.C.

Further to Memorandum no. 6/472/215, dated 11th September, the Ministry for Foreign Affairs submit to the attention of the Political Section A.C. the following considerations in respect of the steamer "Madda":

1. - The "Madda", at present at the Canary Islands, has on board a cargo of scrap metal (5,700 tons first grade scrap steel and 1500 tons second grade scrap iron), that the interested Italian Ministries insist should be transported to Italy, in order to utilize it for the industrial reconstruction of the Country.
2. - The Spanish Government, particularly interested in the "Madda" inasmuch as she is one of the two vessels they wish to charter pending the definition of the question of the alleged responsibility of the Royal Italian Navy in the sinking of two Spanish merchantmen, have agreed that the cargo in question be brought to Italy on board the "Madda", when she should then return to Spain.
3. - The Allies have instead asked that the cargo be sold in Spain, pointing out that, owing to the present congestion in Italian ports, it would not be possible to unload it in Italy.
4. - In this respect the Ministry for Foreign Affairs are of opinion, after consultation with the competent technical authorities, that, it being question of the cargo of only one vessel, it would be unloaded in a port of liberated Italy without prejudice to the present traffic conditions of our ports.
5. - Another reason that prompts the Italian Government to suggest a reconsideration of the British request to sell the cargo in Spain, and to insist on its transportation to Italy, is that at the present time the price of scrap metal in Spain is particularly low; inferior that is, to ~~2400~~ half the price that it was originally paid by Italy.

[Signature]

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Rome, October 24th, 1944.



0293

MEMORANDUM

TO : Mr. Caccia, Vice-President Political Section
FROM: Liaison Shipping Sub-Commission
DATE: 14th October, 1944.

Mr. Gibson Graham wrote me on 6 Oct 44 that AFHQ would not permit the importation of scrap iron into already congested Italian ports. This rules out any consideration being given to the request for the "MADDA" to bring her cargo to Italy. Although Mr. Graham has informed the Direttore Generale della Marina Mercantile that he must send instructions immediately to his Embassy to discharge and sell these cargoes on the spot, there seems to be difficulty in getting this information to the responsible officer in the Italian Government.

General Matteini gave the name of Signor Marchioni of the Italian Foreign Office, - if this gentleman will not accept these instructions perhaps he will indicate to you who is the proper party.

I am looking further into the matter of the "POLLENZO".

G.A. Bell
G.A. BELL

Farase asked to pass this to

Marchionni today HRC

15/10

2133

W. J. Caccia

HEADQUARTERS ALLIED CONTROL COMMISSION
POLITICAL SECTION
APO 394

MEMORANDUM TO: Mr. Bell, Shipping Sub-Commission

The Italian Government still seem to be labouring under the impression that M.W.T. may be ready to agree to the MADDA unloading her cargo of scrap iron in Italy. This despite the clearest indication from the Italian Embassy in Madrid that there is "nothing doing." Could you somehow bring it home to them that the M.W.T. word is final? I am not myself clear whether M.W.T. is influenced over this by the desire to avoid the MADDA making a journey to Italy or whether we do not want her to unload at an Italian port where the quays and warehouses will all be otherwise occupied.

2. What is the form about the POLLENZO. Can't we do something to put the Italians out of their misery about her?

H.A. . CACCIA
Vice-President Political Section

Political Section,
14.10.44

2138

Ministero degli Affari Esteri

MEMORANDUM FOR THE POLITICAL SECTION A.C.

With reference to Mr. Caccia's verbal request concerning the cargoes of the S.S. "Madda" and "Pollenzo", the Ministry for Foreign Affairs state that the two questions are at present as follows:

1. - Cargo of the "Madda" (scrap iron).

The Italian Government have instructed their Embassy in Madrid to insure the transportation of the SS. "Madda's" cargo by that same ship.

The Italian Government are particularly anxious to obtain the "Madda's" cargo of scrap iron for the industrial reconstruction of the country and in consideration of the fact that it could be sold in Spain only at a price much inferior to the one paid for it by Italy.

After unloading her cargo in Italy, the SS. "Mad-da" would go back to Spain pending a decision on the responsibilities imputed by the Spanish Government to the Italian Navy in the sinking of two Spanish Merchant Ships.

As regards the voyage of the "Madda" to Italy and subsequent return to Spain, the Spanish Government have already signified their full agreement.

The Italian Government await therefore the Allied Authorization to the "Madda's" voyage. (see memorandums n.4314 of June 13th and N.6/472/226 of September 11th.).

2. - Cargo of the "pollenzo" (scrap iron).

The Italian Government await the return of the SS. "Pollenzo" who now is still detained by the Naval Authorities in Gibraltar.

The Ministry for Foreign Affairs recall their Memorandums N.6/195/95 of August 9th and 6/447/200/95 of September 8th.

Once returned to the Italian Government,² the Italian Authorities will be able to dispose of the

MEMORANDUM FOR THE POLITICAL SECTION A.C.

No
initial
copy of
1/22
13/10

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Once returned to the Italian Government, the Italian Authorities will be able to dispose of the ship's cargo and provide in consequence.

Rome, October 12th, 1944.

APPUNTO PER Mr. BELL
Sottocommissione Shipping
A.C.C.

Da parte del Direttore Generale della Marina Mercantile.

Per il Pollenzo si attende tuttora le decisioni del Governo britannico, dato che non è ancora stata chiarita esattamente la posizione di tale piroscalo che è sempre in mano inglese. Appena avuto il via il Pollenzo dovrebbe essere portato in in porto spagnolo per le riparazioni più urgenti e il carico di rottami di ferro verrebbe sbarcato e posto a disposizione della Società di assicurazione che è oggi la proprietaria del carico. La Marina Mercantile non è direttamente interessata nei carichi.

Per il Madda è stato anche recentemente fatta presente la non convenienza di non vendere sul posto i rottami di ferro, dati i bassi prezzi. Il Ministero Finanze e il Ministero Esteri hanno ulteriormente insistito perché il ferro venga trasportato in Italia, accettando in tal caso di garantire il piroscalo durante il viaggio, garanzia che non potrebbe essere data qualora il ferro dovesse essere trasportato in Inghilterra con lo stesso piroscalo. Anche per questo carico la competenza non è della Marina Mercantile.

Ulteriori chiarimenti potrebbero essere avuti su ambedue le questioni dal Sig. Marchiori del Ministero Esteri.

Roma 9 ottobre 1944.

2136

0298

785016

10/60/44

Miss Cameron.
Political Section,
Allied Control Commission.

File in Bell

File

My minute no. 10/56/44 of October 4th.

2. I enclose an extract from a telegram addressed to the Foreign Office by the British Embassy at Madrid on September 29th; which may be of assistance to you and Mr. Gibson-Graham in connection with the sale of the cargo of the S.S. "Madra".

Bel Belg informed by L.S. 9/10/44

6th October, 1944.

2135

Extract from telegram no. 1386 of 22.9.44 addressed to the Foreign Office by the British Embassy at Madrid.

Italian ship Nedda at Las Palmas has heavy cargo of scrap iron on board which must be unloaded before ship can be chartered to Spanish Government in accordance with Anglo-Spanish agreement of May 2nd.

2. Ministry of War Transport have instructed that the cargo must be unloaded and sold in Spain. Italian Embassy however declare that they cannot agree to this course without instructions from their Government who have so far not taken required action because they wish the cargo to be unloaded in Italy. WTT representative in Rome has been instructed to take the matter up strongly with Minister of Marine. Until September 15th Nedda could not sail as essential repairs were not yet completed. Spanish Government are however reactive at long delay in handing over the ship in accordance with the agreement and it is desirable that further delay should be avoided if possible in view of our pressure on the Spanish Government to fulfil their obligations to us. I should therefore be grateful if the Italian Government could be pressed to send the necessary instructions urgently to the Italian Embassy here.

Copy given to Bill

2134

16/56/44

Miss Gannon,

My minute No. 10/12/44 of June 2nd to Junior Commander Hopkins.

2. In June last we telegraphed to the Foreign Office proposing that the Italian Government would prefer that the cargo of scrap-iron on board the SS LAMDA should be brought to Italy rather than that it should be sold in Spain.

After much protesting, the Ministry of War Transport have now replied that they have asked their Mediterranean representative to arrange for the Italian Government to instruct their embassy at Madrid to agree to the sale of the cargoes of the Lamda and the Polenzo in Spain.

Will you please confirm this with Mr. Gibson-Graham and if he agrees inform the Italian Government accordingly?

Mr G-G gave their instructions on 28/9 -
Mr Bell is following up with the Dir. of Nav. known

4.10.44

C 6 10

HRC the

Extract from Signal sent

from MWTR Med
to MWT London

(R) MWT Madrid

Received by

Mr Bell

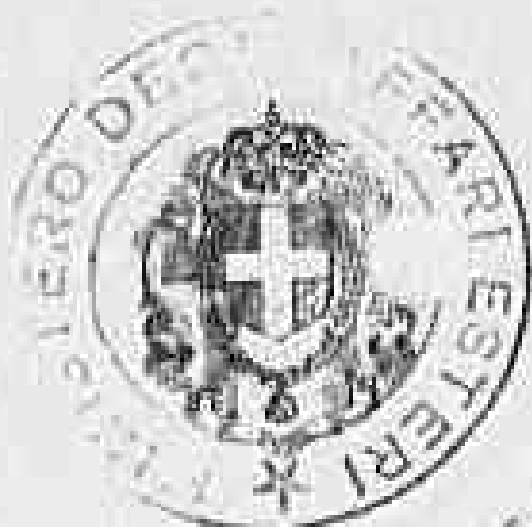
28 SEP 44

Mast 3557.....I have informed him (Minister of Merchant Marine CORSI) now that he must send instructions immediately to his Embassy in Madrid regarding the discharge and sale of the cargoes ex the MADDA and POLLENZO.

Mr Scholt spoke to Del Bello about the

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2132



Ministero degli Affari Esteri

MEMORANDUM FOR THE POLITICAL SECTION A.S.C.

Reference is made to Memorandum no. 4314 of 13th June ult. concerning the cargo of the S.S. "Madda".

This Ministry would be grateful if the A.S.C. could kindly inform as to whether the contents of the above mentioned memorandum have been brought to the notice of the British and American Embassies in Madrid. *ELL*

Rome, 11th September, 1944.

*to be confirmed
as letter C/A*

Yes, & are telegraphed

Italian will be bring cargo to Italy.

*No reply yet received (i.e. quite
of reminder). We are therefore
Tel. 747 pending F.O. reply.*



2131

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
POLITICAL SECTION

JMP/tws

15 June 1944.

SUBJECT: Cargo S/S Madda.

TO : Mr. H. A. Caccia, Political Section.

I held up IFO #348 to Madrid since the instructions contained in it diverge from the instructions which you gave me on the destination of this cargo.

The attached Memo # 4314 explains the reasons for this divergence but the telegram should not go forward without your definite instructions.

You will remember that H.M.G. wanted to insist upon the cargo going to U.K. before the delivery of the ship to the Italians, and wanted to represent this arrangement to the Spanish Government as having been made with the Italian Foreign Office. It now appears however, that the Italians would prefer this cargo of scrap iron delivered to the Smelting Works recently put into operation under the authority of the ACC. rather than having the cargo delivered in the U.K.

On receipt of your Memo of 23 May I gave Prunas the most ^{explicit} ~~expressive~~ directions upon the destination of this cargo but of course I did not wave the stick of the Armistice terms. I merely told him it was the ~~expressed~~ desire of the Political Section and left him (as I thought), to carry out your wishes in the matter.

May I have your further instructions please?

J. M. Pearson
J. M. PEARSON.
Major,
POLITICAL SECTION.

*Wm. H. Ford telegraphed
F.O. 17.6.*

2130

R. MINISTERO
DEGLI
AFFARI ESTERI

N. 4314

MEMORANDUM PER LA COMMISSIONE ALLEATA DI CONTROLLO

In relazione alla richiesta comunicata da dotesta Commissione Alleata di Controllo in data 20 maggio us., affinché il carico di rottami del piroscalo "Madda" venga inviato in Inghilterra, si fa presente che, presentiti in merito, i competenti organi italiani hanno rappresentato l'estrema necessità di poter utilizzare nel Regno ~~di~~ tutto il materiale di ferro disponibile, occorrente per alimentare gli impianti siderurgici recentemente riattivati d'accordo e in piena collaborazione con le Autorità Alleate.

Il Governo Italiano confida pertanto che da parte britannica non si vorrà insistere nella richiesta di cui si tratta, e ciò tanto più se si terrà presente la convenienza di non intralciare gli sforzi in atto per quella progressiva ricostruzione del Paese, che gli stessi Alleati auspicano nell'interesse della comune lotta.

Salerno, 13 giugno 1944



2123

0305

(10/12/44)

Junior Commander Hopkins,

Mr. Caccia spoke to Signor Bruma some ten days ago about the "SABIA", an Italian vessel at Tenerife with a cargo of scrap iron which it was apparently proposed to bring to Italy. His Majesty's government, however, wished the ship to proceed to the United Kingdom to discharge her cargo there.

2. The British authorities have now decided to drop the proposal of the vessel's going to the United Kingdom, but since the scrap iron cannot presumably be accepted in Italy at present, they suggest that this cargo be sold in Spain or Portugal or else stored in Spain for the account of whom it may concern.

3. The Foreign Office desire that the Italian Government be informed of the sense of para. 2 above and also that a similar solution would be desirable in respect of the cargo of scrap iron on board the "S. S. "Colliero" at Gibraltar. This ship is not worth repairing during the war and cannot discharge cargo except at a port within towing distance. Transhipment is impracticable.

4. Will you please pass this to the relevant authorities?

1.6.45

2128
A

C o p y

10/1 4.

Junior Commander Hopkins.

Mr. Caccia spoke to Signor Prunas some ten days ago about the S.S. "MADDA", an Italian vessel at Tenerife with a cargo of scrap iron which it was apparently proposed to bring to Italy. His Majesty's Government, however, wished the ship to proceed to the United Kingdom to discharge her cargo there.

2. The British authorities have now decided to drop the proposal of the vessel's going to the United Kingdom, but since the scrap iron cannot presumably be accepted in Italy at present, they suggest that this cargo be sold in Spain or Portugal or else stored in Spain for the account of whom it may concern.

3. The Foreign Office desire that the Italian Government be informed of the sense of para. 2 above and also that a similar solution would be desirable in respect of the cargo of scrap iron on board the S.S. "Pollenzo" at Gibraltar. This ship is not worth repairing during the war and cannot discharge cargo except at a port within towing distance. Transhipment is impracticable.

4. Will you please pass this on to Salerno?

1.6.44.

1
 P/CP 2/16
 1/16

never with Sand
 instructions

HAR 28/5

received
 24/5

Bo May 23

HAR.

(by the U.S. Cons.)

It is apparently proposed to send a cargo ship in a bound to the SS "MADDA" to Italy. I gather the MADDA is at Tenerife. H.M.S. is proper to exercise their rights under the Armistice to have the ship sent to the U.K. where better use can be made of it.

The A.C. are being asked to notify the It. Govt. of this & to request them to instruct the It. Govt. at Madrid to tell the Spanish Govt. that they agree to this procedure. The Spanish Govt. are being ~~informed by H.M.S.~~ asked to agree to the ship's going to the U.K. to unload before being discharged if they. It is important that this ~~matter~~ ^{arrangement} be represented to the Spanish Govt. as having been made in agreement with the It. Govt. rather than through the exercise of our powers under the Armistice.

We are asked to ensure that the It. Govt. at Madrid receive appropriate instructions without delay.

19/5/40

0308

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

785016

Re: SVB - COMMISSION

The attached including Italian
Government message may be
of interest to you.

Political Section
12/1/44

©
Thank you very much
a pretty story.
St. Almer.

0309

785016

TRANSLATION

FROM : Madrid
 DATE : 8 Oct 44

No. 1029: Your telegrams Nos. 805 and 833 and our telegram No. 922. The Royal Naval Attaché informs me of the following: "On 21 September consul RICCIO informed this office that on 16 September the unloading of the Spanish crew had taken place for the transfer of the vessels, 'Trovatore' and 'Osenna'. The ship left Monday the 18th arriving at Cadix on Friday the 22nd. In executing the transfer which, as was already stated was necessary and not to be delayed, the Spanish crew took temporary command of the vessel, 'Trovatore', which for obvious reasons was given the provisional name of 'Cabo de Agnes' by the Seville Department and sailed with the Spanish flag. The definite command and signing of the freighting contract will have to be executed at Cadix after the necessary work is performed, which may last until the end of October.

"Vice Consul Mont, who left Las Palmas for next repatriation, is staying in Cadix with Commander RICCIO, of the 'Trovatore', to supervise the work and care for the interests of the ship."

The definite surrender of the vessel has naturally not yet taken place, and will not without definite orders from that Ministry.

Regarding the freighting conditions of the "Linda" and "Trovatore", the British Embassy here verbally informed me that the entire question is being taken up in case and I shall give more exact information on Wednesday the 11th.

Since from the above it becomes clear that the freighting question is now reaching a rapid solution, it will be necessary to examine already the details of future arbitration, or try to reach a compromise setting a date soon for initiation discussions.

The points brought out in my telegram 1015, also apply to the merchant ship arbitration, and I believe we should get the Allied Ambassadors to support our eventual efforts to have the Spanish-Allied Agreement of 2 May modified.

The "Linda" is still in Tenerife and is awaiting instructions about destination of its cargo (see our telegram No. 965).

MARCIA

FILE
2123

LE

 775
 52
 Madrid & Tenerife

file HC
SR

(11/30/46)

Junior Commander Hopkins,

I attach copies of a self-explanatory memorandum regarding the Italian ships "Gadda" and "Pomatore."

2. The High Commissioner has already given a copy unofficially to Signor Prunas. Will you please see that the appropriate persons in Allied Control Commission are informed?

10.7.46

7/30
noted by
edp
valian

Commodore Palmer - please see

Col. Upjohn - ? of interest.

Pass to Col. Wilmer.

See R. H. Wilmer
col. 400

Please return to

Political Section.

(30/10)

It was agreed under the Italian condition that Italian merchant shipping might be requisitioned by the Allied Government. On the basis of this agreement an attempt was made to induce the Spanish Government to release all Italian ships then in Spanish waters. Despite the representations of U.S. Government, the Spanish authorities insisted on retaining control of two vessels, namely the "Alfonso" and the "Doroteo" which they claimed as compensation for two Spanish ships alleged to have been sunk by Italian submarines. In the Anglo-Spanish Agreement of May 1st with the Spanish Government it was decided that these two vessels should be delivered to the Spanish Government by the Italian Government for the duration of the war and that ultimate ownership should be subject to arbitration at the end of the war.

4. The Spanish Ambassador in Madrid has communicated to the Spanish Government and the Italian Ambassador the following draft of an additional demand prepared by the Italian Government:

"The Italian and Spanish Governments agree to submit to arbitration within six months after the termination of hostilities between Italy and Germany questions which have arisen between them in consequence of the claims of the Spanish Government to receive two Italian merchant ships (1 and 2) as compensation for two Spanish merchant ships (A and B) alleged to have been sunk by Italian submarines on or about - and -; the nature of the arbitral tribunal, the precise questions to be submitted to it and the procedure to be adopted in connection therewith will be laid down in a formal 'compromise' which will be agreed between the Italian and Spanish Governments in the course of consultation with the Italian Government and the United States Government".

5. It is reported that the Italian Ambassador has referred the above text to his Government for consideration and that the latter have replied on January 1st that in the light of the terms of the original request for compensation contained in a note from the Spanish Ministry for Foreign Affairs to the Italian Ambassador in Madrid that one of the two above-mentioned Spanish ships was sunk, the issue of compensation for loss of these two ships should not be determined by arbitration. The Italian Government are understood to have suggested that the above compromise should be amended accordingly.

0312

- 2 -

2. His Majesty's Ambassador in Madrid is informing his Italian colleagues that any attempt to avoid a specific mention of the two ships in the arbitration formula would not be in conformity with the terms of the agreement with the Spanish Government in view of the fact of undertaking which His Majesty's Government have given the Spanish Government on behalf of the Italian Government in this matter. His Majesty's Government are not surprised that the Italian Government should accept the formula originally proposed. They wish to point out that the fact that the Spanish Government originally requested monetary compensation for one of the Spanish ships lost is not relevant as the whole question has since been subject to negotiation and agreement between U.S. Government and the Spanish Government with the full knowledge of the Italian Government.

6.7.54

2123

1 (Copy) with encl. note from
Mr. Halford sent to Commodore
Belmont & Col. Upjohn for review.

(10/29/43)

It was agreed under the Italian Initiative Terms that Italian merchant shipping might be requisitioned by the Allied Commander-in-Chief. On the basis of this agreement an attempt was made to induce the Spanish Government to release all Italian ships then in Spanish waters. Despite the representations of U.S. Government, the Spanish authorities insisted on retaining control of two vessels, namely the "Tobia" and the "Provatore" which they claimed as compensation for two Spanish ships alleged to have been sunk by Italian submarines. By the Anglo-American Agreement of May 1st with the Spanish Government it was decided that these two vessels should be chartered to the Spanish Government by the Italian Government for the duration of the war and that ultimate ownership should be subject to arbitration at the end of the war.

2. His Majesty's Ambassador in Madrid has communicated to the Spanish Government and the Italian Ambassador the following draft of an arbitration formula prepared by His Majesty's Government:

"The Italian and Spanish Governments agree to submit to arbitration within six months after the termination of hostilities between Italy and Germany questions which have arisen between them in consequence of the claims of the Spanish Government to obtain two Italian merchant ships (X and Y) as compensation for two Spanish merchant ships (A and B) alleged to have been sunk by Italian submarines on or about - and - ; the nature of the arbitral tribunal, the precise questions to be submitted to it and the procedure to be adopted in connection therewith will be laid down in a formal "compromis" which will be agreed between the Italian and Spanish Governments in due course in consultation with His Majesty's Government and the United States Government".

3. It is understood that the Italian Ambassador has referred the above text to his Government for consideration and that the latter have replied expressing the view that in the light of the terms of the original request for compensation contained in a note from the Spanish Ministry for Foreign Affairs to the Italian Ambassador in Madrid when one of the two above-mentioned Spanish ships was sunk, the form of compensation for loss of these two ships should not be determined by arbitration. The Italian Government are understood to have suggested that the above formula should be amended accordingly.

0314

785016

- 2 -

His Majesty's Ambassador in Madrid is informing his Italian colleague that any attempt to avoid specific mention of the two ships in the arbitration formula would not be in conformity with the terms of the agreement with the Spanish Government in view of the form of undertaking which His Majesty's Government have given the Spanish Government on behalf of the Italian Government in this matter. His Majesty's Government are most anxious that the Italian Government should accept the formula originally proposed. They wish to point out that the fact that the Spanish Government originally requested monetary compensation for one of the Spanish ships lost is not relevant as the whole question has since been subject to negotiation and agreement between U.M. Government and the Spanish Government with the full knowledge of the Italian Government.

6.7.34

2121

ALLIED FORCE HEADQUARTERS
Civil Affairs Office

May 13, 1944

TO: Political Section
Allied Control Commission,
Naples

The American Ambassador in Madrid has reported in a telegram that to men Italian merchant ships still in Spanish ports Spanish visas have now been authorized for 304 Italian merchant vessels proceeding from southern Italy. Six vessels, out of the eight now remaining will depart for Allied ports. Under charter, the *LAZAR* and *TRAVITORE* will remain in Spanish hands. Before being placed under Spanish control, however, it is expected the *LAZAR* will be permitted to proceed first to Italian port in order to discharge cargo of scrap iron.

For the U.S. Political Adviser:

G. P. Reinhardt

Copy to: G-2, AFHQ
LCS,
ODM
Chief of Staff, G-in-C Med.
Ambassador Kirk



2129

INCOMING TELEGRAM

FROM: Madrid
DATE: May 6, 1944

No. 191: My report 779 and Press Report 037. Agreements between the Allies and Spain have been completed. I paraphrase the text of the agreement regarding our warships and merchant vessels:

1. The question concerning Italian warships will be submitted to arbitration. All the remaining Italian merchant vessels in Spanish ports will be released immediately and will be at the disposal of the Royal Italian Government at the same interest paid by the British Government for.....of Allied vessels and their definite appropriation will be submitted to arbitration at the end of the war. The Spanish Government will grant all the necessary facilities including the admittance to Spain of the crews if necessary, to permit the departure of the ships, to leave again on the next date. English Embassy has confirmed to me to have retained the opportunity that the arbitrary conditions be agreed in following with a view to avoiding delay in concluding the general agreement. In the conversations it was only foreseen after six months after the war for the arbitration of the ships.

2. Exportation of wolfram to Germany or occupied countries will not exceed 40 tons each month and for this year it is in total 280 tons. Spain will undertake to impede contraband and the Allies have the right to collaborate eventual with this proposal.

3. Withdrawal of the last Spanish divisions from the Eastern Front except the wounded and a few personnel for the liquidations of war materials and expenses.

4. Closing of the German consulate and Axis agents in Tangiers. Expulsion from Spain and Morocco of German agents upon indication of the Allies. Allies will resume supplies to Spain under the same conditions previous to the suspension.

*Ital. Ships*ALLIED FORCE HEADQUARTERS
Civil Affairs Office

May 2, 1944

TO: Samuel Rober, Esquire
Vice President, Allied Control Commission,
Political Section,
Naples

SUBJECT: Transmission of paraphrase of telegram

For your information, there is enclosed a paraphrase of a telegram from the American Embassy in Madrid to the Department of State, repeated here as Madrid's No. 220, April 28, concerning the American share of maintenance of expenses of Italian ships and crews in Spanish ports.


G. E. Reinhardt

Enclosure
Paraphrase of
telegram

Paraphrase of Madrid's telegram No. 25, April 28,
2 p.m. to Algiers, repeating Madrid's No. 1460, April 28,
2 p.m. to the Department of State.

Payments totaling \$500,000 have been made by this Embassy as
its share of the expenses of maintaining Italian ships and crews
in Spanish ports as the Department authorized in its R41027,
April 14, and No. 1140, April 24, as follows:

- a) For period of October, 1943 to February, 1944, inclusive,
3,901,870 pesetas (\$357,049.26) to the British Embassy.
- b) For March, 934,000 pesetas (\$85,467.74) to Italian Embassy.
- c) As part payment for April, 628,180 pesetas (\$57,483) to
the Italian Embassy. This left a deficit of 15,820 pesetas
(\$1,447.65) for April.

The share of this Embassy of payments for May and June on the
basis of present estimates will be, respectively, 705,000 pesetas
(\$64,558.34) and 615,000 pesetas (\$56,322.89) provision for continued
support of the merchant ships remaining is included in these figures,
which are subject to revision in event the ships depart. Any economies
that might result from these vessels departure, however, would in the
beginning be offset by an initial increase in expenses pertaining to
re-manning of ships, since new crews will have to be brought from
Italy for them.

If need for maintaining merchant ships continues, this Embassy's
share of monthly expenses after June will continue at approximately the
June amount, it is estimated. Discontinuance of that portion of
expenditures would result in a probable reduction of approximately 10%.
There is little prospect of early discontinuance of maintenance of
Italian warships and interned naval crews, involving about 2,500 men,
which alone involve monthly half share payments of more than 500,000
pesetas.

0 3 1 9