

ACC

10000/142/181

PROPERTY
NOV. 1943

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10000/142/181

PROPERTY CONTROL SUB-COMMISSION
NOV. 1943 - SEPT. 1945

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

AC/4014/3/L.

124-A
/rlp.
21 September 1945.

SUBJECT : Benzina Petrolio SAI of Trieste.

TO : Finance S/C (Property Control Div).

1. In my opinion there is no objection to part A of your suggestion, as AMG XIII Corps can very well instruct the Prefect to sequester the assets of the company.

2. I do not see however how AMG could validly order the Prefect to make a deed transferring property from AGIP to Benzina Petrolio. Prefects in Italy have never held such powers and as far as I know they were never vested in the Prefect of Trieste.

3. At first sight it appears to be a matter for a CCAG's order. Alternatively Benzina Petrolio once restored, could apply to the President of the Tribunal of Trieste for an order from the Court reestablishing the "status quo ante." Personally I would prefer the second solution.

4. This however is also a matter of policy and should be submitted to AMG for consideration.

126

C. C. HANNANFORD,
Lt. Col.,
Officer i/c Italian Branch,
for Chief Legal Advisor.

123A

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122A

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

AC/4614/3/L.

/rlp.
3 September 1945.

SUBJECT : Status of Allied Business Concerns in restored territory.
TO : Finance S/C (Property Control Div).

1. Reference your AC/069/CP of 1 Sept 45 the Italian Government on turn-over of territory has always enacted and will continue to enact:-

"All acts done by any member of the Allied Forces in pursuance of such proclamations or orders, and all official action of any nature taken by the Allied Military Government in pursuance thereof including all appointments to and removals from any office, public or private, will be recognized by all Italian courts and officials as legal, valid and binding."

2. Moreover the Italian Government is in course of publishing a decree which states:-

"Those who, upon the restoration of the territory to the Italian Administration hold public offices conferred to them by the A/C, shall continue to hold these offices until such time as their substitution is ordered by the proper authorities of the Italian Government, unless they are admitted into the regular list (ruolo)."

3. There is, in my opinion, no need for any further action.

W. E. BEERENS,
Colonel,
Chief Legal Advisor.

4014/3

357/40

121A

HEADQUARTERS ALLIED COMMISSION
 AEC 304
 FINANCE SUB-COMMISSION
 Property Control Division
 Tel. 471377

13/06/45

1 September 1945

Subject: Status of Allied Business Concerns in
 Restored Territory.

To : Local Sub-Commission, AC
 (Attn: Colonel Perrone)

111A

1. Reference your letter AS/AC/4/3/L of 4 July 1945.
2. Attached hereto is a letter received today from the Regional Property Control Officer in Liguria Region which is self explanatory.
3. I assume that when the Northern Regions are restored to the Italian Government the turn back agreement will specifically provide that all acts and appointments of Allied Military Government will be recognized by the Italian Government and will remain in full force and effect.
4. Is my assumption correct? If it is correct then there would seem to be no necessity for the confirmation requested by the RPOC in his letter.
5. Will you please return the attached letter and proclamation with your reply.

122

Edward C. King

EDWARD C. KING

Lt. Col., Spec. Res.

Chief, Property Control Division
 Finance Sub-Commission

Enclosures.

C. 405

3 SEP 1945

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

120A

AC/4014/3/L.

APN/lc.
10 August 1945.

SUBJECT : Margaret Munn-Davie, British subject.
TO : Finance Sub-Commission (Property Control Div.)

Reference your AC/1403/CP 7 August 1945 and attached letters, it is the opinion of the Legal Sub-Commission that Property Control Division, Finance Sub-Commission has no jurisdiction to deal with the private property of Margaret Munn-Davie; it should give no advice concerning same.

121
ANTHONY P. NUGENT, Major,
Chief Counsel,
for Chief Legal Advisor.

119A

7 August 1945

TO : HQ, Allied Commission, (Attn:Legal-SubCommission).

- 114A
vB

2. Enclosed herewith is copy of reply received from the Procureure Generale who had been instructed as requested in your letter.

For the Commissioner:

Frank L. Vecchiola
FRANK L. VECCHIOLA, Major, J.A.G.D.,
Senior Legal Officer.

Incls.

de succinate - 1 for
P.C. 1/2

SUBJECT: Attachment on a credit against the Firm
Agache Fils Lille (France)

TO : Allied Military Government-Legal Office
Naples.

In reference to the above note, I inform you that the local Hemp Producers Corporation, alleging to be creditor of the Firm Agache fils-Lille (France) for the amount of L.51361 with costs, and being afraid of loosing the guarantees of the credit, asked that an attachment be placed on the amount of L.151640 such amount being deposited in the Bank of Naples, on a blocked account of correspondence in name of the Regionale Control of Property in Naples, in reference to the Firm Agache Fils-Lille. Since sufficient elements of proof justified the application, the sequestration was granted with a decree of the President of this Tribunale, dated 12 May 1945.

The Bank of Naples, on July 20th, 1945 stated that really there is an account with a credit of L.157906,65, adding however, that such an account is not at free disposition of the above Firm Agache, but at the disposition of the Regional Control of Property, in the person, actually, of Lt.Col. Battensby-Regional Finance Officer, Southern Region, A.C., Naples, and that in any case, the allotment of such an amount is conditioned to the approval of said Regional Controller of Property.

At the hearing held on July 20th, 1945, the case has been adjourned until November 14th, 1945, and there is no doubt that the Pretore, in the decision of the same, shall keep in consideration Procl.6, at any rate, I called the attention of the 1st Pretore on the matter.

The Procuratore Generale
Signd. Emiliani.

1031
PROCURA GENERALE DEL REGNO PRESSO LA
CORTE DI APPELLO DI NAPOLI.(119B)
Napoli 6 Agosto 1945OGGETTO: Sequestro conservativo in danno della ditta
Agache fils di Lille (Francia)AL COLANDO MILITARE ALLEATO
Ufficio Legale, Napoli.

Con riferimento alla surrichiamata nota informo che la locale Associazione Produttori Canape, assumendosi creditrice della Ditta Agache e fils di Lille (Francia) della somma di Lire 51361 e spese, e di essere in procinto di perdere la garanzia di credito, chiese di procedere a sequestro conservativo della somma di lire 151640, depositata presso il Banco di Napoli, in conto vincolato di corrispondenza intestato a Controllo Regionale dei Beni in Napoli, per conto della ditta Agache e fils di Lille. Poiche sufficienti elementi di prova giustificavano la domanda, il sequestro fu concesso con Decreto del Presidente del locale Tribunale in data 12 maggio u.s.

Il Banco di Napoli il 20 Luglio u.s. ha reso la dichiarazione di terzo affermando la effettiva esistenza del conto con credito di lire 157,906,65, aggiungendo però che il detto conto non è di libera pertinenza della suddetta ditta Agache, ma "del controllo Regionale dei Beni" e per esso, attualmente, Lt. Col. L.E. Battensly - Regionale Finance Officer, Southern Region, 118. Naples e che in ogni caso l'eventuale attribuzione di detta somma va subordinata al consenso di detto Controllore Regionale dei Beni.

All'udienza del 20 Luglio 1945 la causa è stata rinviata al 14 Novembre 45, e non v'è dubbio che il Pretore nella decisione della stessa dovrà tenere presente il Proclama N.6: ad ogni modo ho richiamato in proposito la attenzione del Primo Pretore.

IL PROCURATORE GENERALE
P.to Emiliani

118A
HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

AC/NOV/3/1.

26 July 1945.

SUBJECT : Decree of de-sequestration (Br. & U.S. Oil Companies).

TO : FINANCE SUB-COMMISSION - Property Control Division.

If the Italian version of Art. V of the proposed supplemental decree in a mere translation of the English text as set out in your AC/21.1R CP of 23 July 1945, this article provides no relief, in my opinion, to any of the oil companies in respect of the lease mentioned in your letter.

M. E. BURNS,
Colonel,
Chief Legal Advisor.

117

ECK/cc

file 1014/3
HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
Property Control Division
Tel. 471387

117A

AC/21.1R/CP

23 July 1945

Subject: Decree of De-sequestration (Br. & U.S. Oil Companies)

To : Legal Sub-Commission, AC
(Attn: Colonel Behrens) ✓

1. It is expected that the proposed supplemental decree will contain the following provision:

Art. V

"An owner of property which has been sold or transferred under Article XVIII of Decree Law of February 4, 1942, No 11, shall forthwith at his request be entitled to cancellation of instrument or instruments of sale or transfer and to restitution of property to him without prejudice to any question of claims of whatever nature by such owners. Such claims will be postponed until settled by general agreement between respective Governments or by or on behalf of owners."

116
2. As you are aware certain British and American oil companies owned substantial and controlling interests in various Italian oil companies. After we entered the war the property of these Italian oil companies was transferred to the institution known as AGIP, the transfer being made pursuant to said Article XVIII of D.L., 4 February 1942. The interests so transferred were the most valuable of all Allied holdings in Italy.

3. At the time of the transfer to AGIP certain of the said Italian subsidiaries were lessees of offices in Rome.

For the names of such companies and description of the leases see the attached letter of 12 July 1945.

4. After the transfer to AGIP this latter institution closed such offices and permitted the leases to expire. Subsequently the premises were leased by the owners to new tenants who are now in possession and wish to stay in possession. This was through no fault of the British or American owners.

5. The British and American companies wish to retake possession of their former offices at the earliest possible time after passage of the supplemental decree so that they will be in a position to recommence business as soon as their general properties are restored. They also wish to install the personnel who will have the lengthy and arduous duty of appraising damage and preparing claims resulting from war. Repeated efforts to find other office space in Rome have met with failure.

6. The British and American interests, and particularly the Socony Vacuum Company, are desirous of knowing whether, and by what means, their former office space will be restored to them. They wish to know if the present tenants will be compelled to vacate immediately upon passage of the supplemental decree or whether it is more likely that the premises will be restored only after protracted litigation.

7. Will you give us your opinion as to the legal effect of the said Art. V. of the supplemental decree as regards such leases. Please note that all of the Oil Company leases in Rome have expired by lapse of time.

115

LEGAL SUB-COMMISSION

CLO

DCLO

Chief Counsel

CLO

Section Section

CLERKS

Edward C. King
EDWARD C. KING
Lt. Col., Spec. Res.
Chief, Property Control Division
Finance Sub-Commission

24 JUL 1945

116A

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

AC/4014/3/L.

AN/lc.
25 July 1945.

SUBJECT : Società Prodotti Chimici Nazionale.

TO : Finance Sub-Commission. Property Control Div.

1. Reference your AC/NAT 93B/CP of 17 July 1945 the following opinion is approved :

2. From an examination of the papers attached Property Control Division is without jurisdiction to act in the matter of the leasing of lands belonging to Società Prodotti Chimici Nazionali to Workmen's Cooperative.

3. If Avv. Enrico Giobbe della Ditta Attorney for the società is of the opinion the lease should not be made he should take proper steps under the Italian law.

4. It is suggested that attention of Ministero del Tesoro should be called to the situation in order that any Allied interest in said società may be protected.

116

ANTONY R. NUGENT,
Major A.U.S.,
Chief Counsel,
for Chief Legal Advisor.

ECE/IF/08

115A

HEADQUARTERS ~~UNITED~~ COMMISSION
APO 394
FINANCE SUB-COMMISSION
Property Control Division
Tel. 471307

AC/NAT 333/CF

17 July 1945

Subject: Società Prodotti Chimici Nazionali, Allied Owned.

To : Legal Sub-Commission, AC.

1. Inclosed are following documents:

- a) Application on behalf of "La Commissione Operaia" for permission to accept lease of certain lands belonging to the a/m Company.
- b) Unilateral agreement of Tenant to restore property to a/m Company.
- c) Consent of Manager of subject Company to a proposed lease.
- d) Copy of lease dated 26 May 1939, between Prodotti Chimici Nazionali Company and Luigi Olivieri.

113

2. The Manager and "La Commissione Operaia" have requested approval for a proposed lease of lands of the Company to the latter Workmens' Cooperative.

3. Avv. Enrico Ciobbe della Bitta, attorney for the Company, has orally advised this office that in view of the automatic renewal of leases under present Italian law, the Manager may be without authority to grant new lease or leases to "La Commissione Operaia". Ciobbe does not approve the proposed new lease. He thinks it is not consistent with Company interests.

2)

4. Both the property and company are situated in Aurelia (Civitavecchia) in Italian Government Territory.

5. Opinion is requested as to the jurisdiction of Property Control in this matter and if jurisdiction does exist, whether, from a legal point of view, the Company through its Manager may enter into an agreement, leasing the land to "La Commissione Operaia".

Edward C. King
 EDWARD C. KING
 Lt. Col., Spec. Res.
 Chief, Property Control Division
 Finance Sub-Commission.

REG. NO.	
CLO	
DCLO	
Chief Counsel	
CJO	
Italian Section	
CL RKS	
18 JUL 1954	

112

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

114A

AC/4014/3/L.

GCH/lc.
21 July 1945.

SUBJECT : Attachment on Credits of the Firm Agache Pils
of Lille, France.

TO : Zone Commissioner (Attn: Senior Legal Officer),
NAPLES Commune.

1. The enclosed correspondence speaks for itself.
2. Will you please instruct the Procuratore Generale to take the steps suggested by Property Control and report to this Sub-Commission.

By command of Rear Admiral STONE:

111

Copy to Property Control

Incl.

See 114B

G. G. HANNAFORD,
Lt. Col.,
Officer i/c Italian Branch,
for Chief Legal Advisor.

BCK/ev

HEADQUARTERS ALLIED COMMISSION
APC 394
FINANCE SUB-COMMISSION
Property Control Division
Tel. 471387

114B

AC/3N3708P/CP

20 July 1945

Subject: Attachment on Credits of the Firm
Agache Fils of Lille, France.

To : Legal Sub-Commission, AC.

1. I am enclosing copy and translation of a letter received yesterday from Lt. Col. Battensby, Finance Officer at Naples.

2. As you will see the letter states that an attachment has been levied on a bank account standing in the name of the Regional Controller of Property for Agache Fils of Lille. The said firm is French owned.

3. I suggest that proceeding in the Naples Tribunal should be stayed, at least insofar as the above mentioned account is concerned, pending a time when the owner can be adequately represented.

4. The sums on deposit on said account were derived from the sale of Hemp (belonging to the subject-company), which was sold to prevent deterioration and loss.

LEGAL SUB-COMMISSION

CLO

DCLO

Chief Clerk

CLO

Spec. Res.

C. R. R.

21 July 1945

Edward E. King

EDWARD E. KING

Lt. Col., Spec. Res.

Chief, Property Control Division
Finance Sub-Commission

RLO - Command of Naples

1) The enclosed copy of letter speaks for itself

2) Will you please instruct the PG to take the steps suggested by Prop Cont & report to the Sub-Commission.

BANCO DI NAPOLI
Legal Office

Registered

10 July 1945

1140

SUBJECT : Attachment on credits of the firm Agache Pils
of Lille, France.

TO : Lt.Col. L.R. BATTENSBY - Finance Division -
Naples Commune.

We inform you that the Naples branch of the Hemp Producers Association, represented by Comm. Francesco Fornari, has placed an attachment on the sums payable to Agache Pils, of Lille, France, on the existing a/c with our Bank on the name of "Regional Controller of Property for Agache Pils of Lille" up to the extent of 51,301 lire beside accessories and estimated expenses for about L. 20,000 on the strength of order 12/5/45 of the President of the Naples Tribunal.

Consequently we were summoned to appear before the Naples' Civil Court for the 20 July hearing in order to make the prescribed statement of the existing amount.

Therefore, on the basis of present law instructions, we shall have to declare, on said hearing, the existence of a/c No 1560 opened with us by the abovementioned Regional Controller of Property.

Best regards.

BANCO DI NAPOLI - Sede di Napoli

109

21, 4014/3
 HEADQUARTERS ALLIED COMMISSION
 APO 394
 LEGAL SUB-COMMISSION

113A

AC/1082/241.

10th July 1945

SUBJECT : Acts of Republican Fascist Government

TO : Chief, Property Control Division, Finance Sub-Commission

1. In reply to your AC/021.1/CP of 9 July 1945, I think that your statement represents the larger part of the agreement which we reached.

2. As I told you, I think that the position falls to be examined in the light of D.L. No 249 of 5 October 1944, which prescribed rules for determining the validity or invalidity of acts of the Fascist Republican Government.

3. Under this law by Art 1.(2) all confiscations and sequestrations of the Fascist Republican Government are void, and by Art 2 (3) all administrative acts, based on laws of the Fascist Republican Government are also void.

4. However by Art 4 all administrative acts not previously covered by the decree are validated.

5. I think the true effect of this is that :-

- (a) In any property to which a sequesterator had been originally appointed by the Italian Government (i.e. prior to 8 Sept 1943) any acts done by the sequesterator, whether the original sequesterator or a substitute appointed by the Fascist Republican Government, are valid.
- (b) When property was originally requisitioned since 8 Sept 43 by the Fascist Republican Government, such requisition is void and the property should be restored to the original owner. In such case it appears doubtful whether in strict law any liability can be charged against the Italian state for any loss incurred, and it might be that the only right of compensation is against the sequesterator personally.

W. E. BIERRE,
 Colonel,
 Chief Legal Advisor.

4014/13
 ✓ HEADQUARTERS ALLIED COMMISSION
 APO 394
 FINANCE SUB-COMMISSION
 Property Control Division
 Tel. 471387

ZCK/8V

112A

AC/NAT31A/CP

2 July 1945

Subject: Banca d'America e d'Italia.

To : Regional Property Control Officer, Finance Division,
 Lombardy Region.
 (Through Regional Commissioner, Lombardy Region).

1. Reference your letter 11/NAT31A/CP of 29 June 1945.
2. I have been examining the directive by which you removed Egeli and its delegate and appointed Sag. Scarpetta and Dott. Roli as acting managers. Captain Fouchet said you would like to have my comments with respect thereto.
3. The form used seems to be entirely satisfactory except in the following respect. A sequestrator was appointed by the legitimate Italian Government in 1942. The act of the Republican Fascist Government in appointing Egeli to replace him, being void and of no effect in law, left the original sequestrator still technically in office?
4. You removed Egeli and its delegate but you said nothing about the original sequestrator and created an ambiguous situation when you appointed a manager answerable to you.
5. It seems to me that when you appoint a manager answerable to you you must remove the original sequestrator, otherwise there is a conflict of authority between the manager and that original sequestrator.
6. In case you do not wish to remove the original sequestrator but do think that a manager should be appointed, you could ask the sequestrator to appoint a manager but in that event the manager would be answerable to the sequestrator and not to you.

7. If you or the R.L.O. disagree with the above in any way please let me know at once because it has not been contemplated by us or by the Italian Government that you would appoint managers answerable to you without removing the original sequestrator as well, of course, as Egeli and its delegate.

EDWARD C. KING
Lt.Col., Spec. Res.
Chief, Property Control Division
Finance Sub-Commission

Copy for Legal Sub-Commission, AC.

LEGAL SUBCOMMISSION	
→	CIO
	DEPT
↗	CHIEF
	CIO
	REPLY
	CL. RKS
6 JUL 1945	

106

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

WEB/pa.
4 Jul 45.

AC/4014/3/L.

SUBJECT : Status of Allied Business Concerns in
Restored Territory.

TO : Finance Sub-Commission (Property Control Division).

1. In reply to your AC/303/OP of 25 June there appears to me
to be three classes of cases :-

- (a) Property which was originally sequestered by the Italian Government may have been desequestered by order of AMG. In my opinion this order would be a valid order and would revert the property to the original owner. The authority of any person who claims to be in a position to act on behalf of the owner must derive from some express authority given by the owner for that purpose.
- (b) Property which was originally sequestered by the Italian Government may have continued under the management of the sequesterator appointed by that Government. In such case that sequesterator remains responsible for the property throughout, and after restoration of the territory concerned to the Italian Government he continues as the duly appointed sequesterator.
- (c) The sequesterator appointed by the Italian Government may have been dismissed or suspended and the management entrusted to an AMG nominee whether described as sequesterator or manager. On the restoration of territory to the Italian Government, such appointment was duly confirmed by the Italian Government under the relevant restoration agreement. Thereafter he continues in office (and the original sequesterator remains dismissed or suspended) and he must retain responsibility for the management of the property. In the performance of this duty he is the agent of the Italian Government.

2. The letter from the Banca Commerciale Italiana is returned herewith.

W. E. BEHRENS,
Colonel,
Chief Legal Advisor.

Incls.

401413.

✓
for

ECK/ev

(110A)

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
Property Control Division
Tel. 471387

AO/303/CP

25 June 1945

Subject: Status of Allied Business Concerns
in Restored Territory.

To : Legal Sub-Commission, AS.

1. I am enclosing the original of a letter received this morning from Banca Commerciale Italiana at Naples.

2. Can you tell me how I should reply to said letter and particularly to the last paragraph thereof in which the Bank asks us to confirm its theory, which is that the original proprietors or their legal representatives are fully entitled to act with respect to the properties, accounts, deposits, securities, etc., of the respective concerns. I rather think that by the words "legal representatives" the bank intended to include the acting officials of banks as well as persons holding powers of attorney, and intended to exclude sequestrators and liquidators appointed under the Leggi di Guerra.

3. The situation is ambiguous to a disturbing degree. In general it has been our theory that sequestrators continued to be responsible until de-sequestration, unless they were removed by us at an earlier date. In many cases, however, such sequestrators are absent or inactive or uninterested. Under present conditions in restored territory, with our officers removed and the decree of de-sequestration still ineffective, they are answerable to no one. The burden of responsibility and management thus falls on the company officials who, from a practicable standpoint, should have control of bank accounts, etc., in the absence of a competent and active sequestrator.

103

4. Banca Commerciale Italiana apparently is worried because it is not sure whether the powers of management, of signing checks, etc., is vested in the company officials or in the persons appointed under the Leggi di Guerra. Nor am I sure.

5. The confusion has arisen as a result of delay in implementing the decree of de-sequestration. We had expected that before our withdrawal from restored territory the Italian Government would have assumed responsibility under such decree. Without such Italian responsibility and without Allied Military Government a sort of legal vacuum exists.

6. I shall appreciate your advice.

Edward C. King

EDWARD C. KING

Lt.Col., Spec. Res.

Chief, Property Control Division
Finance Sub-Commission

*Col King will fix a
conference card
with the It. fr.*

Enclosure

LEGAL SUB-COMMISSION	
CLO	<i>h</i> ←
DCLO	
Chief Counsel	
CJO	
Italian Section	
CL RKS	
26 JUN 1945	

102

ECK/ev

109A

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
Property Control Division
Tel. 471387

AC/2210/CF

6 June 1945

Subject: Abyssinian Royal Crowns.

To : Monuments Fine Arts & Archives Sub-Commission.
(Attn: Lt. Col. J.B. Ward Perkins).

1. The subject crowns are in possession of the Italians. According to my understanding they were taken into consignment by General Raffaele Cadorna, Commander of the CVL, on the 15th of May 1945. It is possible, however, that they have been turned over to the Ministry of Africa Italiana.

2. After considering the matter we have reached the conclusion that the crowns are not such property of a government of the United Nations or its nationals as comes within the jurisdiction of Property Control Division.

3. Accordingly, unless otherwise directed, we will take no action with respect to the property in question.

101

EDWARD C. KING
Lt. Col., Spec. Res
Chief, Property Control Division
Finance Sub-Commission

Copy for Legal Sub-Commission
Attn: Col. Behrens.

2 JUN 1945

*These are the Abyssinian
Crown Jewels - taken
from the Emperor's collection
Do you agree with the
opinion?*

RCK/ev

108A

HEADQUARTERS ARMED COMMISSION

APC 204

FINANCE SUB-COMMISSION

Property Control Division

Tel. 471387

AC/069/CP

6 June 1945

Subject: Removal of sequestrators and delegates,
appointment of managers, and fees.

To : Regional Property Control Officers, Finance Division,
Northern Regions.
(through Regional Commissioners, Northern Regions).

1. Reference my letter AC/069/CP of 5 June 1945.

2. The decision to remove sequestrators (when required), and to appoint managers (when required), by the direct act of RPCO and without the intervention of the Prefect, was prompted by a suggestion from Comm. Dadone. He approved the 5 June letter in writing. Accordingly it is not considered that such practice will break the continuity of Italian responsibility.

3. While all delegates of Egeli appointed to manage commercial and industrial concerns are to be removed by you, the power to remove sequestrators (or other appointees of the legitimate Italian Government) should be used only in cases of necessity. There has been no change in the idea that we should limit our control as much as possible and arrange our affairs so that we can pull out on short notice.

4. When circumstances require the appointment of a manager you should always select, if possible, a person familiar with the company affairs and believed to be satisfactory to the owners. This really goes without saying, but Comm. Dadone urged me to stress the point.

5. Fees should not be paid to any delegate (as such) appointed under laws of the Republican Fascist Government.

Reasonable fees may be allowed and paid to sequestrators and managers acting under appointment of the legitimate Italian Government or its agencies, or acting pursuant to appointment by you, for services actually rendered. Fees of liquidators should not be paid pending further instructions.

mk
EDWARD G. KING
Lt.Col., Spec. Rec.
Chief, Property Control Division
Finance Sub-Commission

Copy for Legal Sub-Commission, A.C.

LEGAL SUB-COMMISSION	
CLD	<i>lin</i>
→ DCLD	
CMC	
CIP	99

6 JUN 1945

✓ HEADQUARTERS ALLIED COMMISSION
APO 384
FINANCE SUB-COMMISSION
Property Control Division
Tel. 471387

107A
Copy for Legal
Sub-Commission
Attention:
Col. Belovay

AC/CGG/CP

5 June 1945

Subject: Appointees of Republican Fascist Government,
removal of sequestrators, and related subjects.

To : Regional Property Control Officer, Finance Division,
(through Regional Commissioner,

1. This is in answer to inquiries received from several northern Regions regarding the treatment to be accorded to Egeli (of the Republican Fascist Government) and "delegates appointed by it.

2. It has been decided, with the approval of Legal Sub-Commission, that neither the said Egeli nor its appointees have any legal standing or authority whatsoever. If, however, the services of said Egeli are required by you for purposes of completing or preserving records you may keep the organization intact for a limited period, but without recognizing it as having any official status.

3. Delegates of said Egeli shall be removed from the positions which they now hold as managers and supervisors of Allied concerns. After such removal the responsibility for management will rest upon the original sequestrator. If, however, the original sequestrator is unavailable or is incompetent you shall appoint a manager of your own selection who may be, if it seems in the interest of the company, the same person who theretofore was the delegate of Egeli.

4. It has also been decided, with the approval of Legal Sub-Commission and Repettore Generale Badone of the Office of Ex-enemy Property of the Treasury, that the removal of such delegates, and of sequestrators where

circumstances so require, and the appointment of managers who shall thereafter control the affairs of the company under your supervision, shall be accomplished by your own act and without the intervention of the Prefect. You shall evidence such removal and/or appointment of a manager by a written instrument. A letter addressed "To All Whom It May Concern" is suggested. One copy of the letter should be sent to the person removed (if he is available), one copy to your appointee, one copy to the Prefect, and two copies to this Hq. We in turn will send one copy to Comm. Dadone, who will inform us if the appointment seems objectionable to the Italian Government. The appointment, however, shall be fully effective as of the date of delivery of the copy by you to your appointee.

5. Nothing herein is to be construed as suggesting or directing that you change the status of banking institutions which are acting as managing agents for Allied owned real estate.

EDWARD G. KING
Lt.Col., Spec. Res.
Chief, Property Control Division
Finance Sub-Commission

*This letter was approved by Com. Dadone
in writing, both as to form & content.*

SUB-COMMISSION	
→	CTO
→	DE LO
→	Chf
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HEAD QUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

106A

46/4014/3/1.

ART/mt.
30 May 1945.

SUBJECT : E.G.M.I.

TO : Finance Sub-Commission, Property Control Division.

1. Further to today's conversation (Lt Col Thackeray - Lt Hancock), the attached correspondence from LXXXV DIA Region is forwarded to you for consideration, and any action you may deem necessary.

2. It could seem that the opinion expressed by Regional Legal Officer LXXXV DIA in para 2 (c) of his letter sets across the established policy that the responsibility of the Italian Government is a continuous one unless AMG does any act to waive or attenuate it.

3. In any case the Prefect has power to deal with the removal and appointment of sequestrators, and the writer understood that this machinery would be made use of in MG territory in conformity with the policy already adopted. The status of the sequestrators is for determination under Italian law with reference to D.L. No. 249 of 5 Oct 1945.

3 Incls.

Any
A. R. THACKERAY,
Lt. Col.,
Italian Branch,
for Chief Legal Advisor.

96

file

105A

HEADQUARTERS ALLIED COMMISSION
400 394
LEGAL SUB-COMMISSION

40/1001/3/1.

/rip.
2 May 1945.

SUBJECT : Mr. David Randall MacIver.

TO : British Embassy, Consular Section.

1. Lt. Col. King, Property Control Division, has requested that the Legal Sub-Commission reply to your letter 1001/45 of 25 April 1945.

2. The claim which is being made against Mr. MacIver by his landlord, Archibald Gonnaga, is a claim which, in accordance with international law, calls to be determined by Italian law. Mr. MacIver's interest therein is that his rights under the lease should be protected by the Italian courts.

3. The function of the Property Control Division of Allied Commission is to protect the rights of property of members of the United Nations against any prejudicial acts of the Italian state and to ensure fulfillment by the Italian state of its obligations in respect of that property and those rights.

4. The only rights of property existing in this case are those attaching to the furniture of Mr. MacIver, and this furniture will accordingly be protected by the Property Control Division.

5. You will appreciate from the foregoing that Property Control Division has no status to interfere in the claims put forward by Archibald Gonnaga, or in any steps which the Italian courts may authorize to enforce that claim.

6. For analogous reasons you will also appreciate that the Legal Sub-Commission cannot assume the responsibility of advising Mr. MacIver, or any other individual member of the United Nations as to his rights, under Italian law, to abrogate the lease or otherwise resist the claim. Mr. MacIver must employ an Italian lawyer to advise him on these points if he desires expert advice.

95

By command of Gen. Admiral STONE:

W. E. BIRCH,
Colonel,
Deputy Chief Legal Advisor.

Copy to: Finance 3/C (Property Control Div).

(Encl. Returned to Finance)

4014/3 ✓

ECK/ev

104A

HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
Property Control Division
Tel. 471387

AC/8F1262B/CP

30 April 1945

Subject: Leases of Italian Properties.

To : Legal Sub-Commission, A.C.
(Attn: Lt. Col. Thackrah)

1. I am enclosing a letter which I have received from the British Embassy and a copy of a letter from Mr. MacIver therein mentioned.

2. It is my opinion that this is not a matter which falls within the jurisdiction of Finance Sub-Commission or of any of its sub-sections. It would seem rather to be a matter which should be handled in its entirety by the Embassies or Consulates. An Italian citizen is attempting to enforce a right which he believes he has under Italian law, and this right is not Allied property in any sense. Our only interest is in the furniture in the Villa subject to lease, and we will deal with that as we would with any other Allied property.

3. I suggest that Legal Sub-Commission should respond to the letter from the British Embassy stating the policy of Allied Commission with respect to cases such as this.

96

FINANCE SUB-COMMISSION
CLERK
Enclosures.

Edward C. King
EDWARD C. KING
Lt. Col., Spec. Res.
Chief, Property Control Division
Finance Sub-Commission

1 MAY 1945

file

103A

HEADQUARTERS ALLIED COMMISSION
APO 394
LEGAL SUB-COMMISSION

A/4014/S/L.

ART/Mt.
12 March 1945.

SUBJECT : Bronte Estate.

TO : Chief, Property Control Divn. Finance Sub-Commission.

1. Reference is to the telephone conversation (Lt. Col. THACKER and KING) of today on the subject of the file returned herewith.

2. In view of the fact that this is an extraordinary case in which the intervention of the Allied Property Controller was especially sought to bring about the restitution of this property to its owners, and that the procedure for so doing has now been effected, it would seem that the functions of the Property Controller have terminated. Accordingly any further questions concerning the physical condition of the the property or matters of a contentious character arising thereout are for the proper determination of the appointed local adviser to the Bronte Estate.

3. However it seems to this Sub-Commission that the attorney for the Viscount Bridport should himself approach the Italian Government asking them to take all necessary steps for the full performance of an obligation which the Government undertook, that is to say the restitution of the Bronte estate to the rightful owner.

Only in case the Italian Government refuses to take such steps could the Allied Commission properly intervene.

It is to be noted, though, that the complaints of Cav. MODICA do not appear to affect the measures adopted by the Italian Government but the attitude taken by the "Ente di Colonizzazione del Latifondo Siciliano" in regard to the said measures.

ccy.
A. R. THACKER,
Lt. Col.,
Italian Branch,
For Chief Legal Advisor.

Incl: 1 File.

File
 HEADQUARTERS ARMED COMMISSION
 APC 396
 FEDERAL SUB-COMMISSION

102A

AG/4014/3/L.

ARE/mt.
20 February 1945.

SUBJECT : Form of "Verbale di Ricostruzione".
 TO : Finance Sub-Commission, (attn: Chief of Property Control Division).

1. In reply to your letter of 9 Feb 45, ref. AG/030.3/CP and further to the conference between Lt. Cola Thacker and King and Dott. Chimenti, a recommended form of "verbale di ricostruzione" is attached herewith.

2. In drawing up the attached model, no account has been taken of the letter of the decree providing that the "laws of war" shall cease to have effect in regard to the United Nations and their nationals, in view of the fact that said decree has not yet been published and probably will not be applied immediately in forward areas; however, the spirit of the new law has been borne in mind, i. e. in so far as it influences the conceptions of the policy of property control.

3. It is opportune to bear in mind that in relation to particular situations of fact the form of "verbale" may require amendments and additions to which the property controllers will need to agree.

4. Moreover, it is necessary to realize that the "verbale" is a document relating to a provisional understanding, the final determination of which cannot be reached without an inventory fixing for the future the de facto state of the restored property.

It is essential, therefore, that such inventory⁹² made as complete as possible; that the state of the property in question be described with amplest details, no particular should be omitted; that any declaration which either party desires to make on any points of divergence should be therein recorded.

It is desirable that the inventory be drawn up with the assistance of a technician and of a notary.

5. The settling of a model inventory has not been found practicable owing to the unlimited number of variations in form

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= 2 =

and wording which such a document is called upon to take according to the nature of the particular property to be described.

6. The documents submitted to examination are returned herewith.

Incls: 5 Forms of Verbale.

ay
A. R. THACKERAY,
Lt. Col.,
Italian Branch,
for Chief Legal Advisor.

VERBALE DI RICONSEGNA

1. In questo giorno _____ del mese di _____ dell'anno _____
i sottoscritti:
a. Sig. _____, proprietario (o rappresentante
legale del proprietario, in virtu' di mandato rilasciato per atti notar
in data _____, allegato al presente verbale sotto la lettera (a))
dei beni assoggettati a sequestro con decreto del Prefetto di _____,
No. _____, in data _____;
b. Sig. _____, sequestratario (o rappresentante
del sequestratario) dei beni di cui sopra, nominato con decreto del Prefetto di _____,
No. _____, in data _____;
si sono incontrati in _____, Via _____, per
procedere alla riconsegna dei beni stessi da parte del sequestratario al proprie-
tario.
2. Sono presenti, in qualita' di testimoni. Sigs:
a. _____
b. _____
3. Il Sig. _____ (proprietario, o suo rappresentante)
dichiara di aver effettuato
una accurata, ispezione di tutti i beni di cui sopra e di aver ricevuto la ricon-
segna dei medesimi nello stato di fatto in cui si trovano, quale risulta dall'inventa-
rio accluso al presente verbale sotto la lettera (a o b).
4. Il Sig. _____ (proprietario) dichiara di aver ricevuto dal
Sig. _____ (sequestratario) il rendiconto della gestione tenuta dal _____ al
_____ (sequestratario) per il periodo di tempo dal _____ al _____
_____ con i relativi documenti giustificativi.
Il rendiconto reca un residuo di cassa di L. _____, che il Sig. _____
_____ (sequestratario) versa contestualmente nelle mani del Sig. _____ 90
_____ (sequestratario), il quale ne rilascia quietanza.
_____ (proprietario) non ha potuto ancora
poiche' il Sig. _____ (proprietario)
prendere visione dei documenti giustificativi fa ogni piu' ampia riserva nel con-
fronti del Sig. _____ (sequestratario), dello Stato Italiano e di qualunque
altro ente o persona per quanto attiene alla gestione sequestrataria.
5. Il Sig. _____ (proprietario) fa ogni piu' ampia riserva verso
chiunque, Stati, Enti e privati per qualsiasi atto pregiudizievole di suoi diritti.
6. Il Sig. _____ (sequestratario), a sua volta, fa ogni piu' ampia riserva
per tutti i diritti, azioni o ragioni spettanti all'ente sequestratario in relazione
alla gestione sequestrataria.
7. Le parti danno atto che a partire dalla data del presente atto, ferra' capo
al proprietario ogni responsabilita' per il controllo, la custodia e l'amministrazione
dei beni in oggetto.

del sequestratario) dei beni di cui sopra, nominato con decreto del Prefetto di _____, No. _____, in data _____.

si sono incontrati in _____, Via _____, per procedere alla riconsegna dei beni stessi da parte del sequestratario al proprietario.

2. Sono presenti, in qualita' di testimoni, Sigg:

a. _____
b. _____

3. Il Sig. _____ (proprietario, o suo rappresentante) dichiara di aver effettuato una accurata, ispezione di tutti i beni di cui sopra e di aver ricevuto la riconsegna dei medesimi nello stato di fatto in cui si trovano, quale risulta dall'inventario accluso al presente verbale sotto la lettera (a o b).

4. Il Sig. _____ (proprietario) dichiara di aver ricevuto dal Sig. _____ (sequestratario) il rendiconto della gestione tenuta dal _____ per il periodo di tempo dal _____ al _____ con i relativi documenti giustificativi.

Il rendiconto reca un residuo di cassa di L. _____, che il Sig. _____ (sequestratario) versa contestualmente nelle mani del Sig. 90 _____ (proprietario), il quale ne rilascia quietanza.

Poiche' il Sig. _____ (proprietario) non ha potuto ancora prendere visione dei documenti giustificativi fa ogni piu' ampia riserva nei confronti del Sig. _____ (sequestratario), dello Stato Italiano e di qualunque altro ente o persona per quanto attiene alla gestione sequestrataria.

5. Il Sig. _____ (proprietario) fa ogni piu' ampia riserva verso chiunque, Stati, Enti e privati per qualsiasi atto pregiudizievole ai suoi diritti.

6. Il Sig. _____ (sequestratario), a sua volta, fa ogni piu' ampia riserva per tutti i diritti, azioni o ragioni spettanti all'Ente sequestratario in relazione alla gestione sequestrataria.

7. Le parti danno atto che a partire dalla data del presente atto, fara' capo al proprietario ogni responsabilita' per il controllo, la custodia e l'amministrazione dei beni in oggetto.

PARTITO FASCISTA REPUBBLICANO

FEDERAZIONE DI ROMA

UFFICIO INFORMAZIONI

Risposta a nota N. del

Protocollo N. / U. I.

Oggetto:

Sarà bene che l' inventario venga redatto con l'assistenza di
un tecnico e di un notaio.

ECK/gv

107A

464/3
HEADQUARTERS ALLIED COMMISSION
APO 394
FINANCE SUB-COMMISSION
Property Control Division
Tel. 471387

AC/039.3/CP

9 February 1945

Subject: Form of Verbale di Riconsegna.

To : Legal Sub-Commission
(Attn: Lt.Col. Thackrah)

1. I am enclosing herewith the following:

- a Copy and translation of a Verbale di Riconsegna such as is now being used in Toscana Region in restoring properties to owners or their representatives.
- b Copy of a letter dated 30 January 1945 from the Monte dei Paschi di Siena to the Regional Property Control Officer for Toscana Region, in which the Bank raises certain objections to the form of Verbale used.
- c Copy of letter from said RPCO relating to the above.
- d Form of Verbale di Riconsegna used in Lazio-Umbria Region.

2. The above letters and forms are enclosed for your information. I am not satisfied with either of the forms submitted.

3. Will you please prepare for me a form of Verbale di Riconsegna which I can send into AMG areas to be used by sequestrators, or by banks which are the agents of the sequestrator EGELI, in restoring properties to owners or to legal representatives of owners.

4. You may assume that the form which you will prepare will be used only in areas in which the RPCO has not taken any sort of formal custody or control of properties, but where he does have, under Proclamation n° 2, authority to issue such instructions as he considers necessary.

5. We are interested in obtaining a form which is fair to the sequestrator or managing bank and which will adequately reserve to the owner the right to make claim for war damages, improper administration, etc. We think that the owner should acknowledge receipt of certain property, which should be described in a schedule annexed, and should agree that it is in a satisfactory condition with the exceptions specified in some sort of bill of particulars also annexed.

6. The Verbale should constitute a final agreement to the extent to which the parties can agree, but it should state the points of disagreement and adequately reserve rights to make claims in the area of disagreement. There should also, I think, be reserved the right to make claim against the Italian Government for war damages.

7. I should be glad to discuss this matter with you at your convenience.

Edward C. King

EDWARD C. KING

Lt.Col., Spec. Res

Chief, Property Control Division

Finance Sub-Commission 87

LEGAL SUB COMMISSION	
CLO	
CCO	
Chief Counsel	
CLY	
Section	
REARS	
10 FEB 1945	

HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
AFO 394

4014/3
ACC/4014/3

100A
RHS/pa.
13 Sept 44.

SUBJECT : Requisitioning of vehicles.

TO : H.E. The Minister of Pardon and Justice.

1. With reference to Item 6 of your agenda of today's meeting, the directive from this Headquarters to which I referred is deemed to include, as vehicles which may not be requisitioned, those owned by the Italian Government and those requisitioned or hired by the Italian Government. If any vehicles are requisitioned or hired by your government for governmental purposes it would be advisable to have readily available written proof of such requisitioning or hiring.

RICHARD H. WIMMER,
Colonel, CAC,
Chief Legal Officer.

Copy to : ACC/4014/3/1.

Whe

HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394

(99A)

ACC/4014/3/L.

ART/ap.
15 October 1944.

SUBJECT : Case of the Compagnia Italiana Marconi.

TO : The Director of Property Control.

1. This Sub-Commission having considered the facts of the above case, as submitted in your letter of 15 Sept. 44, is of opinion that the properties in question having been transferred to Italian nationals in accordance with the provisions of Italian law, it is not within the province of the D.P.C. to control or supervise the domestic activities of the subject Italian company.

2. As to the question of whether the interests of the former owners are to be protected by the blocking of banking accounts, this is considered to be a matter of policy for you to decide.

Encls: Exhibits I, II, III, IV, V, VI

Dep
A. R. THACKRAH, 85
Lt. Colonel,
Italian Branch,
for Chief Legal Advisor.

CC/ECR/8V

98A

ACC/NAT35B/CP

15 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 Pistoia, and
- (3) Ufficio Nautici, sub-offices of Ufficio Marconi located in Genoa 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 42 (see Exhibit III hereto attached) as modified by decree of 17 July 1942 (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 Genoa 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.M.C. 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. The 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 Marconi and its affairs (a) in AMG territory, (b) in territory restored to Italian Government.

10. The matter is urgent.

Charles Carroll

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

DRAFT

9/14
ART/pa.
16 Sept 44.

Case of the "Ufficio Marconi" and its dependencies.

According to the facts as represented in the D.P.C.'s letter 15 Sept 44 and annexed exhibits :-

1. In 1940 the business styled the "Ufficio Marconi", a British controlled concern acting as a General agency in Italy for the Marconi Wireless and Telegraph Coy Ltd. of London, was the subject of sequestration by the Italian Government on the grounds that it was enemy property. The Ufficio Marconi had two dependent factories and an office at Genoa, which were likewise sequestered pursuant to Italian Law.
2. In 1942 the Italian Government issued a Royal Decree Law (No. 11 of 4 as modified by No. 1100 of 17 July 1942) February 1942) providing for the "nationalization" of foreign concerns of "particular importance to the defence of the Country" and charging the Ministries of Corporations and of Finance with carrying out its provisions.
3. In August 1943 pursuant to Article 18 of the said decree the Minister of Corporations at the request of the Italian San Giorgio Company transferred the "Ufficio Marconi" and its dependent factories to the Compagnia Italiana Marconi for the subsequently fixed purchase price of 43 million lire, subject to a deduction of 20 million lire for expenses incurred by the purchaser in moving the plant to a safer site at Pistoia - the net price was therefore 23 million lire.
4. The purchase price was to be paid by instalments, and whilst it is on record that 6 million lire was paid to the Provincial Treasury in "ome (through the Ministry of Finance), it is not known whether the balance of the purchase price has been paid, *but it seems that the transaction has been blocked by Property Control*
5. From the above facts it appears that from the moment of the transfer of the British controlled concerns to a person of Italian nationality pursuant to Article 18 of Decree No. 11, the former became the property of an Italian undertaking, to wit the Compagnia Italiana Marconi, and that as from the date

Telegraph Coy Ltd. of London, was the subject of sequestration by the Italian Government on the grounds that it was enemy property. The Ufficio Marconi had two dependent factories and an office at Genoa, which were likewise sequestered pursuant to Italian law.

2. In 1942 the Italian Government issued a Royal Decree Law (No. 11 of 4 February 1942) as modified by NO. 1100 of 17 July 1942 providing for the "nationalization" of foreign concerns of particular importance to the defence of the Country" and charging the Ministries of Corporations and of Finance with carrying out its provisions.
3. In August 1943 pursuant to Article 18 of the said decree the Minister of Corporations at the request of the Italian San Giorgio Company transferred the "Ufficio Marconi" and its dependent factories to the Compagnia Italiana Marconi for the subsequently fixed purchase price of 43 million lire, subject to a deduction of 20 million lire for expenses incurred by the purchaser in moving the plant to a safer site at Pistoia- the net price was therefore 23 million lire. 81
4. The purchase price was to be paid by instalments, and whilst it is on record that 6 million lire was paid to the Provincial Treasury in "ome (through the Ministry of Finance), it is not known whether the balance of the purchase price has been paid, *but it seems that the 6 million lire account has been blocked by Treasury Control*
5. From the above facts it appears that from the moment of the transfer of the British controlled concerns to a person of Italian nationality pursuant to Article 18 of Decree No. 11, the former became the property of an Italian undertaking, to wit the Compagnia Italiana Marconi, and that as from the date of such sale the British interests therein ceased and were reduced to the terms of a claim against the purchase price, or instalments thereof, remaining in the hands of the Italian Government (or its agents) and in respect of any further claims for prejudice suffered as a result of the action taken by the said Government.

invested

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சென்னை, 19.05.2019

will necessitate the keeping of a record of such cases with the object of materially assisting Allied nationals as soon as they are in a position to take any action they may deem proper in regard to their rights.

Although the conclusion reached above is that where the forms of Italian law have been properly observed the D.P.C. is not called upon to take direct action, nevertheless his responsibilities as an official investigator in the interest of Allied Nationals ~~are to be~~

~~In order that Allied Nationals may be made fully cognizant of their rights under Italian law and thus have the opportunity of obtaining redress that may be necessary to protect their rights, should they wish to do so, the D.P.C. is authorized either (a) to transmit as a matter of course, the result of his investigations to the interested Allied nationals, or (b) to limit such action to those cases where, in his judgment reasonable grounds exist for reporting on the results of his investigation.~~

will necessitate the keeping of a record of such cases with the object of materially assisting Allied nationals as soon as they are in a position to take any action they may deem proper in regard to their rights.

*Please also consider whether you will
propose them by the following grounds in
writing of policy for your division.*

EXTRACTS FROM ROYAL DECREE LAW 4 FEBRUARY 1942 No. 11.*(as modified by Law of 7 July 1942 No 1100)*ARTICLE 1.

Industrial and Commercial undertakings existing in the Kingdom ~~which~~ belonging to persons of enemy nationality, or in which they have interests ^{that} ~~which~~ in the overriding opinion of the competent Ministry are considered in whatsoever manner to be retained, are subject to receivership, sequestration or liquidation.

Industrial and Commercial undertakings existing in the Kingdom in which persons of enemy nationality have interests, although not prevailing, may be placed under a receivership.

The provisions foreseen in the preceding paras and those relative to the appointment and eventual substitution of the receivers, sequestrators and liquidators shall be adopted by a decree of the Minister of Corporations in conjunction with the Minister of Finance, after reference, if necessary, to the competent syndical organizations.

ARTICLE 18

With the object of ensuring the national character of industries of particular importance to the defence of the Country, or to the realization of the autarchic plans, concerns subjected to sequestration or liquidation, ⁷⁹ as set out in Article 1, may be ordered to be transferred to persons of Italian nationality who make application therefor.

ARTICLE 19

The application provided for in the preceding article shall be made to the Minister of Corporations who, in conjunction with the Minister of Finance, will decide whether it shall be acted upon and determine in accord with the sequesterator, liquidator or applicant, the terms and conditions of transfer of the undertaking, together with the amount of the sum to be deposited

retained, are subject to receivership, sequestration or liquidation. Industrial and Commercial undertakings existing in the Kingdom in which persons of enemy nationality have interests, although not prevailing, may be placed under a receivership.

The provisions foreseen in the preceding paras and those relative to the appointment and eventual substitution of the receivers, sequestrators and liquidators shall be adopted by a decree of the Minister of Corporations in conjunction with the Minister of Finance, after reference, if necessary, to the competent syndical organizations.

ARTICLE 18

With the object of ensuring the national character of industries of particular importance to the defence of the Country, or to the realization of the autarchic plans, concerns subjected to sequestration or liquidation, as set out in Article 1, may be ordered to be transferred to persons of Italian nationality who make application therefor.

ARTICLE 19

The application provided for in the preceding article shall be made to the Minister of Corporations who, in conjunction with the Minister of Finance, will decide whether it shall be acted upon and determine in accord with the sequestrator, liquidator or applicant, the terms and conditions of transfer of the undertaking, together with the amount of the sum to be deposited by the applicant to guarantee the payment of the price. Such determination shall be communicated to the applicant subject to the fixing of a time limit for the deposit of the said sum with a branch of the Bank of Italy designated for that purpose.

After the applicant has effected the deposit within the prescribed term, the Minister of Corporations in conjunction with the Minister of Finance shall by decree order the transfer of the undertaking.

1077

The decree shall be published in the Gazzetta Ufficiale of the Kingdom and notified to the sequestrator, liquidator or purchaser. If the undertaking includes property capable of being mortgaged, the decree shall moreover be transcribed on the responsibility of the Minister of Corporations at the mortgage Registry Office.

ARTICLE 20.

The fair price of the undertaking transferred shall be determined by a board of three experts, one nominated by the Minister of Corporations in conjunction with the Minister of Finance, another by the purchaser and the third by the first President of the Court of Appeal in whose district the principal establishment of the undertaking is situated.

The purchaser shall nominate the expert within fifteen days of the date of notification of the decree ^{ordering} ~~existing~~ the transfer and if he fails to nominate, the first President of the Court of Appeal indicated in the preceding paragraph shall do so.

The decisions of the Board shall not be subject to appeal. Requests for ^{the} ~~the~~ correction of material errors or calculations shall be submitted to the said Board.

ARTICLE 21.

On the Board fixing the fair price, the Minister of Corporations in conjunction with the Minister of Finance shall give the necessary instructions for the engagement of the sum deposited according to Article 19.

The decision of the Board, as provided for in Article 20, shall have the effect of an executory title in respect to the purchaser.

HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394.

ACC/4011/3/L.

18 September 1944.

SUBJECT : Memo on Property Control.

TO : V. P. Adm Sec.

1. Reference your O.D.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.

RICHARD H. WILMER.
Colonel, CAC.
Chief Legal Officer.

RHW/wow.

404/3

HEADQUARTERS
ALLIED CONTROL COMMISSION
AFC 394
ADMINISTRATIVE SECTION

95A

G.O.7/AS

16 Sep 44

93?

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 AMIP, AMIS 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 Set Sec AF HQ in March-May of this year which are recorded in minutes no doubt in your possession.

G.R. Upjohn

G.R. UPJOHN Brig
V.S. Admin SectionExt 225
G.O.7/jrf

LEGAL SUB-COMMISSION

CLO

DCLO

Chief Counsel

CJO

Italian Section

CLERKS

76

MEMORANDUM
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
AFC 394

/pa.
13 Sept 44.

ACC/4014/3/1.

SUBJECT : Property Control.

TO : Finance Sub-Commission.

1. Reference your 13074/5 dated 9 Sept 44 and attached copies.
2. The answers to the queries are as follows, taking the numbered paras, in the memorandum attached serial in :

i) The suggestion is that the Italian Government will assume full responsibility (under supervision of DEC) for the protection and administration of all property of nationals of the United Nations (including France), except such properties as have been re-entrusted to the owners thereof. The details (as to time, method, agencies, etc.) are left an open question to be worked out with the Italian Government and have already been the subject of exploration between DEC and the Minister of Finance (Bacoglio Ministry).

ii) For the words "including such properties not sequestered" read "including such properties which have never been subjected to sequestration".

iii) The reference is to such temporary measures of conservation as the DEC is able to take with the limited means at his disposal, e.g., (1) affixing of warning notices on the premises to the effect that they are Allied property, (2) appointing a temporary caretaker, (3) disposal of perishable goods, etc.,

iv) This paragraph 4 (c) iv means (1) that agents for management, either continuing in office pursuant to appointments by whomsoever heretofore made, or hereafter appointed by the Italian Government, shall not be changed except with approval of DEC, and (2) that the DEC may require the Italian Government to remove any such agent he considers unsatisfactory.

The answer to the last query under 4 is in the affirmative.

v) Property Control Sub-Commission reports that it has taken under control (through July 1944) 824 parcels of real estate, 94 commercial and industrial concerns, and about 3,800 bank accounts. Work as to all of this property has been substantially completed, only supervision, and restoration to owners, remaining. In Regions VIII to XII, still virtually untouched, are some 3,176 parcels of real estate, 783 commercial and industrial concerns, and perhaps 4,000 bank accounts. The work still to be done far exceeds all that has been done up to this date. It is a tremendous job.

A. R. Thacker
A. R. THACKER,

1081

2. The suggestion is that the Italian Government will assume full responsibility (under supervision of DEC) for the protection and administration of all property of nationals of the United Nations (including France), except such properties as have been re-assigned to the owners thereof. The details (as to time, method, agencies, etc.) are left an open question to be worked out with the Italian Government and have already been the subject of exploration between DEC and the Minister of Finance (Madoglio Ministry).

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- ii) For the words "including such properties not sequestered" read "including such properties which have never been subjected to sequestration".
- iii) The reference is to such temporary measures of conservation as the DEC is able to take with the limited means at his disposal, e.g., (1) affixing of warning notices on the premises to the effect that they are Allied property, (2) appointing a temporary caretaker, (3) disposal of perishable goods, etc.
- iv) This paragraph 4 (c) iv means (1) that agents for management, either continuing in office pursuant to appointments by whomsoever heretofore made, or hereafter appointed by the Italian Government, shall not be changed except with approval of DEC, and (2) that the DEC may require the Italian Government to remove any such agent he considers unsatisfactory.
The answer to the last query under 4 is in the affirmative.
- v) Property Control Sub-Commission reports that it has taken under control (through July 1944) 824 parcels of real estate, 94 commercial and industrial concerns, and about 5,800 bank accounts. Work as to all of this property has been substantially completed, only supervision, and restoration to owners, remaining. In Regions VIII to XII, still virtually untouched, are some 5,176 parcels of real estate, 785 commercial and industrial concerns, and perhaps 4,000 bank accounts. The work still to be done far exceeds all that has been done up to this date. It is a tremendous job.

Orthodox

A. R. THACKERAY,
Lt. Colonel,
Italian Branch,
for Chief Legal Officer.

HEADQUARTERS
ALLIED CONTROL COMMISSION
FINANCE SUB-COMMISSION
APO 394

Spence (93A)

15074/P

3 September 1944

SUBJECT: Property Control.

TO : Economic Section (Lt-Col. Sharp).

1. Ref your back slip of 30 August.
2. When I was called before the Manpower Committee, the question of transferring Property Control to this Sub-Commission was raised. I stated that if this decision were taken, I could not be responsible for their work owing to (a) continued reduction in its personnel (b) a lack of the detailed knowledge required effectively to control a Sub-Commission which has operated separately for 12 months. (c) I proposed therefore that they should be treated by us as an independent sub-section, signing their own letters and generally behaving as hitherto.
3. The attached memorandum is an excellent example of how little Property Control has to do with Finance, which is neither interested nor concerned with any part of the subjects raised.
4. Without having the slightest knowledge of what has transpired in Property Control during the last year, nor of the relations with the Italian Government nor the functions of the Italian Sequesterator, the following comments on the attached memorandum are offered in a spirit of abysmal ignorance and are most unlikely to be of assistance to any of the parties directly concerned, which at present, happily exclude this Sub-Commission. 73

(Signed) A.P. GRAFFTEY - SMITH

Joint Director,
Finance Sub-Commission.

AFCS/jbh

(93B)

- 1) Who (name, address, etc.) in the Italian Government will take over the custody, care and management of properties freed from sequestration?
- 2) What does 4 (c) II mean "All such property so freed from sequestration including such properties not sequestered". This does not seem too clear.
- 3) What are the "interim executive measures to preserve the assets" referred to in above section. Reference the unsolved problem mentioned in 3e is there the staff available for this and what responsibility is undertaken? Who will make the determination and who will be liable?
- 4) What does 4 (c) IV mean re "appropriation of D.P.C."? Does this mean approval prior to appointment, and if so, why not say it expressly? "When it considers impracticable" - presumably 'it' means D.P.C.?
- 5) Under 4 (c) V, how many properties have been taken over by DPC and how big a job will it be to take the inventories referred to?

JSH/m

93c

HEADQUARTERS
ALLIED CONTROL COMMISSION
ECONOMIC SECTION
APO 354

ES/11

7 September 1944

SUBJECT: Property Control

TO : Finance Sub-Commission - (ATT: Col. Graftey-Smith)

1. A reading of your memorandum of September 3rd, on the above subject leads me to believe that the remarks on my buck slip dated August 30th, were misinterpreted.
2. I intended to request that you discuss with the Legal or the Property Control Sub-Commission any such points of questions such as those enumerated in the attachment submitted with your memo of Sept. 3, and resolve as many as possible through that medium.
3. Would you please take such action at your earliest convenience and then let me have the benefit of your views. I'm anxious to place before the Chief Commissioner for his approval before the end of this week a definite proposal on the future administration of the property control program. 71

James S. Heizer

For A. G. ANTOLINI
Executive Director
Economic Section

HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394

ACC/4014/3/L.

ART/pa.

~~10 Sept 44~~

27 August.

SUBJECT : Policy as to functions of Property Control.

TO : The Acting Head Administrative Section, ACC.

1. The evolution of the Military Government in Italy following upon the advent of the status of cobelligerency and the progressive restoration of territory to Italian Government administration seems to call for a prompt modification of the policy hitherto adopted in the matter of the functions of the Directorate of Property Control. At the inception of Allied occupation of Italy control of all forms of United Nations' property and enemy state property was envisaged by direct methods (Vide Proclamation No. 6)-, and although in practice the D.P.C. with the restricted means at his disposal found it impracticable to discharge all functions assigned to him, his organization has consistently performed acts of an executive nature by taking formal custody of property and acting in the capacity of director or manager thereof. The extent of this formal custodianship has varied in different regions, control becoming lighter as the combat zone moved northwards and the relationship between the United Nations and Italy took on a new complexion.

Whilst the area of liberated Italy grows daily as the Northern and industrial regions come under control so the performance of the functions originally assigned to the D.P.C. become increasingly difficult to fulfil and the responsibilities engendered are augmented in a like ratio.

2. On the Italian side of the picture the D.P.C. found himself in the presence of a highly organised and well developed system of control of enemy property, the principal components of which were DEELI (Enti di Gestione and Liquidazione Immobiliare) for immovables, Iscambi for bank balances and negotiable instruments, and the ex-Ministry of Corporations (now absorbed by the Ministry of Industry, Commerce and Labour) for Commercial enterprises. These organisms had with few exceptions taken over the sequestration and administration of the property of the United Nations pursuant to the Italian laws of War (Legge di guerra 8 luglio 1938 and the provisions of Royal Decree No. 618 of 10 March 1941) and where applicable had duly appointed sequestrators thereof.

Generally speaking the D.P.C. finds that the sequestrators appointed by the Italian Government, either directly or through the above named organizations, have administered the property well, and where present, these officials continue to perform their functions under direction of D.P.C.

3. Expressed in broad terms the position today may be summed up as follows:

- (a) The Italian Government followed its commission of an act of war against the United Nations by sequestration of the property of their nationals.
- (b) It devised machinery for the control and administration (and in some cases liquidation) of such property, pursuant to certain laws still in force, and for the eventual restoration of such property to its lawful owners.
- (c) Up till the moment that the D.P.C. takes custody of the property the responsibility of the Italian Government is absolute, subsequent to that moment it becomes merely partial because although the consequences of the act of war continue until finally...

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- (d) The obvious solution is then for the D.P.C. in all future exercise of his functions to avoid acts which may break the continuity of the

Italian Government's liability up to the point where the property is legally restored to its lawful owner or his properly constituted representative; and in the case of property taken into custody by the D.P.C. from the Italian Government to return it to the Italian Administration in such manner as to ensure the maximum of protection for the absent owner.

(e) But this still leaves unsolved the problem of the determination of the extent of liability for the prejudice, if any, caused to the owner in the cases of mixed control, e.g. prior administration by the Italian Sequesterator followed by a period of custody or control by the D.P.C.

4. The above considerations having been the subject of explorations and discussion between representatives of the D.P.C. and the Legal Sub-Commission, the following basic principles were agreed upon and recommended to be put into effect as rapidly as possible:-

- (a) that henceforth the D.P.C. would deal only with the following:
 - I. Property of the United Nations and their nationals, including France and its nationals.
 - II. Property of enemy governments.
 - III. Such other property as may be designated by the Military Commander in the area or the Chief Commissioner.
- (b) That the D.P.C. would not take control of property when the owners or their representatives are available and able to look after the property.
- (c) That the following points of agreement which it would be convenient to fix with the Italian Government be submitted to the examination of the Chief Commissioner.
 - I. That the Italian Government repeal all war laws and decrees under which any property of the United Nations and their nationals including France and its nationals, was sequestered, blocked, impounded, or otherwise brought under the dominion or control of the Italian Government or its agencies.
 - II. That the Italian Government take over the custody, care and management of all such property so freed from sequestration including such properties not sequestered, and continue such custody, care and management until restoration of the respective properties to the owners or representatives thereof. However, where the appointment of an Italian administrator is unavoidable, delayed and the property consists either partly or wholly of perishable elements the D.P.C. in order to avert material loss to the absent owner would take interim executory measures to preserve the assets.
 - III. That the D.P.C. should be endowed with adequate powers of supervision, advice and inspection in order to ensure proper administration of the property in the best interests of the absent owner.
 - IV. That all changes of administrators of such property must be submitted to the approval of D.P.C., which shall have the right to require the Italian Government to remove any official whom it considers incapable or who commits irregularities.
 - V. That an inventory shall be drawn up on return to Italian Government administration of those properties which have been previously taken into custody or controlled by the D.P.C. (an inventory (verbale) of the state of the property having already been recorded at the time of the taking of such custody). Where the Italian administration is continuous only opening and closing inventories are necessary.
 - VI. That on the restoration of a property to its lawful owner by the Italian Government, the administrator should cause an inventory to be drawn up in proper form recording the physical state of the property at that date.
 - VII. If the owner or his legal representative calls into question any of the facts recorded in the restoration inventory referred to in the preceding para VI, he may refer such contested facts to the D.P.C. who shall thereupon cause a record of them to be made.

See 914

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A. R. THACKRAH,
Lt. Colonel,
Italian Branch,
for Chief Legal Officer.

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HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
A PC 394

91A

ACC/4014/3/L.

/rlp.
18 August 1944.

SUBJECT : Functions of Property Control.

TO : Acting Head, Admin Sec.

1. Submitted herewith two copies of staff study on "Policy as to functions of Property Control" please. The text has been agreed with the DFC.

2. Copy of letter is attached from the A/DFC on the question of the "Source of Authority of DFC."

Def
A. R. THACKER, Lt. Col.,
Italian Branch,
for Acting Chief Legal Officer.

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2 Incl.

HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394

ACC/4014/3/L.

ART/gb.
18 Aug 44.

SUBJECT: Policy as to functions of Property Control.

TO: The Acting Head Administrative Section, ACC.

1. The evolution of the Military Government in Italy following upon the advent of the status of cobelligerency and the progressive restoration of territory to Italian Government administration seems to call for a prompt modification of the policy hitherto adopted in the matter of the functions of the Directorate of Property Control. At the inception of Allied occupation of Italy, control of all forms of United Nations property and enemy state property was envisaged by direct methods (vide Proclamation N°6)-, and although in practice the D.P.C. with the restricted means at his disposal found it impracticable to discharge all the functions assigned to him, his organization has consistently performed acts of an executive nature by taking formal custody of property and acting in the capacity of director or manager thereof. The extent of this formal custodianship has varied in different regions, control becoming lighter as the combat zone moved northwards and the relationship between the United Nations and Italy took on a new complexion.

Whilst the area of liberated Italy grows daily as the Northern and industrial regions come under control so the performance of the functions originally assigned to the D.P.C. become increasingly difficult to fulfil and the responsibilities engendered are augmented in a like ratio.

2. On the Italian side of the picture the D.P.C. found himself in the presence of a highly organised and well developed system of control of enemy property, the principal components of which were EGELI (Enti di Gestione & Liquidazione Immobiliare) for immovables, ISCAMI for bank balances and negotiable instruments, and the ex-Ministry of Corporations (now absorbed by the Ministry of Industry, Commerce and Labour) for Commercial enterprises. These organisms had with few exceptions taken over the sequestration and administration of the property of the United Nations

TO:

The Acting Head Administrative Section, ACC.

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Generally speaking the D.P.C. finds that the sequestrators appointed by the Italian Government, either directly or through the above named organizations, have administered the property well, and where present these officials continue to perform their functions under the direction of D.P.C.

- 2 -

3. Expressed in broad terms the position today may be summed up as follows:

- (a) The Italian Government followed its commission of an act of war against the United Nations by sequestration of the property of their nationals.
- (b) It devised machinery for the control and administration (and in some cases liquidation) of such property, pursuant to certain laws still in force, and for the eventual restoration of such property to its lawful owners.
- (c) Up'till the moment that the D.P.C. takes custody of the property the responsibility of the Italian Government is absolute, subsequent to that moment it becomes merely partial because although the consequences of the act of war continue until finally determined at the peace table, any alleged prejudice suffered by the owners of the property arising out of its control by the D.P.C., it is submitted cannot be equitably added to the burden of responsibility of the Italian Government.

(d) The obvious solution is then for the D.P.C. in all future exercise of his functions to avoid acts which may break the continuity of the Italian Government's liability up to the point where the property is legally restored to its lawful owner or his properly constituted representative; and in the case of property taken into custody by the D.P.C. from the Italian Government to return it to Italian Administration in such manner as to ensure the maximum of protection for the absent owner.

(e) But this still leaves unsolved the problem of the determination of the extent of liability for the prejudice, if any, caused to the owner in the cases of mixed control, e.g. prior administration by the Italian Sequesterator followed by a period of custody or control by the D.P.C.

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- (a) that henceforth the D.P.C. would deal only with property of the United Nations and their nationals, including France and its nationals;
- (b) that the D.P.C. would not take control of property which

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- (a) that henceforth the D.P.C. would deal only with property of the United Nations and their nationals, including France and its nationals;
- (b) that the D.P.C. would not take control of property which had never been sequestered when the owners or their representatives are available and able to look after the property themselves;
- (c) that the following points of agreement which it would be convenient to fix with the Italian Government be submitted to the examination of the highest authority.

I. That sequestrations should cease to have effect in regard to properties of the United Nations and their nationals by repeal of the "Legge di Guerra" and subsequent decrees;

- 3 -

II. That property formerly subjected to sequestration by the Italian Government, and subsequently taken under control by the D.P.C. should be returned to Italian administration; and that henceforth all other properties dealt with by the D.P.C. should be at once turned over to the Italian Government for administration by its responsible officials until such time as the interested parties should demand its restitution. However, where the appointment of an Italian administrator is unavoidably delayed and the property consists either partly or wholly of perishable elements, the D.P.C. in order to avert material loss to the absent owner would take interim executory measures to preserve the assets.

III. That the D.P.C. should be endowed with adequate powers of supervision, advice and inspection in order to ensure proper administration of the property in the best interests of the absent owner.

IV. That all changes of administrators of such property must be submitted d'office to the approbation of D.P.C., which shall have the right to require the Italian Government to remove any official whom it considers incapable or who commits irregularities.

65

V. That an inventory shall be drawn up on return to Italian Government administration of those properties which have been previously taken into custody or controlled by the D.P.C. (An inventory ("verbale") of the state of the property having already been recorded at the time of the taking of such custody). Where the Italian administration is continuous only opening and closing inventories are necessary.

VI. That on the restoration of a property to its lawful owner by the Italian Government, the administrator should cause an inventory to be drawn up in proper form recording the physical state of the property at that date.

5. As a note to VI above, it is suggested that if prior to his retaking possession of the property, the owner calls into question any of the facts recorded in the said inventory, the query could be conveniently referred to a mixed Allied-Italian Committee set up for the purpose of verification and, if necessary, rectification

1096

appointment of an Italian administrator is unavoidably delayed and the property consists either partly or wholly of perishable elements, the D.P.C. in order to avert material loss to the absent owner would take interim executory measures to preserve the assets.

III. That the D.P.C. should be endowed with adequate powers of supervision, advice and inspection in order to ensure proper administration of the property in the best interests of the absent owner.

IV. That all changes of administrators of such property must be submitted d'office to the approbation of D.P.C., which shall have the right to require the Italian Government to remove any official whom it considers incapable or who commits irregularities.

65

V. That an inventory shall be drawn up on return to Italian Government administration of those properties which have been previously taken into custody or controlled by the D.P.C. (An inventory ("verbale") of the state of the property having already been recorded at the time of the taking of such custody). Where the Italian administration is continuous only opening and closing inventories are necessary.

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5. As a note to VI above, it is suggested that if prior to his retaking possession of the property, the owner calls into question any of the facts recorded in the said inventory, the query could be conveniently referred to a mixed Allied-Italian Committee set up for the purpose of verification and, if necessary, rectification of the inventory.

The primary object of constituting such a Body is to devise some form of protection for the property owners during the procedure of restitution by interposing a third party, representative of both sides, between him and the Italian administrator.

Although such a verified inventory would not constitute per se a judicial act (unless specifically given that character under Italian law), its existence at any rate would afford a certain moral inducement to owners to re-enter into possession of their property.

- 4 -

As has been noted above, para 3(c), questions arising out of alleged prejudices suffered by the owners are reserved for determination by the Claims Commissions, but it might be worth considering whether such a device could not be made to serve a useful purpose by the collection of contemporaneous evidence and thus speed up the final proceedings.

A.R. THACKERAY,
Lt. Colonel,
Italian Branch,
for Acting Chief Legal Officer.

file 404/3

DISCUSSION OF PROPERTY CONTROL PROCEDURES

90A

1. Classes of properties:
 - a. Sequestered real properties taken into custody.
 - b. sequestered real properties not taken into custody.
 - c. properties not sequestered taken into custody.
 - d. Commercial concerns sequestered and taken into custody.
2. procedure in transferred territory:
 - a. Should there be a decree of de-sequestration ? If so, why ?
~~considered in light of continuing~~ liability of Italian Government must continue in any event.
 - b. If decree, what provisions must it contain ?
 1. provide for Italian managers.
 2. provide for DPC control.
 3. provide for continuing liability of Italian government from original sequestration to delivery to owner or attorney-in-fact. 63
 4. Advances by Italian Government for taxes, repairs and maintenance.
 - c. If no decree, what procedure ?
3. procedure in AMG territory:
 - a. Removal of sequestrators
 1. where only local concern is concerned.
 2. where national enterprise is affected.
 - b. Return of properties to owners and attorneys-in-fact.
 1. Is de-sequestration (individual) necessary ?
 2. How are claims for shortages in inventory, damages, fees, etc, preserved.

- 2 -

- c. Claims for war damage - Property Control any responsibility for making claim ?
- 4. EGELI and Istcambi - should framework be preserved ?

40.4/3

Re 17 Aug 44

(89A)

Colonel Thrachrah;

I have been trying
without success to call
you over the phone. I wanted
to tell you that Major King
and I will be delighted to
discuss your memo on
policy of the D.P.C. any⁶¹
time today or tonight.

I have a meeting in Col.
Upjohn's office at 1600 hours
today.

Respectfully,

1200 hours

Charles Carroll
Extension 565

ACC/013.21/CP

CC/ECK/ch

15 August 1944

Subject: Source of Authority of DFC.

To : Chief Legal Officer.

1. During the conference with Col. Upjohn on Saturday, the Colonel asked if AFHQ had ever issued orders or directives relating to the powers or duties of DFC.

2. It is my opinion, reached after an examination of our files, that no such order or directive was ever issued. This opinion is confirmed by the following statements; the first from a memo by Lt. Col. Glenn, the second from a memo by Col. Hannaford; both written about six months ago:

"There should constantly be adhered to the principle that the Controller of Property is a creature of, and derives authority from, proclamation No. 6 and the orders and instructions of the Allied Military Government (or Allied Control Commission)." - Glenn.

"As properly stated in Col. Glenn's letter, up to the date of transfer, the Director of CP derived his authority from the provisions of proclamation 6." - Hannaford.

Charles Carroll ⁶⁰

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394.

31 July 1944.

Tel. No. 478094.

REFERENCE : ACC/4014/3/L.

SUBJECT : Germanian Estate of Major Benjamin Piercy, deceased.

TO : Property Control Sub-Commission.

1. Reference yours 27 July 1944 (ACC/2021/CP) and various conferences Major King - Lt. Col. Grossman.

2. It is an understanding that your questions are directed toward a determination of the duties of the Director of Property Control in the premises rather than any policy which might be involved because of the possible presence of one or more of the beneficiaries in enemy territory, and we have limited our inquiry accordingly.

3. We do not conceive it to be the function of either the Legal or the Property Control Sub-Commission to pass upon the conflicting rights or claims of individuals with respect to their property rights. Such rights should be asserted by their regularly employed counsel and prosecuted if need be thru the appropriate courts.

4. We do believe however that under the involved and complicated issues herein, it is the duty of the Property Control Sub-Commission to give notice of the possible conflict of claims to all parties in possession, to the end that the status quo shall be maintained pending a settlement of the estate thru the usual judicial channels.

5. We therefore advise that the Property Control Sub-Commission give written notice (securing signed acknowledgment thereof) to the parties in legal control and custody of the properties, in substance putting them on notice of the claims likely to be asserted with respect thereto - and advising that pending adjudication or settlement, any payments or distributions are made at their peril.

MARC. J. GROSSMAN.
Lieutenant-Colonel,
Chief Counsel,
for Acting Chief Legal Officer.

MDG/wow.

ACC/2021/CF

4014/3
✓

27 July 44

85A

Subject: Sardinian Estate of Major Benjamin Piercy, deceased.

To : Chief Legal Officer.

1. Prior to 1939, Major Benjamin Piercy (B) was the owner of a large estate in Sardinia. In 1939 he transferred the most valuable part of the estate to his daughter, Vera Mameli, (Italian by marriage) apparently to protect it from sequestration. This portion was never sequestered. The balance, which he retained, was sequestered. ECHII, the first sequesterator, was succeeded by Mameli (husband of Vera), and he, after our occupation and his disappearance, by one Galmone, appointed with ACC approval.

2. Major Benjamin Piercy died in England on 15 Dec 41.

3. He apparently left surviving him as his sole and only heirs:

- (1) His wife Daphne Beatrice Piercy, who is still living.
- (2) His son Benjamin J.E.H. Piercy, who died in England 18 May 43, apparently leaving substantially all of his property to his mother, the said Daphne.
- (3) His son Vivian H. Piercy, who may or may not be still living.
- (4) His daughter Vera Mureen Mameli, an Italian subject, thought to be alive but whose whereabouts are unknown. She may be in Bulgaria or Germany.

4. Major Piercy left a will in which, inter alia:

- (a) He confirmed a marriage settlement, made with his said wife Daphne in 1909, and declared his estate to be subject to the covenants and charges therein expressed. We have no copy of such settlement.
- (b) He acknowledged that he owed his wife Daphne the sum of 2,500 pounds.
- (c) He directed that his wife should enjoy and occupy the (Sardinian) Villa Piercy during her life or until the sale thereof.
- (d) He gave his wife his household furniture and equipment.
- (e) He gave his son Benjamin 4,100 pounds and made it a charge upon the Sardinian property.
- (f) He gave the residue of his estate to trustees (his said wife, his daughter, and his son Benjamin - who are also named executors) in trust to divide in three parts, to be held as follows:

- (1) In trust to pay the income to his son Vivian for life.

5. It is not known whether the will has been admitted to probate.

6. There is in England a declaration of trust, executed by Vera Mameli 27 AUG 39, in which she states that she holds the "property of Villa Piercy" as a sacred trust for her father and that she will respect his wishes and will to the utmost letter.

7. As was stated in general terms in para 1 above, the Gardinian estate stands in the name of the decedent, Major Piercy, as to a part thereof and in Mrs Mameli as to the balance. The latter portion includes the "villa Piercy" and is more valuable than the other tract. The herds (cattle, sheep, swine, goats) probably are partly in the decedent's name and partly in the name of Vera Mameli.

8. At present the Mameli portion of the estate, including funds derived from that portion, is under the jurisdiction of a curatore appointed by an Italian court without approval of AMG. The balance is in the hands of a sequestrator appointed with AMG approval. Resident management of the whole Sardinian estate is in the hands of a manager appointed by the Mamelis, but continuing in office with AMG approval. All is under supervisory control of a Property Control Officer.

Query: In view of the situation disclosed by the Piercy will and the Mameli declaration of trust, is it proper for the part of the estate standing in the name of Vera Mameli to remain under the jurisdiction of an Italian curatore? Should we block bank accounts standing in the name of Vera Mameli, and which probably are derived from the part of the estate registered in her name?

LEGISLATIVE COMMISSION

CHIEF

CHIEF

Chief Counsel

Section

W. H. S.

Charles Curran

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

HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394

(84)
/rlp.
22 July 1944.

ASC/4014/3/L.

SUBJECT : Palazzo del Grillo, Rome.

TO : Regional Legal Officer (THRU: Regional Commissioner), Rome Region.

1. Reference your letter (no ref) dated 6 July 1944.
2. The correspondence in regard thereto is forwarded to you, together with the copies of originals sent to this sub-commission.
3. The next step appears to be with RCM Region as far as the return and protection of the property to the Countess of Robilant is concerned.
4. Damages and arrears^{of} rent should be claimed by the Countess ~~for~~ the Italian Government, this matter being an entirely Italian transaction.

G. G. HANNAFORD, 56
Lt. Col.,
Officer i/c Italian Branch,
for Acting Chief Legal Officer.

83

4014/3
ADVANCE HEADQUARTERS
ALLIED CONTROL COMMISSION
PROPERTY CONTROL SUB-COMMISSION
APO 394

ACC/030/CP

13 July 1944

Subject: palazzo del Grillo.

To : Fine Arts & Monuments Sub-Commission.

1. The attached does not present a problem within the province of property control. If you conclude it falls within your province, will you please give it attention. If it is not a case for you, it would seem that it should be returned to the Legal Sub-Commission with the suggestion that a letter be written to the Contessa advising her that this matter is one for her to take up with the Italian Government, either directly or through her attorney.

✓
Charles Carroll
Lt. Col., Ord. Dept.
Deputy Director
Property Control Sub-Commission

55

Copy to: Legal Sub-Commission
(attn, Lt. Col. G. G. Hannaford).

✓ See fol 81 & 82

10-6
✓

52

U.S. AIR FORCE
AIR FORCE OFFICE OF THE
LEGAL ATTACHE
APO 394

ACH/912

1/21/54

11 AUG 54

Mr. J. J. Murphy, Chief of Base.

Mr. J. J. Murphy, Chief of Base.

1. The base of the Air Force has been handed to Property Control
and the request that there be taken to protect the above mentioned
property.

54

C. G. WATSON, Jr., Col.
Officer in Charge
for Acting Chief Legal Officer.

RECEIVED
OFFICE OF THE CHIEF OF STAFF
Legal Administration
AFS 391

11 Jan 44

TO: Palumbo del Grillo.

FROM: Property Control Subcommission.

1. The enclosed correspondence is passed over to you for information and necessary action.

53

G. G. WASHBURN, Lt. Col.
Officer i/c Italian Branch
(or Acting Chief Legal Officer.)

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
ROME REGION
LEGAL DIVISION
A.P.C. 394

6 July 1944

SUBJECT : Property rights in the Palazzo del Grillo.

TO : Lt. Col. Hannaford,
Legal Sub Commission, A.C.O.

1. The enclosed is another typical example of the need for some very specific Italian legislation whereunder there may be either an immediate award of the property to its rightful owner or the appointment of a competent and responsible trustee to safeguard and administer the property until a clear determination of all property rights thereon have been made by competent Court.

2. Perhaps this is one of the cases where justice can be done under existing law, but I doubt very much whether the decree you have in mind is adequate to cover some of the other cases which have come to our attention from time to time.

Since it will be to our everlasting discredit if any of the priceless objects of the centuries some by, are injured or destroyed, I really feel that it is a situation which calls for special study and immediate action. It matters not to me who the persons are who may be entitled to the actual title, I think what really matters is that most of them belong to the world.

Robert C. Hendrickson
Robert C. Hendrickson,
Major, C.M.P.
Regional Legal Officer.

RCH/PA.

enclosures:

1 copy of letter from Contessa di Robilant to Col. Poletti,
dated 27 June 1944.

1110
Subject Property Control ✓
TO ~~Col.~~ Col. Wilmer.

29 Feb 1944

4014/3

Pursuant to your instructions Major
Harlin and I conferred yesterday (28 Feb)
with Major King and Capt Hunt of
Property Control. The attached admin.
instructions pretty well tell the story
I can supplement ~~the~~ verbally. Generally
speaking the P.C. utilizes existing
instrumentalities wherever possible —
such as Bank of Naples; Bank of
Italy; Current management etc. ⁵¹
A detailed written report would seem
unnecessary in view of attached
admin. instructions. I believe I can
orient you into the situation in
a few minutes discussion.

Magnum

Attest, 110

AMMINISTRAZIONE DELLA PROVINCIA DI NAPOLI

Cut. — Fasc.

Matricola

Contabilità

delle somme dovute da

per spese di assistenza dell' illegittimo

meta

Assunto l'onere assistenziale con nota

Esente da bollo: Circolare Ministero Finanze 9 ottobre 1920 n. 8384, par. 17.

Riferimento al giornale	PERIODO						Sussidio mensile	Importo	TOTALE	
	dal			al					dei rimborsi dovuti pel sindacato illegittimo	
									Ammontare delle contabilità inviate e finora non ancora rimborsate . . L.	
									Ammontare della presente contabi- lità L.	
							Totale L.		Totale L.	

Fig. 10. μ_{eff} , mols./mole, μ_{eff} — 1939 — 1940.

La suddetta somma potrà spedirsi direttamente al Tesoriere Provinciale (Banco di Napoli, Sede Spirito Santo, via Roma 402).

SECRET

ALLIED CONTROL COMMISSION
 GENERAL ADMINISTRATIVE INSTRUCTION NO. FOR
 TERRITORIES SUBJECT TO ALLIED MILITARY GOVERNMENT.

Confidential

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-statal 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 the 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 whom no representative can be found in the occupied territory, as the Chief Commissioner or an officer empowered by him may direct.

For the purpose of (a) above, the term "Allied" will be deemed to include all the United Nations and France. With respect to (c) 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 state has any substantial interest or over which it exercises substantial control.

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.

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 para 4 below.

- (a) To sell any part of the property which consists of perishable goods, produce, growing crops, stock-in-trade or other movable 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.
- (h) To do all such things in relation to the property which he takes under his control as he could do if he held a general power of attorney from the owner.
- (i) With the consent of the Director of Property Control to make payments from time to time out of the assets under his control, to dependants of an absent owner for their maintenance and support.

4. The powers of the C.P. will be subject to the following limitations:

- Chief Clerk - Misses Officers

- 2 -

- (c) Where the expenditure required for repairs to any property exceeds the sum of Lire 20,000, the CP will, before entering into any contract or incurring any obligation with respect to the case, submit an estimate to and obtain the approval of the DIC.
- (d) 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

5. The tasks of the CP after the effective military occupation of an area will be:
- (a) Firstly, to locate and protect from damage, and their contents from looting (whether by civilians or by members of the Armed Forces), the more important properties referred to in paragraph 1 (a) to (c). He will arrange with SCAO:
 - (i) to have notices posted or signs erected stating that the premises in question are under the custody of the AMG and that entrance by unauthorized persons is forbidden,
 - (ii) to request military or police guards to be posted to protect them.
 - (b) Secondly, to obtain from the appropriate authorities a complete list of Allied properties in the district, with description of the same, and send this to:
 - (i) the DIC,
 - (ii) AD Claims and Hirings (see para (a) (ii) below) and/or to the Real Estate Section of the Corps of Engineers U.S. Army.
6. The CP will proceed to take formal custody of the properties specified in para 1 above, in accordance with the following directives:

7. ALLIED PROPERTY.

(a) Real Property.

(i) Under Italian war legislation a special department of the Ministry of Finance called "EGELI" (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 di Napoli for southern Italy.

On taking custody of properties the 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 the DIC, recommending the appointment of some other person or institution to manage properties.

(ii) 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.

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

(iv) Where the property of an Allied National or company has been let or sublet, it shall be the duty of the CP to ensure that the owner or company has been let or

5. The tasks of the CP after the effective military occupation of an area will be:

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SCAO:

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- (ii) to request military or police guards to be posted to protect them.
- (b) Secondly, to obtain from the appropriate authorities a complete list of Allied Properties in the district, with description of the same, and send this to,

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(ii) 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.

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

(iv) Where the property of an Allied National or company has been let or sublet, it will be the duty of the CP to satisfy himself that the terms of any lease or sublease granted by the sequestrator are reasonable, and take such steps as are in his power to ensure that the terms of the lease or sublease are being duly carried out, and that the rents are paid as and when they become due. If in his opinion the said terms are inequitable, the CP may, with the consent of the DIC, terminate the lease or sublease. On the expiry of such lease or sublease, the CP will make arrangements either for its renewal or for the granting of a new lease or sublease. Such renewals or new leases shall not, except with the consent of the DIC, exceed the term of one year.

- 3 -

(v) Where the property of an Allied National or company consists of a mortgage, the CI 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 CI may however make arrangements for the renewal of the same for a period not exceeding one year at any one time.

(vi) On taking custody of any property the CI will make full note of its condition and prepare a detailed inventory of its contents, unless such an inventory has been taken by the sequestrator. If such an inventory is in existence he will check it and agree a list of shortages with the sequestrator, from whom he will obtain a copy of the original inventory. The CI will obtain from the sequestrator a financial statement as at the date of the taking of custody.

(vii) All expenses for management and maintenance of Allied property taken in custody by the CI will be charged against the estates in question. The CI will not employ AMG funds for this purpose unless expressly authorised to do so by the C.F.O.

(viii) 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 his register.

(b) 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:

(i) Requisition forms will be served by the Hiring Officer either on the local authorities (commune) or on the Italian military authority "Genio Militare". Hiring Officer will inform the Comando Genio Militare of particulars of properties requisitioned, and the latter will be responsible for seeing that payments are made through the Banca d'Italia.

(ii) 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 Comando Genio Militare, and that a fair rental is paid promptly. Schedules of condition and hiring agreement will be prepared by the Comando Genio Militare and submitted for approval to the Hiring Officer.

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

(iv) On de-requisitioning the Hiring Officer will ensure that dilapidations are properly assessed and compensation paid.

(v) The CI will, at the earliest opportunity, furnish AD Claims & Hirings with a list of properties belonging to nationals of the United Nations, and AD Hirings will in person inform the CI of the requisitioning of the de-

requisitioning of such properties.

(vi) The procedure outlined in (a) and (b) above will also be applied in the case of properties belonging to friendly neutral states. AD Claims & Hirings will inform the CI of any such property requisitioned, and the CI 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 the AD Claims and Hirings of the name and address of the person appointed.

(vii) Procedure in U.S. military areas follows in general arrangements specified in (a) above. CIs should make themselves acquainted with the provisions in AMG Administrative Memoranda Nos. 26, 25 and 85.

(c) Chattels.

CI will take formal custody of chattels belonging to an Allied National

will obtain from the sequestrator a financial statement as at the date of the taking of custody.

(vii) All expenses for management and maintenance of Allied property taken into custody by the CI will be charged against the estates in question. The CI will not employ AMG funds for this purpose unless expressly authorized to do so by the C.F.O.

(viii) 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 his register.

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(ii) Hiring Officer will inform the Comando Genio Militare of particulars of properties requisitioned, and the latter will be responsible for seeing that payments are made through the Banca d'Italia.

(iii) 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 Comando Genio Militare, and that a fair rental is fixed and paid promptly.

(iv) Schedules of condition and hiring agreement will be prepared by the Comando Genio Militare and submitted for approval to the Hiring Officer.

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

(vi) On de-requisitioning the Hiring Officer will ensure that dilapidations are properly assessed and compensation paid.

(vii) The CI will, at the earliest opportunity, furnish AD Claims & Hirings with a list of properties belonging to nationals of the United Nations, and AD Hirings will in person inform the CI of the requisitioning or the de-requisitioning of such properties.

(viii) The procedure outlined in (a) and (b) above will also be applied in the case of properties belonging to friendly neutral states.

(ix) Inform the CI of any such property requisitioned, and the CI will, if the owner or local representative is absent, apply to the Italian courts for the appointment of a curator for the same, and inform the AD Claims and Hirings of the name and address of the person appointed.

(x) Procedure in U.S. military areas follows in general arrangements specified in (a) above. CIs should make themselves acquainted with the provisions in AMG Administrative Memoranda Nos. 26, 25 and 85.

(c) Chattels.

The CI 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, eg, in the safe deposit of a bank, warehouse, etc.

(d) Bank Balances, etc.

The CI 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

- 4 -

of the CF 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 Cambi) the CF will forward to HQ ASC a list of the items so transferred, showing:

- (i) the name and where possible the address of the owner,
- (ii) the name and branch of the transferring bank,
- (iii) the date of sequestration,
- (iv) the name and address of the institution to which transferred, and
- (v) the date of transfer.

(e) Securities.

The CF will take custody of all securities belonging to Allied Nationals or companies lying in banks and financial institutions. He will transfer any such securities as may be found elsewhere to a reliable bank. Securities will be held in the name of the CF for the 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 a central institution, the CF will forward a schedule of securities so transferred, with details similar to those laid down in sections (i) to (v) of the previous paragraph, to HQ ACC.

(f) Commercial and Industrial Undertakings.

(i) 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. The CF, 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.

(ii) On taking formal custody of an industrial or commercial business, the CF will, as regards a record of condition, the preparation of inventories, etc, follow the procedure laid down in para 7 (a) (vi). 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 ASC monthly, an income and expenditure account, and such other records as may from time to time be required by the DFC. All surplus funds not required for the day to day operations of the undertaking will be paid into the CF's account.

(iii) Where any Allied business or company has been put into liquidation and the liquidation has not been completed, the CF 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.

(iv) Where in addition to being sequestrated, the assets of the Allied business or company have also been expropriated by the Italian Government and handed over to an Italian undertaking, the CF will report to the DFC, who will issue instructions as to the action to be taken.

(v) Where any industrial or commercial concern operates in more than one region, all decisions on policy will be referred to the DFC, who may dele-

(e) Securities.

The CI will take custody of all securities belonging to Allied Nationals or companies lying in banks and financial institutions. He will transfer any such securities as may be found elsewhere to a reliable bank. Securities will be held in the name of the CI for the 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 a central institution, the CI will forward a schedule of securities so transferred, with details similar to those laid down in sections (4) to (v) of the previous paragraph, to HQ ACC.

(f) Commercial and Industrial Undertakings.

(i) 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. The CI, 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.

(ii) On taking formal custody of an industrial or commercial business, the CI will, as regards a record of condition, the preparation of inventories, etc, follow the procedure laid down in para 7 (a) (vi). 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 ACC monthly, an income and expenditure account, and such other records as may from time to time be required by the DIC. All surplus funds not required for the day to day operations of the undertaking will be paid into the CI's account.

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

(iv) Where in addition to being sequestrated, the assets of the Allied business or company have also been expropriated by the Italian Government and handed over to an Italian undertaking, the CI will report to the DIC, who will issue instructions as to the action to be taken.

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

8. ENEMY PROPERTY.(a) Property of Enemy States.

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 control (e.g. Embassies, Legations, Consulates, etc), the CI will, unless

- 5 -

otherwise instructed, be responsible for the custody of all property in occupied territory belonging to enemy states, not occupied by AMG or any other branch of the armed forces.

(b) Property of Enemy Nationals.

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

9. ITALIAN STATE PROPERTY.

(a) 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 locked 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 the CF 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 CF will have to make arrangements for their temporary custody. Liaison of Engineers and/or AM Claims and Hirings. The CF should obtain from Hirings Officer (British) and/or Real Estate Branch U.S. 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 proclamation No. 7, the property of the Fascist Party will be treated as property of the Italian States (see (a) above), but as occasions may arise when all responsible party officials may have run away, the duty of locking after Fascist Party property may fall in some instances on the CF who will, when so directed by the Chief Commissioner 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 authorized officials of the Italian Government.

10. MUNICIPAL PROPERTY.

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

11. ABANDONED PROPERTY.

The CF 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 para 8 above. Wherever practicable he will make arrangements through the CIO of the Region for the appointment by the Italian courts of a trustee for abandoned property belonging to Italian Nationals. By agreement with the President of the Tribunale, the following procedure will be followed. The CF will notify the senior notary (notario) of the district or town where the said property is situated of the necessity for the appointment of a "curatore" for such property. The notary will certify as to such necessity, and forward the certificate to the CIO of the Province for his approval. The recommendation will then be transmitted to the

by the appropriate Italian officials, the major portion of them are expected to remain at their posts. There will therefore be no necessity for the CI 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 CI will have to make arrangements for their temporary custody. Liaison should be maintained for this purpose with Real Estate branch of the U.S. Corps of Engineers and/or AM Claims and Hirings. The CI should obtain from Hirings Officer (British) and/or Real Estate Branch U.S. Corps of Engineers, a list of all Government premises occupied by them, together with a record of dates of occupation and evacuation.

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12. PRIVATE INDUSTRIAL AND COMMERCIAL UNDERTAKINGS.

(a) Where private industrial or commercial undertakings are operated under the control of the CI in accordance with para 2 (a) and (b) above, the procedure

- 6 -

laid down in para 7 (a) (vi) 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. AGENTS AND MANAGERS.

Agents and managers appointed by the CP will not, unless authorized 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. REPORTS AND RETURNS.

The CP will render to 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 sequestrator 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, tenant or manager.
- (c) An initial report on each commercial or industrial concern contained in (a) and (b) above.
- (d) A 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 fifth day of the succeeding month (see annex A for specimen form).
- (g) A monthly income and expenditure or operating statement for each industrial and commercial concern under his control.
- (h) A quarterly income and expenditure statement for all real properties under his control (except those of insignificant value which have been left to the custody of the owner's relatives).

Alfred P. [unclear]

76
R.E. - already in hands of Italian Sequesterator

will be continued - unless owner or agent available.

IV Issues made by Sequesterator

Why more ~~disturbance~~

Why more supervision has been in any other case. If property actually managed by S. Why should CP make new case.

5 make up - actual custody.

Take such action as may be appropriate to ensure perf.

6 Custody? what does it mean.

What about property not yet
in hand of Sequesterator
Is there any distribution before need
1 pers property.

Represented. Duties limited to,
accepting payment,
and to

Why more supervision here
in any other case. If property
already managed by S. why should
CP make new lease.

5 ~~make~~ - Actual custody.

Take such action as may be
appropriate to ensure perf.

6 Custody? what does it mean.

What about property not yet
in hand of Sequelator ⁴⁷ Rebu need
to there any distribution
1 pers property.

Represented. Butter Entered to
protest accept, payments to
and funding last
may Herbys office

AMMINISTRAZIONE DELLA PROVINCIA DI NAPOLI

Matricola

Contabilità

delle somme dovute da

per spese di assistenza dell' illegittimo

nata

Assunto l'onere assistenziale con nota

Riferimento al giornale	PERIODO		Suavidio mensile	Importo	TOTALE dei rimborsi dovuti pel sindacato illegittimo
	dai	al			
					N.
					Ammontare delle contabilità inviate e finora non ancora rimborsate . . L.
					Ammontare della presente contabilità . . . L.
			Totale L.		Totale L.

Esente da bollo: Circolare Ministero Finanze 9 ottobre 1970 n. 83884, paragrafo 17.

La suddetta somma potrà spedirsi direttamente al Tesoriere Provinciale (Banco di Napoli, Sede Spirito Santo, via Roma 402).

Assunto l'onere assistenziale con nota

10001-66112-107, And good ship, day

Riferimento al giornale	PERIODO		Sussidio mensile	Importo	TOTALE dei rimborsi dovuti pel sindacato illegittimo
	dal	al			

Visto:
IL PRESIDE

Il Ragioniere Capo

75.
Charitels actual proceedure.
 Incoer ot int. bearing bonds —
 does PC clip a US etne and
 aguz acct.

Commercial Undertakings.

Individual Separation fixed
And management retained.

46

Enemy State proper proceedure?

Abandoned Enemy property?

Matricola

Contabilità

delle somme dovute da

per spese di assistenza dell' illegittimo

mal

Assunto l'onere assistenziale con nota

Riferimento al giornale	PERIODO		Susidio mensile	Importo	TOTALE dei rimborsi dovuti pel sindacato illegittimo
	dai	a)			
					Ammontare delle contabilità inviate e finora non ancora rimborsate . L.
					Ammontare della presente contabilità L.
			Totali L.		Totale L.

Esente da bollo: Circolare Ministero Finanze 9 ottobre 1970 n. 83884, paragr. 17.

La suddetta somma potrà spedirsi direttamente al Tesoriere Provinciale (Banca di Napoli, Sede Spirito Santo, via Roma 402).

Napoli,

193

Winnings:

Assunto l'onere assistenziale con nota

[illegible]

Visto:
IL PRESIDE

Il Ragioniere Capo

101413

HEAD-QUARTERS
ALLIED CONT. COMMISSION
PROPERTY CONTROL SUB-COMMISSION
120 394

24/03/44

14 March 1944.

Subject: German and Enemy Property.

To : Vice President, Administrative Section.

1. I have discussed this matter at length with Mr. Dean, one of the legal advisors to the War Office.

2. Mr. Dean expressed the view that the taking into custody of enemy property in occupied territory would not be a violation of the Hague Rules, but he did not demand that we should be obliged to do so. The Foreign Office, however, are insistent that enemy property in Italy should be preserved and that it should not be sold to Italians at low prices or otherwise side away with as enemy assets in foreign countries were regarded as an important potential source of reparations. It was especially important to see that the transfer of such Italian enemy holdings to Italian owners should be prevented, as far as possible. (This is primarily a matter for the Finance and Commission). The Foreign Office was therefore interested in obtaining a list of enemy property in Italy. Mr. Dean also suggests that it might be wise to point out to the Italian Government that it should be in their interest to see that German (and other enemy) properties were not left unsecured for, as to do so might lead to reprisals. *Italian*

3. In view of the foregoing, I recommend that the following policy be adopted:

- (i) In restored territory that the Italian Government be requested,
- (a) to furnish AGC with a list of all property belonging to States or nationals at war with the United Nations in restored territory
 - (b) to take steps to preserve such property and to prevent the transfer of the same to Italian nationals or neutrals, by appointing a custodian, or the equivalent, for the same

In the case of German property the Badoglio Government has already taken powers to sequesterate or control such property. Where the owner is present there would appear to be no necessity to disturb him in the enjoyment of his property, but it would be desirable to put some restrictions on sales of such property by making it obligatory to obtain the consent of the Italian Government. Where the owner is absent the property should be taken over by the custodian and sales, forced or otherwise, should be prevented.

In the case of enemy States not at war with Italy, owner if present could be left in possession. Where owners are absent the Italian Government should be asked to arrange for the appointment of a 'Curatore' by the competent civil court. It might be embarrassing to ask the Italian Government to put any restrictions on the sale of such property by the owners and it is doubtful whether the volume of such property is sufficiently great to make such restrictions feasible.

(ii) In occupied territory

- (a) All persons holding property belonging to nationals of States at war with the United Nations should be obliged to declare the same, and a list of such property should be prepared by AGC.

45

4/11/41

(b) Assets such as bank balances, securities, etc, should be frozen where this has not already been done.

(c) Enemy nationals present in occupied territory should be left in possession of their property subject to supervision from a security point of view.

(d) Property of absentees should be handled by nominees of the Italian in custody by agreement with the Italian Government in the case of Italian nationals. In the case of nationals belonging to enemy States not at war with Italy, IAC should arrange for the appointment of a nominee by the Italian courts as has already been done in Sicily.

If these proposals are approved I should like your authority to discuss them with the Italian Government.

O.D. S. HARRIS,
Lieut-Colonel,
Director of Property Control.

Copy to: Col Upjohn
Mr Dean.

The above proposals are for the consideration of the Italian Government. It is suggested that the Italian Government should be asked to agree to the appointment of nominees of the Italian Government to handle the property of absentees in the case of Italian nationals. In the case of nationals belonging to enemy States not at war with Italy, it is suggested that the Italian Government should be asked to agree to the appointment of a nominee by the Italian courts as has already been done in Sicily.

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REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394

rlp
16 March 1944

ACC/4511/3/1.

SUBJECT : Bronte Estate.

TO : Director of Property Control.

1. Reference your ACC/6015/CP, it is not the duty of the Allied Control Commission to advise United Nations and French citizens owning property in Italy as to their rights against the Italian Government.

2. In arranging for any property to be freed from sequestration or discriminatory legislation, it is however, the function of the Property Controller to see that no governmental or administrative act prejudices any claims for damages, compensation, or other claim that the owner of such property may have against the Italian Government or any other company, body or individual and this Sub-Commission will give the Property Controller any legal assistance which may be required by him in the discharge of his duties hereunder.

Encls see folio 70B.

G. R. WATSON,
Colonel,
Chief Legal Officer.

Notes on the Brontë Estate Chair

40A

1. 1. proposal to make an immediate claim for damages seems somewhat premature in view of the fact that this property was held by the E.C.L.S. during the period of hostilities and therefore any settlement would seem to depend upon (a) terms of a Peace Treaty or other agreement between the belligerent contracting parties, or (b) submission to the *lex fori* with a probability of a declaration of incompetence by the Tribunal.
2. 2. In any event when the documents for transfer are drawn up by the history, the nature, extent and condition of the property will be described in such a manner as to disclose material facts on which to base an ultimate claim for damages.
3. 3. It is observed that in the Prefectoral Decree reference is made to certain improvements to the property under the E.C.L.S. administration which might constitute a sufficient or partial set off to a claim for ~~43~~ damages.

2. In any event when the documents of re-transfer are drawn up by the history, the nature, extent and condition of the property will be described in such a manner as to disclose material facts on which to base an ultimate claim for damages.

3. It is observed that in the Pref. local Decree reference is made to certain improvements to the property under the E.C.L.S. administration which might constitute a sufficient or partial set off to a claim for ~~43~~ 33 pages.

Any

a sufficient or partial set off to a claim for

4014/3

706

REAR HEADQUARTERS
ALLIED CONTROL COMMISSION
PROPERTY CONTROL SUB-COMMISSION
APO 396

ACC/6015/CP.

4 March 1944.

Subject: Bronte Estate.

To : Chief Legal Officer.

1. Attached is a letter from Property Control Officer Region I dated 2 Mar 44, together with his enclosures, the latter being a copy of decree of the Prefect of Catania revoking the decrees of expropriation and a letter from Property Control Officer, Province of Catania.

2. With reference to the subject matter of these communications will you please inform us:

a. Whether or not, in your opinion, Lord Bridport has a valid claim against E.C.L.S or the Italian Government for the use of, and/or damage to his property, during the period in which it was held by E.C.L.S;

b. If your answer is in the affirmative, then what steps if any on our part are required to assist him to make that claim effective.

42
C. R. S. HARRIS
C. R. S. HARRIS,
Lieut-Colonel,
Director of Property Control.

1 Encl: Letter dated 2 Mar 44, enclosing
letter dated 24 Feb 44 and copy
of decree dated 25 Feb 44.

Reviewed above
15/2/44

SECRET

ALLIED CONTROL COMMISSION
GENERAL ADMINISTRATIVE INSTRUCTION NO. FOR
TERRITORIES 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-statal 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 the 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 whom no representative can be found in the occupied territory, as the Chief Commissioner or an officer empowered by him may direct.

For the purpose of (a) above, the term "Allied" will be deemed to include all the United Nations and France. With respect to (c) 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 state has any substantial interest or over which it exercises substantial control.

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.

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 para 4 below.
 - (a) To sell any part of the property which consists of perishable goods, produce, growing crops, stock-in-trade or other movable 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.
 - (h) To do all such things in relation to the property which he takes under his control as he could do if he held a general power of attorney from the owner.
 - (i) With the consent of the Director of Property Control to make payments from time to time out of the assets under his control, to dependants of an absent owner for their maintenance and support.
4. The powers of the C.F. will be subject to the following limitations;

- of the Armed Forces or AMG, or of the Italian officials responsible thereto.
- (c) Enemy State Property not in the 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 whom no representative can be found in the occupied territory, as the Chief Commissioner or an officer empowered by him may direct.

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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.

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 - (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.
 - (h) To do all such things in relation to the property which he takes under his control as he could do if he held a general power of attorney from the owner.
 - (i) With the consent of the Director of Property Control to make payments from time to time out of the assets under his control, to dependants of an absent owner for their maintenance and support.
4. The powers of the C.F. 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 D.F.C. 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 DFC.
 - (b) 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 para 3 above, authority of the DFC will first be obtained.

DOWN GRADED
UNCLASSIFIED

for Chief Civil Affairs Officer.

- 2 -

- (c) Where the expenditure required for repairs to any property exceeds the sum of Lire 20,000, the CP will, before entering into any contract or incurring any obligation with respect to the case, submit an estimate to and obtain the approval of the DFC.
- (d) 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

5. The tasks of the CP after the effective military occupation of an area will be:
- (a) Firstly, to locate and protect from damage, and their contents from looting (whether by civilians or by members of the Armed Forces), the more important properties referred to in paragraph 1 (a) to (c). He will arrange with SCAG:
 - (i) to have notices posted or signs erected stating that the premises in question are under the custody of the AMG and that entrance by unauthorized persons is forbidden,
 - (ii) to request military or police guards to be posted to protect them. - (b) Secondly, to obtain from the appropriate authorities a complete list of Allied properties in the district, with description of the same, and send this to,
 - (i) the DFC,
 - (ii) AD Claims and Hirings (see para (a) (ii) below) and/or to the Real Estate Section of the Corps of Engineers U.S. Army.

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

7. ALLIED PROPERTY.

(a) Real Property.

(i) Under Italian war legislation a special department of the Ministry of Finance called "EGELI" (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 (Istituti di Credito Fondiario) in the region in which the property was situated, e.g., the Banca di Sicilia for Sicily and the Banca di Napoli for southern Italy.

On taking custody of properties the 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 the DFC, recommending the appointment of some other person or institution to manage properties.

(ii) 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.

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

(iv) Where the property of an Allied National 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 sublease granted by the sequestrator are reasonable, and take

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5. The tasks of the CF after the effective military occupation of an area will be:

- (a) Firstly, to locate and protect from damage, and their contents from looting (whether by civilians or by members of the Armed Forces), the more important properties referred to in paragraph 1 (a) to (c). He will arrange with SOAO:
 - (i) to have notices posted or signs erected stating that the premises in question are under the custody of the AMG and that entrance by unauthorized persons is forbidden,
 - (ii) to request military or police guards to be posted to protect them.
- (b) Secondly, to obtain from the appropriate authorities a complete list of Allied Properties in the district, with description of the same, and send this to:
 - (i) the DiC,
 - (ii) AD Claims and Hirings (see para (a) (ii) below) and/or to the Real Estate Section of the Corps of Engineers U.S. Army.

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

7. ALLIED PROPERTY.

(a) Real Property.

(1) Under Italian war legislation a special department of the Ministry of Finance called "ECEL" (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 (Istituti di Credito Fondiario) in the region in which the property was situated, e.g., the Banco di Sicilia for Sicily and the Banco di Napoli for southern Italy.

On taking custody of properties the CF 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 CF 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 the DiC, recommending the appointment of some other person or institution to manage properties.

(ii) 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 CF for the management of the property.

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

(iv) Where the property of an Allied National or company has been let or sublet, it shall be the duty of the CF to satisfy himself that the terms of any lease or sublease granted by the sequestrator are reasonable, and take such steps as are in his power to ensure that the terms of the lease or sublease are being duly carried out, and that the rents are paid as and when they become due. If in his opinion the said terms are inequitable, the CF may, with the consent of the DiC, terminate the lease or sublease. On the expiry of such lease or sublease, the CF will make arrangements either for its renewal or for the granting of a new lease or sublease. Such renewals or new leases shall not, except with the consent of the DiC, exceed the term of one year.

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(v) Where the property of an Allied National or company consists of a mortgage, the CI 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 CI may however make arrangements for the renewal of the same for a period not exceeding one year at any one time.

(vi) On taking custody of any property the CI will make full note of its condition and prepare a detailed inventory of its contents, unless such an inventory has been taken by the sequestrator. If such an inventory is in existence he will check it and agree a list of shortages with the sequestrator, from whom he will obtain a copy of the original inventory. The CI will obtain from the sequestrator a financial statement as at the date of the taking of custody.

(vii) All expenses for management and maintenance of Allied property taken in custody by the CI will be charged against the estates in question. The CI will not employ AMG funds for this purpose unless expressly authorised to do so by the C.F.O.

(viii) 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 his register.

(b) 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:

(1) Requisition forms will be served by the Hiring Officer either on the local authorities (commune) or on the Italian military authority "Genio Militare". Hiring Officer will inform the Comando Genio Militare of particulars of properties requisitioned, and the latter will be responsible for seeing that payments are made through the Banca d'Italia.

(2) 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 Comando Genio Militare, and that a fair rental will be paid promptly. Schedules of condition and hiring agreement will be prepared by the Comando Genio Militare and submitted for approval to the Hiring Officer.

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

(4) On de-requisitioning the Hiring Officer will ensure that dilapidations are properly assessed and compensation paid.

(5) The CI will, at the earliest opportunity, furnish AD Claims & Hirings with a list of properties belonging to nationals of the United Nations, and AD Hirings will in person inform the CI of the requisitioning or the de-requisitioning of such properties.

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

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

(c) Chattels.

The CI 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 such arrangements as may be necessary.

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the taking of custody.

(vii) All expenses for management and maintenance of Allied property taken in custody by the CI will be charged against the estates in question. The CI will not employ AMG funds for this purpose unless expressly authorized to do so by the C.F.O.

(viii) 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 his register.

(b) Property requisitioned by the Armed Forces.

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

(1) 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 Comando Genio Militare of particulars of properties requisitioned, and the latter will be responsible for seeing that payments are made through the Banca d'Italia.

(2) 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 Comando Genio Militare, and that a fair rental is agreed and paid promptly. Schedules of condition and hiring agreement will be prepared by the Comando Genio Militare and submitted for approval to the Hiring Officer.

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

(4) On de-requisitioning the Hiring Officer will ensure that dilapidations are properly assessed and compensation paid.

(5) The CI will, at the earliest opportunity, furnish AD Claims & Hirings with a list of properties belonging to nationals of the United Nations, and AD Hirings will in person inform the CI of the requisitioning or the de-requisitioning of such properties.

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

(7) Procedure in U.S. military areas follows in general arrangements specified in (a) above. CIs should make themselves acquainted with the provisions in Administrative Memorandum Nos. 83, 95 and 85.

(c) Chattels.

The CI 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.

(d) Bank balances, etc.

The CI 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

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of the CF 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 Cambi) the CF will forward to HQ AOC a list of the items so transferred, showing:

- (i) the name and where possible the address of the owner;
- (ii) the name and branch of the transferring bank;
- (iii) the date of sequestration;
- (iv) the name and address of the institution to which transferred, and
- (v) the date of transfer.

(e) Securities.

The CF will take custody of all securities belonging to Allied Nationals or companies living in banks and financial institutions. He will transfer any such securities as may be found elsewhere to a reliable bank. Securities will be instructed to collect and pay into the account of the owner, and banks will be 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 a central institution, the CF will forward a schedule of securities so transferred, with details similar to those laid down in sections (i) to (v) of the previous paragraph, to HQ AOC.

(f) Commercial and Industrial Undertakings.

(i) 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. The CF, 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.

(ii) On taking formal custody of an industrial or commercial business, the CF will, as regards a record of condition, the preparation of inventories, etc, follow the procedure laid down in para 7 (a) (vi). 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 AOC monthly, an income and expenditure account, and such other records as may from time to time be required by the DFC. All surplus funds not required for the day to day operations of the undertaking will be paid into the CF's account.

(iii) Where any Allied business or company has been put into liquidation and the liquidation has not been completed, the CF 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.

(iv) Where in addition to being sequestrated, the assets of the Allied business or company have also been expropriated by the Italian Government and handed over to an Italian undertaking, the CF will report to the DFC, who will issue instructions as to the action to be taken.

(v) Where any industrial or commercial concern operates in more than one region, all decisions on policy will be referred to the DFC, and the gate to one of the regions will be referred to the DFC.

The CF will take custody of all securities belonging to Allied Nationals or companies living in banks and financial institutions. He will transfer any such securities as may be found elsewhere to a reliable bank. Securities will be held in the name of the CF for the 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 a central institution, the CF will forward a schedule of securities so transferred, with details similar to those laid down in sections (i) to (v) of the previous paragraph, to HQ ACC.

(f) Commercial and Industrial Undertakings.

(i) 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. The CF, 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.

(ii) On taking formal custody of an industrial or commercial business, the CF will, as regards a record of condition, the preparation of inventories, etc, follow the procedure laid down in para 7 (a) (vi). 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 ACC monthly, an income and expenditure account, and such other records as may from time to time be required by the DFC. All surplus funds not required for the day to day operations of the undertaking will be paid into the CF's account.

(iii) Where any Allied business or company has been put into liquidation and the liquidation has not been completed, the CF 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.

(iv) Where in addition to being sequestrated, the assets of the Allied business or company have also been expropriated by the Italian Government and handed over to an Italian undertaking, the CF will report to the DFC, who will issue instructions as to the action to be taken.

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

8. ENEMY PROPERTY.

(a) Property of Enemy States.

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 control (e.g. Embassies, Legations, Consulates, etc), the CF will, unless

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otherwise instructed, be responsible for the custody of all property in occupied territory belonging to enemy states, not occupied by AMG or any other branch of the armed forces.

(b) Property of Enemy Nationals.

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

9. ITALIAN STATE PROPERTY.

(a) 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 locked 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 the CF 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 CF will have to make arrangements for their temporary custody. Liaison should be maintained for this purpose with Real Estate branch of the U.S. Corps of Engineers and/or AM Claims and Hirings. The CF should obtain from Hirings Officer (British) and/or Real Estate Branch U.S. 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 Proclamation 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 have run away, the duty of locking after Fascist Party property may fall in some instances on the CF who will, when so directed by the Chief Commissioner 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 authorized officials of the Italian Government.

10. MUNICIPAL PROPERTY.

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

11. ABANDONED PROPERTY.

The CF 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 para 8 above. Wherever practicable he will make arrangements through the CLO of the Nation for the appointment by the Italian courts of a trustee for abandoned property belonging to Italian Nationals. By agreement with the President of the Tribunale, the following procedure will be followed. The CF will notify the senior notary (notaio) of the district or town where the said property is situated of the necessity for the appointment of a "curatore" for such property. The notary will certify as to such necessity, and forward the certificate 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

by the appropriate Italian officials, the major portion of whom are expected to remain at their posts. There will therefore be no necessity for the CF 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 CF will have to make arrangements for their temporary custody. Liaison should be maintained for this purpose with Real Estate branch of the U.S. Corps of Engineers and/or AD Claims and Hirings. The CF should obtain from Hirings Officer (British) and/or Real Estate Branch U.S. 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 Proclamation No. 7, the property of the Fascist Party will be treated as property of the Italian States (see (a) above), but as occasions may arise when all responsible party officials may have run away, the duty of looking after Fascist party property may fall in some instances on the CF who will, when so directed by the Chief Commissioner 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 authorized officials of the Italian Government.

10. MUNICIPAL PROPERTY.

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

11. ABANDONED PROPERTY.

The CF 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 para 8 above. Wherever practicable he will make arrangements through the CIO of the Nation for the appointment by the Italian courts of a trustee for abandoned property belonging to Italian Nationals. By agreement with the President of the Tribunal, the following procedure will be followed. The CF will notify the senior notary (notario) of the district or town where the said property is situated of the necessity for the appointment of a "curatore" for such property. The notary will certify as to such necessity, and forward the certificate to the CLC 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 will be published in the local newspaper and through any means of official publicity at the disposal of AMG.

12. PRIVATE INDUSTRIAL AND COMMERCIAL UNDERTAKINGS.

(a) Where private industrial or commercial undertakings are operated under the control of the CF in accordance with para 2 (a) and (b) above, the procedure

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laid down in para 7 (a) (vi) 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. AGENTS AND MANAGERS.

Agents and managers appointed by the CF will not, unless authorized 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. REPORTS AND RETURNS.

The CF will render to 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 sequestrator 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, tenant or manager.
- (c) An initial report on each commercial or industrial concern contained in (a) and (b) above.
- (d) A 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 fifth day of the succeeding month (see annex A for specimen form).
- (g) A monthly income and expenditure or operating statement for each industrial and commercial concern under his control.
- (h) A quarterly income and expenditure statement for all real properties under his control (except those of insignificant value which have been left to the custody of the owner's relatives).

HEAD HEADQUARTERS
ALLIED CONTROL COMMISSION
LEGAL SUB-COMMISSION
APO 394

GRU/jpl

21 February 44

ACC/4014/3/1

SUBJECT : SCHMIDT and DUPONT.

TO : Property Control Sub-Commission

1. Responding to yours of 14th February 1944, 6513/CE be advised that the Legal Sub-Commission on the basis of the facts therein presented is of the opinion,

- (a) that the Controller of Property of Region III was without even a shadow of authority or power to sell or otherwise deal with the property in question.
- (b) that the contract under which he purported to sell the same was a nullity and of no legal force or effect.
- (c) that steps forthwith should be taken to rescind the transaction and restore the parties in so far as possible to the status quo.

2. (a) Not only did the Controller of Property have no authority to sell, but he had not even the power to take control of the property involved. Proclamation No. 6 conferred no powers on him with respect to the property of enemy nationals as such. The property was in no sense abandoned. His own investigation disclosed that it was not being used in manner prejudicial to the Allied Forces or public order. Accordingly he could not have derived his asserted power from Article VI Section 1 (a) thereof.

(b) Even had the Controller of Property had the power to take control of the property his authority to sell would have been limited to the sale of perishable goods or property whose value or physical condition was from its nature likely to depreciate. Notwithstanding he undertook to sell not only a stock of jewellery which clearly did not come within this category but the cash and other intangibles of the business as well.

(c) Had the transaction been one within the authority of the Controller of Property to consummate, the contract so far failed in definiteness and in reflecting the understanding of the parties, that its reformation would have been necessary.

GERARD R. BRIGGS
COLONEL
Chief Legal Officer

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

(40)

6513/CP

19 February 1944.

Subject: Schmidt and Dupont.

To : Legal Sub-Commission,
HQ Allied Control Commission.

1. The firm of Schmidt and Dupont is a jewelry concern situated in Naples. Owners are German Nationals, to wit, Teodor Schmidt and his nephew Heinrich Schmidt, both of whom fled Naples immediately prior to occupation by the Allied Forces, and left the property in charge of the manager, one Giacomo Sepe, who is an Italian.

2. The Controller of Property of Region III (Major Hitchcock) states that he was orally directed by the 5th Army (American) to close the shop as being a centre of propaganda or espionage activities, and that he made an investigation but did not find such conditions and permitted the re-opening of the shop about 25 Nov 43. Subsequently, by an undated written contract, a copy of which is attached, the Controller of Property Region III (Major Hitchcock) undertook to sell to the above described manager (Giacomo Sepe) the then inventoried stock of merchandise for Lire 357,998.65, the contract stating that payment of this amount will be made in 12 monthly installments of Lire 30,000, the first payment to start Feb 5th 1944. I am informed that the first instalment of Lire 30,000 has been recently paid.

I am informed that according to an inventory made by the manager (Giacomo Sepe) about 31 Oct 43, the value of the merchandise was stated to be L.451,802. However, attention is invited to the fact that the contract provides that the buyer (Giacomo Sepe) undertakes to pay to the Controller of Property Region III any and all of the suspense accounts (totalling Lire 429,218) and insurance (totalling Lire 20,000) which he collects, and also to assume the existing lease on the building occupied by the firm, and to take custody of all the furniture and fixtures in the building until same can be returned to the firm, and to store, without charge, the personal effects of Teodor Schmidt. I am also informed (by Major Galt, who was recently assigned to Region III) that it was the intention of the parties that Giacomo Sepe should also assume all liabilities of the firm, and take over the cash at Bank and securities of the concern, although such provisions are not in the contract. The purchase price of Lire 357,998.65 happens to be the same amount as the difference between the assets and liabilities of the concern, as evidenced by a financial statement, thus indicating that the contract may have amounted to a sale of the concern and not limited to the stock of merchandise.

3. Legal opinion and advice are requested on the following points:

a. Whether under Proclamation No. 6 and General Administrative Instruction No. 16, or under general principles of international law, the Controller of Property of Region III had authority to dispose of the merchandise of Schmidt and

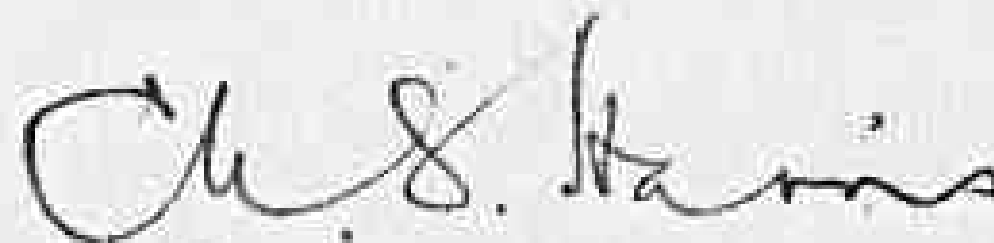
- 2 -

Dupont, or the concern itself, in the manner described above.

b. Whether the purported contract is valid.

c. If the answer to b is in the affirmative, whether a supplemental contract should be entered into, more clearly expressing the real intent of the parties, as indicated in para 2 above.

d. If the answer to b is in the negative, what legal action should be taken to correct the situation and, so far as possible, restore the parties to the status quo.



C. R. S. HARRIS,
Lieut-Colonel,
Director of Property Control.

C O P YCONTRACT OF SALE

The following parties; Major H.A. Hitchcock acting as Controller of Property Reg. III AMG subsequently referred to as the Seller and Giacomo Sape, subsequently to be referred to as the Buyer, mutually agree to enter into a contract the terms of which are as follows:

1. The Seller agrees to sell, and transfer, all rights, title and interest to the present inventoried stock of merchandise in the firm of Schmidt and Dupont, located at Piazza Trieste 6 Trento n. 13, Naples, to the Buyer in consideration for the payment of L. 357,998.65.
2. The parties agree that the payment of L. 357,998.65 by the Buyer will be made in 12 monthly instalments of L. 30,000, the first payment to start Feb 5th 1944.
3. As part of the consideration for this contract the Buyer further agrees that if he collects any part or all of the accounts in suspense totalling L. 429,318, it will be turned over to the Seller.
4. It is also agreed that should the claim for insurance amounting to L. 20,000 or any part thereof be paid, same will be turned over to the Seller.
5. The Buyer, as a further consideration for this contract, agrees to assume any and all responsibilities and obligations of the lease on the building where Schmidt & Dupont is located, agreeing to pay the rent and any other expenses under the lease subsequent to Jan 1st 1944.
6. The Buyer further agrees to take custody of all furniture and fixtures in the building where Schmidt and Dupont are located, without charge, and as part of the consideration for this contract held same until it can be returned to Schmidt & Dupont at a later date.
7. The Buyer further agrees to care for and store all personal effects of Theodoro Schmidt, without charge, as a part of the consideration for this contract.
8. The Buyer agrees that if the apartment of Theodoro Schmidt is rented any monies paid in excess of the actual rental thereof will be turned over to the Seller on demand.

(signed) H. A. HITCHCOCK,
Major,

Controller of Property

(signed) GIACOMO SAPE.

SCHEMATA & RESULTS

Address: Piazza Trieste e Trento 48, Naples.

Nationality: German (Theodor Schmidt & Heinrich Schmidt)

Character of Business: Jeweller's Shop.

Condition of Business:

1. The cash was first brought to the notice of the Controller of Property on 28 Oct 43 by the Intelligence Section. They had found evidence that the owners of the business, Theodor Schmidt and his nephew Heinrich Schmidt, were engaged in propaganda activities, and possibly espionage activities.
2. The manager, Giacomo Sepe, who had been left in charge, is of Italian origin.
3. An inventory of the stock in trade was made on 31 Oct 43 by Giacomo Sepe. The total was L.451,806.
4. The Controller of Property permitted the re-opening of the shop on about 25 Nov 43.
5. Later an undated contract was made between the Controller of Property and Giacomo Sepe for the sale of the stock in trade for L.257,998.65. The intention between the parties however was that in consideration of this figure, Giacomo Sepe should take over the Cash at Bank, securities and stock in trade, and pay all the liabilities. These facts were omitted for the contract.
6. No deposit was made on signing the contract but the arrangement was to pay in monthly instalments of L.30,000, the first payable on 5 Feb 44. This instalment has been paid.
7. The rough undated balance sheet at date of sale is attached.

Date of Custody by Controller of Property: 7 3 4

A T T I V O

MATCE	-	Inventario come al 31/10/43 costo	L. 451802.-
		Addizione Inventario	11099.-
			465811.-
		Vendita a prezzo d'inventario	35349.-
			Lire. 410462.-
CONTANTI E VALORI		Saldo Cassa 31/12/943	48009.80
		Titoli Valore nominale 60000 a 77.	46200.-
		Crediti presso le Banche e Festa	149031.40
		Cauzione Licenza buona	3750.-
			Lire. 249791.20
			60259.20

P A S S I V O

Debiti		1. 25995.55
Tasse da pagare		9394.-
Liquidazione personale dipendente		178865.-
		Lire. 302254.55
		Lire. 357998.65

35

(SALVADO DETACHMENT)
LEGAL SUB-COMMISSION

GA/321

6 February 44

SUBJECT : BAKER Estate.

TO : Property Control Sub-Commission

1. Reference your letter 4 February 1944 (GA/321).
2. I have reviewed the correspondence which you have submitted and am returning it with your file herewith.
3. As yet I have nothing to add to what I stated in my letter of 5 January 1944 which appears to answer the position completely.

CHARLES W. BAKER

Colonel
Chief Legal Officer.

34

HEADQUARTERS
ALLIED CONTROL COMMISSION
PROPERTY CONTROL SUB-COMMISSION
APC 394

(37)

6015/CP

4 February 1944.

Subject: Bronte Estate.

To : Director of Legal Subcommittee.

1. Herewith lengthy correspondence from the War Office including a rather parist legal opinion of Foreign Office.
2. The Vice-president would like your opinion as to what advice should be tendered to the War Office. I think they cannot have received your letter when they wrote.

C.R.S. Harris

C.R.S. HARRIS,
Lt Col,
Director of Property Control.

33

14

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LEGAL SUB-COMMISSION
A.F.C. 394

Col upjohn

AME/5005/PC

Subject:- French Property

To :- C.L.O., H.Q., A.C.C., BRINDISI.

17th January 1944

1. In your letter of 15th January 1944 you referred to the situation involving control of French Property.
2. Inasmuch as this involves the enlargement of powers of the Controller of Property thought to be of sufficient importance initially to be the subject of a separate proclamation, it still seems to me that from a legal standpoint any amplification should be ordered by the same authority. Irrespective of that I think it is much better policy to have it done that way.
3. I will take the matter up with Major Howe.
4. As to the cables, the files contained copies of all. I am afraid Col. Harris left you far from clear on this situation. When the matter was originally referred to me I found two objections to the cable on which he proposed to act: (a) the cable purported to be a paraphrase which likely was made by someone who had no technical knowledge, and, (b) it was far from clear that French government property was covered. Accordingly I had the original cable examined at P.E.S. and was advised that the so called paraphrase was in fact an actual quotation. A cable I prepared to go to A.P.H.Q. brought the response that French government property was to be covered.
5. In the recitations to be made in Col. Spofford's order, we intended to follow generally the suggestions which you have now made.

Richard H. Wilmer

RICHARD H. WILMER
Lt. Col. C.A.C.
Deputy Chief Legal Officer.

32

630

1st Indorsement

Lt. Col. Wilmer. Your para 2. There is a legal question involved:
namely: are we entitled to request Italian gmt. to sequester property
of nationals of States with which Italy is not at war? - to which an answer
is required before the policy is proposed. Pl. advise.

(sgd) C.S. HARRIS
Lt. Col.
D.P.C.

23 Jan. 1944

2nd Indorsement

To: Director of Property Control.

24th January 1944

As previously stated the question is primarily one of policy that is
whether higher authority desires the suggested action to be taken.
If so, the Italian Government can be required to take the necessary
legislative and administrative action.

RICHARD H. WILSON

Lt. Col. C.A.C.
Deputy Chief Legal Officer.

31

R5/14

32

21 January 1944

Group of Islands

For: Commanding General: U.S.M.A., Military Govt. Port.
(Attn: Legal Advisor.)

1. Reference your O/L of 19 December 1943, Messrs. Madsen's letter of 2 December 1943 was undoubtedly sent on before the receipt of the letter addressed to Lord Bridport as Director of Property Control on November 26, 1943 (annex "A") setting out the facts in great detail. Director of Property Control has received a further letter from Madsen's dated 22 December 1943, in reply to the above (annex "B").

2. The present citation is based up in the letter from Colonel Spohn (annex "C") of January 5, 1944, and I suggest that in reply in our office letter to Colonel Spohn dated 13 December 1943 reference O/L/1943 (S.A.S.), copies of the attached correspondence be enclosed with a note recommending that Madsen be so be informed that the re-establishment of Lord Bridport's title is now under negotiation and that they will be informed if and when Mr. Riblett's presence in fully will be required.

23

CHARLES W. STORFORD
Colonel: U.S.A.
S.A.S.

Encl: (3)

- Letter from Controller of Property dated 26 November 1943
- Letter O/L/1943 dated 5 January 1944
- Messrs. Madsen's letter dated 22 December 1943

St. Jeor: George Bridges

Dear Lord Bridgeport,

(31)
In my capacity as Controller of property, etc., I had the pleasure of meeting Mr. Luigi Colica at Casasco last September, and I have just received from him a copy of your letter written in reply to his air letter dated August 15. No doubt by now you will have received his further letter dated 13 August and the one dated 19 August addressed to you by his brother G. Paolo Wellesley, who at that time was S.C.L.S. 2, Catania. Since those letters were written, I have enquired into the action taken by the Italian Government in regard to the Duchy of Sicily, and the purpose of this letter is to inform you of such action, to explain what is, in the opinion of the Chief Legal Officer, the present legal position, and to let you know what action I have myself taken in the matter.

Following upon Italy's entry into the war, the Italian Government sequestered all Allied properties, and as regards real estate in Sicily, including the Duchy and your villa in Palombara at Taormina, appointed the Bank of Sicily to manage the same. Such sequestration, which was quite legal in the circumstances, did not in any way affect the legal title, but it prevented your or any representative of yours from deriving any benefit from the property during the period of sequestration. At the same time it imposed on the Italian Government the obligation to safeguard and preserve the property.

The Bank of Sicily took formal possession of the Duchy in August 1940, and administered it until 10 Dec 40, when it was ordered in the circumstances mentioned below, to give up possession to the Ente di Colonizzazione del Latifondo Siciliano (S.C.L.S.). During the period of its possession, the Bank of Sicily, so far as I have been able to ascertain, administered the estate in a quite correct and efficient manner.

S.C.L.S. is a semi-statal undertaking created by a law of the 2 January 1940 (i.e. prior to Italy's entry into the war) and having as its main object the "colonization" of the large landed estates (latifondi) in Sicily. By Article 11 of a Royal Decree dated 25 Feb 40 (also pre-war) S.C.L.S. was empowered, subject to certain conditions including the payment of an indemnity, to expropriate landed property which was suitable for important improvements (in the words of the Decree, "conseguenti trasformazioni fondiarie"). On the 4 Oct 40, S.C.L.S. requested the expropriation of the Duchy under the above mentioned article, and the Minister of Agriculture and Forestry having by a Decree dated 3 Nov 40 declared that the conditions set out in the article existed, S.C.L.S. by a subsequent decree dated 16 Nov 40, was authorized to take in full possession of the real property of the Duchy, and in fact did so on 10 Dec 40. By way of indemnity S.C.L.S. offered the derisory sum of Lit. 4,452,112, and deposited this sum with the Cassa Depositi e

verment in regard to the Duchy of Bronte, and the purpose of this letter is to inform you of such action, to explain what is, in the opinion of the Chief Legal Officer and, the present legal position, and to let you know what action I have myself taken in the matter.

Following upon Italy's entry into the war, the Italian Government requested all Italian properties, and as regards real estate in Sicily, including the Duchy and your villa in Amoremore at Taormina, appointed the Bank of Sicily to manage the same. Such sequestration, which was quite legal in the circumstances, did not in any way affect the legal title, but it prevented you or any representative of yours from deriving any benefit from the property during the period of sequestration. At the same time it imposed on the Italian Government the obligation to safeguard and preserve the property.

The Bank of Sicily took formal possession of the Duchy in August 1940, and administered it until 10 Dec 40, when it was ordered in the circumstances mentioned below, to give up possession to the Ente di Colonizzazione del Gattolondo Siciliano (E.C.I.S.). During the period of its possession, the Bank of Sicily, so far as I have been able to ascertain, administered the estate in a quite correct and efficient manner.

E.C.I.S. is a semi-statel undertaking created by a law of the 2 January 1940 (i.e. prior to Italy's entry into the war) and having as its main object the "colonization" of the large landed estates (latifondi) in Sicily. By Article 11 of a Royal Decree dated 26 Nov 40 (also pre-war) E.C.I.S. was empowered, subject to certain conditions including the payment of an indemnity, to expropriate landed property which was suitable for important improvements (in the words of the Decree, "essenzialmente di importanti trasformazioni fondiari"). On the 4 Oct 40, E.C.I.S. requested the expropriation of the Duchy under the above mentioned Article, and the Minister of Agriculture and Forests having by a Decree dated 3 Nov 40 declared that the conditions set out in the Article existed, E.C.I.S. by a subsequent decree dated 16 Nov 40, was authorized to take immediate possession of the real property of the Duchy, and in fact did so on 10 Dec 40. By way of indemnity E.C.I.S. offered the decedent sum of Lit. 4,452,112, and deposited this sum with the Cassa di Risparmio on 26 Jan 41. It also offered a rent at the rate of Lit. 25,000 per annum for the period 10 Dec 40 (when possession was taken) to 23 Jan 41 (when the deposit of the indemnity was made). The expropriation was formally confirmed by a decree dated 1 Feb 41 made by the Prefect of the Province of Catania.

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Although the article gives the owner the right to oppose the expropriation, Art. 11, the Italian Government responsible for the custody of enemy property, did not offer any opposition, though it did object to the amount of the indemnity and requested the sum of Lit. 3,000,000, by way of indemnity, and Lit. 1,750,000 as rent for the above mentioned period. At the time of the Allied occupation of Sicily, litigation was still pending before the Collegio Provinciale Civile di Palermo in regard to the amounts of these indemnities, but the case has not as far been proceeded with.

By virtue of a proclamation published by the Military Governor, all laws, decrees, etc., made by the Italian Government to sequester, confiscate, or otherwise discriminate against property in the occupied territory owned by British or American National were abrogated. The effect of this was to annul the sequestration of the Duchy, but not its expropriation, unless it can be established that a decree of expropriation was discriminatory within the meaning of the proclamation. On this point the Chief Legal Officer has stated that, in his opinion, as at present advised, the expropriation was probably legal and cannot be annulled by the Military Governor. This opinion is based primarily on the fact that the expropriation was effected under pre-war legislation and strictly in accordance therewith. Incidentally I might mention that the neighbouring estate of Mangalavite and Boiti was similarly expropriated from its Italian owners.

The ultimate ownership of the Duchy does not of course depend on the C.I.C.'s opinion, but must remain at issue pending the decision of higher authority, or perhaps some special provision in the Peace Treaty. In the meanwhile, as it must be either state property (within the meaning of the above mentioned proclamation) or Allied property, according to whether or not the expropriation in favour of the C.I.C. was, still is and remains legally valid, I have, as Controller of Property and, as such responsible for the custody of both state and Allied property, taken formal custody of the Duchy in accordance with the instructions of the Chief Civil Affairs Officer. In taking such custody, I have done so without prejudice to the claims of yourself and C.I.C.; in other words, I am administering it for the benefit of whomever may ultimately be decided to be the legal owner.

The legal position, as explained above, was not known to Lt Col Lord Gerald Wellesley when he recovered the office of C.I.C. about the middle of August and re-stated your representative office, but in view of the latter's knowledge of the Duchy and the extent to which he had regained control of it by the time I was able to visit him at Lancia after meeting the facts of the case, I decided to appoint him to administer the estate as my agent, as agent for the Controller of Property and, and in that capacity he remains in charge of the Duchy.

these indemnities, but the case has not so far been proceeded with.

By virtue of a proclamation published by the Military Government, all laws, decrees, etc., made by the Italian Government to regulate, confiscate, or otherwise dispose of any property in the occupied territory owned by British or American national were abrogated. The effect of this was to annul the sequestration of the Duchy, but not its expropriation, unless it can be established that decree of expropriation was disseminated within the meaning of the proclamation. At this point the Chief Counsel of the Duchy has stated that, in his opinion, as at present advised, the expropriation was properly legal and cannot be annulled by the Military Government. This opinion is based primarily on the fact that the expropriation was effected under pre-war legislation and strictly in accordance therewith. Incidentally I might mention that the belated seizure of Margulavits and Petti was similarly expropriated from its Italian owners.

The ultimate ownership of the Duchy does not of course depend on the C.I.O.'s opinion, but must remain at issue pending the decision of higher authority, or perhaps some special provision in the Peace Treaty. In the meanwhile, as it must be either state property (within the meaning of the above mentioned proclamation) or Allied property, according to whether or not the expropriation) in favour of the M.C.L.S. was, still is and remains legally valid, I have, as Controller of Property and, as such responsible for the custody of both state and allied property, taken formal custody of the Duchy in accordance with the instructions of the Chief Civil Affairs Officer. In taking such custody, I have done so with prejudice to the claims of yourself and C.I.O.; in other words, I am administering it for the benefit of whomever may ultimately be decided to be the legal owner.

The legal position, as explained above, was not known to Lt Col Lord Gerald Wallerley when he removed the officials of C.I.O. about the middle of August and re-nstated your representative Mr. Odion, but in view of the latter's knowledge of the Duchy and the extent to which he had regained control of it by the time I was able to visit him at Larnaca after sorting the facts of the case, I decided to appoint him to administer the estate as my agent, as agent for the Controller of Property M.C.S., and in that capacity he remains in charge of the Duchy.

26/II/43

/s/ C. C. Harris,
C.I.O. Officer,
Lt Col,
Controller of Property

REPLY
 ALLIANCE REPORTS COMMISSION
 Legal Commission

300/900

26

In reply
 refer to:

300/900

5 January 1945.

SUBJECT:

REPORT 3-1120

TO :

Property Controller HQ AG.

With reference to the last paragraph of my letter of 3rd inst, it has now been indicated by the Minister of Foreign Affairs that the Italian authorities are willing to envisage a form of equitable settlement of the passing difficulties in this matter in agreement with the owner or his representative, including restitution of all or part of the estate, as soon as conditions will allow.

This appears to be a step in the right direction and you will be kept informed of any development affecting the present position of the estate.

/s/ G.A. Upjohn
 G.A. UPJOHN, Colonel
 Chief Legal Officer, AGO.

27

No.

785016

11146. *Polypodium* L. - *Polypodium* L.
11147. *Polypodium* L. - *Polypodium* L.
11148. *Polypodium* L. - *Polypodium* L.

1980-1981

each experiment - week 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 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, 84

" With further reference to our letter of the 2nd September and your reply of the 10th, we think it right to enclose a copy of a letter which has been addressed by the Director of Property Control in reply to Lord Alldredge, a copy being sent to us.

From this letter it appears that the Director of Property Control is retaining the services of Mr. John Linton as administrator of the estate for the Director of Property Control, and, out of the matter of Lord Bridport's title to the property is that the question of Lord Bridport's title to the property is far from clear. In this connection we understand that you have written the matter to the competent authorities, but we think we should, on Lord Bridport's behalf, put before you the following facts:-

1. The Entry was demonstrated and later explicated. In Lordship had no charge or opinion the property on behalf of the right owner, neglected to do so for reasons of their own.

2. The money had before the war been turned into many hundreds of small holdings for the benefit of the small farmer, before the C. I. L. developed their ideas of colonization and Fascist officials of the better type expressed their appreciation of the excellent work that had been done. The result, therefore, for exportation for the purpose of colonization did not arise.

3. The I.O.O.F.I. failed in their ^{entire} attempt not recognizing the expropriation as it was well known in Sicily that his Lordship had no intention of parting with the jewels; in fact, several offers made to his Lordship were refused; the indemnity of five millions was offered for his entirely a fictional Eliza and would certainly not interest his Lordship, when the purchasing power of the jewels and the state of the market were both unknown quantities.

4. It is submitted that the Querry cannot be made the subject of an expropriation as it represents a natural gift & the

these items are two boxes - one containing the

(3) That they should be the subject of direct negotiations by you with the Italian Government.

we have previously asked Sir R. Niblett to proceed at once to fideliy for the purpose of protecting his Lordship's interests in the Civil Courts.

Yours faithfully,
Planchette & Co.

10

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LEGAL SUB-COMMITTEE
A.P.O. 394

RTH

(27)

MSG/6005/PO

Subject:- French Property

17th January 1944

To :- U.S.G., H.Q., A.C.G., BRISB.

1. In your letter of 15th January 1944, you referred to the situation involving control of French property.

2. Inasmuch as this involves the enlargement of powers of the Controller of property thought to be of sufficient importance initially to be the subject of a separate proclamation, it still seems to me that from a legal standpoint any amplification should be ordered by the same authority. Irrespective of that I think it is such better policy to have it done that way.

3. I will take the matter up with Major Howe.

4. As to the cables, the files contained copies of all. I am afraid Col. Harris left you far from clear on this situation. When the matter was originally referred to me I found two objections to the cable on which he proposed to act: (a) the cable purported to be a paraphrase which likely was made by someone who had no technical knowledge, and, (b) it was far from clear that French government property was covered. Accordingly I had the original cable examined at A.P.O. and was advised that the so called paraphrase was in fact an actual quotation. A cable I prepared to go to A.P.O. brought the response that French government property was to be covered.

5. In the recitations to be made in Col. Spofford's order, we intended to follow generally the suggestions which you have now made.

RICHARD H. WILSON
Lt. Col. G.A.C.
Deputy Chief Legal Officer.

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LOCAL SUB-ZONE STION

12th January, 1944.

AMG/4103/1.

TO : Colonel G. Upjohn,
HQ. A.G.C. (Militia).

Dear General,

Colonel Harris is bringing with him his file dealing with French Property. This file contains a copy of his original telegram and the reply; a copy of the telegram I sent raising the question whether French Government property was intended to be covered and the reply.

In the first place, Proclamation No. 6, Article IV, Section 5, refers only to United Nations property, hence there is nothing in the framework of Article IV which would permit the C.G. or his Deputy to issue an order. In fact, to cover French property it is in fact necessary to enlarge the powers under the Proclamation which can be done only by one entitled to issue a Proclamation i.e. the Military Governor. It would seem to me that he may either amend proclamation No. 6 (see suggested form attached) or at least issue instructions to the C.G. or his deputy (see suggested form attached). These are the two best courses which occur to me to be pursued. There are others. For instance, the Military Governor could issue a formal order if he wished but there is no advantage in that over either of the other two methods just suggested. ~~Consequently~~ The first is the more clear cut as a matter of public chain of command, but the second would seem to be equally effective. If this is done by Proclamation the question arises as to printing, publishing and posting. I, therefore, prefer the second alternative as it seems to be equally effective and the order that will be issued by Colonel Spefford will be publicized to the same extent as his recent order under Article IV Section 5 extending to United Nations property the same protection extended to British and U.S. property under Section 1. I think we ought to get this sorted up immediately before any so called restoration takes effect. Colonel Spefford is agreeable to either of the two principal methods above outlined.

In either event the form of order prepared by Colonel Harris will have to be revised by me before presented for signature, because of the technical situation above mentioned.

Please note that the inclusion of French Property may make it necessary to amend the proposed form of law to be put into effect by the Italian Government.

I am enclosing a copy of a letter giving the names of the countries listed as United Nations. According to the newspapers Colombia has declared war and has become one of the United Nations. There may have been others.

As ever,

24

ALLIED MILITARY GOVERNMENT OF OCCUPIED TERRITORYProclamation No. 15

I, MARCEL BOUT, ALGERIAN, G.O.B., S.I.L., S.I.L., S.O., General
 General Officer Commanding the Allied Forces in ITALY and Military Governor
 of the Occupied Territory, hereby proclaim as follows :-

ARTICLE I

Article 19 of Proclamation No. 15 is hereby amended by adding therein
 the following section :-

ARTICLE II

Extension to Property of the French Government and

French Nationals. The provisions of this article may
 be applied by general or specific order of the Chief Civil
 Affairs Officer or any officer empowered by him to the
 property situated in the Occupied Territory, including
 obligations of debtors within the Occupied Territory,
 owned by the French Government or any national thereof
 or in which such Government or any national thereof has
 any interest.

ARTICLE III

This Proclamation will become operative in each province or part thereof
 within the Occupied Territory on the date of its first publication therein.

23

General Officer Commanding the Allied Forces
 and Military Governor.

1167

ARTICLE I

Article IV of Proclamation No. 6 is hereby amended by adding thereto

the following section :-

ARTICLE 6 Extension to Property of the French Government and French Nationals. The provisions of this article may be applied by general or specific order of the Chief Civil Affairs Officer or any officer empowered by him to the property situated in the Occupied Territory, including obligations of debtors within the Occupied Territory, caused by the French Government or any national thereof or in which such Government or any national thereof has any interest.

ARTICLE II

This proclamation will become operative in each province or part thereof within the Occupied Territory on the date of its first publication therein.

General Officer Commanding the Allied Forces
and Military Governor.

Dated: January 1944.

*Trans from
Sent to Col Wright 12/1/44*

RTH
HEADQUARTERS

23

General Order
Subject : French PropertyTo : Col. Charles A. Spofford,
Deputy Chief Civil Affairs Officer.

January 1944

In view of the telegrams recently received by your Headquarters from A.P.H.C. you are hereby authorized to issue an order effective in Regions I and II, affording to the property of the French Government and that of French Nationals the same protection as that afforded to the property of the United Nations and to the nationals thereof under Article IV of Proclamation No. 6.

General Officer Commanding the Allied Forces
and Military Government.

22

1169

RT/14

22

HEADQUARTERS
ARMED MILITARY GOVERNMENT
LEGAL SUB-COMMISSION

RSE/1427/L

11 JANUARY 64

Subject: Proclamation No. 6.

To : Chief Legal Officer 15th Army Group.

As you may have a copy previously sent to you the HICAG for Regions I and II issued an order according to property of UNITED NATIONS and the NATIONALS thereof the protection and rights granted under section 1 of ARTICLE IV of Proclamation No. 6. I would appreciate it if you could advise me whether a similar order has been issued in your area.

MICHAEL H. WILSON
Lt. Col.
Deputy Chief Legal Officer.

21

SECRET

772

RE. AT BEN BASE SHOT SIG MES CENT 10 JANUARY 1944

SECRET

URGENT

CG PBS FOR FARGO FOR WILMER

NONE

FATIMA FROM ~~SUE~~ UPJOHN SIGNED JOYCE

101840A

102037A

1922

NONE



IMPORTANT CONFERENCE WITH ITALIAN GOVERNMENT ON PROPOSED
 POWERS OF PROPERTY CONTROLLER WILL BE HELD AT PALACE OF JUSTICE
 BARI FRIDAY 1100 HOURS.

Confidential

DOWN GRADED
 TO
 UNCLASSIFIED

Col. Int.
 Chief Justice Officer
 for Chief Justice Officer

SECRET

*20

Legal 20

R34

REPORT OF THE CONTROLLER OF PROPERTY AMG
FOR DECEMBER 1943

1. General.

As the result of four months experience, the work of the Sub-Commission in Region I can be said to have established a normal routine, that is to say, the supervision and management of properties already taken into custody, the maintenance of records and accounts in respect of the same, and the preparation of inventories, checking of accounts, etc, in connection with such Allied properties as still remain to be taken into custody. In general, the work of the Division during the month under review has been in accordance with such routine, but its scope has been increased by the extension of Article IV of Proclamation No. 6, firstly to the sequestered properties of the Governments and Nationals of all the United Nations, and secondly to sequestered French properties, as more particularly mentioned in paragraph 3 below. The work at Headquarters during the month under review was somewhat intermittent owing to the uncertainty as to future developments, and to the moves involved in the division of AMG ACC HQ between Naples, Palermo and Brindisi, which made it difficult to reach decisions on policy, etc, with regard to the Bronte Estate (see below - para 4).

2. Personnel.

HQ AMG was transferred to Naples with effect from 19 Dec 43, and Major Bovard (A) has represented the Division there since 26 Dec 43. The rest of my HQ Staff remained in Palermo throughout the month. On 31 December, orders were received for Major Sansome (A), Major Evans (B) and Capt. Sirota (A) to proceed to AMG HQ Naples for special duty, without either warning or consultation. While not disputing that the exigencies of the situation may demand this sudden transfer, I must point out that the work of this Sub-Commission has been prejudiced by the sudden removal of two accounting specialists, one of whom was forced to leave an audit of a firm half finished.

No other changes in the personnel of the Sub-Commission or their respective assignments occurred during the month, except that Major King (A) of the A.C.C. joined my HQ Staff on the 19 Dec 43.

In the early part of the month, Lt. Col. Bennett (B) of HQ accompanied Captain Hellmuth (B), R.C.P. Region I, on a visit of inspection to the Provinces of Catania and Messina. Arrangements were also made for either myself or Lt. Col. Glom (A), accompanied by Major Bundy (B), to make a tour of inspection of Region II, but owing to the move of HQ AMG to Naples and the non-availability of the necessary transport, this tour had to be postponed. I hope however that it will be possible to make it during January 1944.

3. Extension of Property Control.

By General Order No. 16 of AMG dated 7 Dec 43, the provisions of Article IV of Proclamation NO. 6 were extended to the property of all the United Nations, in accordance with the provision contained in Section 5 of Article IV of Proclamation No. 6. The Order, which is applicable to Regions I and II, became effective on the date of its first publication therein. At the end of the month under review, authority was received from AFHQ to extend the same Article to the property of the French Government and its Nationals, and the requisite order has been drafted for signature of the C.C.A.O.

REGION I

4. Real Estate.

(A) Allied Property.

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3 below. The work at Headquarters during the month under review was somewhat intermittent owing to the uncertainty as to future developments, and to the moves involved in the division of AMG ACC HQ between Naples, Palermo and Brindisi, which made it difficult to reach decisions on policy, e.g., with regard to the Bronte Estate (see below - para 4).

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REGION I

4. Real Estate.

(A) Allied Property.

Further Allied Property has been taken into custody, particularly in the Province of Messina, where the A.C.P. Lieut. Beeson (B), has taken custody of a further 20 properties. In many cases it has been found that a legal representative of the owner is present, and where this is so, the property has been left in his hands.

The question of the legal ownership of the Bronte estate (see para 3 (a) of my report for August 43) has again been raised with the Legal Division with a view to re-establishing Viscount Bridport's title thereto, either by

(1) An order of the G.C.A.O. confirming the annulment of the decree of expropriation by virtue of Article IV of Proclamation No.6, or

(ii) Negotiation with the Italian Government.

The matter was raised as one of urgency, in view of the imminent handing over to the Italian Government, but no reply has yet been received.

As mentioned in para 4 (a) (iv) of my report for Sept 43, the Ente di Colonizzazione del Latifondo Siciliano (E.C.L.S.), while in possession of the Bronte Estate, entered into certain contracts for the cutting of timber, in particular with the firm of Mineo and Rizzo. Their contract has now been formally terminated by an agreement between all parties concerned, that is to say, E.C.L.S., Mineo and Rizzo, and R.C.P. Region I. In the result, E.C.L.S. is absolved from any further liability under the original contract, whilst a considerable quantity of timber and charcoal has been made available to Civilian Supply. Further timber which had been requisitioned by the Italian Military authorities, cut but not taken away, has also been made available to the same Division. The Bronte Estate continues to be administered by Signor Modica. Its general operation is proceeding satisfactorily, and a considerable cash surplus is in hand as the result of the trading during the past three months. The question of the disposal of the orange crop is however a serious one, and every effort is being made to find a market for it at a reasonable price.

As regards all Allied properties which were administered by the Bank of Sicily as sequestrator, and are now administered by it on my behalf, the Bank is furnishing full accounts up to 30 Nov 43, and has been instructed to render similar accounts at two-monthly intervals.

The question of providing funds for (a) maintenance and management, and (b) essential repairs to war damaged buildings, to which I referred in para 3(A) of my report for November 43, is still unsettled. The Acting Chief of the Military Government Section at AFHQ has ruled that though AMFA is empowered to make loans, including loans to individual persons, "a mere unilateral expenditure for the benefit of some absent owner is not a loan", and therefore the funds required for the above purposes cannot be made available by AMFA. In the circumstances, the matter will be taken up with the Italian Government with a view to their providing the necessary monies, seeing that under the conditions of armistice they are bound to take such steps as the United Nations may direct to safeguard the persons and property of foreign nationals. In the meanwhile, properties which should be repaired if funds were available, in particular the Whitaker property Villa Cavour in Palermo, are deteriorating by reason of the wet weather.

Time has not permitted any positive action with regard to properties coming within the provisions of General Order No.16 referred to in para 2, apart from the initial step of instituting enquiries with a view to obtaining full particulars of the same.

Property of Mr. J.R.M. Fell, H.M. Consul, Madrid.

Orders were received by Mr. Bell, the representative in Palermo of the Ministry of War Transport in London on December 26th, instructing him to arrange for the effects of Mr. J.R.M. Fell, H.M. Consul, Madrid, who until the rupture of diplomatic relations between Italy and the U.K. had been H.M. Consul in Palermo, to be shipped to Madrid. These effects had been taken into custody by me in August 1943. Among these was a motor car, which I requisitioned for the use of this Sub-Commission on 12 Nov 43, as the staff car allotted to me had been assigned to other duties. About 15 days later Lt. Col. Brown, G-4, HQ AGOT, informed me that the car was urgently needed for temporary duty by the Public Safety Sub-Commission, and I agreed to surrender it on condition that it should be returned to my safe keeping when the move of the main body of AMG ACC HQ to Naples had been completed. I was informed by G-4 that this car had been

solved from any further liability under the original contract, whilst a considerable quantity of timber and charcoal has been made available to Civilian Supply. Further timber which had been requisitioned by the Italian Military authorities, cut but not taken away, has also been made available to the same Division. The Bronte Estate continues to be administered by Signor Modica. Its general operation is proceeding satisfactorily, and a considerable cash surplus is in hand as the result of the trading during the past three months. The question of the disposal of the orange crop is however a serious one, and every effort is being made to find a market for it at a reasonable price.

As regards all Allied properties which were administered by the Bank of Sicily as sequestrator, and are now administered by it on my behalf, the Bank is furnishing full accounts up to 30 Nov 43, and has been instructed to render similar accounts at two-monthly intervals.

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(B) Enemy State Property (Italian).

Discussions have taken place during the month under review on the general question of the internal administration of E.C.I.S., referred to above, and a list of the staff has been submitted to the Prefect of Palermo for checking.

Many of the "Borghi" belonging to E.C.I.S. are at present deserted, and measures have had to be taken for their protection. They were badly pillaged in the early days of the occupation.

The cash resources of E.C.I.S. are now exhausted, and the general financing of this concern is being considered in the light of the essential work which is necessary for the conservation of its properties.

(C) Property of Fascist Organizations.

The liquidation of Fascist organizations, to which I referred in para 3 (c) of my report for November 43, is now well in hand, Judge Griscuoli having been appointed chief liquidator, with his office in Palermo. Sub-liquidators have also been appointed to assist him. Questions as to the general policy to be followed have in most cases been decided, and it is intended to make as much use as possible of the Intendenza di Finanza, so avoiding the employment of extra staff.

G.I.I. and Dopelavero property has been transferred to Prefects of the various Provinces under the supervision of Public Welfare, but questions of policy are still under consideration and no decision has yet been reached regarding the disposal of bank balances.

(D) Abandoned Property.

The general scheme for dealing with abandoned property (see para 4 (d) of my report for Sept 43) is now in full operation throughout Region I. In the case of abandoned properties which have been taken into custody, arrangements are being made for the appointment of "curatore", who will take over the administration.

5. Industrial and Commercial Concerns.(a) Borab Bros.

The policy of keeping sales down to the minimum necessary to defray expenses has been continued. Sales carried out during the period of administration by the C.P. show a large profit. Audit of the accounts for the year 1943 and preparation of inventory and balance sheet was being carried out by Capt. Sirota, with a view to establishing the shortages referred to in my previous reports for September and October 1943. Unfortunately Capt. Sirota was compelled to leave his audit uncompleted owing to his transfer to Naples. After examination of the accounts the future operation of this business will be considered, and certain economies are contemplated by the C.P.

(b) L'Insulare.

As a result of the preliminary examination of this concern, Controller of Property has taken the property into custody in the interests of the British shareholders. The original contract made with Messrs. Spero has been ratified for the current year. Certain assets (cash and securities) have been earmarked to cover undistributed dividends due by the company to the British shareholders.

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- (a) care and maintenance - costly and unsatisfactory.
- (b) operation on our account - at present time speculative, with considerable risk of substantial loss due to divers causes.

(c) A.G.I.P.

The general process of completion of records has been continued. The Vice-President of C.I.P., the organization formed on the mainland to take over rationing and distribution of oil products, under the direction of AFHQ Petroleum Section, is now in Sicily in process of re-organizing and co-ordinating the plant and installations of A.G.I.P. on basis of control of C.I.P., who are operating all oil installations in Italy under direct control from AFHQ.

There still appears to be some considerable divergence in methods adopted in the Provinces in the handling of oil products, and to eradicate this appears to necessitate certain instructions from AFHQ. This confirmation defining the exact powers of C.I.P. is in process of being obtained.

(d) Corriere di Sicilia.

The control of this paper has continued on lines laid down in report Controller of Property November 1943. Certain investigation of accounts has been carried out, as a result of which certain staff changes have been made. The question of ownership has been examined, and a full report is to be submitted to R.L.O. for consideration. There is little doubt that the property was Fascist Property at date of occupation, obtained by typical Fascist methods.

(e) Asphalt Mines - Ragusa.

As a result of consultation with Avv. Carlini, the legal advisor to the British interests, and now Prefect of Ragusa Province, it was decided that the most important question was to re-establish immediately the mining concessions of the English Companies, although Proclamation No. 6, Article IV, Subsections 3 and 4 does affect this it was considered necessary to have an Order prepared defining the position, and have the Register in the Tribunale Civile in Ragusa adjusted. This order has now been prepared. It was further decided that to avoid any possibility of "the conflicting interests" factor, Signor Moy should not be appointed to administer the British interests (he already representing A.B.C.D. under Order No. 67), but a nominee be appointed who should delegate the technical operation of the English plant to Signor Moy. This is now in course of being effected. The proposal of a lease of the English interests to A.B.C.D., mentioned in my report for November 43, has now been abandoned, owing to the Italian law on the subject under which the rights under the concession might be jeopardised. Arrangements have now been made for Controller of Property to visit Ragusa, examine the situation and arrange for purchase of English rock by A.B.C.D. (who have now arranged finance), the price to be fixed by Controller of Property, who will take expert advice before doing so. In this way I have ensured that the "capital" assets of the English companies have been recognized with the return of the concessions. The mines will be operated equitably by Signor Moy, and as from date of agreement, all rock extracted will be paid for and lodged for credit of English interests. Records of all previous mining etc from date of sequestration will be retained by Controller of Property, pending the arrival of the competent authority to deal with the claim.

6. Semi-statal Institutions.(a) Unione Militare.

Sales have continued in both Palermo and Messina branches on prescribed lines. The usual checking of accounts has been continued.

(b) E.N.I.C.

The general work of repair and re-opening of ENI offices has been continued.

1178

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(b) E.M.I.C.

The general work of repair and re-opening of ENIC Cineras has been continued. During the month the Rex Cinema in Ionia was re-opened and is now doing excellent business. The Reale in Catania is due to open shortly, the repairs having now been completed. The "contribution" by ENIC of Lire 160,000 (covered by set off against any payment which may be received from Italian Government for War Damage or any increase in rental) should be covered in two months trading. The present lease expires in 1950. The projected repairs to Cineras Nazionale and Supercinema have had to be deferred owing to difficulties in obtaining

- 5 -

18
release from requisitioning authorities, who still have further use for part of these premises. INIC has functioned very successfully during the month under the enthusiastic leadership of Signor Rallo. Accrued profits during just over three months of trading now amount to over Lire. 1,000,000. The general policy of progressive recreational entertainment is being continued, always, it should be mentioned, with the full approval and backing of P.W.B.

7.

REGION II

7. The work of this Region has devolved solely upon Major Meader (A), as his former assistant, Lieut. Sbrolla, has been transferred to the Electricity Sub-Commission of A.C.C. Further, Major Meader has been handicapped by reason of communications, transportation and clerical staff being scarce or non-existent. All Allied properties have however now been inspected, and formal custody of the three important villas in Salerno Province, namely "Rufolo", "Cimbrone" and "Rondinaio" has been taken.

Blocked accounts of Allied Nationals have not yet been taken over, as full returns are still awaited.

In this Region, the liquidation of Fascist organizations is being carried out through provincial committees.

Owing to the presence of troops and previous depredations in Cotrone formal custody has been taken of two French properties there, in order to ensure their protection.

C.P reports that there are twenty or thirty enemy aliens (German, Hungarian, etc) residing in Salerno Province.

7 January 1944.

USA
C. R. S. HARRIS,
Lieut-Colonel,
Director of Property Control.

17

091342A
~~Form 13-1~~

N-1246

RAD

Signal Corps, United States Army
Telegram**Received at****CONFIDENTIAL**PENINSULAR BASE SECTION
SIGNAL MESSAGE CENTER10 JANUARY 1944

CONFIDENTIAL

ROUTINE

TO (ACTION) : CG PBS TO FARGO

(INFORMATION) : NONE

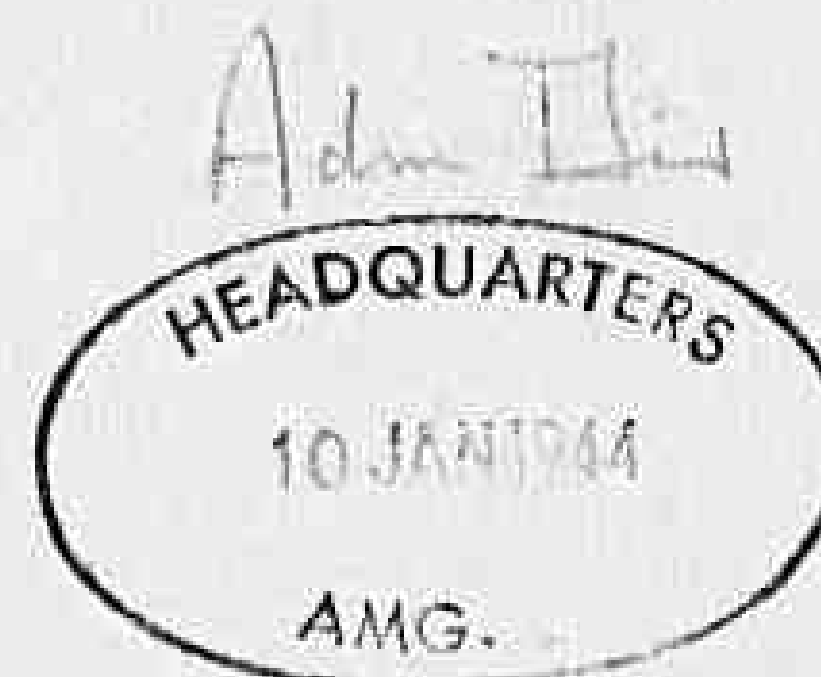
FROM : SIGNED CINC

DATE TIME SIGNED: 081756A

DATE TIME REC'D : 091342A

REFERENCE NR. : 25701

CITE : FHMGS



ANSWER 6 FARGO 149 IS THAT PROTECTION OF FRENCH
GOVERNMENT PROPERTY IS ALSO AUTHORIZED WITHIN MEANING OF OUR
CABLE OF 23 DECEMBER.

DOWN GRADED
TO
UNCLASSIFIED

Col. Inf.
Chief of Staff Officer
for Chief

FORM #1B-A

CONFIDENTIAL

CRYPTO

8634

994

Property Control

To: Lt. Col. Wilmer, D.C.L.O.

From: Major Parker

Date: 8 Jan. 44

Subject: Extension of provisions of Proclamation No. 6, Art. IV, to French property.

Facts: It is proposed to treat French property in the same manner as the properties of the United Nations are treated under Proclamation No. 6, Article IV.

Question: Will this require further authorization; and, if so, from whom?

Conclusion: That further authorization from, or on behalf of, the commanding general of the occupying forces will be required.

Argument: Section 5 of said Article IV provides that the said article "may be applied by General or Special Order of the chief civil affairs officer ++ to the property situated in the Occupied Territory ++ owned by any Government or any national of any of the United Nations ++". France, not being one of the United Nations, the provisions of said Article IV cannot be extended to French property pursuant to said Section 5. There is no similar provision for properties of other nations. Hence some amendment or supplement to said Proclamation No. 6 will be required to authorize the extension of such provisions to such property.

In occupied territory all powers of government, including the power to protect and conserve public and private property, rest

16

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Argument: Section 5 of said Article IV provides that the said article "may be applied by General or Special Order of the chief Civil Affairs Officer + + to the property situated in the Occupied Territory + + owned by any Government or any national of any of the United Nations + +". France, not being one of the United Nations, the provisions of said Article IV cannot be extended to French property pursuant to said Section 5. There is no similar provision for properties of other nations. Hence some amendment or supplement to said Proclamation No. 6 will be required to authorize the extension of such provisions to such property.

In occupied territory all powers of government, including the power to protect and conserve public and private property, rest in the commanding general of the occupying forces who is also the military governor. A clear statement of this principle is the following from "Notes on the military Government of Occupied

Enemy Territory (2nd Edition) Part I, c. Division 11: "The power of the Commander" (of the occupying army) is absolute, ++. The commander himself is, of course, answerable for all his acts to his own government ++ and if his conduct does not meet with their approval in this or any other respect, he may be removed from his office or have other disciplinary action taken against him. But as long as he remains in office, his power in the occupied territory is unlimited ++. FM 27-5, Sec. 5, expresses the same point of view as follows: "++ full legislative executive and judicial authority is vested in the commanding general of the theater of operations. By virtue of his position he is the military governor of the occupied territory and his supreme authority is limited only by the laws and customs of war ++ and by such instructions as he may receive from higher authority." Similarly FM 27-10, Sec. 6, states as follows: "So far as the United States forces are concerned military government and martial law are exercised by the military commander under the direction of the President, as Commander in Chief of the Army and Navy." In accordance with the above, Proclamation No. 1 provided, in subdivision I, as follows: "All powers of government and jurisdiction in the occupied territory ++ are vested in me as General Officer Commanding and Military Governor, and the Allied Military Government of Occupied Territory is established to exercise these powers under my direction."

++ is submitted, therefore, that it follows that to extend the provisions of said Proclamation No. 6 to French property will require further action by the Commander in Chief of the occupying forces. This action could be in the form of a new proclamation; an amendment to Proclamation No. 6, Art. IV, Sec. 5; a General or special order; or a directive. But some such action would be required to be

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14

PARGO 149

14

PARGO

CONFIDENTIAL

ROUTINE

7 JANUARY 1944
Lt. Col.
10050 R.H. WILSON

MISSION FOR WGS

FRENCH PROPERTY IS YOUR TELEGRAM AUTHORIZING PROTECTION
OF FRENCH PROPERTY TO BE DEEMED TO AUTHORIZE PROTECTION OF PROPERTY OF
FRENCH GOVERNMENT AS WELL AS THAT OF FRENCH NATIONALS IN YOUR REFERENCE
JOB ONE YOUR LETTER DATED 17 MAY SEVEN DECEMBER LAST

Confidential

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TO
UNCLASSIFIED

Action on
for
PPG/6005/PC

Col. Inf.
for
Officer. 13

PARCO 249

(13)

PARCO

7 JANUARY 1944

CONFIDENTIAL

10050 LT. COL.
R. H. WIDMER

ROUTINE

Confidential

PARCO FOR ME (ACTION)

PARCO PROPOSED TO BE YOUR TELEGRAM ATTACHMENT PROTECTING
OF PARCO PROPERTY TO BE DATED TO INTEREST PROTECTION OF PROPERTY OF PARCO
CONSEQUENT AS WELL AS THAT OF PARCO RATIONALLY TO PARCO PARCO PARCO PARCO TO
PARCO FOR ME TO BE PARCO ONE FOUR FIVE TO YOUR PARCO FOR ONE FOUR
THREE DATED TWENTY SEVEN DECEMBER LAST

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Letter on File
6005/PC

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27

Gen. Inf.

Chief, Dental Center.

Chief Civil Affairs Officer.

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HEADQUARTERS,
ALLIED MILITARY GOVERNMENT,
15 ARMY GROUP

SECRET

AMG/56/8.

22 December 43.

AMG 15 Army Group Administrative Instruction
No. 6.

INSTRUCTIONS TO S.C.L.O.'s and C.C.O.
ON PROPERTY CONTROL.

Confidential

1. Upon arrival in any provincial capital or any city of substantial population or importance you will direct the Prefect or Podesta to prepare and submit to you promptly, in duplicate, a list of all property owned by British or American Governments or their Nationals, or by enemy Governments or their Nationals. The list will be typewritten in duplicate on the form made available herewith. You will simultaneously instruct the Prefect or Podesta to cause a "Notice" signed by you to be posted in a conspicuous place on properties owned by the British or American Governments or their Nationals, and enemy state property. (This shall not include property of the Italian Government). A supply of such Notices is herewith made available.
2. Upon receipt of the lists you will retain one copy and forward the other through channels to the Controller of Property, AMG, 15 Army Group. It is recognised that you will not have time personally to undertake the posting or listing of properties, nor provide close supervision, and that there should be the responsibility of the Italian officials upon whom you must rely. If any property so listed appears to you to have substantial value or is culturally or otherwise of an unusual nature, you will personally inspect it as soon as opportunity permits and submit a report through channels to the Controller of Property, AMG 15 Army Group. If property consists of perishable commodities and no representative of the owner is present to protect or dispose of the same, you will direct the Prefect or Podesta to cause it to be sold for the owner's account at public sale. If such property consists of food or articles which may be required by the Army, or Civil Supply Division, opportunity should be afforded them to purchase or requisition it.
3. If any branch of the Armed Forces desires to occupy any premises which have been posted you will consent to such occupancy but will request that an officer of the occupying unit furnish you an inventory, in duplicate, of the property, a proper requisition order, and agrees to notify you when the occupancy ceases. The inventory should be checked by the Italian official as quickly as possible after occupancy ceases and discrepancies noted. The original inventory, requisition order, and list of discrepancies will be submitted to Controller of Property. If a caretaker for the property is available, arrangements should be made with the military unit desiring occupancy to permit the caretaker to remain if consistent with military security. You will endeavour to allocate properties to military personnel who will cause a minimum of damage to the property.

- 

- Chief of Police
New York City
New York

Deputy Chief of State, Office of the
Deputy Chief of State, Office of the

—CHIEF,
MAYAGUEZ OFFICERS.

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679.

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HEADQUARTERS,
ARMED MILITARY GOVERNMENT, R 114
15 ARMY GROUP

SECRET

+++++

AMG/56/7.

22 December 43.

AMG, 15 ARMY GROUP ADMINISTRATIVE INSTRUCTION No. 5.

CONTROLLER OF PROPERTY.

The duties of the Controller of Property H. Q., AMG, 15 Army Group, shall be divided as follows:-

- (a) Army Areas: Duties and responsibilities of the Controller of Property in Army areas under the control of C.C.A.O., AMG, 15 Army Group.
- (b) Regional Areas: Duties and responsibilities of the Controller of Property in areas covered by Regions under the control of C.C.A.O., AMG, 15th Army Group.

I Confidential

ARMY AREAS.1. DUTIES.

- (a) Prepare directives and instructions for issuance through channels to the C.A.O.'s operating in the field on all matters affecting property control.
- (b) Advise and make recommendations to C.C.A.O. on all matters affecting property control.
- (c) Keep and maintain a central registry of all property taken under control.
- (d) Exercise personal supervision and control over properties which in the opinion of the C.C.A.O. or Controller of Property require special attention.

2. SCOPE OF PROPERTY.

- (a) Controller of Property will be responsible for the control of:-
 - (i) Property owned by the Government of the United States or by any of the British Commonwealth of Nations, or of the nationals thereof, sequestered by the Italian Government.
 - (ii) Enemy state property (not including state property of Italian Government), not in custody of some other branch of the armed forces.
 - (iii) Such abandoned property or property belonging to absentee owners of which no representative can be found in the occupied territory, as the C.C.A.O. shall direct or as the Controller of Property considers necessary.
- (b) The Controller of Property shall also take into his control when directed to do so by the C.C.A.O.:-

1192

- (a) Army Areas: Duties and responsibilities of the Controller of Property in Army areas under the control of C.C.A.O., IAC, 15 Army Group.
- (b) Regional Areas: Duties and responsibilities of the Controller of Property in areas covered by Regions under the control of C.C.A.O., IAC, 15th Army Group.
- I
Confidential
ARMY AREAS.
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- (b) Advise and make recommendations to C.C.A.O. on all matters affecting property control.
- (c) Keep and maintain a central registry of all property taken under control.
- (d) Exercise personal supervision and control over properties which in the opinion of the C.C.A.O. or Controller of Property require special attention.
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(i) Property owned by the Government of the United States or by any of the British Commonwealth of Nations, or of the nationals thereof, sequestered by the Italian Government.

(ii) Enemy state property (not including state property of Italian Government), not in custody of some other branch of the armed forces.

(iii) Such abandoned property or property belonging to absentee owners of which no representative can be found in the occupied territory, as the C.C.A.O. shall direct or as the Controller of Property considers necessary.

(b) The Controller of Property shall also take into his control what directed to do as by the C.C.A.O.:-

(i) Any property the control of which is in the opinion of the C.C.A.O. essential to the needs of Allied Forces or the inhabitants of occupied territory.

(ii) The property of any person, company, institution or body whose activities are deemed by the C.C.A.O. to be prejudicial to the safety of Allied Forces, public order, or the fulfilment of war aims.

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UNCLASSIFIED

(iii)...../
Col. (iii)

Chief of Staff
for Chief of Staff Officer.

180.

-2-

- (iii) Property owned by any government or any of the nationals of any Government allied with the governments of the United States and British Commonwealth of Nations in the common prosecution of the war.

3. PROCEDURE IN EXECUTING DUTIES.

Operating through C.A.O.'s in the field under instructions issued to them by H.Q., A.W.G., 15 Army Group, the Controller of Property shall:-

- (a) Procure lists of allied and enemy state properties together with valuation and other minimum information.
- (b) Have necessary notices posted.
- (c) Obtain lists and reports.
- (a) Make periodical inspection.

4. PERFORMANCE OF DUTIES.

- (a) Upon receipt of the necessary information from C.A.O.'s, the Controller of Property shall maintain proper records of property taken into his control in such form as to facilitate the transfer of such records to any successor echelon of control. Such reports and records shall be classified and segregated as between or among provinces and the following classes of property:-

- (i) Residential or farm properties.
- (ii) Commercial and business undertakings.
- (iii) Bank deposits, credits and intangible assets.

The Controller of Property shall not be responsible for obtaining or preparing detailed inventories, but his records shall show the general physical condition of the property, and whether occupied by armed forces. The Controller of Property shall, so quickly as possible, take personal supervision of property which requires control, care and maintenance.

The Controller of Property shall arrange with Public Safety Division for the proper guarding and protection of property and shall arrange for the posting of notices as additional protection.

5. PREPARATION AND APPROVAL OF NOTICES.

All notices shall be approved by the Legal Division prior to submission to the C.C.I.O. for approval.

II

REGIONAL AREAS.

When territories previously under the control of 15 Army Group pass to AMG Regions under the control of C.C.I.O., 15 Army Group, the Controller of Property shall:-

1. DUTIES.

- (a) Prepare directives and instructions.

1194

(b) have necessary resources posted

- (c) Obtain lists and reports.
- (d) Make periodical inspection.

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- (ii) Commercial and business undertakings.
- (iii) Bank deposits, credits and intangible assets.

The Controller of Property shall not be responsible for obtaining or preparing detailed inventories, but his records shall show the general physical condition of the property, and whether occupied by armed forces. The Controller of Property shall, so quickly as possible, take personal supervision of property which requires control, care and maintenance.

The Controller of Property shall arrange with Public Safety Division for the proper guarding and protection of property and shall arrange for the posting of notices as additional protection.

5. PREPARATION AND APPROVAL OF NOTICES.

All notices shall be approved by the Legal Division prior to submission to the C.A.O. for approval.

II

REGIONAL AREAS.

When territories previously under the control of 15 Army Group pass to IAC Regions under the control of C.A.O., 15 Army Group, the Controller of Property shall:-

1. DUTIES.

- (a) Prepare directives and instructions for issuance through channels to Regional Controllers of Property on all matters affecting property control.
- (b) Advise and make recommendations to C.A.O. on all matters involving policy determinations affecting property control.

(c)...../

-3-

- (c) Exercise personal supervision over property control activities in the Regions to the extent necessary to assure uniformity of policy and records.

2. PERFORMANCE OF DUTIES.

In the performance of his duties the Controller of Property shall be guided by General Administrative Instruction No. 10, A.M.G. Manual, so far as the same is not inconsistent herewith, and by the Proclamations and Orders made by or under the authority of the Military Governor. Any reference to enemy state property or para-statal undertakings does not apply to property of the Italian Government or the para-statal undertakings thereof.

/JG.

[Signature]
Deputy Chief Civil Affairs Officer.

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8

HEADQUARTERS
ALLIED MILITARY GOVERNMENT.
ADMINISTRATIVE DIRECTORATE.
APO 512

ERC/wh. (3)

AG 140.2

RS/14

20 November 1945.

SUBJECT: Financing of Property Maintenance.

TO: Economic Directorate. (2)

1. Certain questions of a financial nature connected with the Controller of Property Sub-Commission have recently arisen over Allied Property. Two of the principal questions which required an immediate decision as to policy are:-

- (a) The method of arranging for the necessary funds
 - (i) to effect necessary repairs to damage sustained through bombing,
 - (ii) to meet general expenses of property maintenance when income received is not sufficient to pay outgoings.
- (b) The question as to whether payment shall be made and if so, at what rates to Banks and other such organisations for their services, in cases where they are appointed managers of property by the Controller of Property, A.M.G.

2. In order to lay before the P.Cof S. the views of those immediately concerned in these matters, and to put forward a proposal of the policy to be adopted, it is proposed that a conference be held in this office. Representatives of the Finance, Controller of Property and Legal Sub-Commission, and Administrative Directorate to attend.

3. Will you please advise whether you agree and whether 11.30 hrs. 22 November 1945 is a convenient time for your financial representative to attend.

R. A. Crisp
R. A. CRISP,
Lieut. Colonel,
for Administrative Director.

Copies to: Deputy Chief of Staff.
Legal Sub-Commission.
Property Control Sub-Commission.

Conf. held?

Subject: Division Interviews and functions of C.P.

To: ALL S.C.A. On Reg. Heads of Divisions.

6062/CP.

AMCOT HQ SICILY

28 September 1943

There would appear to be considerable misunderstanding as to the precise functions of the Controller of Property, and your attention is directed to Proclamation No. 6, in which such functions are clearly defined.

It should be particularly noted that the Controller of Property is not concerned with the following matters :-

Requisitioning.
Billeting, whether of Army or Civilian personnel.
Damage to properties belonging to local inhabitants.
Compensation for War Damage.
Claims and hirings.

The above matters have in many cases been referred to the C.P. or his assistants, with a consequent loss of time.

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		AMCOT 5th Army Region 2	(10)
		R.G.S., A.F.H.Q.,	(12)

CHARLES W. SPOTFORD,
Col., C.S.C.
Chief Staff Officer.

SECRET
MOST SECRET

A.H.C.O.T.

PROPERTY CONTROLLER

Confidential

1. DUTIES.

The duties of the C.P. will be the following:-

- (a) The C.P. will be responsible for the custody of:-
 - (i) Property of Allied Governments or nationals sequestered by the Italian Government.
 - (ii) Enemy state property in custody of some other branch of the Allied Forces.
 - (iii) Such abandoned property or property belonging to absentee owners of which no representatives can be found in the Occupied Territory as the C.C.A.O. may direct.
- (b) He may also be required to take into his control, when directed to do so by the C.C.A.O.:-
 - (i) Any property the control of which is in the opinion of the C.C.A.O. essential to the needs of the Allied Forces or inhabitants of the Occupied Territory
 - (ii) The property of any person, company or institution whose activities are deemed by the C.C.A.O. to be prejudicial to the safety of the Allied Forces or of public order.
- (c) He will also assist all branches of the Allied Forces to ascertain require and take possession of any enemy State property susceptible of military use which they may require.

For the purpose of (a)(i) above, the term "Allied" will be deemed to include only the U.S., and the British Commonwealth nations, but may subsequently be extended by the C.C.A.O. to include all or any of the other United Nations.

With respect to (a)(ii), the term "enemy state property" includes all property owned, controlled or administered by a state at war with the U.S. or Great Britain and also that of companies, institutions or bodies in which any such state has any substantial interest in which it exercises substantial control.

2. GENERAL DUTIES.

As far as can be ascertained the Italian procedure for dealing with estates of enemy nationals and governments has been to appoint private persons as sequestrators; these sequestrators being obliged to account for the estates under their control.

DOWN GRADERS
TO
ALLIED PROPERTY
NOTIFIED
Col. Inf.
Chief Administrative Officer.

on PM. 215 Aug 71
Conf. Room
Held - Sec. Business

- 1199
- Declassified E.O. 12356 Section 3.3/NND No. 78501E
- (i) Property of Allied Government or nationals sequestered by the Italian Government.
 - (ii) Enemy state's property not in custody of some other branch of the Allied Forces.
 - (iii) Such abandoned property or property belonging to absentee owners of which no representatives can be found in the Occupied Territory as the C.C.A.O. may direct.
 - (b) He may also be required to take into his control, when directed to do so by the C.C.A.O.,:
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With regard to (a)(ii), the term "enemy state property" includes all property owned, controlled or administered by a state at war with the U.S. or Great Britain and also that of companies, institutions or bodies in which any such state has any substantial interest or in which it exercises substantial control.

2. GENERAL DUTY.

As far as can be ascertained the Italian procedure regarding with estates of enemy nationals and governments has been to appoint private persons as sequestrators, those sequestrators being obliged to account for the estates under their control to the Prefect of the Province in which they are situated. In the case of small estates the banks have assumed the function exercised by the sequestrator in the case of larger estates, the tenants of those properties paying their rents to a bank specified by the Prefect, the banks rendering periodical returns as well as paying certain living allowances agreed with the Prefect to any resident owners or their dependents. These are generally referred to as "blocked" estates.

Col. Inf.
Chief of Staff
Officer

DOWN GRADED
TO
ALLIED RECORDS
UNCLASSIFIED

3. In accordance with Article IV of the Proclamation No. 6, P.C. will obtain from Public Officials and/or their nominees who have charge of the sequestered estates of Allied Governments or nationals, records and full description of all properties under their charge. P.C. will formally take custody of these properties, the Declaration of Custody being published in the *ALGER* Gazette. In cases where the sequestrator is, in the opinion of the P.C., a reliable and efficient person, the P.C. will appoint him as his agent for managing the property. In cases where the sequestrator is absent or has been found unreliable, the P.C. will either

- (a) take over the management of the property or
- (b) appoint an agent for this purpose,

Procedure (b) will be followed unless there are special conditions rendering it inapplicable. Where the sequestrator continues in office, it is desirable that the P.C. should not meddle with the detailed administration of the property and his direction should be confined to matters of policy only.

Sequestrators should not, however, be permitted

- (a) to dispose of or contract a charge upon land
- (b) to alter the object or legal form of the undertaking
- (c) to dispose of or liquidate any undertaking
- (d) to dispose of any capital assets except in the ordinary course of business
- (e) to contract new leases without the consent of the P.C. or his assistant.

The former sequestrator if he continues to administer the property on behalf of the P.C., will be entitled to a fee computed on the same basis as his pre-occupation remuneration, unless or until contrary instructions are issued, and the said fee will be a charge against the estate. If another agent is appointed his fee will be agreed with the P.C. on the basis the fee to which the former sequestrator was entitled.

4. In the case of property of Governments or nationals of Allied Nations other than the U.S. and the British Commonwealth of Nations, the Italian regulations regarding sequestration, etc. will remain in force until repealed in whole or in part. If, therefore, the sequestrator of any such property is absent, the P.C. will have to assume responsibility for these properties. He will take them into formal custody and entrust their management to a sequestrator or trustee who will administer them according to the existing regulations. Sequestrators who are present will continue administering the property in their charge under the general supervision of the P.C., until the C.O.A.O. shall direct otherwise.

5. In the case of blocked estates (if any such exist in *HOUSTON*) the pre-occupation practice will initially be rendered impracticable by the closing of the banks and as it is impossible to foresee what banks will be reopened and where, it may be necessary for the P.C. to appoint a Trustee, (e.g. a local lawyer of good reputation) to look after those estates on his behalf, until such time as some bank can resume this function. The fee to be paid to the Trustee which will be a charge against those estates, will be agreed between the P.C. and the Trustee.

6. In all cases the P.C. will either make an inventory of the property on assuming custody or check the

Procedure (b) will be followed unless there are special conditions rendering it inapplicable. Where the sequestrator continues in office, it is desirable that the P.C. should not meddle with the detailed administration of the property and his direction should be confined to matters of policy only.

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5. In the case of blocked estates (if any such exist in HOLLAND) the pre-occupation practice will initially be rendered impracticable by the closing of the banks and as it is impossible to foresee what banks will be reopened and where, it may be necessary for the P.C. to appoint a Trustee, (C.S. & local lawyer of good reputation) to look after these estates on his behalf, until such time as some bank can resume this function. The fee to be paid to the Trustee which will be a charge against these estates, will be agreed between the P.C. and the Trustee.

6. In all cases the P.C. will either make an inventory of the property on assuming custody or check the inventory furnished by the sequestrator. This inventory, which will include a description of the condition of the property, will be agreed with the future agent or Trustee appointed by the P.C.

7. All expenses for maintenance of Allied property taken in custody by the P.C. will be charged against the estates in question and normally the P.C. will not be permitted to employ public funds for this purpose unless expressly authorized to do so by the C.F.O. However, in cases of emergency where action has to be taken before there is time for obtaining authority from the Finance Division, the P.C. or his subordinate officer may expend a sum not exceeding.....in protecting any particular piece of

Allied property which in his opinion is of such sufficient value to render the ultimate recovery of the sum expended reasonably secure.

8. It will be possibly found that some owners of sequestered estates are still resident in HERRITAGE and that in the past the sequester allowed them a bare living allowance out of the Estate Income. It can be anticipated that pending the return to them of their property, they will ask for either an increased living allowance by reason of the increase in cost of living or the payment to them of the whole of the estate income. In these cases, theoretically, the whole of the income over maintenance, administration and similar expenses can be paid to them but care should be taken to retain a reserve for contingencies particularly where buildings are concerned and where rents will remain practically constant but cost of repairs will possibly be increased three or four-fold.

9. Considerable difficulty may be experienced in the question of allowances to joint owners of the estate some of whom are present and some absent particularly when there is no written agreement between the joint owners as to their interests. In all cases of doubt reference should be made to the Legal Division.

10. In cases where owners are present in O.T. and claim for the restoration of their property this should not be returned to them until their title has been verified by the Legal Division.

11. On the outbreak of war, enemy owned companies or businesses were placed by the Italian government under the control of a chief sequester resident in Rome who appointed local deputies to exercise this function. In assuming custody of the property of Allied companies it should be noted that the case of Allied Companies undertakings whose assets have been sequestered may present some difficulties. Here again a complete and detailed inventory should be prepared. Where these undertakings have been occupied or taken over by any branches of the Armed Forces and are subsequently surrendered by them, it would be advisable, if possible, to ask for their co-operation in protecting Allied property and in compiling an inventory at the earliest possible opportunity (e.g. a petrol depot belonging to an American or British concern which will in the first phase almost certainly have been taken over by D.A.D. S. & T. (P)). Moreover, in this and in other cases it is possible that an enemy company has been authorized by the Italian government to use these installations and a representative of that company should therefore also be requested to assist in preparation of the inventory, if available. Also it would be advisable to check any inventories with those in the possession of the local sequester, if available.

12. P.O. will not, however, be responsible for recording any removal of or damage to property which may have occurred before he has formally taken custody.

13. ENEMY STATE PROPERTY.

Buildings.

- (1) ASSET departments will be responsible for compiling records, inventories, etc. of buildings occupied by them, and their contents. (A form of record is attached in annex). Copies will be filed with the P.O. who will prepare the formal declaration of custody which will be published in the ASSET Gazette. P.O. will be responsible for preparing records of all other estate buildings.

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possibly be increased three or four-fold.

9. Considerable difficulty may be experienced in the question of allowances to joint owners of the estate some of which are present and some absent particularly when there is no written agreement between the joint owners as to their interests. In all cases of doubt reference should be made to the Legal Division.
10. In cases where owners are present in O.T. and claim for the restoration of their property this should not be returned to them until their title has been verified by the Legal Division.
11. On the outbreak of war, enemy armed companies or businesses were placed by the Italian government under the control of a chief sequesterator resident in Rome who appointed local deputies to exercise this function. In assuming custody of the property of Allied companies it should be noted that the case of Allied Companies undertakings whose assets have been sequestered may present some difficulties. Here again a complete and detailed inventory should be prepared. Where these undertakings have been occupied or taken over by any branches of the Armed Forces and are subsequently surrendered by them, it would be advisable, if possible, to ask for their co-operation in protecting Allied property and in compiling an inventory at the earliest possible opportunity (e.g. a petrol depot belonging to an American or British concern which will in the first place almost certainly have been taken over by D.A.D. S. & T. (P)). Moreover, in this and in other cases it is possible that an enemy company has been authorized by the Italian government to use these installations and a representative of that company should therefore also be requested to assist in preparation of the inventory, if available. Also it would be advisable to check any inventories with those in the possession of the local sequesterator, if available.
12. P.C. will not, however, be responsible for recording any removal of or damage to property which may have occurred before he has formally taken custody.
13. ENEMY STATE PROPERTY.
 - Buildings.
 - (i) MGOT departments will be responsible for compiling records, inventories, etc. of buildings occupied by them, and their contents. (A form of record is attached in Annex). Copies will be filed with the P.C. who will prepare the formal declaration of custody which will be published in the MGOT Gazette. P.C. will be responsible for preparing records of all other estate buildings not occupied by MGOT or the Armed Forces except that:
 - (ii) The Advisor on Fine Arts and Museums shall be responsible for the preparation of inventories and records of such properties and shall file copies thereof with P.C. It would seem advisable that this be done before the reopening of such institutions.
 - (iii) C.S.D. will be responsible for compiling records, inventories, etc. of State lands, forests, quarries, mines, etc. not occupied by the Armed Forces and buildings situated thereon. Records will be filed with P.C. who will take formal custody, the declaration of custody to be published in the MGOT Gazette. Such records

to include inventories of all movable property such as furniture, machinery, livestock, growing crops, etc.

14. Properties owned by semistatal enterprises will be treated as State-owned and will be dealt with as above, the various departments of MGOT being responsible for preparing records of all properties occupied by them which will be filed with the P.C. In the case of properties occupied by them over either by the Armed Forces or by any Division of MGOT, the P.C. will be responsible for taking the necessary action.

15. Exchange of Information.

The C.P. will at the earliest opportunity provide the Armed Forces with as complete list as possible of State property which he proposes to take under his custody in order to enable them to occupy or seize such of it as they may require. It would similarly be desirable for branches of the Armed Forces who have occupied or seized State property (other than that of a strictly military nature) to furnish the C.P. with as complete a record as possible including date of occupation and the general condition of the property at the time of taking over.

16. Municipal Property.

Municipal Property is regarded as private property under international law, and as it is contemplated that municipalities as bodies corporate will not be dissolved, municipal property will be treated as private property whose owner is present. The P.C. will therefore not be responsible for taking it into his custody unless specially directed to do so by the C.G., O.O.

PRIVATE PROPERTY.

17. Abandoned Property.

The P.C. will only be required to take such abandoned property under his custody as is considered by the C.G., O.O. to be of importance either to the Armed Forces or to the economic or social welfare of the community.

18. However, it may be felt that there is some obligation on the part of the occupying power to look after the interests of those persons whom they compulsorily prevent by deportation, internment, etc., from looking after their own property. It would therefore be desirable to arrange with the Security branches of the Armed Forces that all internees should be given the opportunity of appointing representatives among the inhabitants of occupied territory with power to look after their property. The most convenient way of doing this would be to draw up in conjunction with a well-known Notary Public a form of power of attorney which would be distributed to O.S.C. internment camps for distribution to internees who wished to avail themselves of this privilege.

It is possible that there may be in the Italian Civil code a provision analogous to that contained in the French code civile under which the courts are empowered to appoint a trustee for abandoned property. If this is so, application may be made to the Procuratore del Re by the P.C. in order to avail himself of this opportunity.

19. In view of the extreme shortage of personnel, the object of the P.C. (except as otherwise directed) should be to hand over the management of estates, properties, etc. to a reliable local firm or person conversant with the type of business in question, subject to the conditions laid down in para. 3 above. The P.C. will, however, take formal custody of such properties and will be responsible for seeing that the agents appointed by him carry out their duties in a satisfactory manner. Cases

with as complete list as possible of State property which he proposes to take under his custody in order to enable them to occupy or seize such of it as they may require. It would similarly be desirable for branches of the Armed Forces who have occupied or seized State property (other than that of a strictly military nature) to furnish the C.F. with as complete a record as possible including date of occupation and the general condition of the property at the time of taking over.

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Municipal Property is regarded as private property under international law, and as it is contemplated that municipalities as bodies corporate will not be dissolved, municipal property will be treated as private property whose owner is present. The P.C. will therefore not be responsible for taking it into his custody unless specially directed to do so by the C.C.A.O.

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19. In view of the extreme shortage of personnel, the object of the P.C. (except as otherwise directed) should be to hand over the management of estates, properties, etc. to a reliable local firm or person conversant with the type of business in question, subject to the conditions laid down in para. 3 above. The P.C. will, however, take formal custody of such properties and will be responsible for seeing that the agents appointed by him carry out their duties in a satisfactory manner. Cases, however, may occur in which the P.C. Division will have to take over the direct management of abandoned estates. Lands and buildings should be leased wherever possible. A form of lease is contained in Appendix A which should be used wherever suitable, the principle feature of which is the clause providing for re-entry being effected under an order of an officer of the Military Court. When fixing the rent, the chief consideration of the P.C. should be the preservation of the property. He should therefore be more concerned to

find a reliable tenant who will look after the property than to find a tenant who will pay a high rent, at any rate in the earlier stages of the occupation. Monies collected as rent may be used in order to effect repairs, etc., and it is important that the P.C. should establish for himself the reputation of a good landlord in order to facilitate the finding of suitable tenants.

20. The P.C. will have the following powers which he will exercise at his discretion, namely:-

- (i) Sell any part of the property which consists of perishable goods, produce, growing crops, stock-in-trade, furniture or other moveable property under his control whose value or physical condition is from its nature likely to depreciate.
- (ii) If the property is capable of being let, to let it.
- (iii) To pay any rates, taxes or other imports due in respect of the property.
- (iv) To pay any mortgage interest or other payments accrued on the property.
- (v) To pay any other sums necessary for the preservation of the property.
- (vi) To raise on the security of the property any sums required for its preservation.
- (vii) To enter into any contract and to execute any legal deed necessary for the exercise of any of the foregoing powers.
- (viii) If the property consists of a business, to carry on the business or to make arrangements for some other person to carry it on.
- (ix) Do all such things in relation to any private property which he takes under his control as would be done if he held a general power of attorney from the owner adapted to the circumstances of the case.
- (x) With the consent of the C.O.A.O. make payments from time to time out of the assets in his control to any dependants of the owner, when it appears that such dependants are without adequate means of support.

21. When the Armed Forces occupy abandoned property; in the case of (a) dwelling houses, hirings and/or U.S. Army Engineers should record dates of occupation and the initial occupying unit should prepare inventories of their contents. They should also, where possible, give some indication of its pre-occupation value. In the case of (b) industrial premises, hirings or U.S. Army Engineers should record dates of occupation and in conjunction with a technical unit, make an inventory of fixed and moveable plant.

22. If any of the moveable plant is seized or requisitioned by any branch of the Armed Forces the branch concerned will be responsible for making a record of the assets so appropriated. Copies of all records mentioned above should be forwarded to P.C. for filing but P.C. will not be held responsible for the accuracy or completeness of these records. C.P. will not be responsible for any property in the occupation of the Armed Forces. He will, however, collate all records supplied to him concerning abandoned property when it is finally derequisitioned. Normally the P.C. will in such cases take formal custody and make arrangements for the private letting of such premises as soon as possible after they have been derequisitioned. He will take an inventory of the contents of the property on derequisitioning but he will not be responsible for recording any damage to or removal of property which has arisen during the period of occupation by the

property under his control whose value or physical condition is from its nature likely to depreciate.

- (ii) If the property is capable of being let, to let it.
- (iii) To pay any rates, taxes or other imports due in respect of the property.
- (iv) To pay any mortgage interest or other payments accrued on the property.
- (v) To pay any other sums necessary for the preservation of the property.
- (vi) To raise on the security of the property any sums required for its preservation.
- (vii) To enter into any contract and to execute any legal deed necessary for the exercise of any of the foregoing powers.
- (viii) If the property consists of a business, to carry on the business or to make arrangements for some other person to carry it on.
- (ix) Do all such things in relation to any private property which he takes under his control as would be done if he held a general power of attorney from the owner adapted to the circumstances of the case.
- (x) With the consent of the C.C.A.C. make payments from time to time out of the assets in his control to any dependents of the owner, when it appears that such dependents are without adequate means of support.

21. When the Armed Forces occupy abandoned property; in the case of (a) dwelling houses, hirings and/or U.S. Army Engineers should record dates of occupation and the initial occupying unit should prepare inventories of their contents. They should also, where possible, give some indication of its pre-occupation value. In the case of (b) industrial premises, hirings or U.S. Army Engineers should record dates of occupation and in conjunction with a technical unit, make an inventory of fixed and moveable plant.

22. If any of the moveable plant is seized or requisitioned by any branch of the Armed Forces the branch concerned will be responsible for making a record of the assets so appropriated. Copies of all records mentioned above should be forwarded to P.C. for filing but P.C. will not be held responsible for the accuracy or completeness of these records. C.P. will not be responsible for any property in the occupation of the Armed Forces. He will, however, collate all records supplied to him concerning abandoned property when it is finally derequisitioned. Normally the P.C. will in such cases take formal custody and make arrangements for the Private Letting of such premises as soon as possible after they have been derequisitioned. He will take an inventory of the contents of the property on derequisitioning but he will not be responsible for recording any damage to or removal of property which has arisen during the period of occupation by the Armed Forces.

23. From the point of view of the P.C.'s responsibility, abandoned industrial and commercial concerns may be divided into three categories:

- (i) small businesses and industrial undertakings of no particular importance in the economic life of the territory.
- (ii) medium or large size businesses and undertakings of interest to the civilian population but not of such a nature as to be taken over by the C.P.

(iii) industrial concerns, etc. of vital interest to (a) the Armed Forces and/or (b) the essential economic needs of the territory.

With regard to (i), P.C. will have no responsibility even of record, except when otherwise directed by the C.C.A.O.

24. With regard to (ii) it is not expected that the number of undertakings of which no representative can be found will be great, but where directed to do so by the C.C.A.O., P.C. should take formal custody, the declaration being published in the *MGOT Gazette*, but his responsibility in the custody of the concern should be limited to making arrangements for leasing it at a rental, but preferably by public tender, but if this is impracticable, by private arrangement. If the previous occupant was only a tenant of the premises and the lease has only a short period to run, then considerable difficulty may be experienced in leasing the premises. Action to be taken will depend upon the terms of the existing lease and conditions existing at the time.

25. When business undertakings are available for lease an inventory should be prepared by the C.P. and copies made available to prospective tenants. Letters and undertakings of this nature are offered to any private lessee, the Armed Forces should be notified of their existence and given a prior opportunity to take them over.

If any unit of the Armed Forces intends to use any premises or works which have come into the custody of the P.C., they should be formally requisitioned from the P.C. A detailed inventory should be made jointly by the P.C. and a representative of the occupying unit and jointly signed. A report by one of the technical officers attached to the C.S.D. should also be prepared.

In cases where letting the business is impracticable, the same should be sold and the premises with the tenant's fixtures where possible let. Industrial undertakings for which no lessee can be found should be placed on a care and maintenance basis. The C.P. has powers to raise loans on the security of the property for this purpose.

26. With regard to (iii), the C.C.A.O. may direct P.C. to take them under his control in which case they will normally be dealt with as indicated in para. 27 below.

27. PRIVATE INDUSTRIAL ENTERPRISES CONTROLLED BY THE P.C.

Private Industrial Undertakings Controlled under the supervision of the P.C.

(i) Businesses furnishing war material useful to the Armed Forces. It is assumed that normally either the owners of these businesses or their authorized representatives will be present, but if this is not the case, the P.C. will take formal custody in the usual manner. If owners are present, he will merely take an inventory of the property taken over. If the property in question is a concern previously occupied by any branch of the Armed Forces, P.C. will ask for the cooperation of the occupying branch in making this inventory, which should be agreed and signed jointly. This inventory should include a list of any articles, machinery, etc. already removed by the Armed Forces. If the business in question has been in actual operation previous to occupation, the manager of the concern would normally be continued in receipt of the property and deemed to be reasonably efficient. The direction will be placed in the hands of a board consisting of (a) one or more members of the different branches of the services

but preferably by public tender, but if this is impracticable, by private arrangement. If the previous occupant was only a tenant of the premises and the lease has only a short period to run, then considerable difficulty may be experienced in leasing the premises. Action to be taken will depend upon the terms of the existing lease and conditions existing at the time.

25. When business undertakings are available for lease an inventory should be prepared by the C.P. and copies made available to prospective tenants. Before any undertakings of this nature are offered to any private lessee, the Armed Forces should be notified of their existence and given a prior opportunity to take them over.

If any unit of the Armed Forces intends to use any premises or fixtures which have come into the custody of the P.C., they should be formally requisitioned from the P.C. A detailed inventory should be made jointly by the P.C. and a representative of the occupying unit and jointly signed. A report by one of the technical officers attached to the C.S.D. should also be prepared.

In cases where letting the business is impracticable, steps should be taken and the premises with the tenant's fixtures where possible let. Commercial undertakings for which no lessee can be found should be placed on a care and maintenance basis. The C.P. has powers to raise loans on the security of the property for this purpose.

26. With regard to (iii), the C.C.S.C. may direct P.C. to take them under his control in which case they will normally be dealt with as indicated in para. 27 below.

27. PRIVATE INDUSTRIAL UNDERTAKINGS CONTROLLED BY THE P.C.

Private Industrial Undertakings operated under the supervision of the P.C.

(1) Businesses furnishing war material useful to the Armed Forces. It is assumed that normally either the owners of these businesses or some authorized representatives will be present, but if this is not the case, the P.C. will take formal custody in the usual manner. If owners are present, he will normally take an inventory of the property taken over. If the property is given over to the previously occupying branch of the Armed Forces, P.C. will ask for the cooperation of the occupying branch in making this inventory, which should be agreed and signed jointly. This inventory should include a list of any articles, machinery, etc. already removed by the Armed Forces. If the business in question has been in actual operation previous to occupation, the manager of the concern would normally be continued if acceptable to Security and found to be reasonably efficient. The direction will be placed in the hands of a Board consisting of (a) one or more members of the different branches of the services interested in the commodities produced; (b) a representative of the P.C.; (c) a representative of the Legal Department; (d) (where appropriate) representatives of the C.S.D.; one from the Supplies Section and the other a technical officer conversant with the type of business concerned; (e) the P.C. or one of his members of his staff, one of whom shall be Chairman. The Board shall have the power to appoint local committees consisting of representatives of such branches or departments as they may deem advisable. A balance sheet should be prepared showing the position of the undertaking at the date of taking control.

(ii) Undertakings, the control of which is vital to the needs of the civil population. These will be dealt with on similar lines to (i) where the circumstances are appropriate. Cases may, however, arise in which an entrepreneur

or a group of business men are willing to carry on undertakings of this character in which case the management will be entrusted to their hands, the function of supervision being assumed by the C.F. who will require them to submit to him personally such reports, accounts and production schedules as he shall deem appropriate. It may nevertheless be found that the undertaking in question cannot be carried on without incurring a loss, in which case the C.F. will arrange with the C.F.O. for the granting of any subsidies which may be necessary to carry the undertaking.

Finally, cases may arise in which the P.C. will not be able to find any entrepreneur willing to carry on the undertaking. He may therefore be directed by the C.C.A.O. to carry it on himself. In such cases it will be his duty to appoint a manager, and when the undertaking cannot be made self-supporting, to arrange with the C.F.O. for the granting of the necessary subsidies.

28. In all cases in which the P.C. takes control of any private industrial enterprises whether the concern is actually to be operated under his control and supervision or not, a balance sheet will be prepared at the earliest opportunity showing the position at the date of taking over by P.C. In cases where an enterprise is initially taken over by the Armed Forces and subsequently transferred to the custody of the P.C., balance sheets should likewise be prepared showing (a) the position as on the date on which the enterprise was taken over by the Armed Forces and (b) the position on the date of transfer. Pending the preparation of this balance sheet, the manager of the Co. should be instructed to make a detailed inventory of stocks and rule off the accounts. Stocks should be brought in at stock or market value whichever is the lower, and the price at which such stock is sold to or requisitioned by Military will be the average pre-occupation lire price. These balance sheets will normally be prepared by the Companies' own employees but if these should not be available, then the P.C. should use his own Italian civilian staff which should include some experienced accountants, capable of this type of work.

29. Where the responsibility for supervising the operation of the undertaking is assigned to a division of AMOT, other than that of the P.C., the operating Division will be responsible for furnishing C.F. with the necessary records upon taking over control in the shape of inventories, balance sheets, etc. and shall periodically submit further records showing what use or disposition has been made of these properties in such form as the C.F. may direct, e.g., if the operating Division should decide to remove any part of the fixed plant or machinery of any property for employment elsewhere, a certificate shall be forwarded to C.F. stating the disposition of the said plant or machinery, the reasons therefor and the book value of the assets transferred.

30. Other Property the control of which is assumed by C.F. on the direction of C.C.A.O.

With respect to the property referred to in 1 (b) (ii), unless such property is handed over to the control of the C.S. or any other Division of AMOT for operation, it shall be dealt with in the manner of the property referred to in Part 24, that is to say, C.F. will either lease it if it consists of real estate or an industrial or commercial undertaking or if this is impracticable, he will place it on a care and maintenance basis, or if the said property consists of moveable property, he will arrange for storage in all cases at the expense of the owner, or if deemed advisable, lease or sell the same.

31. STATISTICAL UNDERTAKINGS.

The term "statistical undertakings" is understood to include all enterprises and institutions not being the absolute property of the State, but in which the State has a substantial interest or exercises substantial control.

appoint a manager, and when the undertaking cannot be made self-supporting, to arrange with the C.F.O. for the granting of the necessary subsidies.

28. In all cases in which the P.C. takes control of any private industrial enterprises whether the concern is actually to be operated under his control and supervision or not, a balance sheet will be prepared at the earliest opportunity showing the position at the date of taking over by P.C. In cases where an enterprise is initially taken over by the Armed Forces and subsequently transferred to the custody of the P.C., balance sheets should likewise be prepared showing (a) the position as on the date on which the enterprise was taken over by the Armed Forces and (b) the position on the date of transfer. Pending the preparation of this balance sheet, the manager of the Co. should be instructed to make a detailed inventory of stocks and rule off the accounts. Stocks should be brought in at stock or market value whichever is the lower, and the price at which such stock is sold to or requisitioned by Military will be the average pre-occupation line price. These balance sheets will normally be prepared by the Companies' own employees but if these should not be available, then the P.C. should use his own Italian civilian staff which should include some experienced accountants, capable of this type of work.

29. Where the responsibility for supervising the operation of the undertaking is assigned to a division of A.M.C.O.T., other than that of the P.C., the operating Division will be responsible for furnishing C.P. with the necessary records upon taking over control in the shape of inventories, balance sheets, etc. and shall periodically submit further records showing what use or disposition has been made of these properties in such form as the C.F. may direct, e.g., if the operating Division should decide to remove any part of the fixed plant or machinery of any property for employment elsewhere, a certificate shall be forwarded to C.P. stating the disposition of the said plant or machinery, the reasons therefor and the book value of the assets transferred.

30. Other Property the control of which is assumed by C.P. on the direction of C.C.A.O.

With respect to the property referred to in 1 (b) (ii), unless such property is handed over to the control of the C.C. or any other Division of A.M.C.O.T. for operation, it shall be dealt with in the manner of the property referred to in para 24, that is to say, C.F. will either lease it if it consists of real estate or an industrial or commercial undertaking or if this is impracticable, he will place it on a care and maintenance basis, or if the said property consists of moveable property, he will arrange for storage in all cases at the expense of the owner, or if deemed advisable, lease or sell the same.

31. SEMI-STATAL UNDERTAKINGS.

The term "semistatal undertakings" is understood to include all enterprises and institutions not being the absolute property of the State, but in which the State has a substantial interest or exercises substantial control.

The P.C. will take formal custody of the property of all such undertakings which have not been taken over by other branches of the Armed Forces, but he will only be responsible for the actual management of such undertakings of this nature as the C.C.A.O. may from time to time assign to his control. Where semistatal enterprises are managed or operated by other Divisions of A.M.C.O.T., his function will be confined to receiving and collecting records of the property taken over, such as inventories, balance sheets, etc. including records of disposal of plant and fixed assets, in the manner prescribed in para. 29 above.

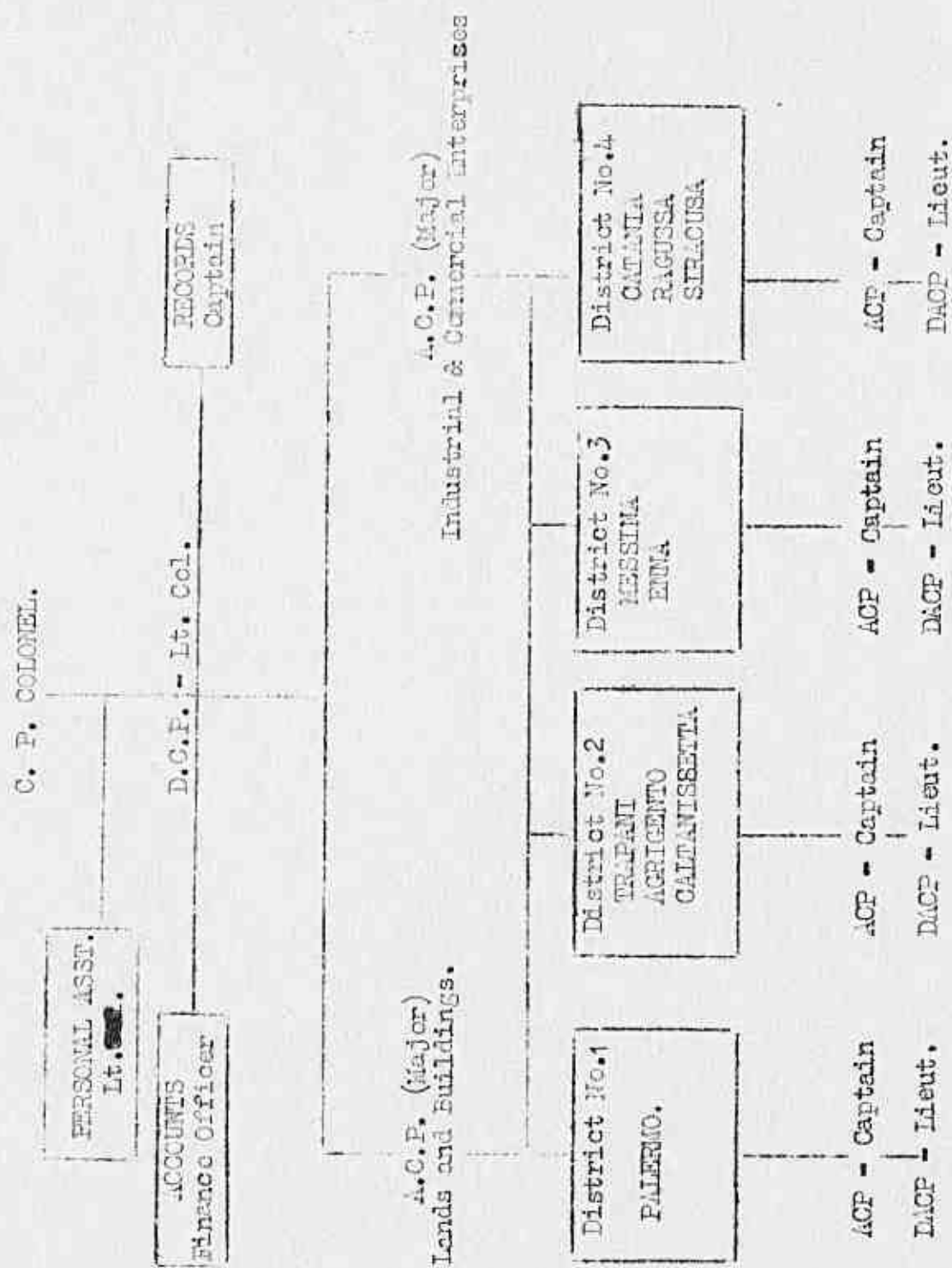
32. In respect of the semistatal enterprises, the control of which is not handed over to other Divisions of MOOT, the C.P. may, as directed by the C.C.A.O., either (a) himself assume the management of the enterprise, or (b) lease the enterprise to a third party, or (c) place it on a cure and maintenance basis. In all cases he will compile careful records of the property taken over, such as inventories, balance sheets, notes on the condition of the property, etc. and in the case of (b) require from the lessee such periodical returns as he may think fit. Should the C.C.A.O. desire that any semistatal undertaking which normally works at a loss, shall be continued to be operated by the P.C. for the benefit of the Occupied Territory, the P.C. will arrange with the C.F.O. for such financial assistance as may be necessary and will report to C.F.O. at frequent intervals concerning the financial position of the undertaking.

33. Any doubt as to the semistatal character of any enterprise will be referred to the Legal Division, e.S., schemes for land improvement, colonization, etc. It may be found that some of them are essentially "mixed" in character, whereas in others the participation of the state is limited to loans and subsidies for specific purposes. The former should be treated as State property, the latter as private, but in all cases decision should be referred to the Legal Division.

34. ORGANIZATION AND PERSONNEL.

The C.P. Division will be divided at HQ into two main Sections, one dealing with real property and the other with industrial and commercial business and enterprises. Each of the divisions will be in the charge of a A.C.P. (Major). Territorially HORRIFIED will eventually be divided into 4 Divisions each in charge of an A.C.P. (Captain) assisted by a Lieut. Records will be collated at the HQ of the Division in a section under a A.C.P. (Captain). This will entail the increase of the existing W.F. and T.O. by 3 Lieutenants.

The attached chart shows the proposed initial layout.



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