

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

785016

ACC

10000/143/692

TREATMENT  
FEB. - NOV. 194

10000/143/692

TREATMENT OF THE PROPERTY OF AXIS NATIONALS  
FEB. - NOV. 1944

1734

Declassified E.O. 12356 Section 3.3/NND

No.

785016

ACC/14070/PS

TREATMENT OF THE PROPERTY OF AXIS NATIONALS

Folio Referred to Date      Folio Referred to Date      Folio Referred to Date

Nov 1      PS      6 Nov.

10000 / 443 / 692

1735

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

785016

TREATMENT OF THE PROPERTY OF AXIS NATIONALS

Folio Referred to Date

Folio Referred to Date

Nov 1 PS 6 Nov.

10000 / 443 / 692

THIS FOLDER

CONTAINS PAPERS

FROM FEB - 1944

TO NOV - 1944

CATALOGUE.

Folio Date Ref. To/From Subject  
 1A/B 21/44 From L.S. Treatment of the Property of Ex-Nationals  
 2A 25/2/44 # Notes to a meeting re property of Enemy Nationals  
 whose countries are not at war with Italy

# MINUTE SHEET

1.

PS.

It is suggested that SA should not be on this file as it concerns  
 the delegation of a power to various persons of which legal should have  
 a record. The originals of SA should go to legal with a copy of SA. Security,  
 of SA can be kept on your file for the sake of completeness

CPS.

6 NOV.

2000

(2)

Legal:

Please see (1) above. Know the original of SA

Copy of 1A.

Thank you  
 W. E. Adams

7/NOV/44

Please Capt  
 for 8/2

W. E. Adams DCA  
 8 NOV 1944

SECRET

ALLIED FORCE HEADQUARTERS;  
APO 512

135

AG 386/119 GBI-0

AF 935

JC/lem

.....  
; SECRET ;  
; Auth: SAC, MT ;  
; Initials ;  
; Date: 3 Nov 1944 ;  
;.....

3 November 1944

SUBJECT : Treatment of Enemy Diplomatic and Consular Property.

TO : Commander-in-Chief, Allied Armies in Italy.  
General Officer Commanding-in-Chief, Eighth Army  
Commanding General, Fifth Army, APO 464.

In cases of urgency and under appropriate circumstances you are authorized to exercise at your discretion the powers of the Theater Commander in respect to enemy diplomatic and consular property as outlined in letter, this headquarters, file and subject as above, dated 4 October 1944.

By command of General WILSON:

(signed)  
H.V. ROBERTS,  
Colonel, A.C.D.  
Adjutant General.

DISTRIBUTION:

- "B"
- 1 - Br Resident Minister
- 1 - US Political Advisor
- 2 - ea addressee
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- 1 - C/S MPO
- 1 - CEIA
- 1 - G-1 (A)
- 1 - G-1 (B)
- 1 - C-2
- 1 - G-3
- 1 - G-4
- 1 - G-5
- 2 - AG Records
- 1 - AG M & D

3900

SECRET

Copy 7/11/44

**SECRET**ALLIED FORCE HEADQUARTERS  
APO 512

CA SECTION

RHF/wp

: : : : :  
 : **SECRET** :  
 : Auth: SAC :  
 : Initials: :  
 : Date: 4 October 44 :  
 : : : : :

4 October 1944

OCT. 1944

8 OCT. 1944

A C C

AG 386/119 GBI-O

SUBJECT: Treatment of Enemy Diplomatic and Consular Property.

TO : All Concerned.

1. The bona fide diplomatic and consular property of enemy governments (including their diplomatic and consular archives) and the property of enemy diplomatic and consular personnel, found in the territory of third powers occupied in the course of hostilities, will be accorded the following treatment:

a. If any such property is in the custody of the protecting power, that custody will be respected in every way.

b. If any such property is not in the custody of the protecting power, it will be safeguarded until such time as the governments represented by the occupying forces may give specific instructions as to its disposition. In such cases, important diplomatic and consular archives may be copied, pending disposition, but not confiscated.

2. This policy with respect to bona fide diplomatic and consular establishments does not preclude the Theater Commander, at his discretion and on his responsibility, from entry and search of premises allegedly diplomatic or consular in character, which he has substantial reason to believe to be, or to have been recently used for clandestine, warlike operations against his own forces, or examination of which he believes to be essential to the security of his own forces, communications, and operations.

3. In the case of property in the custody of the protecting power, the Theater Commander will request the representatives of that power for permission to search the premises. If such permission is refused or unreasonably delayed, however, entry and search by the Theater Commander is not precluded. In all such cases a full report must be rendered to the governments to which he is responsible, justifying the entry and search.

By command of General WILSON:

ACC-DIST  
 Property Control  
 Public Safety Sec  
 Pol. Section  
 Ady.

H. V. ROBERTS,  
 Colonel, AGD,  
 Adjutant General

3904

**DISTRIBUTION:**

"Bu"  
 1 - Br Resident Minister  
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 1 - S/GS, AF  
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1 - CEVA  
 1 - G-1(A)  
 1 - G-1(B)  
 1 - G-2  
 1 - G-3  
 - 1 -

1 - G-4  
 1 - G-5  
 2 - [redacted] records  
 1 - [redacted] & D

**SECRET****SECRET**

2270

**SECRET**

**SECRET**

|              |      |       |
|--------------|------|-------|
| TO           | INIT | DATE  |
| D P S        |      | 12/10 |
| D D P S      |      |       |
| EX OFFICER   |      | 11/1  |
| POLICE       |      | 11/1  |
| FIRE & C. D. |      |       |
| PRISONS      |      |       |

**SECRET**

HEADQUARTERS  
ALLIANCE CONTROL COMMISSION  
Public Safety Sub-Commission

Folio 3A for action/information

C.P.S. .... *PBA*

D.C.P.S. .... *Rm*

Police .....

Prisons .....

Fire & C.D. ....

Regn. & Licensing .....

Adm. Officer .....

Remarks:

PA 6/3

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.....

MINUTES OF A MEETING  
Held at 1100 hrs 25 Feb 44 in Room 75

B/F 14070/PS  
(3A)

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

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

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

The opinion of the meeting was:

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

- 2 To consider what action should be taken with regard to Fascist Property.

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

Col Wilzer: Has AMG power to seize his property?

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

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

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

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

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

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

Lt. Comm Lawler: Yes.

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

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

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

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

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

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

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

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

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

Lt Col Harris: H.M. Government may still want to know why we are not enforcing Art. 28, e-d, of the Armistice Terms.

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

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

NOTES OF A MEETING  
to consider position of Property of Enemy Nationals  
whose countries are not at war with Italy, held at  
1100 hours in Room 75 on 25 February '44.

24

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

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

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

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

Col. Upjohn: The question is a political one.

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

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

Finance is examining existing Italian legislation what machinery is at present available. The question as to whether that machinery should be put into action is Political. The study of the question is not yet complete.

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

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

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

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

Col. Upjohn: Private property of enemy nationals is not seizable but it may be requisitioned. In the U.K. the government took steps to sequester enemy property but in enemy territory the only rights which can be exerted are those

under the Hague conventions. The rights of an occupying army do not allow of the taking over of property. The question is whether Italy should not take steps similar to those which HM government took in the U.K. which would allow of the sequestration of the property of enemy nationals.

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

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

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

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

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

Lt Col Harris: Because of shortage of staff.

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

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

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

Lt Col Harris: They have taken preliminary steps to this and by  
making the decree creating a power to seize German  
property should they follow by taking similar steps with  
regard to satellite or enemy occupied territories.

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

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

Lt. Col Harris: We have not the information. There is quite a lot  
of such property in Southern Italy.

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

Lt Comm Lawler: Yes, we have already acted. All funds are blocked.  
The amount which has been blocked is relatively small-  
about 4 1/2 million Lira.

Lord Stanagate: Can we say that Col. Harris and Mr. Caccia should  
discuss paragraphs 1 to 5, and see if they can come to  
a decision; other Sub-Commissions are not interested.  
Now to deal with "Enemy property in occupied  
territory". The question is whether AGC should act or  
whether the Italian Government should be asked to do so.

Lt. Col Harris: It would be better if Italy acted rather than AGC.

Lord Stanagate: Then the position is that Mr. Caccia should consi-  
der such cases.

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

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

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

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

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

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

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

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

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

Col Upjohn: Syndicates are being reconstructed in Italy.

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

Lord Stanagate: What are the rights of the Allies?

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

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

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

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

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

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

Col Upjohn: The Property Controller will be responsible.

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

3898

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

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

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
Public Safety Sub-Commission

Folic */A-13* for ~~action~~ information

C.P.S. ....

D.C.P.S. .... *RA/27*

~~Police~~ .....

~~Prisons~~ .....

~~Fire & C.D.~~ .....

~~Regn. & Licensing~~ .....

Adm. Officer */A* .....

Remarks:

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.....  
.....  
.....

*Have this file on  
my desk Friday.  
A/M, please.  
PDR.*

*PA 26/2*

*B/F 25/2  
RA megamobile  
23/2*

- 1) What enemy property is normally taken into custody according to the usage of International Law?
- 2) wherein is any difficulty to be encountered in applying the same ~~difficult~~ principle or rule to German owned property in Italy.
- 3) If Italy at war with Germany, all the usual consequences thereof should follow; no more rules.

P.S.K.

HEADQUARTERS  
ALLIED CONTROL COMMISSION  
ACTION SHEET

*Mt. Lemble - 14070  
Treatment of  
Subjects of Axis  
Nationalities*

*21 Feb 1944*  
Date

Suspense \_\_\_\_\_

| FROM                            | TO |
|---------------------------------|----|
| Chief Commissioner              |    |
| Deputy Chief Commissioner       |    |
| Secretary General               |    |
| ✓ ADMINISTRATIVE SECTION        |    |
| Economic Section                |    |
| Reg. Control & M.G. Section     |    |
| Political Section               |    |
| Interior Sub-Commission         |    |
| Public Safety Sub-Commission    | ✓  |
| Public Health Sub-Commission    |    |
| Property Control Sub-Comm.      |    |
| Legal Sub-Commission.           |    |
| Education Sub-Commission        |    |
| Monuments, Fine Arts & Archives |    |
| NAVY Sub-Commission             |    |
| Land Forces Sub-Commission      |    |
| AFB                             |    |
| Telecommunications & Ports      |    |
| War Material Disposal S.C.      |    |
| PRC                             |    |
| Liaison Section                 |    |
| Finance Sub-Commission          |    |
| G-1                             |    |
| G-4                             |    |
| Adjutant General                |    |
| Files                           |    |
| Personnel                       |    |
| Publications                    |    |
| Message Centre                  |    |
| Miscellaneous                   |    |
| Pool of Interpreters            |    |
| Archive & Ref. Library          |    |
| Canteen                         |    |
| HQ. Commandant.                 |    |
| Sub-Commissioners               |    |

NOT:

Signature \_\_\_\_\_  
 Remarks/Recommendation \_\_\_\_\_  
 Information only \_\_\_\_\_  
 Not available/processed \_\_\_\_\_  
 Appropriate to Action \_\_\_\_\_ ✓  
 Investigation & Report \_\_\_\_\_  
 Dispatch \_\_\_\_\_  
 Return to Admin. Section \_\_\_\_\_

REMARKS:

*To bring with you to  
the meeting  
me*

REAR HEADQUARTERS  
ALLIED CONTROL COMMISSION  
APO 394

21 February 1944

SUBJECT: Attached Minute 6551/CP.

TO : Legal, Finance, Political & ~~Security~~. *Public Safety.*

1. The conference requested in Par. 9 will be held in Room 71 at 1100 hours Friday 23th February '44.
2. Will you please arrange to be present or to be represented.

*R. R. Chipp*  
R. R. CHIPPS,  
Lt. Colonel,

for the Right Honorable, Viscount Stansgate  
Vice President  
Administrative Section

SECRET

(RECORDED)

6881/CP.

Subject: Treatment of the Property of Axis Nationals.

To: Vice President, Administrative Section.

1. Please see No. 13.
2. In view of the completion of the handover, I think it is time to obtain a policy directive on this question. The following paras give a brief outline of the problems involved.
3. It is the nominal practice for states at war to sequester the property of enemy nationals. This is done chiefly with a view to preventing (a) the remission of funds, etc. to the enemy country, and (b) the employment of such property inside the country of residence for subversive purposes.
4. Under Art 23 (c) and (d) of the Armistice terms the Italian Government is obliged to impound, until further orders are given by AGO, the property of all states and nationals of states at war with any of the United Nations. The objects of this stipulation were presumably those referred to in 3 above. These are only partially covered by the blocking of all funds of nationals of the said states. It might still be possible for persons to whom such property was available had been instructed by the owner to use it for subversive activities.
5. There is therefore found a prima facie case for requiring the Italian Government to apply its existing war legislation on the control and sequestration of enemy property, at any rate to German property, seeing that Italy is at war with Germany. Whether analogous measures should be applied to property of nationals of other Axis-allied states with whom Italy is not at war, is a question of policy on which a high level decision would appear to be necessary.
6. If the Italian Government is ordered to take measures against (a) German and (b) other Axis allied property, for the reasons stated above, the question arises what action, if any, should be taken by AGO in respect of the property of German nationals in Axis territory. (AGO at 14 in the attached files appears to imply that the taking into control by AGO of German property except where it was being used for subversive purposes would be contrary to international law. On the other hand, it may be very difficult to determine except ex post facto that the property was being so used.) Therefore there are strong arguments for measures of preventive custody being applied, notwithstanding the perhaps national apprehension of the Italian Government at possible retaliation.
7. If it is granted that the Italian Government should apply its war legislation to German owned property, it would appear logical that the Italian legislation should also be made applicable in occupied territory and by Italian officials; it being most undesirable

3. It is the nominal practice for states at war to sequester the property of enemy nationals. This is done chiefly with a view to preventing (a) the realization of funds, etc., to the enemy country, and (b) the employment of such property inside the country of residence for subversive purposes.

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6. If the Italian Government is ordered to take measures against (a) German and or (b) other Axis allied property, for the reasons stated above, the question arises what action, if any, should be taken by AGO in respect of the property of German nationals in AGO territory. AGO at 14 in the attached file appears to imply that the taking into control by AGO of German property except where it was being used for subversive purposes would be contrary to international law. On the other hand, it may be very difficult to determine except ex post facto that the property was being so used. Therefore there are strong arguments for measures of preventive custody being applied, notwithstanding the perhaps national apprehension of the Italian Government at possible retaliation.

7. If it is granted that the Italian Government should apply its war legislation to German owned property, it would appear logical that the Italian legislation should also be made applicable in occupied territory and by Italian officials; it being most undesirable for AGO with his limited staff to try to take on this extra responsibility.

8. Whether any action should be taken in occupied territory (except in cases of proven subversive activity) with regard to property of other Axis-allied nationals would appear to depend upon the answer to the question of policy raised in paragraph 5 above. If it is decided to require the Italian Government to take the action indicated, similar action would seem to be implied in occupied territory.

9. I recommend that a conference be called to consider this question, with representatives of Security Branch, the Political Section, AGO and GEC.

/s/ G. M. S. HARRIS,  
Lieut-Colonel,  
Director of Property Control

19 February 1944.

1753