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PORTS AND WAREHOUSE
NOV. 1945 - JAN. 1946
DIVISION

HEADQUARTERS
LOMBARDIA REGION LIAISON GROUP
ALLIED COMMISSION
TRANSPORTATION DIVISION
APO 394

Tel: 12641 Ext. 2458

31 January 1946

251/M/TN

SUBJECT : 3 German F Lighters at Trieste
TO : Commander in Chief Mediterranean.

Ref. your signal (copy attached) addressed to NOIC Trieste and R.N.O. Venice copy to Allied Commission, Milan etc. and further to my letter number 109/M/TN dated 15 January 1946 para 2.

1. I beg to inform you that contracts have now been signed in respect of the three German F Lighters berthed at Trieste. The numbers of these lighters are as follows : -

9 - 11 - 12

2. The lighters are being taken over forthwith.

For the Chief Liaison Officer

H.A. Symons
H.A. SYMONS
Major.

copies to: Transportation Sub-Commission
HQ Allied Commission - Rome ✓
R.N.O. Venice
W.O.I.C. Trieste
Ausiliaria Internazionale.

3742

HAS/vb.

Rec. 7/11/45

NOIC TRIESTE RNO VENICE (R) G4 MOV AND TN AFHQ FULL ALLIED COMMISSION
MILAN.

FROM C IN C MED.

RESTRICTED.

CANCEL MY 170948A NOVEMBER REGARDING LOAN OF GERMAN F LIGHTERS TO AG
MILAN AT REQUEST OF DIRECTOR OF HARBOUR CRAFT THE FOLLOWING AMENDED ARRANGEMENTS
ARE TO APPLY

2. SUBJECT TO 3 F LIGHTERS NOW NUMBERED 9 11 AND 12 FORMERLY AT GRADO
AND NOW AT TRIESTE NOT (R) NOT BEING SUBJECT TO JUGOSLAV WAR BOOTY CLAIM
NOIC TRIESTE IS TO ARRANGE FOR THEM TO BE CONSIGNED TO ALLIED COMMISSION
MILAN AGAINST SEPARATE RECEIPTS FOR EACH CRAFT GIVING FULL PARTICULARS
PRESENT COMMISSION AND ACKNOWLEDGEMENT THAT THEIR TRANSFER IS ON LOAN
(R) LOAN SUBJECT TO RETURN ON REQUEST.

3. RNO VENICE IS TO TAKE SIMILAR ACTION IN RESPECT OF 5 LIGHTERS NO'S
3 4 5 8 AND 10 NOW AT VENICE.

.....191036

Dist. 0-5 13-16 18 25 log.

T/P

FM

TOR 2023

MP

19/12

Contract made 7 Jan 1946
agreed by Chief Secy
by Hains is not a case
copy of contract in office

371

11/1/46
HJ

400 394

22 December 1945

2016/10/14

TO : Royal Naval Officer
Venice

2. Will you kindly furnish this office with the pertinent information required to complete the contract; namely the preconditions value per para 13 to be established by year 22 in conjunction with a representative of "Auxiliere Internationale" and the data asked for in para 10.

4. Due to the vital need for these efforts to be put into service, it would be appreciated if every effort would be made to complete these data at once.

Original signed by

W. HARTIS

11. 0.5

Chief of Transportation Division

2 Enclosures.

estudo sobre o desenvolvimento da linguagem em crianças com deficiência intelectual. *Valéria*

SUBJECT : German P Lighters.
TO : Royal Naval Officer
Venice

1. Pursuant to telegraphic instructions QVR 5 from CINC Med. and letter of instruction from Senior Salvage Officer R.N. Italy (copy attached), please find attached copy of proposed lease contract to be entered into by Allied Commission and the "Ausiliare Internazionale".

2. Will you kindly furnish this office with the pertinent information required to complete the contract; namely the preconditions valued per para 13 to be established by yourself in conjunction with a representative of "Ausiliare Internazionale" and the data asked for in para 19.

3. Mr. Benjamin Franklin is the accredited representative of the above mentioned firm.

4. Due to the vital need for these craft to be put into service, it would be appreciated if every effort would be made to complete these data at once.

FOR THE ECONOMIC COMMISSIONER

Original signed by

Lt. Col. M. Harris

M. HARRIS

Lt. Col. C. E.

Chief of Transportation Division

2 Enclosures.

copies to: Fleet Salvage Officer, Malta

Director Harbor Craft, Navy House, Naples

Transportation Sub-Commission Allied Commission Rome ←

MH/vb.

BEST COPY POSSIBLE

COPY

FROM: SENIOR SALVAGE OFFICER N.W. ITALY

DATE: 13th November 1945

TO : H.Q. Allied Commission
APO 394 Milan Office
Transportation Sub-Commission

1. Reference yours 1584/M/TN2/M, Capt. Hippon; Fleet Salvage Officer has left for U.K., and has instructed me to inform you that he is agreeable to the craft in question being used for inland waterways traffic.
2. You are therefore hereby authorized to make the necessary contracts with 'Aucillare Internazionale' Via Lancetti 36 Milan.
3. Please send copies of all correspondence and contracts to Fleet Salvage Officer Malta.

SENIOR SALVAGE OFFICER
NORTH WESTERN ITALY
GENOA

Lieut. R.N.V.R.

THIS AGREEMENT made this _____ day of _____ 1945 between Allied Commission, herein called the "LEGAL OWNER" party of the first part and _____ herein called the "LESSEE" party of the second part.

WHEREAS the LEGAL OWNER herein is declared to be the holder of the legal title to the certain war damaged and/or captured enemy craft more particularly described herein, and

WHEREAS it is deemed essential to the economic wellbeing of Italy that such craft be reconditioned, repaired and placed in service to supplement the present inadequate transport facilities within Italy, and

WHEREAS the Lessee is equipped with the facilities and has available sufficient trained personnel to recondition and repair said craft in a manner satisfactory to the legal owner and

WHEREAS, as a part of consideration for reconditioning and repairing said craft, the Legal Owner stands ready and willing to

(a) authorize the LESSEE to operate the craft or crafts specifically described, herein subject to all provisions hereof, and

(b) to accord the LESSEE the option of purchasing said craft or crafts subject to the terms hereof and the approval of the appropriate military authority, now therefore this agreement

WITNESSETH: that for and in consideration of the covenants and agreements hereinafter contained, the parties hereto hereby agree as follows:

1 - It is hereby determined and declared that the lawful title of the craft or crafts specifically described herein is now and shall at all times hereafter, prior to the final completion

"LESSEE" party of the second part.

WHEREAS the LEGAL OWNER herein is declared to be the holder of the legal title to the certain war damaged and/or captured enemy craft more particularly described herein, and

WHEREAS it is deemed essential to the economic wellbeing of Italy that such craft be reconditioned, repaired and placed in service to supplement the present inadequate transport facilities within Italy, and

WHEREAS the Lessee is equipped with the facilities and has available sufficient trained personnel to recondition and repair said craft in a manner satisfactory to the legal owner and

WHEREAS, as a part of consideration for reconditioning and repairing said craft, the legal owner stands ready and willing to

(a) authorize the LESSEE to operate the craft or crafts specifically described, herein subject to all provisions hereof, and

(b) to accord the LESSEE the option of purchasing said craft or crafts subject to the terms hereof and the approval of the appropriate military authority, now therefore this agreement

WITNESSETH: that for and in consideration of the covenants and agreements hereinafter contained, the parties hereto hereby agree as follows:

1 - It is hereby determined and declared that the lawful title of the craft or crafts specifically described herein is now and shall at all times hereafter, prior to the final completion 3738 of the sale authorized hereunder, remain and be vested in the

LEGAL OWNER.

- 2 -

2. Immediately following the execution of this agreement, the LESSEE shall proceed forthwith to recondition the craft or crafts described herein and make all necessary repairs thereto for the purpose of rendering them seaworthy and applicable for the purposes contemplated hereunder.

The LESSEE undertakes and agrees that all work upon said craft or crafts shall be of a quality and in every respect satisfactory to the LEGAL OWNER and that the work thereon shall in every case proceed to completion within a time limit satisfactory to the LEGAL OWNER.

In cases where one or more crafts have been so damaged that they can, with advantage to the LEGAL OWNER, be taken down into component parts and such parts reconditioned and used to repair other crafts or to construct entirely another craft from such parts, the LESSEE may, after first having obtained the written consent of the LEGAL OWNER, proceed to so tear down such damaged crafts and use such parts thereof to repair other craft or to build other craft. Under no conditions will such parts or residue be sold or traded by the LESSEE.

3. - In lieu of the payment by the LEGAL OWNER for the cost of repair and reconditioning contemplated hereunder, the LESSEE will be permitted, under the supervision and control of the LEGAL OWNER, to operate the said craft or crafts for the purpose of transportation of prescribed goods, wares, merchandise, personnel or other permitted articles of value of a commercial nature, at rates prescribed by the Italian Government or the LEGAL OWNER.

for the purpose of rendering them seaworthy and applicable for the purposes contemplated hereunder.

The LESSEE undertakes and agrees that all work upon said craft or crafts shall be of a quality and in every respect satisfactory to the LEGAL OWNER and that the work thereon shall in every case proceed to completion within a time limit satisfactory to the LEGAL OWNER.

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3. - In lieu of the payment by the LEGAL OWNER for the cost of repair and reconditioning contemplated hereunder, the LESSEE will be permitted, under the supervision and control of the LEGAL OWNER, to operate the said craft or crafts for the purpose of transportation of prescribed goods, wares, merchandise, personnel or other permitted articles of value of a commercial nature, at rates prescribed by the Italian Government or the LEGAL OWNER.

4. - The LEGAL OWNER reserves the right at all times to establish suitable regulations for the operations of all crafts repaired and operated pursuant to the terms hereof and the LESSEE undertakes and agrees to be bound by such regulations.

- 3 -

5.- It is agreed that such labour and/or material furnished by the LESSEE for the purpose of repairing and reconditioning said craft or crafts; together with a sum that shall represent profit and overhead, shall constitute a just and proper first lien against said craft or crafts. The sum of profit and overhead shall not exceed 25% of the total cost of labour and material. The total amount of said claim is herein called "COST OF RECONDITIONING".

6.- All monies derived from the operation of such craft or crafts by the LESSEE in the manner contemplated in paragraph 3 and 4, shall be accounted for, collected and retained by the LESSEE until such time as the total sum so earned, after deducting operating costs, maintenance cost and insurance premiums, shall equal the COST OF RECONDITIONING. At such time all claim for COST OF RECONDITIONING against said craft or crafts shall be declared fulfilled. Thereupon it shall be open to the parties hereto to continue this contract upon modified or fresh terms to be agreed upon between them.

7.- The LESSEE agrees to secure insurance against fire, theft, damage and accident and will cover the interest of the LEGAL OWNER as well as his own. The insurance coverage must be in a form approved by the LEGAL OWNER, and must be secured immediately upon execution of this contract and before commencing repair work on and/or operating any craft which is the subject hereof. In any event, the LESSEE agrees to indemnify the LEGAL OWNER and hold him harmless against all claims which may arise during the operation of this contract.

8.- The LESSEE shall maintain complete records of the details of all operations contemplated herein, to the end that

3736

and overhead, shall constitute a just and proper price for the use of said aircraft against said craft or crafts. The sum of profit and overhead shall not exceed 25% of the total cost of labour and material. The total amount of said claim is herein called "COST OF RECONDITIONING".

6.- All monies derived from the operation of such craft or crafts by the LESSEE in the manner contemplated in paragraph 3 and 4, shall be accounted for, collected and retained by the LESSEE until such time as the total sum so earned, after deducting operating costs, maintenance cost and insurance premiums, shall equal the COST OF RECONDITIONING. At such time all claim for COST OF RECONDITIONING against said craft or crafts shall be declared fulfilled. Thereupon it shall be open to the parties hereto to continue this contract upon modified or fresh terms to be agreed upon between them.

7.- The LESSEE agrees to secure insurance against fire, theft, damage and accident and will cover the interest of the LEGAL OWNER as well as his own. The insurance coverage must be in a form approved by the LEGAL OWNER, and must be secured immediately upon execution of this contract and before commencing repair work on and/or operating any craft which is the subject hereof. In any event, the LESSEE agrees to indemnify the LEGAL OWNER and hold him harmless against all claims which may arise during the operation of this contract.

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8.- The LESSEE shall maintain complete records of the details of all operations contemplated herein, to the end that either of the parties hereto, may, if they so desire, determine daily the extent of all financial interests and responsibilities arising out of either the whole or any single operation undertaken hereunder. All records, established and maintained for the purpose

- 4 -

herof shall conform to accounting methods and practices which will be laid down by the LEGAL OWNER. These methods and practices will conform generally to the standard accounting useage prevailing in the United States and in the United Kingdom and will discuss fully the details of every transaction wherever financial obligations are to be incurred and imposed. The LEGAL OWNER or his duty authorized representative shall have the right of access at all times to such records for the purpose of inspection and it shall be the duty of the LESSEE to submit for the LEGAL OWNER'S consideration and accommodation complete accounts of all operations hereunder on a monthly basis as of the last day of each month.

9.- All costs of labor and material, pre-conditioned values of craft or crafts and of parts of craft or crafts shall be evaluated in either pounds sterling or dollars, using the legal rate of exchange existant as of the date of this contract.

10.- The LESSEE agrees that the LEGAL OWNER may at its option withhold any or all tariffs arising either directly or indirectly out of the relationship established hereunder, or any payments due or to become due, until any claims arising hereunder shall have been liquidated, and that the LEGAL OWNER may apply such tariffs or other payments in liquidation of such claim or claims. For the purpose hereof, demand upon the LESSEE by the LEGAL OWNER shall entitle the LEGAL OWNER to physical possession of all monies and credits collected or obtained under the provisions of paragraph six (6) above.

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11.- It is expressly understood between the parties hereto that the option to purchase is subject to the approval of the appropriate military authorities and that the LEGAL OWNER will

to be incurred and imposed. The LEGAL OWNER or his duly authorized representative shall have the right of access at all times to such records for the purpose of inspection and it shall be the duty of the LESSEE to submit for the LEGAL OWNER'S consideration and accommodation complete accounts of all operations hereunder on a monthly basis as of the last day of each month.

9.- All costs of labor and material, pre-conditioned values of craft or crafts and of parts of craft or crafts shall be evaluated in either pounds sterling or dollars, using the legal rate of exchange existent as of the date of this contract.

10.- The LESSEE agrees that the LEGAL OWNER may at its option withhold any or all tariffs arising either directly or indirectly out of the relationship established hereunder, or any payments due or to become due, until any claims arising hereunder shall have been liquidated, and that the LEGAL OWNER may apply such tariffs or other payments in liquidation of such claim or claims. For the purpose hereof, demand upon the LESSEE by the LEGAL OWNER shall entitle the LEGAL OWNER to physical possession of all monies and credits collected or obtained under the provisions of paragraph six (c) above.

3725

11.- It is expressly understood between the parties hereto that the option to purchase is subject to the approval of the appropriate military authorities and that the LEGAL OWNER will undertake to secure this approval. Subsequent to the execution of this agreement, subject to the approval aforesaid, the LESSEE shall have the right and first option to purchase any or all of the crafts described herein, provided that this agreement, or modifications

- 5 -

thereof, or further agreements entered into pursuant to paragraph six (6) hereof, are still in force and effect.

12.- In the event of the exercise of the option in accordance with the preceding paragraph, the sale price of any craft purchased hereunder shall be determined by adding the COST OF CONDITIONING to the PRE-CONDITIONED COST; the total so determined to be subject to any lien against the craft as provided for in paragraphs five (5) and six (6). It is expressly understood and agreed between the parties hereto that all labor costs and other charges incurred to effect repairs shall be borne by the LESSEE;

13.- For the purpose of establishing the PRE-CONDITIONED COST of the crafts which are subject to sale hereunder, a representative of the LEGAL OWNER and a representative of the LESSEE shall together view each craft immediately prior to the LESSEE taking possession of said craft and arrive at a figure mutually agreeable and based on the considerations of paragraph nine (9) above.

14.- The cost of all parts furnished to the LESSEE by the LEGAL OWNER shall be priced at cost to the LEGAL OWNER at time of delivery to the LESSEE.

15.- Whenever the LESSEE shall elect to exercise the option of purchase accorded by paragraph eleven (11) above, he shall give notice thereof in writing to the LEGAL OWNER describing specifically which of said craft he desires to purchase. Immediately upon receipt of the legal notice, the LEGAL OWNER shall fix and establish the sales price or prices of the craft, as the case may be, pursuant to the provisions of paragraph twelve (12).

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dance with the preceding paragraph, the sale price of any craft purchased hereunder shall be determined by adding the COST OF CONDITIONING to the PRE-CONDITIONED COST; the total so determined to be subject to any lien against the craft as provided for in paragraphs five (5) and six (6). It is expressly understood and agreed between the parties hereto that all labor costs and other charges incurred to effect repairs shall be borne by the LESSEE;

13.- For the purpose of establishing the PRE-CONDITIONED COST of the crafts which are subject to sale hereunder, a representative of the LEGAL OWNER and a representative of the LESSEE shall together view each craft immediately prior to the LESSEE taking possession of said craft and arrive at a figure mutually agreeable and based on the considerations of paragraph nine (9) above.

14.- The cost of all parts furnished to the LESSEE by the LEGAL OWNER shall be priced at cost to the LEGAL OWNER at time of delivery to the LESSEE.

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15.- Whenever the LESSEE shall elect to exercise the option of purchase accorded by paragraph eleven (11) above, he shall give notice thereof in writing to the LEGAL OWNER describing specifically which of said craft he desires to purchase. Immediately upon receipt of the legal notice, the LEGAL OWNER shall fix and establish the sales price or prices of the craft, as the case may be, pursuant to the provisions of paragraph twelve (12) hereof, and shall forthwith inform the LESSEE with respect to same, whereupon the LESSEE shall have a period of 5 days either to accept or reject said sale price or prices. If the sales price, in any case, is accepted the acceptance thereof shall be

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accompanied by bond of surety in all respects satisfactory as to form and surety to the LEGAL OWNER, whereunder specific performance of those parts of this contract relating to the right to exercise the option to purchase, is guaranteed to the LEGAL OWNER and such bond shall provide among other things for the payment of the purchase price in the event the LESSEE should default in the payment of same.

16.- In the event of a breach of this contract or any default hereunder by and on the part of the LESSEE, he shall forfeit all the monies invested by him in reconditioning or repairing the crafts described herein, it being understood that the term "invested monies" shall include both labor charges and the cost of all parts purchased for the purpose hereof.

17.- The LEGAL OWNER reserves the right to terminate this agreement or any renewal or modification thereof at any specified time 60 days after the date of mailing or giving written notice to the LESSEE of such termination. Proff of mailing shall be sufficient evidence of the notice upon the LESSEE.

18.- In the event any dispute arises over any of the provisions of this contract because of the existence of the Italian versions of the same, the English version hereof shall always prevail.

19.- The craft which are to be operated hereunder and sold pursuant to the option provided for herein, are as follows : -

NAME or NUMBER
TYPE
LENGTH
PRELIMINARY

3723

exercise the option to purchase, is guaranteed to the LEGAL OWNER and such bond shall provide among other things for the payment of the purchase price in the event the LESSEE should default in the payment of same.

16.- In the event of a breach of this contract or any default hereunder by and on the part of the LESSEE, he shall forfeit all the monies invested by him in reconditioning or repairing the crafts described herein, it being understood that the term "invested monies" shall include both labor charges and the cost of all parts purchased for the purpose hereof.

17.- The LEGAL OWNER reserves the right to terminate this agreement or any renewal or modification thereof at any specified time 60 days after the date of mailing or giving written notice to the LESSEE of such termination. Proof of mailing shall be sufficient evidence of the notice upon the LESSEE.

18.- In the event any dispute arises over any of the provisions of this contract because of the existence of the Italian versions of the same, the English version hereof shall always prevail.

19.- The craft which are to be operated hereunder and sold pursuant to the option provided for herein, are as follows : -

NAME or NUMBER	
TYPE	
LENGTH	
BREADTH	
DEPTH	
TONNAGE	
MOTOR SERIAL NUMBER	
TYPE OF FUEL	

3733

+ 7,-

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first above written.

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HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION AND SHIPPING SUB COMMISSION

UAG/Ep

Tel : 347
Ref : AG/37/61/Tn6

SUBJECT: Salvaged German Landing Craft.
TO : Office of Representative of Chief Commissioner AG.
MILANO
(for Transportation-Shipping S/O
attn: Lt. Col. M. Harris).

1. Reference your letter 1663/M/Tn2/M dated 17 November 1945 addressed to S.S.V.C. - Trieste on the above subject.

2. For your guidance, the matter has been referred to the Commander-in-Chief, Mediterranean for decision and we await further advice from the Fleet Salvage Officer, Mediterranean.

For the Chief:

U.A. GHILARDI
Operations Branch
Ports & Warehouse Div.

Copy to :

Staff Salvage Officer
F.O.I.L.
6 Via Lucullo,
R.O.M.E.

3731

THIS AGREEMENT made this _____ day of _____ 1945
between Allied Commission, herein called the "LEGAL OWNER" party of the
first part and _____ herein called the "LESSEE" party of the
second part.

WHEREAS the LEGAL OWNER herein is declared to be the holder of the
legal title to the certain war damaged and/or captured enemy craft more
particularly described herein, and

WHEREAS it is deemed essential to the economic wellbeing of Italy
that such craft be reconditioned, repaired and placed in service to
supplement the present inadequate transport facilities within Italy, and

WHEREAS the Lessee is equipped with the facilities and has available
sufficient trained personnel to recondition and repair said craft in a
manner satisfactory to the legal owner and

WHEREAS, as a part of consideration for reconditioning and repairing
said craft, the Legal Owner stands ready and willing to

(a) authorize the LESSEE to operate the craft or craft specifically
described herein subject to all provisions hereof; and

(b) to accord the LESSEE the option of purchasing said craft or
craft subject to the terms hereof and the approval of the appropriate
military authority, now therefore this agreement

WITNESSETH : that for and in consideration of the covenants
and agreements hereinafter contained, the parties here to hereby agree
as follows:

1 - It is hereby determined and declared that the lawful title
of the craft or crafts specifically described herein is now and shall
at all times hereafter, prior to the final completion of the sale
authorized hereunder, remain and be vested in the LEGAL OWNER.

2. Immediately following the execution of this agreement, the
LESSEE shall proceed forthwith to recondition the craft or crafts described
herein and make all necessary repairs there to for the purpose of rendering
them seaworthy and applicable for the purpose contemplated hereunder.

The LESSEE undertakes and agrees that all work upon said craft
or crafts shall be of a quality and in every respect satisfactory to the
LEGAL OWNER and that the work thereon shall in every case proceed to
completion within a time limit satisfactory to the legal owner.

In cases where one or more crafts have been so damaged that they
can, with advantage to the LEGAL OWNER, be taken down into component parts
and such parts reconditioned and used to repair other crafts or to
construct entirely another craft from such crafts, the LESSEE may, after
first having obtained the written consent of the legal OWNER, proceed

Copy handed to me by Lt. Mac N. Van (Host Exchange office) for
information on 5/20/45.

WHEREAS the LEGAL OWNER herein is declared to be the holder of the legal title to the certain war damaged and/or captured enemy craft more particularly described herein, and

WHEREAS it is deemed essential to the economic wellbeing of Italy that such craft be reconditioned, repaired and placed in service to supplement the present inadequate transport facilities within Italy, and

WHEREAS the Lessee is equipped with the facilities and has available sufficient trained personnel to recondition and repair said craft in a manner satisfactory to the legal owner and

WHEREAS, as a part of consideration for reconditioning and repairing said craft, the Legal Owner stands ready and willing to

(a) authorize the LESSEE to operate the craft or craft specifically described herein subject to all provisions hereof; and

(b) to accord the LESSEE the option of purchasing said craft or craft subject to the terms hereof and the approval of the appropriate military authority, now therefore this agreement

WITNESSETH : that for and in consideration of the covenants and agreements hereinafter contained, the parties here to hereby agree as follows:

1 - It is hereby determined and declared that the lawful title of the craft or crafts specifically described herein is now and shall at all times hereafter, prior to the final completion of the sale authorized hereunder, remain and be vested in the LEGAL OWNER.

2. Immediately following the execution of this agreement, the LESSEE shall proceed forthwith to recondition the craft or crafts described herein and make all necessary repairs there to for the purpose of rendering them seaworthy and applicable for the purpose contemplated hereunder.

The LESSEE undertakes and agrees that all work upon said craft or crafts shall be of a quality and in every respect satisfactory to the LEGAL OWNER and that the work thereon shall in every case proceed to completion within a time limit satisfactory to the legal owner.

In cases where one or more crafts have been so damaged that they can, with advantage to the LEGAL OWNER, be taken down into component parts and such parts reconditioned and used to repair other craft, or to construct entirely another craft from such crafts, the LESSEE may, after first having obtained the written consent of the legal OWNER, proceed to so tear down such damaged crafts and use such parts thereof to repair other craft or to build other craft. Under no conditions will such parts or residue to be sold traded by the LESSEE.

- 2 -

3. In lieu of the payment by the legal OWNER for the cost of repair and reconditioning contemplated hereunder, the LESSEE will be permitted, under the supervision and control of the legal OWNER, to operate the said craft or crafts for the purpose of transportation of prescribed goods, wares, merchandize, personnel or other permitted articles of value of a commercial nature, at rates prescribed by the Italian Government or the legal OWNER.
4. The legal OWNER reserves the right at all times to establish suitable regulations for the operations of all crafts repaired and operated pursuant to the terms hereof and the legal LESSEE undertakes and agrees to be bound by such regulations.
5. It is agreed that such labour and/or material furnished by the LESSEE for the purpose of repairing and reconditioning said craft or crafts together with a sum that shall represent profit and overhead shall constitute a just and proper first lien against said craft or crafts. The sum of profit and overhead shall not exceed 25% of the total cost of labour and material. The total amount of said claims is herein called "COST OF RECONDITIONING".
6. All monies derived from the operation of such craft or crafts by the LESSEE in the manner contemplated in paragraphs 3 and 4, shall be accounted for, collected and retained by the LESSEE until such time as the total sum so earned, after deducting operating cost, maintenance and insurance premiums, shall equal the COST OF RECONDITIONING. At such time all claim for COST OF RECONDITIONING against said craft or crafts shall be declared fulfilled. Thereupon it shall be open to the parties hereto to continue this contract upon modified or fresh terms to be agreed upon between them.
7. The LESSEE agrees to secure insurance against fire, theft, damage and accident and will cover the interest of the legal OWNER as well as his own. The insurance coverage must be in a form approved by the legal OWNER, and must be secured immediately upon execution of this contract and before commencing repair work on and/or operating any craft which is the subject hereof. In any event, the LESSEE agrees to indemnify the legal OWNER and hold him harmless against all claims which may arise during the operation of this contract.
8. The LESSEE shall maintain complete records of the details of all operations contemplated herein, to the and that either of the parties hereto may; if they so desire, determine daily the extent of all financial intrants and responsibilities arising out of either the whole or any single operation undertaken hereunder. All records, established and maintained for the purpose hereof shall conform to accounting methods and practices which will be laid down by the legal OWNER. These methods and practices will conform generally to the standard accounting usage prevailing in the UNITED STATES and in the UNITED KINGDOM and will discuss fully the details of every transaction wherever financial obligations are to be incurred and imposed. The legal OWNER or his duly authorised representative shall have the right of access at all times to such records for the purpose of

wares, merchandise, personnel or other permitted articles of value or a commercial nature, at rates prescribed by the Italian Government or the legal OWNER.

4. The legal OWNER reserves the right at all times to establish suitable regulations for the operations of all crafts repaired and operated pursuant to the terms hereof and the legal LESSOR undertakes and agrees to be bound by such regulations.

5. It is agreed that such labour and/or material furnished by the LESSOR for the purpose of repairing and reconditioning said craft or crafts together with a sum that shall represent profit and overhead shall constitute a just and proper first lien against said craft or crafts. The sum of profit and overhead shall not exceed 25% of the total cost of labour and material. The total amount of said claims is herein called "COST OF RECONDITIONING".

6. All monies derived from the operation of such craft or crafts by the LESSOR in the manner contemplated in paragraphs 3 and 4, shall be accounted for, collected and retained by the LESSOR until such time as the total sum so earned, after deducting operating cost, maintenance and insurance premiums, shall equal the COST OF RECONDITIONING. At such time all claim for COST OF RECONDITIONING against said craft or crafts shall be declared fulfilled. Thereupon it shall be open to the parties hereto to continue this contract upon modified or fresh terms to be agreed upon between them.

7. The LESSOR agrees to secure insurance against fire, theft, damage and accident and will cover the interest of the legal OWNER as well as his own. The insurance coverage must be in a form approved by the legal OWNER, and must be secured immediately upon execution of this contract and before commencing repair work on and/or operating any craft which is the subject hereof. In any event, the LESSOR agrees to indemnify the legal OWNER and hold him harmless against all claims which may arise during the operation of this contract.

8. The LESSOR shall maintain complete records of the details of all operations contemplated herein, to the end that either of the parties hereto may, if they so desire, determine daily the extent of all financial interests and responsibilities arising out of either the whole or any single operation undertaken hereunder. All records, established and maintained for the purpose hereof shall conform to accounting methods and practices which will be laid down by the legal OWNER. These methods and practices will conform generally to the standard accounting usage prevailing in the UNITED STATES and in the UNITED KINGDOM and will discuss fully the details of every transaction wherever financial obligations are to be incurred and imposed. The legal OWNER or his duly authorized representative shall have the right of access at all times to such records for the purpose of inspection and it shall be the duty of the LESSOR to submit for the legal OWNER's consideration and accommodation complete accounts of all operations here on a monthly basis as of the last day of each month.

9. All costs of labor and material, pre conditioned values of the craft or crafts and of parts of craft or crafts shall be fully evaluated in either pounds sterling or dollars, using the legal rate of exchange existent as of the date of this contract.

- 3 -

10. the LESSEE agrees that the legal OWNER may at its option withhold any or all tariffs arising either directly or indirectly out of the relationship established hereunder, or any payments due or to become due, until any claims arising hereunder shall have been liquidated, and that the legal OWNER may apply such tariffs or other payments in liquidation of such claim or claims. For the purpose hereof, demand upon the LESSEE by the legal OWNER shall entitle the legal OWNER to physical possession of all monies and credits collected or obtained under the provision of paragraph six (6) above.

11. It is expressly understood between the parties hereto that the option to purchase is subject to the approval of the appropriate Military Authority and that the legal OWNER will undertake to secure this proposal. Subsequent to the execution of this agreement subject to the approval aforesaid, the LESSEE shall have the right and first option to purchase any or all of the crafts described herein, provided that this agreement, or modifications thereof, or further agreements entered into pursuant to paragraph six (6) hereof, are still in force and effect.

12. In the event of the exercise of the option in accordance with the preceding paragraph, the sale price of any craft purchased hereunder shall be determined by adding the COST OF RECONSTRUCTION to the PRE-CONDITIONED COST; the total so determined to be subject to any lien against the craft as provided for in paragraphs five (5) and six (6). It is expressly understood and agreed between the parties hereto that all labour costs and other charges incurred to effect repairs shall be borne by the LESSEE.

13. For the purpose of establishing the PRE-CONDITIONED COST of the crafts which are subject to sale hereunder, a representative of the legal OWNER and a representative of the LESSEE shall together view each craft immediately prior to the LESSEE taking possession of said craft and arrive at a figure mutually agreeable and based on the considerations of paragraph nine (9) above.

14. The costs of all parts furnished to the LESSEE by the legal OWNER shall be priced at cost to the legal OWNER at time of delivery to the LESSEE.

15. Whenever the LESSEE shall elect to exercise the option of purchase accorded by paragraph eleven (11) above, he shall give notice thereof in writing to the legal OWNER describing specifically which of said craft he desires to purchase. Immediately upon receipt of the legal notice, the

legal OWNER shall fix and establish the sales price or prices of the craft, as the case may be, pursuant to the provisions of paragraph twelve (12) hereof, and shall forthwith inform the LESSEE with respect to same, whereupon the LESSEE shall have a period of five (5) days either to accept or reject said sale price or prices. If the sale price, in any case, is accepted, the acceptance thereof shall be accompanied by bond of surety in any respects satisfactory as to form a surety to the legal OWNER, whereunder specific performance of those parts of this contract relating to the right to

until any claims arising hereunder shall have been liquidated, and that the LEGAL OWNER may apply such tariffs or other payments in liquidation of such claim or claims. For the purpose hereof, demand upon the LESSEE by the LEGAL OWNER shall entitle the LEGAL OWNER to physical possession of all monies and credits collected or obtained under the provision of paragraph six (6) above.

II. It is expressly understood between the parties hereto that the option to purchase is subject to the approval of the appropriate Military Authority and that the LEGAL OWNER will undertake to secure this proposal.

Subsequent to the execution of this agreement, subject to the approval aforesaid, the LESSEE shall have the right and first option to purchase any or all of the crafts described herein, provided that this agreement, or modifications thereof, or further agreements entered into pursuant to paragraph six (6) hereof, are still in force and effect.

I2. In the event of the exercise of the option in accordance with the preceding paragraph, the sale price of any craft purchased hereunder shall be determined by adding the COST OF RECONDITIONING to the PRE-CONDITIONED COST; the total so determined to be subject to any lien against the craft as provided for in paragraphs five (5) and six (6). It is expressly understood and agreed between the parties hereto that all labour costs and other charges incurred to effect repairs shall be borne by the LESSEE.

I3. For the purpose of establishing the PRE-CONDITIONED COST of the crafts which are subject to sale hereunder, a representative of the LEGAL OWNER and a representative of the LESSEE shall together view each craft immediately prior to the LESSEE taking possession of said craft and arrive at a figure mutually agreeable and based on the considerations of paragraph nine (9) above.

I4. The costs of all parts furnished to the LESSEE by the LEGAL OWNER shall be priced at cost to the LEGAL OWNER at time of delivery to the LESSEE.

I5. Whenever the LESSEE shall elect to exercise the option of purchase accorded by paragraph eleven (II) above, he shall give notice thereof in writing to the LEGAL OWNER describing specifically which of said craft he desires to purchase. Immediately upon receipt of the legal notice, the LEGAL OWNER shall fix and establish the sales price or prices of the craft, as the case may be, pursuant to the provisions of paragraph twelve (I2) hereof, and shall forthwith inform the LESSEE with respect to same, whereupon the LESSEE shall have a period of five (5) days either to accept or reject said sale price or prices. If the sale price, in any case, is accepted, the acceptance thereof shall be accompanied by bond of surety in all respects satisfactory as to form a surety to the LEGAL OWNER, whereunder specific performance of those parts of this contract relating to the right to exercise the option to purchase, is guaranteed to the LEGAL OWNER and such bond shall provide among other things for the payment of the purchase in the event the LESSEE should default in the payment of same.

I6. In the event of a breach of this contract or any default hereunder by and on the part of the LESSEE, he shall forfeit all the monies invested by him in reconditioning or repairing the crafts described herein, it being understood that the 'term' invested monies shall include both labour charges

-4-

and the cost of all parts purchased for the purpose herein.

17. The LEGAL OWNER reserves the right to terminate this agreement or any renewal or modification thereof at any specified time 60 days after the date of mailing or giving written notice to the LESSEE of such termination. Proof of mailing shall be sufficient evidence of the notice upon the LESSEE.

18. In the event of any dispute arises over any of the provisions of this contract because of the existence of the Italian versions of the same, the English version hereof shall always prevail.

19. The craft which are to be operated hereunder and sold pursuant to the option provided for herein are as follows:

NAME or Number.

Type.

Length

Breadth

Depth

Tonnage

Motor Serial number

Type of fuel.

IN THE WITNESS WHEREOF, the Parties hereto have hereunto subscribed their names the day and year first above written.

3727

HEADQUARTERS
ALLIED COMMISSION
MILAN OFFICE
APO 394
TRANSPORTATION SUB-COMMISSION

Tel:632141 Ext.40

17 November 1945

1663/M/TN2/M

TO : S.S.V.O.-Trieste

SUBJECT : Salvaged German Landing Craft.

1. This will serve to introduce Mr. Benjamin Franklin, Managing Director of the Ausiliare Internazionale of Milan and Venice.
2. Mr. Franklin will inspect the landing craft indicated as available for loan by letter from Senior Salvage Officer, N.W. Italy and in conjunction with you, report on condition and agreed pre-conditions value of each craft.
3. This office will prepare a loan contract based on the premise that title to each craft rests with the Allied Governments, but all repairs will be at the expense of the lessee who will receive all tariffs accruing from the use of the crafts. The lessee will have first chance to buy the crafts; his unpaid balance of expenses incurred to be a first mortgage on each craft.
4. Please extend to Mr. Franklin and his associates every opportunity to get these craft into operation at an early date, as all means of internal transport in Italy are at a premium.

Original signed by

Lt. Col. M. Harris

M. HARRIS

Lt. Col. G.E.

3726

copies to: Ausiliare Nazionale
Transportation Sub-Commission-Rome ←

MH/vb.

AC/37

INCOMING MESSAGE

HEADQUARTERS ALLIED COMMISSION

Originator's Reference:

Date/Time of Origin: NOV 121548A

Message Centre No: G3443

Date Time Rec'd: NOV 130915A

Precedence: ROUTINE

FROM: DIRECTOR OF HARBER CHART

TO : ALCOM ROME CITE ACTIT

UNCLASSIFIED.

Reference your AC/37/55/TN6 of 5 November. Request for loan of 4 salvaged German LCT'S has been passed to C in C MED. for decision.

DIST

ACTION: TRANSPORTATION S/C (2)

INFO: CHIEF COMMISSIONER
FILE (2)
FLOAT

HEADQUARTERS
12 NOV 1945
A.C.

ACTION

3725

AC/37

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION SUB COMMISSION

Tel. 394
Ref. AC/37/55/Tn6

ACA/mvm
5 November 1945

SUBJECT: Salvaged German Landing Craft Required by
Transportation Sub Commission MILAN for
Use on Po River

TO : Director of Harbor Craft
Navy House
Naples

1. We refer to telephone conversation Richardson/Allman this morning re above craft and confirm our understanding that you are dealing with request (by signal) from Lt. Col. Harris, AC Milan addressed to you.

2. Our copy of signal referred to in para. 1 mentions 3 only (in figures) and states that they are now lying at Grado and Trieste, whereas our copy of a signal sent by AC, Transportation MILAN to Fleet Salvage Officer, Mediterranean, time and date of origin NOV.021145A, ref. 1542, refers to four (in writing) salvaged German landing craft "lying at Trieste Grado and Venice".

3. As this matter appears to be urgent, we would be glad to have your confirmation that requisite action is being taken.

For the Chief:

A. C. ALLMAN
Ports Branch
Ports & Warehouse Division

3724

HEADQUARTERS
ALLIED MILITARY GOVERNMENT
LOMBARDIA REGION

APO 394

OFFICE OF THE ECONOMIC COMMISSION FOR NORTH ITALY

Tel: 632141 Ext. 40

2008/M/TN

22 December 1945

SUBJECT : German F Lighters

TO : Naval Officer in Command
Trieste

1. Pursuant to telegraphic instructions QVR 5 from CINC Med. and letter of instruction from Senior Salvage Officer N.W. Italy (copy attached), please find attached copy of proposed loan-contract to be entered into by Allied Commission and the "Ausiliare Internazionale".
2. Will you kindly furnish this office with the pertinent information required to complete the contract; namely the pre-conditioned value per para 13 to be established by yourself in conjunction with a representative of "Ausiliare Internazionale" and the data asked for in para 19.
3. Mr. Benjamin Franklin is the accredited representative of the above mentioned firm.
4. Due to the vital need for these craft to be put into service, it would be appreciated if every effort would be made to complete these data at once.

FOR THE ECONOMIC COMMISSIONER

Original signed by

M. Col. M. Harris

M. HARRIS

Lt. Col. C.E.

Chief of Transportation Division

SUBJECT : German F Lighters

TO : Naval Officer In Command
Trieste

1. Pursuant to telegraphic instructions QVR 5 from CINC Med. and letter of instruction from Senior Salvage Officer H.W. Italy (copy attached), please find attached copy of proposed loan-contract to be entered into by Allied Commission and the "Ausiliare Internazionale".

2. Will you kindly furnish this office with the pertinent information required to complete the contract; namely the pre-conditioned value per para 13 to be established by yourself in conjunction with a representative of "Ausiliare Internazionale" and the data asked for in para 19.

3. Mr. Benjamin Franklin is the accredited representative of the above mentioned firm.

4. Due to the vital need for these craft to be put into service, it would be appreciated if every effort would be made to complete these data at once.

FOR THE ECONOMIC COMMISSIONER

Original signed by

Lt. Col. M. Harris

M. HARRIS

Lt. Col. C.E.

Chief of Transportation Division

2 Enclosures.

3723

copies to: Fleet Salvage Officer, Malta

Director Harbor Craft, Navy House, Naples

Transportation Sub-Commission Allied Commission ROME ←

COPY

FROM: SENIOR SALVAGE OFFICER N.W. ITALY
DATE: 13th November 1945
TO : H.Q. Allied Commission
APO 394 Milan Office
Transportation Sub-Commission

1. Reference yours 1534/M/TN2/M, Capt. Rippon; Fleet Salvage Officer has left for U.K., and has instructed me to inform you that he is agreeable to the craft in question being used for inland waterways traffic.
2. You are therefore hereby authorized to make the necessary contracts with 'Auxiliare Internazionale' Via Lancetti 36 Milan.
3. Please send copies of all correspondence and contracts to Fleet Salvage Officer Malta.

SENIOR SALVAGE OFFICER
NORTH WESTERN ITALY
GENOA

Lieut. R.M.V.R.

3722

THIS AGREEMENT made this _____ day of _____
1945 between Allied Commission, herein called the "LEGAL OWNER"
party of the first part and _____ herein called the
"LESSEE" party of the second part.

WHEREAS the LEGAL OWNER herein is declared to be the holder
of the legal title to the certain war damaged and/or captured
enemy craft more particularly described herein, and

WHEREAS it is deemed essential to the economic wellbeing of
Italy that such craft be reconditioned, repaired and placed in
service to supplement the present inadequate transport facilities
within Italy, and

WHEREAS the Lessee is equipped with the facilities and has
available sufficient trained personnel to recondition and repair
said craft in a manner satisfactory to the legal owner and

WHEREAS, as a part of consideration for reconditioning and
repairing said craft, the Legal Owner stands ready and willing to
(a) authorize the LESSEE to operate the craft or crafts
specifically described herein subject to all provisions hereof, and

(b) to accord the LESSEE the option of purchasing said
craft or crafts subject to the terms hereof and the approval of
the appropriate military authority, now therefore this agreement

WITNESSETH: that for and in consideration of the covenants
and agreements hereinafter contained, the parties hereto hereby
agree as follows:

1 - It is hereby determined and declared that the legal
title of the craft or crafts specifically described herein is now

"LESSEE" party of the second part.

WHEREAS the LEGAL OWNER herein is declared to be the holder of the legal title to the certain war damaged and/or captured enemy craft more particularly described herein, and

WHEREAS it is deemed essential to the economic wellbeing of Italy that such craft be reconditioned, repaired and placed in service to supplement the present inadequate transport facilities within Italy, and

WHEREAS the Lessee is equipped with the facilities and has available sufficient trained personnel to recondition and repair said craft in a manner satisfactory to the legal owner and

WHEREAS, as a part of consideration for reconditioning and repairing said craft, the Legal Owner stands ready and willing to

(a) authorize the LESSEE to operate the craft or crafts specifically described herein subject to all provisions hereof, and

(b) to accord the LESSEE the option of purchasing said craft or crafts subject to the terms hereof and the approval of the appropriate military authority, now therefore this agreement

WITNESSETH: that for and in consideration of the conveniences and agreements hereinafter contained, the parties hereto hereby agree as follows:

1 - It is hereby determined and declared that the legal title of the craft or crafts specifically described herein is now and shall at all times hereafter, prior to the final completion of the sale authorized hereunder, remain and be vested in the

LEGAL OWNER.

- 2 -

2. Immediately following the execution of this agreement, the LESSEE shall proceed forthwith to recondition the craft or crafts described herein and make all necessary repairs thereto for the purpose of rendering them seaworthy and applicable for the purposes contemplated hereunder.

The LESSEE undertakes and agrees that all work upon said craft or crafts shall be of a quality and in every respect satisfactory to the LEGAL OWNER and that the work thereon shall in every case proceed to completion within a time limit satisfactory to the LEGAL OWNER.

In cases where one or more crafts have been so damaged that they can, with advantage to the LEGAL OWNER, be taken down into component parts and such parts reconditioned and used to repair other crafts or to construct entirely another craft from such parts, the LESSEE may, after first having obtained the written consent of the LEGAL OWNER, proceed to so tear down such damaged crafts and use such parts thereof to repair other craft or to build other craft. Under no conditions will such parts or residue be sold or traded by the LESSEE.

3. - In lieu of the payment by the LEGAL OWNER for the cost of repair and reconditioning contemplated hereunder, the LESSEE will be permitted, under the supervision and control of the LEGAL OWNER, to operate the said craft or crafts for the purpose of transportation of prescribed goods, wares, merchandise, personnel or other permitted articles of value of a commercial nature, at rates prescribed by the Italian Government or the LEGAL OWNER.

THE LEGAL OWNER reserves the right at all times to

crafts described herein for the purpose of rendering them seaworthy and applicable for the purposes contemplated hereunder.

The LESSEE undertakes and agrees that all work upon said craft or crafts shall be of a quality and in every respect satisfactory to the LEGAL OWNER and that the work thereon shall in every case proceed to completion within a time limit satisfactory to the LEGAL OWNER.

In cases where one or more crafts have been so damaged that they can, with advantage to the LEGAL OWNER, be taken down into component parts and such parts reconditioned and used to repair other crafts or to construct entirely another craft from such parts, the LESSEE may, after first having obtained the written consent of the LEGAL OWNER, proceed to so tear down such damaged crafts and use such parts thereof to repair other craft or to build other craft. Under no conditions will such parts or residue be sold or traded by the LESSEE.

3. - In lieu of the payment by the LEGAL OWNER for the cost of repair and reconditioning contemplated hereunder, the LESSEE will be permitted, under the supervision and control of the LEGAL OWNER, to operate the said craft or crafts for the purpose of transportation of prescribed goods, wares, merchandise, personnel or other permitted articles of value of a commercial nature, at rates prescribed by the Italian Government or the LEGAL OWNER.

4. - The LEGAL OWNER reserves the right at all times to establish suitable regulations for the operations of all crafts repaired and operated pursuant to the terms hereof and the LESSEE undertakes and agrees to be bound by such regulations.

- 3 -

5.- It is agreed that such labour and/or material furnished by the LESSEE for the purpose of repairing and reconditioning said craft or crafts; together with a sum that shall represent profit and overhead, shall constitute a just and proper first lien against said craft or crafts. The sum of profit and overhead shall not exceed 25% of the total cost of labour and material. The total amount of said claim is herein called "COST OF RECONDITIONING".

6.- All monies derived from the operation of such craft or crafts by the LESSEE in the manner contemplated in paragraph 3 and 4, shall be accounted for, collected and retained by the LESSEE until such time as the total sum so earned, after deducting operating costs, maintenance cost and insurance premiums, shall equal the COST OF RECONDITIONING. At such time all claim for COST OF RECONDITIONING against said craft or crafts shall be declared fulfilled. Thereupon it shall be open to the parties hereto to continue this contract upon modified or fresh terms to be agreed upon between them.

7.- The LESSEE agrees to secure insurance against fire, theft, damage and accident and will cover the interest of the LEGAL OWNER as well as his own. The insurance coverage must be in a form approved by the LEGAL OWNER, and must be secured immediately upon execution of this contract and before commencing repair work on and/or operating any craft which is the subject hereof. In any event, the LESSEE agrees to indemnify the LEGAL OWNER and hold him harmless against all claim, which may arise during the operation of this contract.

3719

8.- The LESSEE shall maintain complete records of the operations contemplated herein, to the end that

and overhead, shall constitute a just and proper first lien against said craft or crafts. The sum of profit and overhead shall not exceed 25% of the total cost of labour and material. The total amount of said claim is herein called "COST OF RECONDITIONING".

6.- All monies derived from the operation of such craft or crafts by the LESSEE in the manner contemplated in paragraph 3 and 4, shall be accounted for, collected and retained by the LESSEE until such time as the total sum so earned, after deducting operating costs, maintenance cost and insurance premiums, shall equal the COST OF RECONDITIONING. At such time all claim for COST OF RECONDITIONING against said craft or crafts shall be declared fulfilled. Thereupon it shall be open to the parties hereto to continue this contract upon modified or fresh terms to be agreed upon between them.

7.- The LESSEE agrees to secure insurance against fire, theft, damage and accident and will cover the interest of the LEGAL OWNER as well as his own. The insurance coverage must be in a form approved by the LEGAL OWNER, and must be secured immediately upon execution of this contract and before commencing repair work on and/or operating any craft which is the subject hereof. In any event, the LESSEE agrees to indemnify the LEGAL OWNER and hold him harmless against all claims which may arise during the operation of this contract.

3719

8.- The LESSEE shall maintain complete records of the details of all operations contemplated herein, to the end that either of the parties hereto, may, if they so desire, determine daily the extent of all financial interests and responsibilities arising out of either the whole or any single operation undertaken hereunder. All records, established and maintained for the purpose

- 4 -

hereof shall conform to accounting methods and practices which will be laid down by the LEGAL OWNER. These methods and practices will conform generally to the standard accounting usage prevailing in the United States and in the United Kingdom and will discuss fully the details of every transaction wherever financial obligations are to be incurred and imposed. The LEGAL OWNER or his duly authorized representative shall have the right of access at all times to such records for the purpose of inspection and it shall be the duty of the LESSEE to submit for the LEGAL OWNER'S consideration and accommodation complete accounts of all operations hereunder on a monthly basis as of the last day of each month.

9.- All costs of labor and material, pre-conditioned values of craft or crafts and of parts of craft or crafts shall be evaluated in either pounds sterling or dollars, using the legal rate of exchange existent as of the date of this contract.

10.- The LESSEE agrees that the LEGAL OWNER may at its option withhold any or all tariffs arising either directly or indirectly out of the relationship established hereunder, or any payments due or to become due, until any claims arising hereunder shall have been liquidated, and that the LEGAL OWNER may apply such tariffs or other payments in liquidation of such claim or claims. For the purpose hereof, demand upon the LESSEE by the LEGAL OWNER shall entitle the LEGAL OWNER to physical possession of all monies and credits collected or obtained under the provisions of paragraph 37-8
six (6) above.

11.- It is expressly understood between the parties hereto that the option to purchase is subject to the approval of the appropriate military authorities and that the LEGAL OWNER will

conform generally to the standard accounting usage prevailing in the United States and in the United Kingdom and will discuss fully the details of every transaction wherever financial obligations are to be incurred and imposed. The LEGAL OWNER or his duly authorized representative shall have the right of access at all times to such records for the purpose of inspection and it shall be the duty of the LESSEE to submit for the LEGAL OWNER'S consideration and accommodation complete accounts of all operations hereunder on a monthly basis as of the last day of each month.

9.- All costs of labor and material, pre-conditioned values of craft or crafts and of parts of craft or crafts shall be evaluated in either pounds sterling or dollars, using the legal rate of exchange existent as of the date of this contract.

10.- The LESSEE agrees that the LEGAL OWNER may at its option withhold any or all tariffs arising either directly or indirectly out of the relationship established hereunder, or any payments due or to become due, until any claims arising hereunder shall have been liquidated, and that the LEGAL OWNER may apply such tariffs or other payments in liquidation of such claim or claims. For the purpose hereof, demand upon the LESSEE by the LEGAL OWNER shall entitle the LEGAL OWNER to physical possession of all monies and credits collected or obtained under the provisions of paragraph six (6) above.

11.- It is expressly understood between the parties hereto that the option to purchase is subject to the approval of the appropriate military authorities and that the LEGAL OWNER will undertake to secure this approval. Subsequent to the execution of this agreement, subject to the approval aforesaid, the LESSEE shall have the right and first option to purchase any or all of the crafts described herein, provided that this agreement, or modifications

- 5 -

thereof, or further agreements entered into pursuant to paragraph six (6) hereof, are still in force and effect.

12.- In the event of the exercise of the option in accordance with the preceding paragraph, the sale price of any craft purchased hereunder shall be determined by adding the COST OF CONDITIONING to the PRE-CONDITIONED COST; the total so determined to be subject to any lien against the craft as provided for in paragraphs five (5) and six (6). It is expressly understood and agreed between the parties hereto that all labor costs and other charges incurred to effect repairs shall be borne by the LESSEE;

13.- For the purpose of establishing the PRE-CONDITIONED COST of the crafts which are subject to sale hereunder, a representative of the LEGAL OWNER and a representative of the LESSEE shall together view each craft immediately prior to the LESSEE taking possession of said craft and arrive at a figure mutually agreeable and based on the considerations of paragraph nine (9) above.

14.- The cost of all parts furnished to the LESSEE by the LEGAL OWNER shall be priced at cost to the LEGAL OWNER at time of delivery to the LESSEE.

15.- Whenever the LESSEE shall elect to exercise the ²⁷option of purchase accorded by paragraph eleven (11) above, he shall give notice thereof in writing to the LEGAL OWNER describing specifically which of said craft he desires to purchase. Immediately upon receipt of the legal notice, the LEGAL OWNER shall fix and establish the sales price or prices of the craft, as the case may be, pursuant to the provisions of paragraph twelve (12) hereof, and shall forthwith inform the LESSEE with respect to

dance with the preceding paragraph, the sale price of any craft purchased hereunder shall be determined by adding the COST OF CONDITIONING to the PRE-CONDITIONED COST; the total so determined to be subject to any lien against the craft as provided for in paragraphs five (5) and six (6). It is expressly understood and agreed between the parties hereto that all labor costs and other charges incurred to effect repairs shall be borne by the LESSEE;

13.- For the purpose of establishing the PRE-CONDITIONED COST of the crafts which are subject to sale hereunder, a representative of the LEGAL OWNER and a representative of the LESSEE shall together view each craft immediately prior to the LESSEE taking possession of said craft and arrive at a figure mutually agreeable and based on the considerations of paragraph nine (9) above.

14.- The cost of all parts furnished to the LESSEE by the LEGAL OWNER shall be priced at cost to the LEGAL OWNER at time of delivery to the LESSEE.

15.- Whenever the LESSEE shall elect to exercise the ³⁷option of purchase accorded by paragraph eleven (11) above, he shall give notice thereof in writing to the LEGAL OWNER describing specifically which of said craft he desires to purchase. Immediately upon receipt of the legal notice, the LEGAL OWNER shall fix and establish the sales price or prices of the craft, as the case may be, pursuant to the provisions of paragraph twelve (12) hereof, and shall forthwith inform the LESSEE with respect to same, whereupon the LESSEE shall have a period of 5 days either to accept or reject said sale price or prices. If the sales price, in any case, is accepted, the acceptance thereof shall be

- 6 -

accompanied by bond of surety in all respects satisfactory as to form and surety to the LEGAL OWNER, whereunder specific performance of those parts of this contract relating to the right to exercise the option to purchase, is guaranteed to the LEGAL OWNER and such bond shall provide among other things for the payment of the purchase price in the event the LESSEE should default in the payment of same.

16.- In the event of a breach of this contract or any default hereunder by and on the part of the LESSEE, he shall forfeit all the monies invested by him in reconditioning or repairing the crafts described herein, it being understood that the term "invested monies" shall include both labor charges and the cost of all parts purchased for the purpose hereof.

17.- The LEGAL OWNER reserves the right to terminate this agreement or any renewal or modification thereof at any specified time 60 days after the date of mailing or giving written notice to the LESSEE of such termination. Proof of mailing shall be sufficient evidence of the notice upon the LESSEE.

18.- In the event any dispute arises over any of the provisions of this contract because of the existence of the Italian versions of the same, the English version hereof shall always prevail.

19.- The craft which are to be operated hereunder and sold pursuant to the option provided for herein, are as follows: -

NAME OR NUMBER

TYPE

LENGTH

BREADTH

DEPTH

TONNAGE

MOTOR SERIAL NUMBER

3716

and such bond shall provide among other things for the payment of the purchase price in the event the LESSEE should default in the payment of same.

16.- In the event of a breach of this contract or any default hereunder by and on the part of the LESSEE, he shall forfeit all the monies invested by him in reconditioning or repairing the crafts described herein, it being understood that the term "invested monies" shall include both labor charges and the cost of all parts purchased for the purpose hereof.

17.- The LEGAL OWNER reserves the right to terminate this agreement or any renewal or modification thereof at any specified time 60 days after the date of mailing or giving written notice to the LESSEE of such termination. Proof of mailing shall be sufficient evidence of the notice upon the LESSEE.

18.- In the event any dispute arises over any of the provisions of this contract because of the existence of the Italian versions of the same, the English version hereof shall always prevail.

19.- The craft which are to be operated hereunder and sold pursuant to the option provided for herein, are as follows : -

NAME or NUMBER	3716
TYPE	
LENGTH	
BREADTH	
DEPTH	
TONNAGE	
MOTOR SERIAL NUMBER	
TYPE OF FUEL	

+ 7,-

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names the day and year first above written,

3715

HEADQUARTERS
LOMBARDIA REGION LIAISON GROUP
ALLIED COMMISSION
TRANSPORTATION DIVISION
APO 334

Tel: 12641 Ext. 2458

15 January 1946

110/M/TN

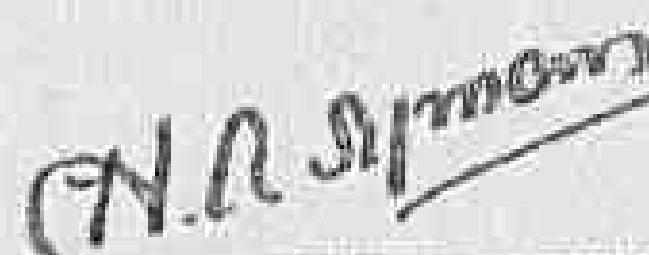
SUBJECT : German F. Lighters at Venice and Trieste.

TO : Transportation Sub-Commission
HQ Allied Commission
ROME

1. Attached please find copy of all correspondence - telegrams etc. in connection with the loan of 8 German F. Lighters (5 at Venice and 3 at Trieste).

2. It is however pointed out that the 3 at Trieste have not yet been taken over (see my 109/M/TN of 15 Jan.); as soon as same are taken over you will be notified.

For the Chief Liaison Officer



H.A. SYMONS
Major.

Enclosures.

3714

HAS/vb.

C O P Y

ACTPT

FLEET SALVAGE OFFICER MEDITERRANEAN
INFO TRANSPORTATION SUB-COMMISSION FOR ALLMAN ROME

1542

RESTRICTED

PARA ONE REFERENCE LETTERS FROM AUSILIARE INTERNAZIONALE VIA
LANCIETTI THREE SIX MILAN REGARDING LOAN FOUR SALVAGED GERMAN
LANDING CRAFT LYING AT TRIESTE GRADO AND VENICE FOR USE ON PO
RIVER PD

PAREN TO FLEET SALVAGE OFFICER MEDITERRANEAN INFO ALCOM ACTPT ROME
FOL ALLMAN FROM ACTPT MILAN PD

PARA TWO THIS MATTER DISCUSSED IN CONFERENCE ATTENDED BY ALLMAN
ROME ON TWENTY FOURTH PD PRESUME YOU HAVE AUTHORITY TO CONCLUDE
LOAN CONTRACT PD STRONGLY RECOMMEND THAT THESE CRAFT BE LOANED TO
ABOVE MENTIONED COMPANY IMMEDIATELY SO AS TO TAKE ADVANTAGE PRESENT
HIGH WATER PO RIVER PD CRAFT NECESSARY FOR PROMOTION INLAND WATER-
WAYS TRAFFIC PD PLEASE RUSH THIS MATTER TO COMPLETION AND ADVISE PD

3713

C O P Y

ACTPT MILAN

030930

DIRECTOR HARBOR CRAFT ONE SIX ZERO NAVY HOUSE

NAPLES FOR RICHARDSON

TN SUB COMMISSION FOR ALLMAN

1552

RESTRICTED

HAVE REQUEST FOR LOAN FOUR SALVAGED GERMAN LST NOW AT GRADO AND
TRIESTE FOR USE INLAND WATERWAYS TRAFFIC PD

PAREN TO DIRECTOR HARBOR CRAFT ONE SIX ZERO NAVY HOUSE NAPLES FOR
RICHARDSON INFO TN SUB COMMISSION FOR ALLMAN FROM ACTPT MILAN FOR

FISKE SIGNED HARRIS PAREN

OPERATORS EXPERIENCED PD NEED VITAL FOR INTERNAL ECONOMY NORTHERN
ITALY PD SUGGEST LOAN BE MADE ON BASIS REPAIRS MAINTENANCE AND
OPERATING EXPENCE BE BORNE BY OPERATOR OUT OF REVENUE PD TITLE TO
CRAFT TO REMAIN IN ALLIES PD WE ARE PREPARED TO CONCLUDE CONTRACT
UPON RECEIPT YOUR AUTHORIZATION PD

3712

HEADQUARTERS
ALLIED COMMISSION
APO 394
MILAN OFFICE
TRANSPORTATION SUB-COMMISSION

C O P Y

Tel. 632141 Ext. 40
1584/M/TN2/M

5th November 1945

SUBJECT : Salvaged German Landing Craft.
TO : Lt. BRADSHAW
Fleet Salvage Officer
G E N O A

1. We have been informed that the Fleet Salvage Office Mediterranean have authority to place salvaged German landing craft in service through loan agreement. The attached signals reflect our desire and efforts so as to make possible the use of these craft on inland waterways.

2. It would be highly appreciated if you can arrange to put these craft into commission through Italian firms so as to fill out our transportation picture in North Italy. Many commodities are ready to move and full advantage should be taken of the present high water in order to alleviate living conditions during this coming winter. Sufficient internal transport is one of the major keys to Italy's economy.

3. Please consider this office on call to help out in every way possible.

Original signed by
Lt. Col. M. Harris

=====

M. HARRIS

Lt. Col. C. B.

3711

C O P Y

From: Ausiliare Internazionale, Milan Office, Via Lanzetti 96
Date: 15 October 1945

To: Fleet Salvage Officer, Mediterranean.
Subject: German Landing craft in the Adriatic.

The Transportatio Sub Commission, Allied Commission, Milan instructed us since some time to arrange for inland water transport in the region of Northern Italy.

2) We understand there are a number of German landing craft in the Northern Adriatic. These crafts are afloat but require considerable amount of work to put them into running order.

The AC Authority in Milan appreciate the necessity of river transport in Northern Italy and have informed us that they would approve such an undertaking. They also suggested that the minimum number of craft which would effectively carry out the work projected would be at least four.

3) We therefore request that we may be authorized to take over four of these German crafts on the following conditions:

- a) The "Ausiliare Internazionale" to put the four craft into running order at their own expense,
- b) immediately completed management of craft to be allocated to the "Ausiliare internazionale" for a minimum period of six months,
- c) repair and refitting expenses incurred by us to be reimbursed from freight.
- d) We estimate that above expenses can be covered in five months employment. We suggest that the freight for the remaining month be allocated to us as management fees.
- e) After an agreed period the craft to be handed back to you in running condition.

We trust this proposal will be taken into due consideration.

3710

C O P Y

FROM: Office of Fleet Salvage Officer, Naples

DATE: 19th October 1945

TO: Ausiliare Internazionale, Milan Office
Via Lanzetti 96

.....
SUBJECT: GERMAN LANDING CRAFT IN ADRIATIC

We have to acknowledge receipt of your letter of 15th October 1945. The contents of your letter will be put before the authorities concerned on the 24th of this month.

2. With regard to your paragraph 3 (a) it is very probable that expenses for refitting of craft can be completely covered in two or three months according to the extent of the overhaul necessary and the freight obtainable. However this is a matter that can be gone into a full detail in the event of these craft being eventually allocated to you/.

3. In due course you will be informed if there is a possibility of concluding this matter.

FLEET SALVAGE OFFICER

3709

3 C C P Y

FROM . . . FLEET SALVAGE OFFICER MEDITERRANEAN

DATE . . . OCTOBER 26th. 1945

TO . . . AUSILIARE INTERNAZIONALE, MILAN

GERMAN LANDING CRAFT IN THE ADRIATIC

We have to acknowledge your letter of 23 October and note your remarks with reference to freights.

2. For your guidance the whole matter has been passed to a representative of the Allied Commission; Mr. Allman (Public Works and Utilities Sub-Commission) who will no doubt communicate with the Allied Commission Transportation Representative in Milan.

CAPTAIN R.M.V.R.

3708

C O P Y

FROM : "AUSILIARE INTERNAZIONALE" Ufficio Milano

DATA : 23 Ottobre 1945

A : OFFICE OF FLEET SALVAGE OFFICER, NAPOLI

Soggetto : German landing craft in the Adriatic.

With reference to your letter of 19th inst. we now await decision which we learn from you will be taken on the 24th of this month.

With regard to paragraph 2, we take the liberty to point out that undoubtedly expenses for refitting craft will be dependent on the amount of overhaul necessary and freight obtainable, and in this respect we wish to remind you that the freights obtainable for this type of craft will be only coasting and river rates, which of course are quite lower than sea freight ruling at present.

Awaiting your reply, we beg to remain,

Yours faithfully

"AUSILIARE INTERNAZIONALE"

Milan Office

3707

C O P Y

FROM: Senior Salvage Officer N.W. Italy
DATE: 13th. November 1945
TO : H.Q. Allied Commission
APO 394 Milan Office
Transportation Sub Commission

Reference yours 1584/M/TN2/M, Capt. Higdon,
Fleet Salvage Officer has left for U.K., and has
instructed me to inform you that he is agreeable
to the craft in question being used for inland
waterways traffic.

2) You are therefore hereby authorized to make the
necessary contracts with 'Ausiliare Internazionale'
Via Lancetti 36 Milan.

3) Please send copies of all correspondence and
contracts to Fleet Salvage Officer, Malta.

SENIOR SALVAGE OFFICER
GENOVA
NORTH WESTERN ITALY
Lieut. R.N.V.R.

3706

COPY

FROM: Lieut. E. F. Bradshaw, R.N.V.R.
DATE: 13th. November 1945.
TO : S.S.V.O. Trieste

The attached copy of letter to Allied Commission is self explanatory.

- 2) Before leaving for London Capt. Rippon informed me that this matter would probably crop up during his absence, and he instructed me to inform Allied Commission to go ahead on the basis of a loan agreement.
- 3) You will therefore be asked to deliver these German landing Craft to the Allied Commission. There are, I understand, eight or nine such craft, lying between Trieste, Grado and Venice.

SENIOR SALVAGE OFFICER
NORTH WESTERN ITALY
GENOA

Lieut. R.N.V.R.

3705

C O P Y

ACTPT MILAN

6 1100

FILET SALVAGE OFFICER NAVY HOUSE TRIESTE

1588

RESTRICTED

WOULD APPRECIATE DIMENSIONS DRAFT ENGINE DETAILS AND NUMBER OF

SALVAGED GERMAN LANDING CRAFT IN YOUR AREA PD

PAREN TO FLEET SALVAGE OFFICER NAVY HOUSE TRIESTE FROM ACTPT MILAN

SIGNED HARRIS FOR FISKE PAREN

3704

WISH TO USE THEM INLAND WATERWAYS PD NEGOTIATIONS NOW IN PROCESS

WITH FLEETSSALVAGE OFFICER MEDITERRANEAN TO PLACE SAME IN SERVICE

NORTH ITALY UNDER LOAN AGREEMENT PD

C O P Y

SEAV V LBWX NR 28/6
COM MILAN
FROM DIRECTOR OF HARBOR CRAFT Ø61219A NOV
TO ALLIED COMMISSION MILAN
UNCLASSIFIED BT
FOLLOWING FOR HARRIS FROM RICHARDSON.
REFERRING YOUR Ø3Ø93Ø AS FOUR SALVAGED GERMAN LST WERE PROBABLY
SEIZED IN PRIZE BY ROYAL NAVY REQUEST FOR LOAN THESE CRAFT HAS
BEEN PASSED TO C IN C MED FOR DECISION.
BTØ61219A NOV
TOD Ø8Ø84ØAS NOV T.-11 AR TKS

RECD NR Ø84Ø NR28/6 ...M.M. KKK

3703

C O P Y

HEADQUARTERS
ALLIED COMMISSION
MILAN OFFICE

APC 394

TRANSPORTATION SUB-COMMISSION

Tel: 632141 Ext. 40

1653/M/TN2/M

TO : S.S.V.C. - Trieste

SUBJECT : Salvaged German Landing Craft.

17 November 1945

1. This will serve to introduce Mr. Benjamin Franklin, Managing Director of the Ausiliare Internazionale of Milan and Venice.
2. Mr. Franklin will inspect the landing craft indicated as available for loan by letter from Senior Salvage Officer, N.W. Italy and in conjunction with you, report on condition and agreed pre-conditioned value of each craft.
3. This office will prepare a loan contract based on the premise that title to each craft rests with the Allied Governments, but all repairs will be at the expense of the lessee who will receive all tariffs accruing from the use of the crafts. The lessee will have first chance to buy the crafts; his unpaid balance of expenses incurred to be a first mortgage on each craft.
4. Please extend to Mr. Franklin and his associated every opportunity to get these craft into operation at an early date, as all means of internal transport in Italy are at a premium.

Original signed **3702**
Lt. Col. M. HARRIS

M. HARRIS
Lt. Col. C.E.

copies to: Ausiliare Nazionale
Transportation Sub-Commission-Rome

TO : S.S.V.O.-Trieste

SUBJECT : Salvaged German Landing Craft.

1. This will serve to introduce Mr. Benjamin Franklin, Managing Director of the Ausiliare Internazionale of Milan and Venice.
2. Mr. Franklin will inspect the landing craft indicated as available for loan by letter from Senior Salvage Officer, N.W. Italy and in conjunction with you, report on condition and agreed pre-conditioned value of each craft.
3. This office will prepare a loan contract based on the premise that title to each craft rests with the Allied Governments, but all repairs will be at the expense of the lessee who will receive all tariffs accruing from the use of the crafts. The lessee will have first chance to buy the crafts; his unpaid balance of expenses incurred to be a first mortgage on each craft.
4. Please extend to Mr. Franklin and his associates every opportunity to get these craft into operation at an early date, as all means of internal transport in Italy are at a premium.

Original signed **3702**
Lt. Col. M. HARRIS

M. HARRIS
Lt. Col. C.E.

copies to: Ausiliare Nazionale
Transportation Sub-Commission-Rome

MH/vb.

C O P Y

MEAV V MWPS NR 31 A OP OP Q V R 1
FROM DIRECTOR OF HARBOR CRAFT 221415 A
TO ALLIED COMMISSION MILAN
INFO FOIL . NOIC TRIESTE.
UNCLASSIFIED. IMMEDIATE BT .

FOLLOWING IS A REPTITION OF C IN C MED'S 170948 NOVEMBER BEGINS NOT
APPROVED TO USE CRAFT AT TRIESTE YOUR 061209NOV. REFERS. AS THEY
ARE SUBJECT TO JUGOSLAV WAR BOOTY CLAIM. (2) APPROVED TO USE
THESE AT GRADO PROVIDING THEY ARE NOT OTHERWISE REQUIRED
ARRANGEMENTS SHOULD BE MADE IN DETAIL WITH NOIC TRIESTE AND C IN C
MED KEPT INFORMED .. END.

BT...221415 A NOV.

SENT NR 31 A 23/0520 ED AR TKS K
RD NR 31 BY NAA AT 0520 AR

3701

C O P Y

HEADQUARTERS ALLIED COMMISSION
APO 394
TRANSPORTATION AND SHIPPING SUB COMMISSION

Tel : 347

Ref : AC/37/61/Tn6

UAG/lp

SUBJECT : Salvaged German Landing Craft.

TO : Office of Representative of Chief Commissioner AC.
MILANO

(for Transportation-Shipping S/C
Lttn Lt.Col. M.Harris).

1. Reference your letter 1663/M/Tn2/M dated 17 November 1945 addressed to S.S.V.O. - Trieste on the above subject.
2. For your guidance, the matter has been referred to the Commander-in-Chief, Mediterranean for decision and we await further advices from the Fleet Salvage Officer, Mediterranean.

For the Chief:

U.A.CHILARDI
Operations Branch
Ports & Warehouse Div.

Copy to :

Staff Salvage Officer
F.O.I.I.
6 Via Lucullo,
R O M E.

3700

C O P Y

ACCTPT MILAN

201100

FLEET SALVAGE OFFICER RIPON NAVY HOUSE NAPLES

1974

MOST URGENT

WE ARE AWAITING INFORMATION FROM YOU OR YOUR DESIGNATES RE
DETAILS SALVAGED GERMAN LANDING CRAFT SO THAT CONTRACTS WITH
AUSILIARE INTERNAZIONALE MILAN CAN BE COMPLETED PD

PAREN TO FLEET SALVAGE OFFICER RIPON NAVY HOUSE NAPLES FROM THE
OFFICE OF THE ECONOMIC COMMISSION NORTH ITALY FOR HANCOCK SIGNED
HARRIS PAREN

STRONGLY RECOMMEND PROMPT ACTION SO ADVANTAGE MAY BE TAKEN PRESENT
RIVER CONDITIONS PD DISTRIBUTION OF IMPORTATIONS BEING AFFECTED PD

3699

C O P Y

NAVY V LAEE NR 92

QVR 5

FROM CINC MED

TO NOIC TRIESTE RNO VENICE

INFO G4 MOV AND TN AFHQ : FOLL : ALLIED COMMISSION MILAN

BT

RESTRICTED . CANCEL BY 170948A NOVEMBER REGARDING LOAN OF

GERMAN F LIGHTERS TO AC MILAN AT REQUEST OF DIRECTOR OF HARBOUR
CRAFT THE

FOLLOWING AMENDED ARRANGEMENTS ARE TO APPLY 2 SUBJECT TO 3F
LIGHTERS NOW NUMBERED 9 11 AND 12 FORMERLY AT GRADO AND NOW AT
TRIESTE NOT (R) NOT BEING SUBJECT TO JUGOSLAV WAR BOOTY CLAIM
NOIC TRIESTE IS TO ARRANGE FOR THEM TO BE CONSIGNED TO ALLIED
COMMISSION MILAN

AGAINST SEPARATE RECEIPTS FOR EACH CRAFT GIVING FULL

PARTICULARS PRESENT COMMISSION AND ACKNOWLEDGEMENT ²⁰⁰⁸ THEIR

TRANSFER. IS ON LOAN (R) LOAN SUBJECT TO RETURN ON REQUEST 3 RNO
VENICE IS TO TAKE SIMILAR ACTION IN RESPECT OF 5 F LIGHTERS NOS
3 4 5 8 AND 10 NOW AT VENICE

BT

SENT NR 92

J E C B4

K

FROM CINC MED

TO NOIC TRIESTE RNO VENICE

INFO G4 MOV AND TN APHQ : DOLL : ALLIED COMMISSION MILAN

BT

RESTRICTED . CANCEL MY 1709484 NOVEMBER REGARDING LOAN OF
GERMAN F LIGHTERS TO AC MILAN AT REQUEST OF DIRECTOR OF HARBOUR

CRAFT THE

FOLLOWING AMENDED ARRANGEMENTS ARE TO APPLY 2 SUBJECT TO 3F
LIGHTERS NOW NUMBERED 9 11 AND 12 FORMERLY AT GRADO AND NOW AT
TRIESTE NOT (R) NOT BEING SUBJECT TO JUGOSLAV WAR BOOTY CLAIM
NOIC TRIESTE IS TO ARRANGE FOR THEM TO BE CONSIGNED TO ALLIED
COMMISSION MILAN

AGAINST SEPARATE RECEIPTS FOR EACH CRAFT GIVING FULL
PARTICULARS PRESENT COMMISSION AND ACKNOWLEDGEMENT THAT THEIR

TRANSFER. IS ON LOAN (R) LOAN SUBJECT TO RETURN ON REQUEST 3 RNO
VENICE IS TO TAKE SIMILAR ACTION IN RESPECT OF 5 F LIGHTERS NOS
3 4 5 8 AND 10 NOW AT VENICE

BT

SENT NR 92 J E C B4 K

RECD NR 92 2100A RH K 4

C O P Y

MEAV V LRUL NR 466 (PASS TO FOIL A C MILAN)
FROM CINC MED A I MILAN
INSO FOIL RNO VENICE G 4 MOV A D TN ASHQ
BT

RESTRICTED . S LIGHTERS NUMBERED 9.11 AND 12 NOW AT TRIESTE
ARE READY FOR CONSIGNMENT TO A C MILAN CINC MED'S 191038
REFERS

BT
SENT NR 466 GJD Ø115 BB

RD Ø115 DLW K

3697

C O P Y

MEAV V LRJA NR 24123 QVR 2

FROM RNO VENICE 241129A
TO C IN C MED - ALLIED COMMISSION MILAN
INFO NOIC TRIESTE -G4 MOVEMENTS AND TN AFHQ - F O I L
QSH BT

YOUR 191038A . F-LIGHTERS NUMBERED 3 4 5 8 AND 10 NOW READY TO BE
CONSIGNED TO A C MILAN

BT
SENT WLS BB KK
RD NR 123 AT 0013A A.S.G. EBB

3696

ACTIT MILAN

090935

NOIC TRIESTE FOR SCI

35

MOST URGENT

KINDLY WIRE BY RETURN YOUR OPINION PRECONDITIONED COST OF
THE THREE GERMAN LIGHTERS PD
PAREN TO NOIC TRIESTE FOR SCI FROM TRANSPORTATION ALLIED
COMMISSION MILAN FOR HANCOCK SIGNED HARRIS PAREN
AGREED PRICE BETWEEN RHO AND CONTRACTING FIRM FOR THOSE AT
VENICE ONE EIGHT SEVEN FIVE POUNDS PD MOST URGENT PD

3695

IMPORTANT

DEAV V ERUL R 1082 IMPORTANT
FROM NOIC TRIESTE 101242A
TO ACTTE MILAN

CR --- BT

~~UNCLASSIFIED~~

UNCLASSIFIED. YOUR 090935. CONSIDER SURVEYING BY QUALIFIED
SURVEYORS BE CARRIED OUT BEFORE VALUE FOR INSURANCE PURPOSES
CAN BE FIXED. ROYAL NAVY CAN NOT (R) NOT BEAR COST OF SURVEY
AND SUGGEST YOU AUTHORIZE ERNESTO ANDOLY TELE
GRAPHIC ADDRESS AVDMARE TRIESTE WHO IT IS UNDERSTOOD IS YOUR
AGENT HERE

BT ---

SENT JHM E (P) K

RRD NR 1082 1647 RES BK

3694

ACTPT MILAN

111415

NOIC TRIESTE

81

URGENT

SUBJECT PRECONDITIONED COST OF THREE GERMAN LIGHTERS PD
PAREN TO NOIC TRIESTE FROM CHIEF LIAISON OFFICER LOMBARDIA
REGION FOR HANCOCK SIGNED SYMONS PAREN
REF YOUR SIGNAL OF ONE ZERO JAN PD PLEASE HAVE SURVEY CARRIED
OUT AND SUBMIT ACCOUNT TO THIS OFFICE PD

3693

ACTPT MILAN

111615

RNO VENICE

85

MOST URGENT

PARA ONE CONTRACTS HAVE BEEN SIGNED FOR THE TAKING OVER ON
LOAN OF THE FOLLOWING GERMAN LIGHTERS COLON F THREE CMA F
FOUR CMA F FIVE CMA F EIGHT CMA F TEN PD
PAREN TO RNO VENICE FROM CHIEF LIAISON OFFICER LOMBARDIA REGION
FOR HANCOCK SIGNED SYMONS PAREN
PARA TWO IT WOULD BE APPRECIATED IF SAME BE HANDED OVER IMMEDIA
TELY ON DEMAND TO THE DIRECTOR OF AUSILIARIA INTERNAZIONALE MR
FRANKLIN PD
PARA THREE PLEASE INFORM THIS OFFICE PD

3692

D I C H I A R A Z I O N E

Dichiaro di ricevere dalla Transportation Division - Office of the Economic Commission for North Italy una copia inglese ed una copia italiana dei contratti di noleggio relativi alle seguenti imbarcazioni :

F.3 = F.4 = F.5 = F.8 * e F.10 =

AUSILIARIA INTERNAZIONALE
Mr. GIUSEPPE FORNERIS

Milano 7 Gennaio 1946

3691

HEADQUARTERS
LOMBARDIA REGION LIAISON GROUP
ALLIED COMMISSION
TRANSPORTATION DIVISION
APO 394

Tel: 12641 Ext. 2458

15 January 1946

109/M/TN

SUBJECT : German F. Lighters at Venice and Trieste
TO : Commander in Chief Mediterranean.

Ref. your signal of December 1945.

1. I have to inform you that contracts have been signed (copies attached) for the taking over of the 5 German F. Lighters (numbered F.3 - F.4 - F.5 - F.8 - F.10) which are berthed at Venice. These lighters are being taken over forthwith.

2. We are awaiting survey on the three lighters at Trieste as soon as same are received and contracts signed for the taking over of these three lighters, the lighters will be taken over and copies of the contracts sent to you.

For the Chief Liaison Officer

H.A. Symons

H.A. SYMONS
Major.

copies to: Transportation Sub-Commission
HQ Allied Commission - ROME
R.N.O. Venice
N.O.I.C. Trieste
Ausiliaria Internazionale.

3690

AB/vb.

THIS AGREEMENT made this SEVENTH day of JANUARY 1946
1946 between Allied Commission, herein called the "LEGAL OWNER"
party of the first part and AUSILIARIA INTERNAZIONALE
herein called the
"LESSEE" party of the second part.

WHEREAS the LEGAL OWNER herein is declared to be the holder
of the legal title to the certain war damaged and/or captured
enemy craft more particularly described herein, and

WHEREAS it is deemed essential to the economic wellbeing of
Italy that such craft be reconditioned, repaired and placed in
service to supplement the present inadequate transport facilities
within Italy, and

WHEREAS the Lessee is equipped with the facilities and has
available sufficient trained personnel to recondition and repair
said craft in a manner satisfactory to the legal owner and

WHEREAS, as a part of consideration for reconditioning and
repairing said craft, the Legal Owner stands ready and willing to

(a) authorize the LESSEE to operate the craft or crafts
specifically described herein subject to all provisions hereof, and

(b) to accord the LESSEE the option of purchasing said
craft or crafts subject to the terms hereof and the approval of
the appropriate military authority, now therefore this agreement

WITNESSETH: that for and in consideration of the conveniences
and agreements hereinafter contained, the parties hereto hereby
agree as follows:

1 - It is hereby determined and declared that the lawful
title of the craft or crafts specifically described herein is now
and shall at all times hereafter, prior to the final completion

WHEREAS the LEGAL OWNER herein is declared to be the holder of the legal title to the certain war damaged and/or captured enemy craft more particularly described herein, and

WHEREAS it is deemed essential to the economic wellbeing of Italy that such craft be reconditioned, repaired and placed in service to supplement the present inadequate transport facilities within Italy, and

WHEREAS the lessee is equipped with the facilities and has available sufficient trained personnel to recondition and repair said craft in a manner satisfactory to the legal owner and

WHEREAS, as a part of consideration for reconditioning and repairing said craft, the Legal Owner stands ready and willing to

(a) authorize the LESSEE to operate the craft or crafts specifically described herein subject to all provisions hereof, and

(b) to accord the LESSEE the option of purchasing said craft or crafts subject to the terms hereof and the approval of the appropriate military authority, now therefore this agreement

WITNESSETH: that for and in consideration of the sum of \$389

and agreements hereinafter contained, the parties hereto hereby agree as follows:

1 - It is hereby determined and declared that the lawful title of the craft or crafts specifically described herein is now and shall at all times hereafter, prior to the final completion of the sale authorized hereunder, remain and be vested in the

LEGAL OWNER.

- 2 -

2. Immediately following the execution of this agreement, the LESSEE shall proceed forthwith to recondition the craft or crafts described herein and make all necessary repairs thereto for the purpose of rendering them seaworthy and applicable for the purposes contemplated hereunder.

The LESSEE undertakes and agrees that all work upon said craft or crafts shall be of a quality and in every respect satisfactory to the LEGAL OWNER and that the work thereon shall in every case proceed to completion within a time limit satisfactory to the LEGAL OWNER.

In cases where one or more crafts have been so damaged that they can, with advantage to the LEGAL OWNER, be taken down into component parts and such parts reconditioned and used to repair other crafts or to construct entirely another craft from such parts, the LESSEE may, after first having obtained the written consent of the LEGAL OWNER, proceed to so tear down such damaged crafts and use such parts thereof to repair other craft or to build other craft. Under no conditions will such parts or residue be sold or traded by the LESSEE.

3. - In lieu of the payment by the LEGAL OWNER for the cost of repair and reconditioning contemplated hereunder, the LESSEE will be permitted, under the supervision and control of the LEGAL OWNER, to operate the said craft or crafts for the purpose of transportation of prescribed goods, wares, merchandise, personnel or other permitted articles of value of a commercial nature, at rates prescribed by the Italian Government or the LEGAL OWNER.

3688

for the purpose of rendering them seaworthy and appropriate for the purposes contemplated hereunder.

The LESSEE undertakes and agrees that all work upon said craft or crafts shall be of a quality and in every respect satisfactory to the LEGAL OWNER and that the work thereon shall in every case proceed to completion within a time limit satisfactory to the LEGAL OWNER.

In cases where one or more crafts have been so damaged that they can, with advantage to the LEGAL OWNER, be taken down into component parts and such parts reconditioned and used to repair other crafts or to construct entirely another craft from such parts, the LESSEE may, after first having obtained the written consent of the LEGAL OWNER, proceed to so tear down such damaged crafts and use such parts thereof to repair other craft or to build other craft. Under no conditions will such parts or residue be sold or traded by the LESSEE.

3. - In lieu of the payment by the LEGAL OWNER for the cost of repair and reconditioning contemplated hereunder, the LESSEE will be permitted, under the supervision and control of the LEGAL OWNER, to operate the said craft or crafts for the purpose of transportation of prescribed goods, wares, merchandise, personnel or other permitted articles of value of a commercial nature, at rates prescribed by the Italian Government or the LEGAL OWNER.

4. - The LEGAL OWNER reserves the right at all times to establish suitable regulations for the operations of all crafts repaired and operated pursuant to the terms hereof and the LESSEE undertakes and agrees to be bound by such regulations.

- 3 -

5.- It is agreed that such labour and/or material furnished by the LESSEE for the purpose of repairing and reconditioning said craft or crafts; together with a sum that shall represent profit and overhead, shall constitute a just and proper first lien against said craft or crafts. The sum of profit and overhead shall not exceed 25% of the total cost of labour and material. The total amount of said claim is herein called "COST OF RECONDITIONING".

6.- All monies derived from the operation of such craft or crafts by the LESSEE in the manner contemplated in paragraph 3 and 4, shall be accounted for, collected and retained by the LESSEE until such time as the total sum so earned, after deducting operating costs, maintenance cost and insurance premiums, shall equal the COST OF RECONDITIONING. At such time all claim for COST OF RECONDITIONING against said craft or crafts shall be declared fulfilled. Thereupon it shall be open to the parties hereto to continue this contract upon modified or fresh terms to be agreed upon between them.

7.- The LESSEE agrees to secure insurance against fire, theft, damage and accident and will cover the interest of the LEGAL OWNER as well as his own. The insurance coverage must be in a form approved by the LEGAL OWNER, and must be secured immediately upon execution of this contract and before commencing repair work on and/or operating any craft which is the subject hereof. In any event, the LESSEE agrees to indemnify the LEGAL OWNER and hold him harmless against all claims which may arise during the operation of this contract.

3687

8.- The LESSEE shall maintain complete records of the details of all operations contemplated herein, to the end that

and overhead, shall constitute a just and proper first lien against said craft or crafts. The sum of profit and overhead shall not exceed 25% of the total cost of labour and material. The total amount of said claim is herein called "COST OF RECONDITIONING".

6.- All monies derived from the operation of such craft or crafts by the LESSEE in the manner contemplated in paragraph 3 and 4, shall be accounted for, collected and retained by the LESSEE until such time as the total sum so earned, after deducting operating costs, maintenance cost and insurance premiums, shall equal the COST OF RECONDITIONING. At such time all claim for COST OF RECONDITIONING against said craft or crafts shall be declared fulfilled. Thereupon it shall be open to the parties hereto to continue this contract upon modified or fresh terms to be agreed upon between them.

7.- The LESSEE agrees to secure insurance against fire, theft, damage and accident and will cover the interest of the LEGAL OWNER as well as his own. The insurance coverage must be in a form approved by the LEGAL OWNER, and must be secured immediately upon execution of this contract and before commencing repair work on and/or operating any craft which is the subject hereof. In any event, the LESSEE agrees to indemnify the LEGAL OWNER and hold him harmless against all claims which may arise during the operation of this contract.

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8.- The LESSEE shall maintain complete records of the details of all operations contemplated herein, to the end that either of the parties hereto, may, if they so desire, determine daily the extent of all financial interests and responsibilities arising out of either the whole or any single operation undertaken hereunder. All records, established and maintained for the purpose

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hereof shall conform to accounting methods and practices which will be laid down by the LEGAL OWNER. These methods and practices will conform generally to the standard accounting usage prevailing in the United States and in the United Kingdom and will discuss fully the details of every transaction wherever financial obligations are to be incurred and imposed. The LEGAL OWNER or his duly authorized representative shall have the right of access at all times to such records for the purpose of inspection and it shall be the duty of the LESSEE to submit for the LEGAL OWNER'S consideration and accommodation complete accounts of all operations hereunder on a monthly basis as of the last day of each month.

9.- All costs of labor and material, pre-conditioned values of craft or crafts and of parts of craft or crafts shall be evaluated in either pounds sterling or dollars, using the legal rate of exchange existent as of the date of this contract.

10.- The LESSEE agrees that the LEGAL OWNER may at its option withhold any or all tariffs arising either directly or indirectly out of the relationship established hereunder, or any payments due or to become due, until any claims arising hereunder shall have been liquidated, and that the LEGAL OWNER may apply such tariffs or other payments in liquidation of such claim or claims. For the purpose hereof, demand upon the LESSEE by the LEGAL OWNER shall entitle the LEGAL OWNER to physical possession of all monies and credits collected or obtained under the provisions of paragraphs six (6) above.

11.- It is expressly understood between the parties hereto that the option to purchase is subject to the approval of the appropriate military authorities and that the LEGAL OWNER will

conform generally to the standard accounting usage prevailing in the United States and in the United Kingdom and will discuss fully the details of every transaction wherever financial obligations are to be incurred and imposed. The LEGAL OWNER or his duly authorized representative shall have the right of access at all times to such records for the purpose of inspection and it shall be the duty of the LESSEE to submit for the LEGAL OWNER'S consideration and accommodation complete accounts of all operations hereunder on a monthly basis as of the last day of each month.

9.- All costs of labor and material, pre-conditioned values of craft or crafts and of parts of craft or crafts shall be evaluated in either pounds sterling or dollars, using the legal rate of exchange existent as of the date of this contract.

10.- The LESSEE agrees that the LEGAL OWNER may at its option withhold any or all tariffs arising either directly or indirectly out of the relationship established hereunder, or any payments due or to become due, until any claims arising hereunder shall have been liquidated, and that the LEGAL OWNER may apply such tariffs or other payments in liquidation of such claim or claims. For the purpose hereof, demand upon the LESSEE by the LEGAL OWNER shall entitle the LEGAL OWNER to physical possession of all monies and credits collected or obtained under the provisions of paragraphs six (6) above.

11.- It is expressly understood between the parties hereto that the option to purchase is subject to the approval of the appropriate military authorities and that the LEGAL OWNER will undertake to secure this approval. Subsequent to the execution of this agreement, subject to the approval aforesaid, the LESSEE shall have the right and first option to purchase any or all of the crafts described herein, provided that this agreement, or modifications

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thereof, or further agreements entered into pursuant to paragraph six (6) hereof, are still in force and effect.

12.- In the event of the exercise of the option in accordance with the preceding paragraph, the sale price of any craft purchased hereunder shall be determined by adding the COST OF CONDITIONING to the PRE-CONDITIONED COST; the total so determined to be subject to any lien against the craft as provided for in paragraphs five (5) and six (6). It is expressly understood and agreed between the parties hereto that all laborcosts and other charges incurred to effect repairs shall be borne by the LESSEE;

13.- For the purpose of establishing the PRE-CONDITIONED COST of the crafts which are subject to sale hereunder, a representative of the LEGAL OWNER and a representative of the LESSEE shall together view each craft immediately prior to the LESSEE taking possession of said craft and arrive at a figure mutually agreeable and based on the considerations of paragraph nine (9) above.

14.- The cost of all parts furnished to the LESSEE by the LEGAL OWNER shall be priced at cost to the LEGAL OWNER at time of delivery to the LESSEE.

15.- Whenever the LESSEE shall elect to exercise the option of purchase accorded by paragraph eleven (11) above, he shall give notice thereof in writing to the LEGAL OWNER describing specifically which of said craft he desires to purchase. Immediately upon receipt of the legal notice, the LEGAL OWNER shall fix and establish the sales price or prices of the craft, as the case may be, pursuant to the provisions of paragraph twelve (12).

dance with the preceding paragraph, the sale price of any aircraft purchased hereunder shall be determined by adding the COST OF CONDITIONING to the PRE-CONDITIONED COST; the total so determined to be subject to any lien against the craft as provided for in paragraphs five (5) and six (6). It is expressly understood and agreed between the parties hereto that all labor costs and other charges incurred to effect repairs shall be borne by the LESSEE;

13.- For the purpose of establishing the PRE-CONDITIONED COST of the crafts which are subject to sale hereunder, a representative of the LEGAL OWNER and a representative of the LESSEE shall together view each craft immediately prior to the LESSEE taking possession of said craft and arrive at a figure mutually agreeable and based on the considerations of paragraph nine (9) above.

14.- The cost of all parts furnished to the LESSEE by the LEGAL OWNER shall be priced at cost to the LEGAL OWNER at time of delivery to the LESSEE.

15.- Whenever the LESSEE shall elect to exercise the option of purchase accorded by paragraph eleven (11) above, he shall give notice thereof in writing to the LEGAL OWNER describing specifically which of said craft he desires to purchase. Immediately upon receipt of the legal notice, the LEGAL OWNER shall fix and establish the sales price or prices of the craft, as the case may be, pursuant to the provisions of paragraph twelve (12) hereof, and shall forthwith inform the LESSEE with respect to same, whereupon the LESSEE shall have a period of 5 days either to accept or reject said sale price or prices. If the sales price, in any case, is accepted, the acceptance thereof shall

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accompanied by bond of surety in all respects satisfactory as to form and surety to the LEGAL OWNER, whereunder specific performance of those parts of this contract relating to the right to exercise the option to purchase, is guaranteed to the LEGAL OWNER and such bond shall provide among other things for the payment of the purchase price in the event the LESSEE should default in the payment of same.

16.- In the event of a breach of this contract or any default hereunder by and on the part of the LESSEE, he shall forfeit all the monies invested by him in reconditioning or repairing the crafts described herein, it being understood that the term "invested monies" shall include both labor charges and the cost of all parts purchased for the purpose hereof.

17.- The LEGAL OWNER reserves the right to terminate this agreement or any renewal or modification thereof at any specified time 60 days after the date of mailing or giving written notice to the LESSEE of such termination. Proof of mailing shall be sufficient evidence of the notice upon the LESSEE.

18.- In the event any dispute arises over any of the provisions of this contract because of the existence of the Italian versions of the same, the English version hereof shall always prevail. 68

19.- The craft which are to be operated hereunder and sold pursuant to the option provided for herein, are as follows : -

NAME or NUMBER	F.5 (Old number F.518)
TYPE	NOT FLAT DECK
LENGTH	47.00 m.
BREADTH	6.50 m.

and such bond shall provide among other things for the payment of the purchase price in the event the LESSEE should default in the payment of same.

16.- In the event of a breach of this contract or any default hereunder by and on the part of the LESSEE, he shall forfeit all the monies invested by him in reconditioning or repairing the crafts described herein, it being understood that the term "invested monies" shall include both labor charges and the cost of all parts purchased for the purpose hereof.

17.- The LEGAL OWNER reserves the right to terminate this agreement or any renewal or modification thereof at any specified time 60 days after the date of mailing or giving written notice to the LESSEE of such termination. Proof of mailing shall be sufficient evidence of the notice upon the LESSEE.

18.- In the event any dispute arises over any of the provisions of this contract because of the existence of the Italian versions of the same, the English version hereof shall always prevail.

19.- The craft which are to be operated hereunder and sold pursuant to the option provided for herein, are as follows :-

NAME or NUMBER	F.5 (Old number F.518)
TYPE	NOT FLAT DECK
LENGTH	47.00 m.
BREADTH	6.50 m.
DEPTH	2.30 m.
TONNAGE	180
MOTOR SERIAL NUMBER	UNDISTINGUISHABLE
TYPE OF FUEL	DIESEL
MOTOR TYPE	DEUTZ H/P/ 120/130

20. The PRE-CONDITIONED COST has been established at £ 1,850 (one thousand eight hundred and fifty pounds) and mutually agreed upon in accordance with para 13 (also see attached copy of letter of R.N.O. Venice).

+ 7,-

IN WITNESS WHEREOF, the parties hereto have hereunto sub-
scribed their names the day and year first above written.

WITNESSED BY:

Giuseppe Fornieri
Giuseppe Fornieri

OFFICIAL

M. Harris

M. HARRIS

Lt. COL. G. E. MISSION

TRANSPORTATION SUB-COMMISSION
MILAN*Fornerio Giuseppe*

AUSILIARIA INTERNAZIONALE

Mr. Giuseppe Fornieri

C o p y

Office of the
Resident Naval Officer
Venice.

Transportation Sub Commission
Office of Economic Commissioner,
Northern Italy.

Ref. CB/63/LC.

Subject;- Valuation of F. Lighters.

As a result of a consultation between Mr. Benjamin Franklin the accredited representative of "AUSILIARE INTERNAZIONALE" and myself it was agreed that the figure of L. 1875 (Sterling) should be considered as the value of Lighters No. F3, 4, 5, 8, 10 in their present condition.

These Lighters were formerly numbered F. 1153, 948, 518, 354, 522 respectively.

C.H.S. BASNETT
Lt., R.N.V.R.
R.N.O. VENICE.

I certify true copy

M. Harris

2082

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