

LIQUIDATION OF GERMAN PROPERTY IN ITALY

*Memorandum of understanding signed at Washington August 14, 1947,
with annexes*

Entered into force August 14, 1947

*Superseded by memorandum of understanding of March 29, 1957,¹
with regard to provisions not consistent with later memorandum*

61 Stat. 3292; Treaties and Other
International Acts Series 1664

MEMORANDUM OF UNDERSTANDING

Between the Governments of France, the United Kingdom of Great Britain and Northern Ireland, and the United States of America on the one hand, and the Government of Italy on the other hand, regarding German assets in Italy.

With reference to Article 77, paragraph 5, of the Treaty of Peace with Italy,² the Government of Italy on the one hand and the Governments of France, the United Kingdom of Great Britain and Northern Ireland, and the United States of America on the other hand have entered into the following understanding, including the Annexes attached hereto and made a part of this Memorandum of Understanding, with respect to German assets of whatsoever nature in Italy:

1. The Government of Italy will take appropriate measures to ascertain what German assets in Italy are not presently under administration.
2. The Government of Italy will take all necessary measures to effect the prompt sale or liquidation of all assets in Italy belonging directly or indirectly to (a) German individuals in Germany or corporations or other organizations organized under the laws of Germany; (b) the German state and German municipalities and state, federal, municipal, or other governmental authorities; (c) German Nazi organizations; and (d) German individuals already repatriated or to be repatriated to Germany. Exceptions to these categories should be made in the case of (a) assets of individuals deprived of life or substantially deprived of liberty pursuant to any law, decree, or regulation dis-

¹ 8 UST 445; TIAS 3797.

² TIAS 1648, *ante*, p. 311.

criminating against political, racial, or religious groups; (b) assets belonging to religious bodies or private charitable institutions and used exclusively for religious or charitable purposes; (c) assets of a corporation or any other organization organized under the laws of Germany to the extent that they are not beneficially German-owned; (d) assets released under an intercustodial agreement with another government; and (e) assets coming within the jurisdiction of Italy as a result of resumption of trade with Germany. The term "Germany" shall be defined as the Germany within the boundaries of that country as of December 31, 1937. Action with respect to German-owned trademarks and patents shall be held in abeyance pending separate representations.

3. The Government of Italy will dispose of German assets only to non-German nationals and with maximum safeguards to insure against their eventual return to German ownership or control.

4. The Government of Italy will credit the proceeds of liquidation of the assets to a special account to be held for such disposition as may subsequently be determined in accordance with Article 77, paragraph 5, of the Treaty of Peace with Italy.

5. The Government of Italy will execute the foregoing in collaboration with the Governments of France, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. To insure such collaboration, there will be established a Committee composed of one representative of each of the four Governments, which will meet at or near the seat of the Government of Italy. Chairmanship of this Committee will be rotated among the members in an order determined by the Committee. This Committee will operate by majority vote, establish its own rules of procedure, and take all action necessary to carry out the following functions:

A. To instruct the Agency of the Government of Italy charged with administering the program for control and liquidation of German assets in Italy as to policies and procedures to be followed in such program; such instruction to include, but not by way of limitation:

(1) Direction in the techniques and procedures for obtaining a census of all German assets in Italy;

(2) Direction that investigations be made in particular cases by the Agency with a view to uncovering hidden or cloaked German assets in Italy. In conjunction therewith the Committee shall place at the disposal of the Agency all available information and documentary evidence likely to facilitate the accomplishment of its task;

B. To review in advance of consummation all sales of German assets to insure that the proposed sales are in accord with the national interests of the four Governments, taking into account the objectives of precluding the

return of German external assets to German ownership or control and of favoring freedom of trade.

6. The Committee may determine that the expenses, or any part of them, incurred by it, except the expenses of the respective representatives on the Committee, shall be a charge on the proceeds of such assets.

7. The Agency will keep the Committee fully informed of the Agency's activities. It will furnish to the Committee all information requested concerning the census and status of German assets, and in particular it will seek the instructions of the Committee before making any decisions materially affecting the status of German assets under its administration.

8. The Agency will formulate the terms and conditions of sale or other disposition of German property, subject to review by the Committee.

9. This Memorandum of Understanding shall enter into force upon the day it is signed.

Done at Washington in quadruplicate in the English, French and Italian languages, each of which shall have equal validity, this 14th day of August, 1947.

For the Government of France:
FRANCIS LACOSTE

For the Government of the United
States of America:
ROBERT A. LOVETT

For the Government of the United
Kingdom of Great Britain and
Northern Ireland:
J. H. MAGOWAN

For the Government of Italy:
LOMBARDO

ANNEX 1

For the purposes of this understanding the term "asset" as used herein refers, but not by way of limitation, to any real property or interest therein, enterprise (commercial, industrial, financial, or scientific), security or interest therein, corporate and contractual licenses and arrangements, insurance policies and reinsurance contracts, bank accounts and deposits, including trusteeship accounts, safe deposit boxes, vaults, checks, drafts, credits, gold and other precious metals, options and any other types of arrangements and undertakings, written or unwritten.

ANNEX 2

Any dispute concerning the interpretation or execution of this understanding, which is not settled by direct diplomatic negotiations, shall be referred to a body composed of one representative each of the Governments of France, the United Kingdom of Great Britain and Northern Ireland, and the United States of America. Any such dispute not resolved by them within a period of two months shall, unless the parties to the dispute mutually agree upon another means of settlement, be referred at the request of either party to the

dispute to a Commission composed of one representative of each party and a third member selected by mutual agreement of the two parties from nationals of a third country. Should the two parties fail to agree within a period of one month upon the appointment of the third member, the Secretary-General of the United Nations may be requested by either party to make the appointment. The decision of the majority of the members of the Commission shall be the decision of the Commission, and shall be accepted by the parties as definitive and binding.