

ITALY
ECONOMIC COOPERATION

*Agreement effected by exchange of notes signed at Rome December 28, 1951;
entered into force December 28, 1951.*

TIAS 2463
Dec. 28, 1951

The American Ambassador to the Italian Minister of Foreign Affairs

ROME, ITALY
December 28, 1951

YOUR EXCELLENCY:

I have the honor to refer to conversations which have taken place between representatives of our two governments with regard to the extension of guaranties by the United States Government to private American investments in Italy.

Guaranties to private American investments in Italy.

In this connection, it has been agreed that:

A. If the Government of the United States of America makes payment to any person of compensation for loss on any investment in a project approved by the Government of Italy pursuant to a guaranty against loss by reason of expropriation or confiscation authorized by Section 111(b)(3) of the Economic Cooperation Act of 1948, as amended, the Government of Italy will recognize the transfer to the United States of America of any right, title or interest of such person in assets, currency, credits or other property on account of which such compensation was paid, including compensation for such loss received by such person from any source other than the United States of America, and the subrogation of the United States of America to any claim or cause of action of such person arising in connection therewith.

Compensation for loss on investments, transfer of right, title, etc.

82 Stat. 144,
22 U. S. C. § 1500 (b)
(3).

B. Any claim thus acquired by the Government of the United States of America against the Government of Italy shall be the subject of direct negotiations between the two governments. If, within a reasonable period, they are unable to settle the claim by agreement, it shall be referred for final and binding determination to a sole arbitrator selected by mutual agreement. If the Governments are unable, within a period of three months, to agree upon such selection, the arbitrator shall be one who may be designated by the President of the International Court of Justice at the request of either government.

Negotiation of claims.

C. The Government of Italy will accord the same treatment with respect to currency to which right, title or interest has been transferred to the United States of America on account of such guaranty as the Government accords to currencies transferred to the United States

Currency, transfer of right, title, etc.

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of America on account of any guaranty against loss by reason of lack of convertibility authorized by Section 111(b)(3) of the Economic Cooperation Act of 1948, as amended, with reference to which the Government of Italy has given its assurances to the Government of the United States of America under date of June 9, 1949. (Reference letters 8226/583 and 8227/584).^[1]

Please accept, Excellency, the renewed assurances of my highest consideration.

JAMES CLEMENT DUNN

His Excellency

DR. ALCIDE DE GASPERI

*Minister of Foreign Affairs
Rome*

The Italian Minister of Foreign Affairs to the American Ambassador

IL MINISTRO DEGLI AFFARI ESTERI

44/1783/1208

ROMA, 28 Dic. 1951

SIGNOR AMBASCIATORE,

ho il piacere di confermarLe a nome del Governo Italiano che:

A. Se il Governo degli Stati Uniti d'America effettua pagamenti ad una persona a compenso di perdite su investimenti in progetti approvati dal Governo italiano, a seguito di una garanzia, autorizzata dalla Sezione 111 (b) (3) della Legge di Cooperazione Economica 1948 e successivi emendamenti, contro perdita dovuta a espropriazione o confisca, il Governo italiano riconoscerà il trasferimento al Governo degli S.U.A., di ogni diritto, titolo o interesse di tale persona nelle attività, somme di denaro, crediti e altre proprietà, in conto delle quali il compenso è stato pagato, compresi eventuali compensi per le perdite che tale persona abbia ricevuto da qualsiasi altra origine, diversa dagli S.U.A., e il subentro del Governo degli S.U.A. in ogni diritto o ragione di azione di tale persona, da ciò derivanti.

B. Qualunque diritto in tal modo acquisito dal Governo degli S.U.A. verso il Governo italiano sarà oggetto di trattative dirette tra i due Paesi. Se entro un ragionevole periodo i Governi non sono riusciti a regolare la questione per via di accordo, essa sarà deferita per una decisione finale e vincolante a un singolo arbitro, scelto di mutuo accordo. Se i due Governi non riescono entro un periodo di tre mesi a convenire su tale scelta, l'arbitro dovrà essere una persona che verrà designata dal Presidente della Corte Internazionale di Giustizia a richiesta di uno o dell'altro dei due Governi.

C. Alle somme di denaro il cui diritto, titolo o interesse è stato trasferito al Governo degli Stati Uniti d'America in relazione alle

¹ Not printed.

garanzie suddette, il Governo italiano accorderà lo stesso trattamento che accorda alle somme di danaro trasferite al Governo degli Stati Uniti d'America in relazione a qualsiasi garanzia contro perdite dovute a inconvertibilità, autorizzata dalla Sez. 111 (b) (3) della Legge di Cooperazione Economica del 1948 e successive modifiche, in relazione alle quali il Governo italiano ha dato la sua assicurazione al Governo degli Stati Uniti d'America in data 9 giugno 1949.

Gradisca, Signor Ambasciatore, gli atti della mia alta considerazione.

DE GASPERI

S. E.

JAMES CLEMENT DUNN

*Ambasciatore degli Stati Uniti d'America
Roma*

Translation

THE MINISTER OF FOREIGN AFFAIRS

44/17683/1208

ROME, December 28, 1951

MR. AMBASSADOR,

I take pleasure in confirming to you, in the name of the Italian Government, that:

A. If the Government of the United States of America makes payments to a person as compensation for losses on investments in projects approved by the Italian Government, following a guaranty authorized by Section 111 (b) (3) of the Economic Cooperation Act of 1948 and subsequent amendments, against loss due to expropriation or seizure, the Italian Government will recognize the transfer to the Government of the United States of America of any right, title, or interest of such person in the assets, sums of money, credits, and other properties on account of which the compensation has been paid, including any compensation for losses which such person may have received from any source, other than the United States of America, and the subrogation of such person by the Government of the United States of America in every right or cause for action deriving therefrom.

B. Any right thus acquired by the Government of the United States of America with respect to the Italian Government shall be the subject of direct negotiations between the two countries. If within a reasonable period the Governments have not succeeded in settling the question by means of agreement, it shall be referred to a sole arbiter, chosen by mutual agreement, for a final and binding decision. If within a period of three months the two Governments have not succeeded in agreeing on such choice, the arbiter shall be a person appointed by the

President of the International Court of Justice upon the request of either of the two Governments.

C. To the sums of money the right, title, or interest in which has been transferred to the Government of the United States of America in connection with the aforesaid guaranties, the Italian Government will accord the same treatment that it grants to sums of money transferred to the Government of the United States of America in connection with any guaranty against losses due to inconvertibility, authorized by Section 111 (b) (3) of the Economic Cooperation Act of 1948 and subsequent amendments, with respect to which the Italian Government gave its assurance to the Government of the United States of America on June 9, 1949.

Accept, Mr. Ambassador, the assurances of my high consideration.

DE GASPERI

His Excellency

JAMES CLEMENT DUNN

Ambassador of the United States of America
Rome

ITALY

ECONOMIC COOPERATION

Agreement amending the agreement of June 28, 1948, as amended. Effected by exchange of notes signed at Rome May 21, 1951, entered into force May 21, 1951.

TIAS 2263
May 21, 1951

The American Ambassador to the Italian Minister of Foreign Affairs

EMBASSY OF THE UNITED STATES OF AMERICA

Rome, May 21, 1951

F. O. No. 7435

EXCELLENCY

I have the honor to refer to the conversations which have recently taken place between representatives of our two governments relating to the Economic Cooperation Agreement between the United States of America and Italy, signed at Rome on June 28, 1948, as heretofore amended, and to the enactment into law of Public Law 535, 81st Congress, amending the Economic Cooperation Act of 1948. I also have the honor to confirm the understandings reached as a result of these conversations

62 Stat. pt. 2, p. 2421;
pt. 3, p. 3815; 1 UST
160.
64 Stat. 168; 62 Stat.
137.
22 U. S. C. § 1501 et
seq.

1. The Government of Italy has expressed its adherence to the principles and policies of the Economic Cooperation Act of 1948, as heretofore amended.

2. Whenever reference is made in any of the articles of such Economic Cooperation Agreement to the Economic Cooperation Act of 1948 it shall be construed as meaning the Economic Cooperation Act of 1948, as heretofore amended.

3. Paragraph 6 of Article IV shall include expenditures in furtherance of any central institution or other organization formed by two or more participating countries to facilitate the development of transferability of European currencies or to promote liberalization of trade by participating countries with one another and with other countries.

4. The consultation referred to in Article III, paragraph 1, shall refer to all guaranties authorized under Section 111 (b) (3) of the Economic Cooperation Act of 1948, as heretofore amended.

Please accept, Excellency, the renewed assurance of my highest consideration.

JAMES CLEMENT DUNN

James Clement Dunn
American Ambassador

His Excellency

Count CARLO SFORZA,
*Minister of Foreign Affairs of the
Republic of Italy.*

The Italian Minister of Foreign Affairs to the American Ambassador

IL MINISTRO DEGLI AFFARI ESTERI

88/0772/1

ROMA, il 21 maggio 1951

ECCELLENZA,

ho l'onore di riferirmi alle conversazioni che si sono svolte recentemente tra rappresentanti dei nostri due Governi in merito all'Accordo di Cooperazione Economica tra gli Stati Uniti d'America e l'Italia firmato a Roma il 28 giugno 1948, come fino ad oggi modificato, nonché alla entrata in vigore della Legge 535, 81° Congresso, che modifica la Legge di Cooperazione Economica nel 1948. Ho altresì l'onore di confermare le intese raggiunte come risultato di dette conversazioni:

1) Il Governo italiano ha espresso la sua adesione ai principi e alle politiche della Legge di Cooperazione Economica del 1948, come fino ad oggi modificata.

2) Ogni volta che in qualsiasi degli articoli dell'Accordo di Cooperazione Economica si faccia riferimento alla legge di Cooperazione Economica del 1948, resterà inteso che si intende la Legge di Cooperazione Economica del 1948, come fino ad oggi modificata.

3) Il par. 6 dell'Art. IV includerà le spese per lo sviluppo di qualsiasi istituzione centrale o altra organizzazione formata da due o più Paesi partecipanti allo scopo di facilitare lo sviluppo della trasferibilità di monete europee o di promuovere la liberazione degli scambi da parte dei Paesi partecipanti gli uni con gli altri e con altri Paesi.

4) Le consultazioni cui si fa riferimento nell'art. III par. 1, si riferiranno a tutte le garanzie autorizzate a norma della Sez. 111 (b) (3) della Legge di Cooperazione Economica del 1948, come fino ad oggi modificata.

La prego, Eccellenza, di accettare le rinnovate assicurazioni della mia più alta considerazione.

SFORZA

Sua Eccellenza

JAMES CLEMENT DUNN

Ambasciatore degli Stati Uniti d'America

Roma

Translation

MINISTER OF FOREIGN AFFAIRS

82/0772/1

ROME, May 21, 1951

EXCELLENCY,

I have the honor to refer to the conversations which have recently taken place between representatives of our two governments relating to the Economic Cooperation Agreement between the United States of America and Italy, signed at Rome on June 28, 1948, as heretofore amended, and to the entering into force of Law 535, 81st Congress, amending the Economic Cooperation Act of 1948. I also have the honor to confirm the understandings reached as a result of these conversations:

1. The Government of Italy has expressed its adherence to the principles and policies of the Economic Cooperation Act of 1948, as heretofore amended.

2. Whenever reference is made, in any of the articles of such Economic Cooperation Agreement, to the Economic Cooperation Act of 1948 it shall be construed as meaning the Economic Cooperation Act of 1948, as heretofore amended.

3. Paragraph 6 of Article IV shall include expenditures for the development of any central institution or other organization formed by two or more participating countries to facilitate the development of transferability of European currencies or to promote liberalization of trade by participating countries with one another and with other countries.

4. The consultations referred to in Article III, paragraph 1, shall refer to all guaranties authorized under Section 111 (b) (3) of the Economic Cooperation Act of 1948, as heretofore amended.

Please accept, Excellency, the renewed assurance of my highest consideration.

SFORZA

His Excellency

JAMES CLEMENT DUNN

Ambassador of the United States of America

Rome

ITALY

MUTUAL SECURITY

Use of Counterpart Funds in Trieste

*Agreement effected by exchange of letters
Signed at Rome February 11, 1955;
Entered into force February 11, 1955.*

TIAS 3195
Feb. 11, 1955

The American Ambassador to the Italian Prime Minister

AMERICAN EMBASSY, ROME
11 February 1955

EXCELLENCY:

I have the honor to refer to conversations which have recently taken place between representatives of the Government of the United States and the Government of Italy relating to the future use of counterpart funds deriving from United States Government economic aid to Trieste in which it was understood that a general objective of the Italian Government is the continued economic development and political strengthening of the Trieste area. To assist the Italian Government in the attainment of this objective, the United States Government is prepared to agree to the continued utilization of the "ERP [¹] Loan Repayment Fund" in Trieste on the following terms and conditions:

- 1) The currently applied joint signature by the United States Government and the appropriate authority for Trieste, since October 26, 1954, the Government of Italy as successor to the Allied Military Government, shall continue to be required for the release of funds from the ERP Loan Repayment Fund.
- 2) The Fund will continue to be used as a revolving loan fund for mutually agreed purposes in the Trieste area or elsewhere in Italy. Proposals for the use of part of the Fund outside

¹ European Recovery Program.

- of the Trieste area will be studied and discussed jointly by the United States Government and the Italian Government.
- 3) Loans from this Fund will be medium or long-term, at no more than 5½ per cent interest. Loans at less than 5½ per cent will be based on criteria mutually agreed between the United States and Italian Governments. Repayment of loans and interest thereon will be redeposited in the Loan Fund, and shall be available for further loans under the terms of this letter.
 - 4) Security for the loans will be limited to reasonable coverage, not exceeding the assets of the project and without recourse to bank guarantees or mortgages on other property privately owned by the borrowers or others.
 - 5) The United States Government shall retain the right of approval or disapproval of all loans and of all proposals to extend or otherwise alter the terms of previously approved loans. The Italian Government will furnish the United States Government with whatever information it may need for the foregoing purpose, including a copy of each loan application when submitted, and will, in due course, also furnish its evaluation of each application and a copy of each proposed loan contract. The United States Government will also receive quarterly reports of all approved loans, contract dates and amounts, amounts disbursed, amounts repaid, and amounts of principal and interest which are past due.
 - 6) The specific procedures for processing loan applications so as to meet the terms of this letter will be established by mutual agreement between the two Governments. The United States Government will participate in formulating the convention between the Italian Treasury and the loaning agency designated to operate this loan program.
 - 7) The Fund will be administered so as to promote the purposes of the Mutual Security Act, as amended, including the strengthening of democratic forces, and, particularly, free labor. To this end each loan applicant must be willing to treat with free trade unions as the representatives of his workers. The applicant must also agree, in the loan contract, to observe as a minimum the labor conditions and wage rates established in the national wage contracts, and to comply with existing social security legislation and other legislation pertaining to the protection of workers.

65 Stat. 373.
22 U.S.C. §1851
note.

TIAS 8196

- 8) Authorized members of the United States Government will have access to the records of the approved lending agencies pertaining to loans from the ERP Loan Repayment Fund, as well as access to the recipient plants.
- 9) Extension or alteration of the foregoing terms and conditions of the ERP Loan Repayment Fund and its disposition in the event of termination of this program will be subject to consultation and agreement between the Italian Government and the United States Government.

Upon receipt of a letter from your Government indicating that the foregoing terms and conditions are acceptable to the Italian Government, the Government of the United States of America will consider that this letter and your Government's reply thereto constitute an agreement between the two Governments on this subject which will enter into force on the date of your letter in reply.

Accept, Excellency, the renewed assurance of my highest consideration.

CLARE BOOTHE LUCE

His Excellency

MARIO SCELBA,

*Prime Minister of the
Republic of Italy,
Rome.*

The Italian Prime Minister to the American Ambassador

REPVBBLICA ITALIANA

*Il Presidente
del Consiglio dei Ministri*

22/700185

ROMA, li 11 febbraio 1955

SIGNOR AMBASCIATORE,

con lettera in data odierna Ella ha voluto comunicarmi quanto segue:

“Ho l'onore di riferirmi alle conversazioni che si sono recentemente svolte tra i Rappresentanti dei Governi degli Stati Uniti e d'Italia, in merito all'impiego futuro dei fondi di contropartita derivanti dall'aiuto economico statunitense a Trieste, nelle quali conversazioni fu convenuto essere obiettivo di ordine generale del Governo italiano il continuo sviluppo economico e il rafforzamento politico del territorio di Trieste. Onde assistere il Governo

TIAS 3195

italiano nel conseguimento di questo obiettivo il Governo degli Stati Uniti è pronto a dare il suo assenso al proseguimento dell'utilizzo dell' "ERP Loan Repayment Fund" in Trieste ai seguenti termini e condizioni:

- 1) La firma congiunta del Governo degli Stati Uniti e dell'Autorità competente di Trieste—dal 28 ottobre 1954 il Governo italiano, quale successore del Governo Militare Alleato—continuerà ad essere necessaria per la liberazione dei fondi derivanti dall' "ERP Loan Repayment Fund".
- 2) Il Fondo continuerà ad essere usato quale fondo rotante per prestiti a fini stabiliti di comune accordo nel territorio di Trieste o in qualunque altro luogo in Italia. Proposte per l'uso di parte del Fondo fuori del territorio di Trieste saranno esaminate e discusse congiuntamente tra il Governo degli Stati Uniti e quello italiano.
- 3) I prestiti concessi su tale Fondo saranno a medio o a lungo termine, a un interesse non superiore al 5½%. I prestiti a un interesse inferiore al 5½% saranno concessi in base a criteri stabiliti di comune accordo tra i Governi statunitense e italiano. I rimborsi dei prestiti e gli interessi maturati saranno nuovamente depositati nel "Loan Fund" e saranno a disposizione per ulteriori prestiti alle condizioni del presente accordo.
- 4) La garanzia dei prestiti sarà limitata entro ragionevoli limiti di copertura, da non eccedere le attività delle intraprese progettate e non richiederà il ricorso a garanzie bancarie o a ipoteche su altre proprietà possedute a titolo privato da chi riceve i prestiti o da altri.
- 5) Il Governo statunitense si riserva il diritto di approvare o meno tutti quei prestiti e tutte quelle proposte di prorogare o comunque modificare i termini dei prestiti già approvati. Il Governo italiano fornirà a quello degli Stati Uniti qualunque informazione possa occorrere a quest'ultimo ai fini dello scopo sopra indicato, ivi compresa copia di ogni domanda di prestito al momento in cui viene presentata, e farà conoscere pure, a tempo debito, il suo parere per ogni domanda, e inoltre trasmetterà una copia di ciascun contratto di prestito proposto. Il Governo degli Stati Uniti riceverà inoltre trimestralmente un rapporto sui prestiti approvati, la durata e l'ammontare dei contratti, le somme versate, quelle restituite e l'ammontare del capitale e degli interessi scaduti e non ancora rimborsati.

TIAS 8195

- 6) Le procedure specifiche per l'istruttoria delle domande di prestito, in modo che rispondano ai termini della presente nota, saranno stabilite di comune accordo tra i due Governi. Il Governo degli Stati Uniti parteciperà alla formulazione della convenzione fra il Tesoro italiano e l'Ente designato per l'attuazione del presente programma di prestiti.
- 7) Il Fondo sarà amministrato in modo da favorire il raggiungimento dei fini del Mutual Security Act e suoi emendamenti, incluso il consolidamento delle forze democratiche e, particolarmente, del libero lavoro. A questo fine ciascun aspirante ai prestiti dovrà essere disposto a trattare con i Sindacati liberi quali rappresentanti dei suoi dipendenti, e inoltre fare esplicita dichiarazione nel contratto di prestito di accettare, come minimo, le condizioni di lavoro e i salari stabiliti dai contratti di lavoro nazionali nonchè di osservare l'attuale legislazione di previdenza sociale e ogni altra legge relativa alla protezione dei lavoratori.
- 8) Membri autorizzati del Governo degli Stati Uniti avranno accesso alla documentazione degli Enti autorizzati alla concessione dei prestiti dell' "Exp Loan Repayment Fund", e avranno inoltre diritto di accesso agli stabilimenti del mutuatario.
- 9) Proroghe o modifiche dei termini di cui sopra e delle condizioni dell' "Exp Loan Repayment Fund" e del suo impiego in caso di cessazione del presente programma saranno oggetto di consultazioni e di accordi tra il Governo italiano e quello degli Stati Uniti.

Appena in possesso di una nota da parte del Suo Governo indicante che i termini e le condizioni di cui sopra sono accettabili da parte del Governo italiano, il Governo degli Stati Uniti considererà che la presente nota e la risposta del Suo Governo costituiranno un accordo fra i due Governi in questa materia, accordo che andrà in vigore alla data della Sua nota di risposta."

Ho l'onore di informarLa che il Governo italiano è d'accordo su quanto precede.

Gratisca, Signor Ambasciatore, gli atti della mia più alta considerazione.

SCELBA

Sua Eccellenza

CLARE BOOTHE LUCE

Ambasciatore degli Stati Uniti d'America

Roma=

TIAS 8195

Translation

ITALIAN REPUBLIC
The President
of the Council of Ministers

22/00185

ROME, February 11, 1955

MADAM AMBASSADOR,

In a letter dated today you are good enough to inform me as follows:

[For the English language text of the letter, see *ante*, p. 593.]

I have the honor to inform you that the Italian Government concurs in the foregoing.

Accept, Madam Ambassador, the assurances of my highest consideration.

SCELHA

Her Excellency

CLARE BOOTHE LUCE,

Ambassador of the United States of America,
Rome.

TIAS 3105

ITALY
ECONOMIC COOPERATION

TIAS 2028
Feb. 7, 1950

Agreement effected by exchange of notes signed at Washington February 7, 1950; entered into force February 7, 1950.

The Secretary of State to the Italian Ambassador

DEPARTMENT OF STATE
WASHINGTON
February 7, 1950

EXCELLENCY:

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the Economic Cooperation Agreement between the United States of America and Italy, signed at Rome on June 28, 1948, to the Interpretative Notes annexed to that Agreement, and to the enactment into law of U. S. Public Law 47, 81st Congress, amending the Economic Cooperation Act of 1948. I also confirm the understandings reached as a result of these conversations, as follows:

1. The Government of Italy has expressed its adherence to the purposes and policies of the Economic Cooperation Act of 1948 as heretofore amended.

2. Whenever reference is made in any of the articles of such Economic Cooperation Agreement to the Economic Cooperation Act of 1948, it shall be construed as meaning the Economic Cooperation Act of 1948 as heretofore amended.

3. The reference in paragraph 2 of Article III of the Economic Cooperation Agreement, to recognition as the property of the Government of the United States of any lire or credits in lire assigned or transferred to it pursuant to Section 111 (b) (3) of the Economic Cooperation Act of 1948 as heretofore amended, includes recognition that the Government of the United States will be subrogated to any right, title, claim, or cause of action existing in connection with such lire or credits in lire.

4. The provisions of Article IV, paragraph 4 of the Economic Cooperation Agreement, shall be applied to all deposits made pursuant to paragraphs 2 (b) and (c) of that Article without limitation to deposits in respect of assistance furnished under authority of the Foreign Aid Appropriation Act, 1949.

62 Stat., pt. 2,
pp. 2421, 2446.

63 Stat. 50; 62 Stat.
137.
22 U. S. C. § 1501 et
seq.

63 Stat. 1054.

Upon the receipt of a note from Your Excellency indicating that the foregoing provisions are acceptable to the Government of Italy, the Government of the United States of America will consider that this note and your reply thereto constitute an amendment to the Economic Cooperation Agreement between the two Governments signed at Rome on June 28, 1948.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON

His Excellency

SIGNOR ALBERTO TARCHIANI,
Ambassador of Italy.

The Italian Ambassador to the Secretary of State

ITALIAN EMBASSY
WASHINGTON, D. C.

1326

FEBRUARY 7, 1950

DEAR MR. SECRETARY:

I have the honor to refer to your kind letter of February 7th, 1950 and to the understandings reached as a result of conversations which have recently taken place between representatives of our two Governments, relating to the Economic Cooperation Agreement between the United States of America and Italy, signed at Rome on June 28, 1948, to the Interpretative Notes annexed to that Agreement, and to the enactment into law of U. S. Public Law 47, 81st Congress, amending the Economic Cooperation Act of 1948.

With reference thereto, I wish to confirm the above mentioned understandings as follows:

1. The Government of Italy has expressed its adherence to the purpose and policies of the Economic Cooperation Act of 1948 as heretofore amended.
2. Whenever reference is made in any of the Articles of such Economic Cooperation Agreement to the Economic Cooperation Act of 1948, it shall be construed as meaning the Economic Cooperation Act of 1948 as heretofore amended.
3. The reference in paragraph 2 of Article III of the Economic Cooperation Agreement, to recognition as the property of the Government of the United States of any lire or credits in lire assigned or transferred to it pursuant to Section 111 (b) (3) of the Economic Cooperation Act of 1948 as heretofore amended, includes recognition

that the Government of the United States will be subrogated to any right, title, claim, or cause of Action existing in connection with such lire or credits in lire.

4. The provisions of Article IV, paragraph 4 of the Economic Cooperation Agreement, shall be applied to all deposits made pursuant to paragraph 2 (b) and (c) of that Article without limitation to deposits in respect of assistance furnished under authority of the Foreign Aid Appropriation Act, 1949.

The Government of Italy considers that your Note and this reply effectively amend the Economic Cooperation Agreement between the Italian and the United States Governments of June 28, 1948. This amendment enters into force on the date of this Note.

Accept, my dear Mr. Secretary, the renewed assurances of my highest consideration.

TARCHIANI

The Honorable DEAN ACHESON
Secretary of State
Washington, D. C.

TIAS 2700
Jan. 13, 1953.

ECONOMIC COOPERATION

Agreement between the
UNITED STATES OF AMERICA
and ITALY

Amending Agreement of June 28, 1948,
as Amended

- Effected by Exchange of Notes
Signed at Rome January 13, 1953
- Entered into force January 13, 1953

*The American Ambassador to the Italian Minister of Foreign Affairs*THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, January 13, 1953

No. 1899

EXCELLENCY:

I have the honor to refer to the conversations which have recently taken place between representatives of our two Governments relating to the Economic Cooperation Agreement between the United States of America and Italy signed at Rome on June 28, 1948,^[1] as amended,^[2] and to the enactment into law of Public Law 400, 82nd Congress,^[3] known as the "Mutual Security Act of 1952", which amended the Economic Cooperation Act of 1948 [⁴] and the Mutual Security Act of 1951.^[5]

I also have the honor to confirm the understandings reached as a result of these conversations, as follows:

1. Whenever reference is made in the said Economic Cooperation Agreement, as amended, to the Mutual Security Act of 1951, or to the Economic Cooperation Act of 1948, such reference shall be construed as meaning such acts as heretofore amended.
2. As used in the said Economic Cooperation Agreement, as amended, 'Italy' shall be deemed to include the Italian trust territory of Somaliland.
3. The phrase "five per cent of each deposit" appearing in Article IV, paragraph 4 of the said Economic Cooperation Agreement, shall be changed to "ten per cent of each deposit".
4. The 10% proviso shall be applied to all Counterpart deposited to match MeA dollar disbursements made against procurement authorizations and those technical assistance authorizations requiring

¹ Treaties and Other International Acts Series 1789; 62 Stat., pt. 2, p. 2421.

² TIAS 1917; 62 Stat., pt. 3, p. 3815; TIAS 2028; 1 UST 100; and TIAS 2263; 2 UST 1169.

³ 66 Stat. 141.

⁴ 62 Stat. 137; 22 U. S. C. §§ 1501-1522.

⁵ 65 Stat. 373.

counterpart deposit, issued on or after June 20, 1952, the date on which the Mutual Security Act of 1952 was enacted into law.

5. In case an authorization issued prior to June 20, 1952 is subsequently increased to cover price increases, the 5% proviso shall be applied if the increase is \$10,000 or less; the 10% proviso shall be applied to the whole of the increase if the increase exceeds \$10,000.

6. In case a requested increase is in addition to a previous increase in an authorization issued prior to June 20, 1952, and if the second increase is such that the total cumulative increase in said authorization would exceed \$10,000, the second increase shall be the subject of a new procurement authorization and the 10% proviso shall be applied to the whole of the second increase.

7. In the event of refunds, calculations shall be made at the same ratio as the original counterpart deposit (95%:5%, 90%:10%) except in cases of refunds of sales commissions to foreign agents, in which cases the 10% proviso shall apply.

Upon receipt of a Note from your Government indicating that the foregoing provisions are acceptable to the Italian Government, the Government of the United States of America will consider that this Note and your reply thereto constitute an Agreement between the two Governments on this subject which shall enter into force on the date of your Note in reply.

Accept, Excellency, the renewed assurance of my most distinguished consideration.

ELLSWORTH BUNKER

His Excellency .

ALOIDE DE GASPERI,
*Minister of Foreign Affairs
of the Republic of Italy.*

The Italian Minister of Foreign Affairs to the American Ambassador

MINISTERO DEGLI AFFARI ESTERI

00180

ROMA, 13 gennaio 1953

SIGNOR AMBASCIATORE,

con lettera in data odierna V. E. ha voluto comunicarmi quanto segue:

“Ho l'onore di riferirmi alle conversazioni che hanno avuto luogo di recente tra rappresentanti dei nostri due Governi relativamente all'Accordo di Cooperazione Economica tra gli Stati Uniti d'America

e l'Italia firmato a Roma il 28 giugno 1948 e successivi emendamenti, e all'applicazione della Legge Pubblica 400 82^a Congresso, denominata "Mutual Security Act of 1952", portante modifiche alla legge di cooperazione economica del 1948 e alla Legge di Sicurezza Mutua del 1951.

Ho altresì l'onore di confermare come segue le intese raggiunte in seguito a tali conversazioni:

- 1) - ogni qualvolta si fa riferimento, nel predetto Accordo di Cooperazione Economica, e successivi emendamenti, alla Legge di Sicurezza Mutua del 1951, o alla Legge di Cooperazione Economica del 1948, tale riferimento dovrà essere inteso come riguardante tali leggi così come sono state successivamente modificate.
- 2) - Analogamente a quanto stabilito nell'Accordo di Cooperazione Economica e successivi emendamenti, nel termine "Italia" si intenderà incluso il territorio in amministrazione fiduciaria italiana della Somalia.
- 3) - La frase "5% di ciascun deposito" di cui all'articolo IV par. 4^o del citato Accordo di Cooperazione Economica dovrà essere sostituita con "10% di ciascun deposito".
- 4) - La disposizione del 10% è da applicarsi al controvalore versato a fronte di "procurement authorizations" emesse dalla M.S.A. comprese le autorizzazioni per assistenza tecnica che richiedono versamento nel fondo di contropartita, a partire dal 20 giugno 1952, data dell'entrata in vigore del "Mutual Security Act".
- 5) - Se una "procurement authorization" emessa anteriormente al 20 giugno 1952, viene susseguentemente aumentata, per variazioni intervenute nei prezzi, la percentuale del 5% sarà applicata se l'aumento è di dollari 10 mila o meno; il 10% sarà applicato sul totale dell'aumento se l'aumento supera invece dollari 10 mila.
- 6) - Se l'aumento di cui trattasi si aggiunge ad un precedente aumento di una autorizzazione emessa prima del 20 giugno 1952, e se il secondo aumento è tale che, cumulativamente, l'aumento sull'autorizzazione ecceda dollari 10 mila, il secondo aumento darà luogo ad una nuova "procurement authorization" ed il 10% sarà applicato a tutto il secondo aumento.
- 7) - Nel caso di variazioni in meno di una "procurement authorization", sul rimborso sarà da conteggiarsi la medesima percentuale (95%: 5%-90%: 10%) già applicata al deposito originale di contropartita. Fanno solo eccezione a tale disposizione i rimborsi di provvigioni ad agenti esteri, sui quali sarà sempre da conteggiarsi la percentuale del 10%.

All'atto del ricevimento da parte del vostro Governo di una nota indicante che le predette clausole sono accettabili dal Governo italiano, il Governo degli Stati Uniti considera che la presente nota e la Vostra nota di risposta costituiscono un Accordo tra i due Governi in tale materia che entrerà in vigore alla data della Vostra nota di risposta."

Ho l'onore di informarLa che il Governo Italiano è d'accordo su quanto precede.

Mi è grata l'occasione, Signor Ambasciatore, per rinnovarLe l'espressione della mia più alta considerazione.

DE GASPERI

A sua Eccellenza

ELLSWORTH BUNKER

*Ambasciatore degli Stati Uniti d'America
Roma*

Translation

MINISTRY OF FOREIGN AFFAIRS

00199

ROME, *January 18, 1953*

MR. AMBASSADOR,

In a letter dated today Your Excellency was good enough to communicate to me the following:

[For the English language text of the note, see *ante*, p. 117.]

I have the honor to inform you that the Italian Government agrees to the foregoing.

I take pleasure in availing myself of this opportunity, Mr. Ambassador, to renew to you the assurances of my highest consideration.

DE GASPERI

His Excellency

ELLSWORTH BUNKER,

*Ambassador of the
United States of America,
Rome.*

ECONOMIC COOPERATION

*Exchange of notes at Rome September 28 and October 2, 1948,
amending agreement of June 28, 1948
Entered into force October 2, 1948*

62 Stat. 3815; Treaties and Other
International Acts Series 1917

The American Ambassador to the Minister of Foreign Affairs

F.O. No. 1804

EXCELLENCY,

I have the honor to refer to the Economic Cooperation Agreement between the United States of America and Italy, which was signed at Rome on June 28, 1948,¹ and, under the instructions of my Government, to suggest that the following interpretation be accepted and agreed upon as representing the intent of the agreement:

In Article XII, paragraph 2, sub-paragraph (b), the words ". . . provided, however, that Article V and paragraph 3 of Article VII shall remain in effect until two years after the date of such notice of intention to terminate, but not later than July [June] 30, 1953.", and the corresponding words in the Italian text, shall be understood as applying to and modifying both sub-paragraph (a) and sub-paragraph (b) of Article XII, paragraph 2.

Accept, Excellency, the renewed assurance of my highest consideration.

JAMES CLEMENT DUNN

ROME, *September 28, 1948.*

His Excellency

COUNT CARLO SFORZA,
*Minister for Foreign Affairs,
Rome.*

¹ TIAS 1789, *ante*, p. 306.

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

THE MINISTER OF FOREIGN AFFAIRS

04784/448

ROME, *October 2, 1948*

EXCELLENCY:

I have the honor to acknowledge receipt of note No. 1904 dated September 28, 1948.

In the said note, with reference to the Economic Cooperation Agreement between Italy and the United States of America, which was signed at Rome on June 28, 1948, Your Excellency suggests an interpretation of Article XII of that Agreement:

Specifically, that the words of paragraph 2, sub-paragraph (b), “. . . provided, however, that Article V and paragraph 3 of Article VII shall remain in effect until two years after the date of such notice of intention to terminate the agreement, but not later than June 30, 1953” apply to both sub-paragraph (a) and sub-paragraph (b).

I have the honor to inform you that the Italian Government is in agreement with that interpretation.

I avail myself of the occasion to renew to Your Excellency the assurances of my highest consideration.

SFORZA

His Excellency

JAMES CLEMENT DUNN

*Ambassador of the United States of America,
Rome*

ECONOMIC COOPERATION

Agreement signed at Rome June 28, 1948, with annex

Entered into force June 28, 1948

*Amended by agreements of September 28 and October 2, 1948;¹
June 9 and 17, 1949;² February 7, 1950;³ May 21, 1951;⁴ and
January 13, 1953⁵*

62 Stat. 2421; Treaties and Other
International Acts Series 1789

ECONOMIC COOPERATION AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND ITALY

PREAMBLE

The GOVERNMENTS of THE UNITED STATES OF AMERICA and ITALY:
Recognizing that the restoration or maintenance in European countries
of principles of individual liberty, free institutions, and genuine independence
rests largely upon the establishment of sound economic conditions, stable
international economic relationships, and the achievement by the countries
of Europe of a healthy economy independent of extraordinary outside
assistance;

Recognizing that a strong and prosperous European economy is essential
for the attainment of the purposes of the United Nations;

Considering that the achievement of such conditions calls for a European
recovery plan of selfhelp and mutual cooperation, open to all nations which
cooperate in such a plan, based upon a strong production effort, the expansion
of foreign trade, the creation or maintenance of internal financial stability
and the development of economic cooperation, including all possible steps
to establish and maintain valid rates of exchange and to reduce trade barriers;

Considering that in furtherance of these principles the Government of
Italy has joined with other like minded nations in a Convention for European
Economic Cooperation signed at Paris on April 16, 1948 under which the
signatories of that Convention agreed to undertake as their immediate task

¹ TIAS 1917, *post*, p. 326.

² *Post*, pp. 347 and 349.

³ 1 UST 160; TIAS 2028.

⁴ 2 UST 1169; TIAS 2263.

⁵ 4 UST 116; TIAS 2769.

the elaboration and execution of a joint recovery program, and that the Government of Italy is a member of the Organization of European Economic Cooperation created pursuant to the provisions of that Convention;

Considering also that, in furtherance of these principles, the Government of the United States of America has enacted the Economic Cooperation Act of 1948⁶ providing for the furnishing of assistance by the United States of America to nations participating in a joint program for European recovery, in order to enable such nations through their own individual and concerted efforts to become independent of extraordinary outside economic assistance;

Taking note that the Government of Italy has already expressed its adherence to the purposes and policies of the Economic Cooperation Act of 1948;

Desiring to set forth the understandings which govern the furnishing of assistance by the Government of the United States of America under the Economic Cooperation Act of 1948, the receipt of such assistance by Italy, and the measures which the two Governments will take individually and together in furthering the recovery of Italy as an integral part of the joint program for European Recovery;

Have agreed as follows:

ARTICLE I

Assistance and Cooperation

1. The Government of the United States of America undertakes to assist Italy by making available to the Government of Italy or to any person, agency or organization designated by the latter Government, such assistance as may be requested by it and approved by the Government of the United States of America. The Government of the United States of America will furnish this assistance under the provisions, and subject to all of the terms, conditions, and termination provisions of the Economic Cooperation Act of 1948, Acts amendatory and supplementary thereto and Appropriation Acts thereunder, and will make available to the Government of Italy only such commodities, services and other assistance as are authorized to be made available by such Acts.

2. The Government of Italy, acting individually and through the Organization of European Economic Cooperation, consistently with the Convention for European Economic Cooperation signed at Paris on April 16, 1948 will exert sustained efforts in common with other participating countries speedily to achieve through a Joint Recovery Program economic conditions in Europe essential to lasting peace and prosperity and to enable the countries of Europe participating in such a Joint Recovery Program to become independent of extraordinary outside economic assistance within the period of this agreement. The Government of Italy reaffirms its intention to take

⁶ 62 Stat. 137.

action to carry out the provisions of the general obligations of the Convention of European Economic Cooperation, to continue to participate actively in the work of the Organization of European Economic Cooperation, and to continue to adhere to the purposes and policies of the Economic Cooperation Act of 1948.

3. With respect to assistance furnished by the Government of the United States of America to Italy and procured from areas outside the United States of America, its territories and possessions, the Government of Italy will cooperate with the Government of the United States of America in ensuring that procurement will be effected at reasonable prices and on reasonable terms, and so as to arrange that the dollars thereby made available to the country from which the assistance is procured are used in a manner consistent with any arrangements made by the Government of the United States of America with such country.

ARTICLE II

General Undertaking

1. In order to achieve the maximum recovery through the employment of assistance received from the Government of the United States of America, the Government of Italy will use its best endeavors:

(A) To adopt or maintain the measures necessary to ensure efficient and practical use of all the resources available to it, including

1) Such measures as may be necessary to ensure that the commodities and services obtained with assistance furnished under this Agreement are used for purposes consistent with this Agreement and, as far as practicable, with the general purposes outlined in the schedules furnished by the Government of Italy in support of the requirements of assistance to be furnished by the Government of the United States of America;

2) The observation and review of the use of such resources through an effective followup system approved by the Organization of European Economic Cooperation and

3) To the extent practicable, measures to locate, identify and put into appropriate use in furtherance of the joint program for European Recovery assets, and earnings therefrom, which belong to nationals of Italy and which are situated within the United States of America, its territories or possessions. Nothing in this clause imposes any obligation on the Government of the United States of America to assist in carrying out such measures or on the Government of Italy to dispose of such assets.

(B) To promote the development of industrial and agricultural production on a sound economic basis; to achieve such production targets as may be established through the Organization for European Economic Coopera-

tion; and when desired by the Government of the United States of America to communicate to that Government detailed proposals for specific projects contemplated by the Government of Italy and to be undertaken in substantial part with assistance made available pursuant to this agreement including whenever practicable projects for increased production of food, steel and transportation facilities; and

(C) To stabilize its currency, establish or maintain a valid rate of exchange, balance its governmental budget as soon as practicable, create or maintain internal financial stability, and generally restore or maintain confidence in its monetary system; and

(D) To cooperate with other participating countries in facilitating and stimulating an interchange of goods and services among the participating countries and with other countries and in reducing public and private barriers to trade among themselves and with other countries.

2. Taking into account Article 8 of the Convention for European Economic Cooperation looking toward the full and effective use of manpower available in the various participating countries, the Government of Italy, with due regard for the urgency and importance of its own problem of surplus manpower, will accord sympathetic consideration to proposals made in conjunction with the International Refugee Organization, directed to the largest practicable utilization of manpower available in any of the participating countries in furtherance of the accomplishment of the purposes of this agreement.

3. The Government of Italy will take the measures which it deems appropriate, and will cooperate with other participating countries, to prevent, on the part of private or public commercial enterprises, business practices or business arrangements affecting international trade which restrain competition, limit access to markets or foster monopolistic control whenever such practices or arrangements have the effect of interfering with the achievement of the Joint Program of European recovery.

ARTICLE III

Guaranties

1. The Governments of the United States of America and Italy will, upon the request of either Government, consult respecting projects in Italy proposed by nationals of the United States of America and with regard to which the Government of the United States of America may appropriately make guaranties of currency transfer under Section 111 (b) (3) of the Economic Cooperation Act of 1948.

2. The Government of Italy agrees that if the Government of the United States of America makes payment in United States dollars to any person under such a guaranty, any lire or credits in lire, assigned or transferred

to the Government of the United States of America pursuant to that Section shall be recognized as property of the Government of the United States of America.

ARTICLE IV

Local Currency

1. The provisions of this Article shall apply only with respect to assistance which may be furnished by the Government of the United States of America on a grant basis.

2. The Government of Italy will establish a special account in the Bank of Italy in the name of the Government of Italy (hereinafter called the Special Account) and will make deposits in lire to this account as follows:

(a) The unencumbered balance at the close of business on the day of the signature of this Agreement in the special accounts in the Bank of Italy in the name of the Government of Italy established pursuant to the Agreements between the Government of the United States of America and the Government of Italy made on July 4, 1947⁷ and on January 3, 1948⁸ and any further sums which may, from time to time, be required by such agreements to be deposited in the special accounts. It is understood that Subsection (e) of Section 114 of the Economic Cooperation Act of 1948 constitutes the approval and determination of the Government of the United States of America with respect to the disposition of such balances, referred to in those Agreements.

(b) The unencumbered balances of the deposits made by the Government of Italy pursuant to the exchange of notes between the two Governments dated April 20, 1948.⁹

(c) Amounts commensurate with the indicated dollar cost to the Government of the United States of America of commodities, services and technical information (including any costs of processing, storing, transporting, repairing or other services incident thereto) made available to Italy on a grant basis by any means authorized under the Economic Cooperation Act of 1948, less, however, the amount of the deposits made pursuant to the exchange of notes referred to in Subparagraph (b). The Government of the United States of America shall from time to time notify the Government of Italy of the indicated dollar cost of any such commodities, services and technical information, and the Government of Italy will thereupon deposit in the Special Account a commensurate amount of lire computed at a rate of exchange which shall be the par value agreed at such time with the International Monetary Fund; provided that this agreed value is the single rate applicable to the purchase of dollars for imports into Italy. If at the time of notification a par value for the lira is agreed with the Fund and

⁷ TIAS 1653, *ante*, p. 204.

⁸ TIAS 1678, *ante*, p. 255.

⁹ Not printed here. For background, see *Department of State Bulletin*, May 23, 1948, p. 686.

there are one or more other rates applicable to the purchase of dollars for imports into Italy, or, if at the time of notification no par value for the lira is agreed with the Fund, the rate or rates for this particular purpose shall be mutually agreed upon between the Government of Italy and the Government of the United States of America. The Government of Italy may at any time make advance deposits in the Special Account which shall be credited against subsequent notifications pursuant to this paragraph.

3. The Government of the United States of America will from time to time notify the Government of Italy of its requirements for administrative expenditures in lire within Italy incident to operations under the Economic Cooperation Act of 1948, and the Government of Italy will thereupon make such sums available out of any balances in the Special Account in the manner requested by the Government of the United States of America in the notification.

4. Five percent of each deposit made pursuant to this Article in respect of assistance furnished under authority of the Foreign Aid Appropriation Act, 1948 [1949],¹⁰ shall be allocated to the use of the Government of the United States of America for its expenditures in Italy, and sums made available pursuant to paragraph three of this Article shall first be charged to the amounts allocated under this paragraph.

5. The Government of Italy will further make such sums of lire available out of any balances in the Special Account as may be required to cover costs (including port, storage, handling and similar charges) of transportation from any point of entry in Italy to the consignee's designated point of delivery in Italy of such relief supplies and packages as are referred to in Article VI.

6. The Government of Italy may draw upon any remaining balance in the Special Account for such purpose as may be agreed from time to time with the Government of the United States of America. In considering proposals put forward by the Government of Italy for drawings from the Special Account the Government of the United States of America will take into account the need for promoting or maintaining internal monetary and financial stabilization in Italy and for stimulating productive activity and international trade and the exploration for and development of new sources of wealth within Italy, including in particular:

(a) Expenditures upon projects or programs, including those which are part of a comprehensive program for the development of the productive capacity of Italy and the other participating countries, and projects or programs the external costs of which are being covered by assistance rendered by the Government of the United States of America under the Economic Cooperation Act of 1948 or otherwise, or by loans from the International Bank for Reconstruction and Development;

(b) Expenditures upon the exploration for and development of addi-

¹⁰ 62 Stat. 1054.

tional production of materials which may be required in the United States of America because of deficiencies or potential deficiencies in the resources of the United States of America; and,

(c) Effective retirement of the national debt, especially debt held by the Bank of Italy or other banking institution.

7. Any unencumbered balance other than unexpended amounts allocated under paragraph 4 of this Article remaining in the Special Account on June 30, 1952, shall be disposed of within Italy for such purposes as may hereafter be agreed between the Governments of the United States of America and Italy, it being understood that the agreement of the United States of America shall be subject to approval by act or joint resolution of the Congress of the United States of America.

ARTICLE V

Access to Materials

1. The Government of Italy will facilitate the transfer to the United States of America, for stockpiling or other purposes, of materials originating in Italy which are required by the United States of America as a result of deficiencies or potential deficiencies in its own resources, upon such reasonable terms of sale, exchange, barter or otherwise, and in such quantities, and for such period of time, as may be agreed to between the Governments of the United States of America and Italy, after due regard for the reasonable requirements of Italy for domestic use and commercial export of such materials. The Government of Italy will take such specific measures as may be necessary to carry out the provisions of this paragraph, including the promotion of the increased production of such materials within Italy, and the removal of any hindrances to the transfer of such materials to the United States of America. The Government of Italy will, when so requested by the Government of the United States of America, enter into negotiations for detailed arrangements necessary to carry out the provisions of this paragraph.

2. Recognizing the principle of equity in respect to the drain upon the natural resources of the United States of America, and of the participating countries, the Government of Italy will, when so requested by the Government of the United States of America, negotiate where applicable (a) a future schedule of minimum availabilities to the United States of America for future purchase and delivery of a fair share of materials originating in Italy which are required by the United States of America as a result of deficiencies or potential deficiencies in its own resources at world market prices so as to protect the access of the United States industry to an equitable share of such materials either in percentages of production or in absolute quantities from Italy, (b) arrangements providing suitable protection for the right of access for any citizen of the United States of America or any

corporation, partnership, or other association created under the laws of the United States of America or of any state or territory thereof and substantially beneficially owned by citizens of the United States of America, in the development of such materials on terms of treatment equivalent to those afforded to the nationals of Italy, and, (c) an agreed schedule of increased production of such materials where practicable in Italy and for delivery of an agreed percentage of such increased production to be transferred to the United States of America on a long-term basis in consideration of assistance furnished by the United States of America under this Agreement.

3. The Government of Italy when so requested by the Government of the United States of America, will cooperate whenever appropriate to further the objectives of paragraphs 1 and 2 of this Article in respect of materials originating outside of Italy.

ARTICLE VI

Travel Arrangements and Relief Supplies

1. The Government of Italy will cooperate with the Government of the United States of America in facilitating and encouraging the promotion and development of travel by citizens of the United States of America to and within participating countries.

2. The Government of Italy will, when so desired by the Government of the United States of America, enter into negotiations for agreements (including the provisions of duty-free treatment under appropriate safeguards) to facilitate the entry into Italy of supplies of relief goods donated to or purchased by United States voluntary non-profit relief agencies and of relief packages originating in the United States of America and consigned to individuals residing in Italy.

ARTICLE VII

Consultation and Transmittal of Information

1. The two Governments will, upon the request of either of them, consult regarding any matter relating to the application of this Agreement or to operations or arrangements carried out pursuant to this Agreement.

2. The Government of Italy will communicate to the Government of the United States of America in a form and at intervals to be indicated by the latter after consultation with the Government of Italy:

(A) Detailed information of projects, programs and measures proposed or adopted by the Government of Italy to carry out the provisions of this Agreement and the general obligations of the Convention for European Economic Cooperation.

(B) Full statements of operations under this Agreement including a statement of the use of funds, commodities and services received thereunder, such statements to be made in each calendar quarter;

(C) Information regarding its economy and any other relevant information, necessary to supplement that obtained by the Government of the United States of America from the Organization for European Economic Cooperation which the Government of the United States of America may need to determine the nature and scope of operations under the Economic Cooperation Act of 1948, and to evaluate the effectiveness of assistance furnished or contemplated under this Agreement and generally the progress of the Joint Recovery Program.

3. The Government of Italy will assist the Government of the United States of America to obtain information relating to the materials originating in Italy referred to in Article V which is necessary to the formulation and execution of the arrangements provided for in that Article.

ARTICLE VIII

Publicity

1. The Governments of the United States of America and Italy recognize that it is in their mutual interest that full publicity be given to the objectives and progress of the joint program for European Recovery and of the actions taken in furtherance of that program. It is recognized that wide dissemination of information on the progress of the program is desirable in order to develop the sense of common effort and mutual aid which are essential to the accomplishment of the objectives of the program.

2. The Government of the United States of America will encourage the dissemination of such information and will make it available to the media of public information.

3. The Government of Italy will encourage the dissemination of such information both directly and in cooperation with the Organization for European Economic Cooperation. It will make such information available to the media of public information and take all practicable steps to ensure that appropriate facilities are provided for such dissemination. It will further provide other participating countries and the Organization for European Economic Cooperation with full information on the progress of the program for Economic Recovery.

4. The Government of Italy will make public in Italy in each calendar quarter, full statements of operations under this Agreement, including information as to the use of funds, commodities and services received.

ARTICLE IX

Missions

1. The Government of Italy agrees to receive a Special Mission for Economic Cooperation which will discharge the responsibilities of the Government of the United States of America in Italy under this Agreement.

2. The Government of Italy will, upon appropriate notification from the Ambassador of the United States of America in Italy, consider the Special Mission and its personnel, and the United States Special Representative in Europe, as part of the Embassy of the United States of America in Italy for the purpose of enjoying the privileges and immunities accorded to that Embassy and its personnel of comparable rank. The Government of Italy will further accord appropriate courtesies to the members and staff of the Joint Committee on Foreign Economic Cooperation of the Congress of the United States of America and grant them the facilities and assistance necessary to the effective performance of their responsibilities.

3. The Government of Italy, directly and through its representatives on the Organization of European Economic Cooperation will extend full cooperation to the Special Mission, to the United States Special Representative in Europe and his staff, and to the members and staff of the Joint Committee. Such cooperation shall include the provision of all information and facilities necessary to the observation and review of the carrying out of this Agreement, including the use of assistance furnished under it.

ARTICLE X

Settlement of Claims of Nationals

1. The Governments of the United States of America and Italy agree to submit to the decisions of the International Court of Justice any claim espoused by either Government on behalf of one of its nationals against the other Government for compensation for damage arising as a consequence of governmental measures (other than measures concerning enemy property or interests) taken after April 3, 1948, by the other Government and affecting property or interests of such national, including contracts with or concessions granted by duly authorized authorities of such other Government.

It is understood that the undertaking of the Government of the United States of America in respect of claims espoused by the Government of Italy pursuant to this Article is made under the authority of and is limited by the terms and conditions of the recognition by the United States of America of the compulsory jurisdiction of the International Court of Justice under Article 36 of the statute of the Court, as set forth in the declaration of the President of the United States of America dated August 14, 1946.²¹ The provisions of this paragraph shall be in all respects without prejudice to other rights of access, if any, of either Government to the International Court of Justice or to the espousal and presentation of claims based upon alleged violations by either Government of rights and duties arising under treaties, agreements or principles of international law.

²¹ TIAS 1598, *ante*, vol. 4, p. 140.

2. The Governments of the United States of America and of Italy further agree that such claims may be referred, in lieu of the Court, to any arbitral tribunal mutually agreed upon. It is understood that the undertaking of each Government pursuant to this paragraph is subject to and limited by the terms and conditions of existing arbitration treaties, conventions or other agreements, particularly any provisions respecting the functions of the Senate of the United States of America and the Italian Parliament.

3. It is further understood that neither Government will espouse a claim pursuant to this Article until its national has exhausted the remedies available to him in the Administrative and Judicial Tribunals of the country in which the claim arose.

ARTICLE XI

Definitions

As used in the Agreement, the term "participating country" means:

(1) any country which signed the report of the Committee of European Economic Cooperation at Paris on September 22, 1947, and territories for which it has international responsibility and to which the Economic Cooperation Agreement concluded between that country and the Government of the United States of America has been applied, and

(2) any other country (including any of the zones of occupation of Germany, any areas under international administration or control, and the Free Territory of Trieste or either of its zones) wholly or partly in Europe, together with dependent areas under its administration; for so long as such country is a party to the Convention for European Economic Cooperation and adheres to a joint program for European recovery designed to accomplish the purpose of this Agreement.

ARTICLE XII

Entry into Force, Amendments, Duration

1. This Agreement shall become effective on this day's date. Subject to the provisions of paragraphs 2 and 3 of this Article, it shall remain in force until June 30, 1953, and, unless at least six months before June 30, 1953, either Government shall have given notice in writing to the other of intention to terminate the Agreement on that date, it shall remain in force thereafter until the expiration of six months from the date on which such notice shall be given.

2. If during the life of this Agreement, either Government should consider there has been a fundamental change in the basic assumption underlying this Agreement, it shall so notify the other Government in writing and the two Governments will thereupon consult with a view to agreeing upon the amendment, modification or termination of this Agreement. If, after

three months from such notification the two Governments have not agreed upon the action to be taken in the circumstances, either Government may give notice in writing to the other of intention to terminate this Agreement. Then, subject to the provisions of paragraph 3 of this Article, this Agreement shall terminate either:

(a) Six months after the date of such notice of intention to terminate, or
(b) After such shorter period as may be agreed to be sufficient to ensure that the obligations of the Government of Italy are performed in respect of any assistance which may continue to be furnished by the Government of the United States of America after the date of such notice; provided, however, that Article V and paragraph 3 of Article VII shall remain in effect until two years after the date of such notice of intention to terminate, but not later than June 30, 1953.¹²

3. Subsidiary agreements and arrangements negotiated pursuant to this Agreement may remain in force beyond the date of termination of this Agreement and the period of effectiveness of such subsidiary Agreements and arrangements shall be governed by their own terms. Article IV shall remain in effect until all the sums in the currency of Italy required to be deposited in accordance with its own terms have been disposed of as provided in that Article.

4. Paragraph 2 of Article III shall remain in effect for so long as the guaranty payments referred to in that Article may be made by the Government of the United States of America.

5. The Annex to this agreement forms an integral part thereof.

6. This Agreement may be amended at any time by agreement between the two Governments.

7. This Agreement shall be registered with the Secretary General of the United Nations.

In witness whereof the respective representatives, duly authorized for the purpose, have signed the present Agreement.

DONE at Rome, in duplicate, in the English and Italian languages, both texts authentic, this 28th day of June 1948.

For the Government of the United States of America:

JAMES CLEMENT DUNN

For the Italian Government:

SFORZA

¹² For an amendment of art. XII, para. 2(b), see agreement of Sept. 28 and Oct. 2, 1948 (TIAS 1917), *post*, p. 326.

ANNEX

INTERPRETIVE NOTES

1. It is understood that the requirements of paragraph 1 (*A*) of Article II, relating to the adoption of measures for the efficient use of resources, will include, with respect to commodities furnished under the Agreement, effective measures for safeguarding such commodities and for preventing their diversion to illegal or irregular markets or channels of trade.

2. It is understood that the obligations under paragraph 1 (*C*) of Article II to balance the budget as soon as practicable will not preclude deficits for over a short period but will mean a budgetary policy involving the balancing of the budget in the long-run.

3. It is understood that the business practices and business arrangements referred to in paragraph 3 of Article II means:

(*a*) Fixing prices, terms or conditions to be observed in dealing with others in the purchase, sale or lease of any products;

(*b*) Excluding enterprises from, or allocating or dividing, any territorial market or field of business activity or allocating customers, or fixing sales quotas or purchase quotas;

(*c*) Discriminating against particular enterprises;

(*d*) Limiting production or fixing production quotas;

(*e*) Preventing by agreement the development or application of technology or invention whether patented or unpatented;

(*f*) Extending the use of rights under patents, trade marks or copyrights granted by either country to matters which according to its laws and regulations are not within the scope of such grants, or to products or conditions of production, use or sale which are likewise not the subjects of such grants;

(*g*) Such other practices as the two Governments may agree to include.

The foregoing reproduces the definition of restrictive business practices contained in Article 46, paragraph three, Havana International Trade Organization Charter.¹³

¹³ Unperfected. Art. 46(3) of the Havana Charter reads as follows:

"The practices referred to in paragraph 2 are the following:

(*a*) fixing prices, terms or conditions to be observed in dealing with others in the purchase, sale or lease of any product;

(*b*) excluding enterprises from, or allocating or dividing, any territorial market or field of business activity, or allocating customers, or fixing sales quotas or purchase quotas;

(*c*) discriminating against particular enterprises;

(*d*) limiting production or fixing production quotas;

(*e*) preventing by agreement the development or application of technology or invention whether patented or unpatented;

(*f*) extending the use of rights under patents, trade marks or copyrights granted by any Member to matters which, according to its laws and regulations, are not within the scope of such grants, or to products or conditions of production, use or sale which are likewise not the subjects of such grants;

(*g*) any similar practices which the Organization may declare, by a majority of two-thirds of the Members present and voting, to be restrictive business practices."

4. It is understood that the Government of Italy is obligated to take action in particular instances in accordance with paragraph 3 of Article II only after appropriate investigation or examination.

5. It is understood that the phrase in Article V, "After due regard for the reasonable requirements of Italy for domestic use" will include the maintenance of reasonable stocks of the materials concerned and that the phrase "commercial export" might include barter transactions. It is also understood that arrangements negotiated under Article V might appropriately include provision for consultation, in accordance with the principles of Article Thirty-two of the Havana Charter for an International Trade Organization,¹⁴ in the event that stockpiles are liquidated.

6. It is understood that the Government of the United States of America in making the notifications referred to in paragraph 3 of Article IX will bear in mind the desirability of restricting, so far as practicable, the number of officials for whom full diplomatic privileges will be requested. It is also understood that the detailed application of Article IX will, when necessary, be the subject of inter-governmental discussion.

7. It is understood that the Government of Italy will not be requested, under paragraph 2(a) of Article VII, to furnish detailed information about minor projects or confidential commercial or technical information, the disclosure of which would injure legitimate commercial interests.

8. It is understood that if the Government of Italy should accept the compulsory jurisdiction of the International Court of Justice under Article 36 of the statute of the Court,¹⁵ on suitable terms and conditions, the two Governments will consult with a view to replacing the second sentence of paragraph 1 of Article X with provisions along the following lines: "It is understood that the undertaking of each Government in respect of claims espoused by the other Government pursuant to this paragraph is made in the case of each Government under the authority of and is limited by the terms and conditions of such effective recognition as it has heretofore given to the compulsory jurisdiction of the International Court of Justice under Article 36 of the statute of the Court."

¹⁴ Unperfected. Art. 32(3) of the Havana Charter reads as follows:

"Such Member shall, at the request of any Member which considers itself substantially interested, consult as to the best means of avoiding substantial injury to the economic interests of producers and consumers of the primary commodity in question. In cases where the interests of several Members might be substantially affected, the Organization may participate in the consultations, and the Member holding the stocks shall give due consideration to its recommendations."

¹⁵ TS 993, *ante*, vol. 3, p. 1186.