

RELIEF ASSISTANCE

Agreement and exchange of notes signed at Rome July 4, 1947

Entered into force July 4, 1947

61 Stat. 3135; Treaties and Other
International Acts Series 1653

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE ITALIAN GOVERNMENT CONCERNING ASSIST- ANCE TO ITALY UNDER THE UNITED STATES FOREIGN RELIEF PROGRAM

Whereas, it is the desire of the United States to provide relief assistance to the Italian people to prevent suffering and to permit them to continue effectively their efforts toward recovery; and

Whereas, the Italian Government has requested the United States Government for relief assistance and has presented information which convinces the Government of the United States that the Italian Government urgently needs assistance in obtaining the basic essentials of life for the people of Italy; and

Whereas, the United States Congress has by Public Law 84, Eightieth Congress, May 31, 1947,¹ authorized the provision of relief assistance to the people of those countries which, in the determination of the President, need such assistance and have given satisfactory assurances covering the relief program as required by the Act of Congress; and

Whereas, the Italian Government and the United States Government desire to define certain conditions and understandings concerning the handling and distribution of the United States relief supplies and to establish the general lines of their cooperation in meeting the relief needs of the Italian people,

The Government of the United States of America represented by

James Clement DUNN, *Ambassador of the United States of America to Italy*

and the Italian Government represented by

Alcide DE GASPERI, *President of the Council of Ministers*

Carlo SFORZA, *Minister for Foreign Affairs*

have agreed as follows:

¹ 61 Stat. 125.

ARTICLE I

Furnishing of Supplies

(A) The program of assistance to be furnished shall consist of such types and quantities of supplies and procurement, storage, transportation and shipping services related thereto, as may be determined from time to time by the United States Government after consultation with the Italian Government in accordance with the Public Law 84, Eightieth Congress, May 31, 1947, and any Acts amendatory or supplementary thereto. Such supplies shall be confined to certain basic essentials of life, namely, food, medical supplies, processed and unprocessed material for clothing, fertilizers, pesticides, fuel and seeds.

(B) Subject to the provisions of Article III, the United States Government will make no request, and will have no claim, for payment for United States relief supplies and services as furnished under this agreement.

(C) The United States Government agencies will provide for the procurement, storage, transportation and shipment to Italy of United States relief supplies, except to the extent that the United States Government may authorize other means for the performance of these services in accordance with procedures stipulated by the United States Government. All United States relief supplies shall be procured in the United States except when specific approval for procurement outside the United States is given by the United States Government.

(D) The Italian Government will from time to time submit in advance to the United States Government its proposed programs for relief import requirements to be furnished by the United States. These programs shall be subject to screening and approval by the United States Government and procurement will be authorized only for items contained in the approved programs.²

(E) Transfers of United States relief supplies shall be made under arrangements to be determined by the United States Government in consultation with the Italian Government. The United States Government, whenever it deems it desirable, may retain possession of any United States relief supplies or may recover possession of such supplies transferred, up to the city or local community where such supplies are made available to the ultimate consumers.²

ARTICLE II

Distribution of Supplies in Italy

(A) All United States relief supplies shall be distributed by the Italian Government under the direct supervision and control of the United States representatives and in accordance with the terms of this Agreement. The

² For interpretations relating to art. I (D) and (E), see exchange of notes, p. 210.

distribution will be through commercial channels to the extent feasible and desirable.³

(B) All United States relief supply imports shall be free of fiscal charges including customs duties up to the point where they are sold for local currency as provided by Article III of this Agreement unless when because of price practices, it is advisable to include customs charges or government taxes in prices fixed, in which case the amount thus collected on United States relief supply imports will accrue to the special account referred to in Article III. All United States relief supply imports given free to indigents, institutions and others will be free of fiscal charges, including custom duties.³

(C) The Italian Government will designate a high ranking official who shall have the responsibility of liaison between the Italian Government and the United States representatives responsible for the relief program.

(D) The Italian Government will distribute United States relief supplies and similar supplies produced locally or imported from outside sources without discrimination as to race, creed, or political belief, and will not permit the diversion of any of such supplies to non-essential uses or for export or removal from the country while need therefor for relief purposes continues. The Italian Government will not permit the diversion of an excessive amount of United States relief supplies and similar supplies produced locally or imported from outside sources in the maintenance of armed forces.

(E) The Italian Government will so conduct the distribution of United States relief supplies and similar supplies produced locally or imported from outside sources as to assure a fair share of the supplies to all classes of the people and will maintain a ration and price control system to that end, wherever practicable.

(F) Distribution shall be so conducted that all classes of the population, irrespective of purchasing power, shall receive their fair share of supplies covered in this agreement.

ARTICLE III

Utilization of Funds Accruing from Sales of United States Supplies

(A) The prices at which the United States relief supplies will be sold in Italy shall be agreed upon between the Italian Government and the United States Government.

(B) When the United States relief supplies are sold for local currency, the amount of such local currency will be deposited by the Italian Government in a special account in the name of the Italian Government.

(C) Until June 30, 1948, such funds shall be disposed of only upon approval of the duly authorized representatives of the United States Government for relief and work relief purposes within Italy, including local currency expenses of the United States incident to the furnishing of relief. Any unencumbered balance remaining in such account on June 30, 1948, shall

³ For interpretations relating to art. II (A) and (B), see *ibid.*

be disposed of within Italy for such purposes as the United States Government, pursuant to Act or Joint Resolution of Congress, may determine.

(D) The Italian Government will, upon request, advance funds to the United States representatives to meet local currency expenses incident to the furnishing of relief.

(E) While it is not intended that the funds accruing from sales of the United States relief supplies normally will be used to defray the local expenses of the Italian Government in handling and distributing the United States relief supplies, including local currency costs of discharging cargo and other port charges, the United States representatives will consider with the Italian Government the use of the funds to cover the unusual costs which would place an undue burden on the Italian Government.

(F) The Italian Government will each month make available to the United States representatives reports on collections, balances and expenditures from the fund.

(G) The Italian Government will assign officials to confer and plan with the United States representatives regarding the disposition of funds accruing from sales and to assure a prompt and proper use of such funds.

ARTICLE IV

Effective Production. Food Collections and Use of Resources To Reduce Relief Needs

(A) The Italian Government will exert all possible efforts to secure the maximum production and collection of locally produced supplies needed for relief purposes.⁴

(B) The Italian Government will undertake not to permit any measures to be taken involving delivery, sale or granting of any articles of the character covered in this Agreement which would reduce the locally produced supply of such articles and thereby increase the burden of relief.

(C) The Italian Government will furnish regularly current information to the United States representatives regarding plans and progress in achieving this objective.

(D) The Italian Government affirms that it has taken and is taking, insofar as possible, the economic measures necessary to reduce its relief needs and to provide for its own future reconstruction.⁴

ARTICLE V

United States Mission

(A) The United States Government will attach to the United States Embassy in Rome, representatives who will constitute a relief mission and will, in cooperation with the regular Embassy staff, discharge the respon-

⁴ For interpretations relating to art. IV (A) and (D), see *ibid.*

sibilities of the United States Government under this Agreement and the Public Law 84, Eightieth Congress, May 31, 1947. The Italian Government will permit and facilitate the movement of the United States representatives to, in and from Italy.

(B) The Italian Government will permit and facilitate in every way the freedom of the United States representatives to supervise, inspect, report and travel throughout Italy at any and all times and will cooperate fully with them in carrying out all of the provisions of this Agreement. The Italian Government will furnish the necessary automobile transportation to permit the United States representatives to travel freely throughout Italy and without delay.

(C) The United States representatives and the property of the mission and of its personnel shall enjoy in Italy the same privileges and immunities as are enjoyed by the personnel of the United States Embassy in Italy and the property of the Embassy and of its personnel.

ARTICLE VI

Freedom of United States Press and Radio Representatives To Observe and Report

The Italian Government agrees to permit representatives of the United States press and radio to observe freely and report fully and without censorship regarding the distribution and utilization of relief supplies and the use of funds accruing from the sale of United States relief supplies.

ARTICLE VII

Reports, Statistics and Information

(A) The Italian Government will maintain adequate statistical and other records on relief and will consult with the United States representatives, upon their request, with regard to the maintenance of such records.

(B) The Italian Government will furnish promptly upon request of the United States representatives information concerning the production, use, distribution, importation and exportation of any supplies which affect the relief needs of the people.

(C) In case United States representatives report apparent abuses or violations of this Agreement, the Italian Government will investigate and report and promptly take such remedial action as is necessary to correct such abuses or violations as are found to exist.

ARTICLE VIII

Publicity Regarding United States Assistance

(A) The Italian Government will permit and arrange full and continuous publicity regarding the purpose, source, character, scope, amounts

and progress of the United States relief program in Italy, including the utilization of funds accruing from the sales of United States relief supplies for the benefit of the people.

(B) All United States relief supplies and any articles processed from such supplies, or containers of such supplies or articles, shall, to the extent practicable, be marked, stamped, branded, or labelled in a conspicuous place in such manner as to indicate to the ultimate consumer that such supplies or articles have been furnished by the United States for relief assistance; or if such supplies, articles or containers are incapable of being so marked, stamped, branded, or labelled, all practicable steps will be taken by the Italian Government to inform the ultimate consumer thereof that such supplies or articles have been furnished by the United States for relief assistance.

ARTICLE IX

Termination of Relief Assistance

The United States Government will terminate any or all of its relief assistance at any time whenever it determines (1) by reason of changed conditions, the provision of relief assistance of the character authorized by the Public Law 84, Eightieth Congress, May 31, 1947, is no longer necessary (2) any provisions of this Agreement are not being carried out (3) an excessive amount of United States relief supplies, or of similar supplies produced locally or imported from outside sources, is being used to assist in the maintenance of armed forces in Italy, or (4) United States relief supplies or similar supplies produced locally or imported from outside sources are being exported or removed from Italy. The United States Government may stop or alter its program of assistance whenever in its determination other circumstances warrant such action.

ARTICLE X

Date of Agreement

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two governments.

DONE in duplicate in the English and Italian languages at Rome, this Fourth day of July, 1947.

For the Government of the United States of America:

JAMES CLEMENT DUNN [SEAL]

For the Italian Government:

DE GASPERI [SEAL]
SFORZA

EXCHANGE OF NOTES

The American Ambassador to the Minister of Foreign Affairs

EMBASSY OF THE
UNITED STATES OF AMERICA

Rome, July 4, 1947

F.O. 318

EXCELLENCY,

I have the honor to refer to the Agreement signed today by our two Governments providing for the extension of relief to Italy under the United States Foreign Relief Program, and in that connection I take pleasure in advising Your Excellency of certain interpretations which my Government places upon those clauses of the Agreement which have given rise to oral queries on the part of the Italian Government. These are identified below by reference to the pertinent Articles and sub-Articles of the Agreement.

Article I (D): In response to the suggestion advanced by the Italian Government, the text of the Agreement has been changed to provide that the Government need submit to the United States Government, in advance, its proposed programs for relief import requirements only in the case of United States relief supplies. It is understood however that the United States Government will expect to receive through its Embassy in Rome pertinent information concerning supplies from other sources.

Article I (E): Although my Government recognizes the delicate problems that may arise from the second sentence of Article I (E), we are specifically instructed by the Act of Congress of May 31, 1947, as follows: "When it is deemed desirable by the Field Administrator (Note: Head of the Field Mission described in Article V of the Agreement) such missions shall be empowered to retain possession of such supplies up to the city or local community where such supplies are actually made available to the ultimate consumers".

This provision of Article I (E) is therefore obligatory. It is recognized, however, that it would be invoked only under highly unusual circumstances and only if other normal distribution arrangements fail to assure proper implementation of the Agreement.

Article II (A): This Article does not in any way require exclusive use of commercial channels for the distribution of United States relief supplies. So long as an equitable distribution to consumers is maintained, it is agreed that the channels now used by the Italian Government for similar imports may be used whenever suitable, subject to change in the light of unforeseen circumstances.

Article II (B): The validity of the point raised by the Italian Government with respect to the imposition of customs duties and other charges has been recognized. It is not the intention of the Agreement to require a dual pricing

system within Italy for commodities obtained from two or more sources. The procedure for assuring collections of these taxes and fiscal charges and for determining proper accruals to the special account described in Article III (B) can be worked out as part of the pricing procedures described in Article III (A) with the understanding, however, that those relief supplies which are given free to indigents, institutions and others will not be subject to any fiscal charges payable by the recipients.

Article IV (A): With respect to the word "collection" in the English text of the Agreement, it is the intent and explicit provision of the Act of Congress and of the Agreement that during the period of time relief is received under the Act the recipient Governments shall insofar as possible take the economic measures necessary to reduce their relief needs. This would involve, in the case of food items such as cereals and olive oil, maximum efforts by the Italian Government to bring into its amassing system whatever amounts can feasibly be collected.

On the other hand, it is not the intention of the United States Government to require Italian Government-administered amassing of items that do not lend themselves to this technique or have not previously been so collected. The meaning of the English word "collection" in these instances will depend upon the particular commodity in question and the determination of the most appropriate and practical methods to promote flow of the locally produced supplies to consumers in such a manner as to assure that all classes of consumers, regardless of purchasing power, receive their fair share (although not necessarily an equal share) of the supplies, and that in no event shall there be discrimination as to race, creed or political belief.

This therefore becomes a matter to be worked out in Rome between the Italian Government and the United States Embassy, for each commodity included in the relief program.

Article IV (D): The Italian Government has pointed out its desire of reserving maximum autonomy and flexibility in facing its economic difficulties. The United States Government wishes to make clear that nothing in Article IV (D) is intended to derogate Italian independence or sovereignty in taking the economic measures demanded by situations that may arise, so long as the spirit of cooperation and goodwill are observed in the implementation of this Agreement. In earlier discussions held between representatives of the United States Government and the Italian Government regarding this Article IV (D), considerable attention was directed to the problem of exporting commodities such as olive oil, rice and seed wheat. These questions, although generally pertinent to Article IV (D), are particularly pertinent to Articles II (D), IV (B), and IX (4). My Government has authorized me to furnish you the following legal opinion. I believe that this interpretation adequately covers the points raised by the Italian Government in the general discussions on Article IV (D):

“If a portion of such supplies or articles (i.e., articles produced locally or imported from outside sources that are of the same character or similar to the United States relief supplies), even though substitutable for United States relief supplies could be exported in exchange for corresponding or greater quantities of other items also substitutable for United States relief items, the relief needs of the country could be more adequately met Thus, a locally produced quantity of rice might be exchangeable for a greater quantity of wheat which could then form an important supplement to wheat furnished by the United States. Exports of this character should probably be permitted only when the relatively greater relief need for the imported items can be clearly established”.

It should be understood, however, that any arrangements for exports of the above nature will be subject to prior agreement between the Italian Government and the United States Relief Representatives in Italy.

Accept, Excellency, the assurances of my most distinguished consideration.

JAMES CLEMENT DUNN

His Excellency

Count CARLO SFORZA

Minister of Foreign Affairs

Rome.

The Minister of Foreign Affairs to the American Ambassador

[TRANSLATION]

MINISTRY OF FOREIGN AFFAIRS

MR. AMBASSADOR:

I have the honor to acknowledge receipt of your note No. 318, dated today, of which the contents are as follows:

[For text of U.S. note, see above.]

I have the honor to inform you that the Italian Government has taken careful note of this communication.

I avail myself of the occasion to renew to you, Mr. Ambassador, the assurances of my highest consideration.

SFORZA

ROME, *July 4, 1947.*

His Excellency

JAMES CLEMENT DUNN

Ambassador of the United States of America

Rome