

No. 1721

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**UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND  
and  
ITALY**

**Exchange of notes (with annexes) constituting an agreement  
regarding the transfer to Italy of the provisional admini-  
stration of Somalia. London, 20 March 1950**

*Official texts: English and Italian.*

*Registered by the United Kingdom of Great Britain and Northern Ireland on  
5 May 1952.*

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**ROYAUME-UNI DE GRANDE-BRETAGNE  
ET D'IRLANDE DU NORD  
et  
ITALIE**

**Échange de notes (avec annexes) constituant un accord sur  
les dispositions d'ordre économique et financier rela-  
tives au transfert à l'Italie de l'administration provi-  
soire de la Somalie. Londres, 20 mars 1950**

*Textes officiels anglais et italien.*

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le  
5 mai 1952.*

No. 1721. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF ITALY REGARDING THE TRANSFER TO ITALY OF THE PROVISIONAL ADMINISTRATION OF SOMALIA. LONDON, 20 MARCH 1950

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I

*The Secretary of State for Foreign Affairs to the Italian Ambassador  
at London*

FOREIGN OFFICE, S.W. 1

20th March, 1950

Your Excellency,

I have the honour to refer to the conversations which have taken place between officials of the Government of the United Kingdom of Great Britain and Northern Ireland and the Italian Government on the financial and economic provisions regarding the hand-over of Somalia pursuant to the resolution<sup>2</sup> of the United Nations General Assembly inviting Italy to accept the Trusteeship of Somalia. These have resulted in the understanding set out in the Memorandum attached to this Note.

I now have the honour to inform your Excellency that the provisions of this Memorandum have been approved by His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland.

If these provisions are likewise approved by the Italian Government, His Majesty's Government propose that this Note and the Italian Government's reply thereto in similar terms should be regarded as constituting an Agreement between the two Governments in this matter.

I have, &c.

For the Secretary of State  
M. R. WRIGHT

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<sup>1</sup> Came into force on 20 March 1950 by the exchange of the said notes.

<sup>2</sup> United Nations document A/1251.

## II

*The Italian Ambassador at London to the Secretary of State for Foreign Affairs*

[ITALIAN TEXT — TEXTE ITALIEN]

AMBASCIATA D'ITALIA

London, W. 1, 20 marzo 1950

Signor Segretario di Stato,

Ho l'onore di segnare ricevuta della Nota del 20 marzo 1950 con cui Ella mi informa che il Governo di S.M. nel Regno Unito di Gran Bretagna e Nord Irlanda ha approvato i termini, stabiliti nel Memorandum qui allegato, dell'intesa raggiunta fra i rappresentanti del Governo del Regno Unito e del Governo italiano sulle disposizioni finanziarie ed economiche relative alla consegna della Somalia all'amministrazione italiana.

In risposta ho l'onore di informarLa che il Governo italiano per propria parte similmente approva i termini contenuti nel Memorandum sopraccitato e nel testo italiano allegato alla presente Nota.

Il Governo italiano pertanto concorda con la proposta avanzata dal Governo del Regno Unito, che la Sua Nota e la presente risposta vengano considerate come costituenti un accordo fra i due Governi sulla materia.

Mi è gradita, &amp;c.

T. GALLARATI SCOTTI

[TRADUCTION<sup>1</sup> — TRANSLATION<sup>2</sup>]

ITALIAN EMBASSY

London, 20th March, 1950

Your Excellency,

I have the honour to acknowledge the receipt of your Note of March 20th 1950 in which you informed me that His Majesty's Government in the United Kingdom of Great Britain and Northern Ireland have approved the terms, laid down in the memorandum appended hereto, of the understanding reached between the representatives of the Government of the United Kingdom and the Italian Government in regard to the financial and economic arrangements relative to the handing over of Somalia to Italian administration.

In reply, I have the honour to inform you that the Italian Government for their part similarly approve the terms contained in the above-mentioned memorandum and in the Italian text appended to the present note.

The Italian Government therefore agree to the proposal advanced by the Government of the United Kingdom that your note and the present reply shall be considered as constituting an agreement between the two Governments in this matter.

I welcome this opportunity, &amp;c.

T. GALLARATI SCOTTI

<sup>1</sup> Translation by the Government of the United Kingdom.<sup>2</sup> Traduction du Gouvernement du Royaume-Uni.

AGREEMENT BETWEEN REPRESENTATIVES OF THE ITALIAN GOVERNMENT AND REPRESENTATIVES OF HIS MAJESTY'S GOVERNMENT ON FINANCIAL AND ECONOMIC PROVISION REGARDING THE HAND-OVER OF SOMALIA TO ITALY PURSUANT TO THE RESOLUTION OF THE UNITED NATIONS GENERAL ASSEMBLY INVITING ITALY TO ACCEPT THE TRUSTEESHIP OF SOMALIA

1. The Memorandum of Provisional Agreement initialled *ad referendum* on 11th April, 1949, is cancelled.
2. In the event of it being impossible for technical or practical reasons for the Italian Government to have the new currency which they propose to introduce into Somalia ready in time for issue from D-day, the provisions of Annex A will apply.
3. In the event of the currency being ready for issue from D-day, the provisions of Annex B will apply.
4. D-day means the date of arrival of the main portion of Italian troops and officials in the territory.

A N N E X A

1. The territory will be handed over to the Italian Government on a "going concern" basis. That is to say that the existing British Administration will collect all revenue and meet all expenditure of administration up to the date of final hand-over, except that in any districts where they have taken over at an earlier date the incoming Italian Administration (hereinafter called the "Italian Administration") will collect revenue and meet expenditure. From the date of final hand-over the Italian Administration will meet all expenditure, and collect all revenue, irrespective of the dates to which they may relate.

2. In order to avoid payments across exchanges, the following shall be the basis of the final financial settlement :

(a) The Italian Government will redeem all East African currency circulating in the territory and will hand over all such redeemed currency to His Majesty's Government free of all cost to the latter (see also paragraph 3 below).

b) The Italian Government undertake to settle all claims already raised or which may be raised in respect of materials taken by or services provided to the forces of His Majesty's Government or Allied Forces or the British Administration during the British Occupation or during military operations preceding the occupation. Such claims shall include *inter alia* claims in respect of seizures, requisitions, rentals, claims for losses

of or damages to property sustained as a consequence of acts of the forces or authorities of Allied or Associated Powers and claims arising from the presence, operations or actions of the forces or authorities of Allied or Associated Powers in Somalia.

(c) The Italian Government will make no claim against His Majesty's Government in respect of any alleged damage to or deterioration of or loss of statal property in Somalia.

(d) His Majesty's Government will waive any claims in respect of :

- (i) Improvements and additions to statal property;
- (ii) Stocks of stores to be left behind by the British Administration on completion of hand-over;
- (iii) Cost of relief given to or of repatriation of Italians during British Occupation.

(e) His Majesty's Government will waive all claim to the recovery from the Italian Government of any part of the net cost of the British Occupation of Somalia except as provided in paragraph (a) above.

The provisions of this sub-paragraph shall not cover the value of any supplies or services which may have to be supplied to the Italian Armed Forces in connexion with Operation Cæsar<sup>1</sup> at their request by His Majesty's Armed Forces or by the British Administration. Settlement for these shall be made in sterling in London.

3. The Italian Government will take the necessary steps as soon as possible after the completion of the hand-over to redeem all outstanding East African currency. Such steps shall include :

- (a) Adequate publicity throughout the territory of the redemption;
- (b) The provision of an adequate number of exchange stations;
- (c) A reasonable time for redemption but not too long.

The Italian Government may use their discretion in redeeming East African currency presented after the closing date. The Italian Government will inform His Majesty's Government of their proposals as soon as possible.

4. Prior to the issue of the new currency, any payments which have to be made by the Italian Administration will be made in East African currency. This will be supplied on demand to the Italian Administration by arrangement with the British Administration through the local banking organisation and the sterling equivalent will be debited to an account of the Ufficio Italiano dei Cambi in London. The Italian Government will redeem all East African currency circulating in the territory, including the currency purchased against sterling under the above arrangements, and will hand over all such redeemed currency to His Majesty's Government free of all cost to the latter. The sterling amount debited as indicated above will, however, be recredited in the final settlement to an account of the Ufficio Italiano dei Cambi in London.

5. Prior to the issue of the new currency, East African currency shall remain legal tender in the territory. Upon the issue of the new currency and until the expiration

<sup>1</sup> The hand-over of the territory.

of the period prescribed for the redemption of East African currency, both the new currency and the existing East African currency shall be legal tender in the territory. The Italian Government will communicate their proposals to His Majesty's Government with regard to the new currency which they propose to introduce, and particularly with regard to the method of fixing the rate of exchange so as to ensure, until the expiration of the period prescribed for the redemption of East African currency, the establishment of proper crossrates between the new currency, East African currency, metropolitan lira, sterling and the United States dollar. Prior to the issue of the new currency, the Italian Administration will publish a Proclamation fixing the rate of exchange between the new currency and East African currency which shall not be altered before the expiration of the period prescribed for the redemption of East African currency without prior consultation with His Majesty's Government.

6. The request of the Italian Government that as soon as possible after United Nations decision has been announced the present Administration should cancel the provision in the existing Proclamation, whereby the rate of exchange in Somalia between the metropolitan lira and the East African shilling is fixed at 480 lire = 20 East African shillings, should be rescinded, will have early consideration by His Majesty's Government.

7. The Banca d'Italia, the Banco di Roma, and the Banco di Napoli, or, in any case, one of them, shall be open and ready to operate as from D-day.

8. It is anticipated that Barclays Bank (Dominion, Colonial and Overseas) will close their branch before the final withdrawal of the British Administration and in that case Barclays Bank (Dominion, Colonial and Overseas) and the Italian banks will be free to arrange for the transfer to the latter from the former of accounts and cash cover therefor, book credits, collateral guarantees, &c., as usual in banking practice. The East African currency transferred in cash from Barclays Bank (Dominion, Colonial and Overseas) to the Italian banks shall be included in the amount of redeemed currency to be handed over to His Majesty's Government in accordance with paragraph 2 (a) above.

9. The banks concerned will be requested to arrange detailed discussions in relation to the matters referred to in paragraph 8.

10. The Italian Administration shall honour all Import and Export Licences issued by the British Administration outstanding at the date of hand-over. Representatives of the Italian Government and His Majesty's Government shall meet to discuss any re-orientation of the present Import and Export Programmes which may be necessary gradually to bring them more into line with future Italian policy.

11. It is understood that the Italian Government will wish to constitute a fiscal tobacco monopoly and consequently will require the British American Tobacco Company to close down at or soon after the completion of the hand-over. It is therefore agreed that representatives of the Italian Government will discuss the matter direct with the British American Tobacco Company. Stocks or other assets, property of the British American Tobacco Company in Somalia, are private property and shall be so treated and the company shall be at liberty to remove or dispose of them and to transfer any funds belonging to the company or arising from the proceeds of sale of its property.

## ANNEX B

1. The territory will be handed over to the Italian Government on a "going concern" basis. That is to say that the existing British Administration will collect all revenue and meet all expenditure of administration up to the date of final hand-over, except that in any districts where they have taken over at an earlier date the incoming Italian Administration (hereinafter called the "Italian Administration") will collect revenue and meet expenditure. From the date of final hand-over the Italian Administration will meet all expenditure, and collect all revenue, irrespective of the dates to which they may relate.

2. In order to avoid payments across the exchanges the following shall be the basis of the final financial settlement :

(a) The Italian Government will redeem all East African currency circulating in the territory and will hand over all such redeemed currency to His Majesty's Government free of all cost to the latter (see also paragraph 3 below).

(b) The Italian Government undertake to settle all claims already raised or which may be raised in respect of materials taken by or services provided to the forces of His Majesty's Government or Allied Forces or the British Administration during the British Occupation or during military operations preceding the occupation. Such claims shall include *inter alia* claims in respect of seizures, requisitions, rentals, claims for losses of or damages to property sustained as a consequence of acts of the forces or authorities of Allied or Associated Powers and claims arising from the presence, operations or actions of the forces or authorities of Allied or Associated Powers in Somalia.

(c) The Italian Government will make no claims against His Majesty's Government in respect of any alleged damage to or deterioration of or loss of statal property in Somalia.

(d) His Majesty's Government will waive any claims in respect of :

(i) Improvements and additions to statal property.

(ii) Stocks of stores to be left behind by the British Administration on completion of hand-over.

(iii) Costs of relief given to or of repatriation of Italians during British Occupation.

(e) His Majesty's Government will waive all claim to the recovery from the Italian Government of any part of the net cost of the British Occupation of Somalia except as provided in paragraph (a) above. The provisions of this sub-paragraph shall not cover the value of any supplies or services which may have to be supplied to the Italian Armed Forces in connection with Operation Cæsar at their request by His Majesty's Armed Forces or by the British Administration. Settlement for these shall be made in sterling in London.

3. The Italian Government will take the necessary steps as soon as possible after the completion of the hand-over to redeem all outstanding East African currency. Such steps shall include :

(a) Adequate publicity throughout the territory of the redemption.

(b) The provision of an adequate number of exchange stations.

(c) A reasonable time for redemption, but not too long. The Italian Government may use their discretion in redeeming East African currency presented after the closing date.

The Italian Government will inform His Majesty's Government of their proposals as soon as possible.

4. The Italian Government undertake that stocks of the new currency which they propose to introduce into Somalia shall reach Mogadishu on or before D-day. In the course of the ensuing four weeks this currency will be despatched by the Italian Administration with the assistance of the British Administration to centres in all areas of the territory.

5. The Italian Administration will commence issue of the new currency for their payments to troops and for administrative expenses as from D-day, the date of arrival of the main portion of Italian troops and officials in the territory, but no general substitution will be commenced until after the completion of the hand-over.

6. Prior to the issue of the new currency, any payments which have to be made by the Italian Administration will be made in East African currency. This will be supplied on demand to the Italian Administration by arrangements with the British Administration through the local banking organisation and the sterling equivalent will be debited to an account of the Ufficio Italiano dei Cambi in London. The Italian Government will redeem all East African currency circulating in the territory, including the currency purchased against sterling under the above arrangements and will hand over all such redeemed currency to His Majesty's Government free of all cost to the latter. The sterling amount debited as indicated above will however, be re-credited in the final settlement to an account of the Ufficio Italiano dei Cambi in London.

7. From D-day until the expiration of the period prescribed for the redemption of East African currency both the new currency and the existing East African currency shall be legal tender in the territory, and a Proclamation to this effect will be issued by the British Administration on or before D-day. The Italian Government will communicate their proposals to His Majesty's Government with regard to the new currency which they propose to introduce and particularly with regard to the method of fixing the rate of exchange so as to ensure until the expiration of the period prescribed for the redemption of East African currency, the establishment of proper cross rates between the new currency, East African currency, metropolitan lira, sterling and the United States dollar. Prior to the issue of the new currency the Italian Authorities will fix the rate of exchange between the new currency and East African currency which shall be included in the Proclamation referred to. The rate shall not be altered before the expiration of the period prescribed for the redemption of East African currency without prior consultation with His Majesty's Government.

8. From D-day no East African currency shall be paid out by the Italian Administration and Italian banks, and the Italian Administration shall provide Barclays Bank (Dominions, Colonial and Overseas) with such new currency as they require in exchange for East African currency. Any East African currency which comes into the possession of the Italian Administration in this or any other way in Somalia up to the closing date for the conversion operation subject to the extension provided in paragraph 3 (c) shall be handed over to His Majesty's Government free as part of the arrange-



ments for the conversion of the currency from the existing East African currency to the new currency.

9. As from D-day the British Administration and the British army in the territory shall use the new currency or East African currency as they may require for all proper disbursement. Any new currency in the possession of the British Administration on their final withdrawal after meeting their liabilities shall be handed over free to the Italian Administration.

10. The request of the Italian Government that as soon as possible after United Nations decision has been announced the present Administration should cancel the provision of the existing Proclamation, whereby the rate of exchange in Somalia between the metropolitan lira and the East African shilling is fixed at 480 lira = 20 East African shillings, should be rescinded, will have early consideration by His Majesty's Government.

11. The Banca d'Italia, the Banco di Roma and the Banco di Napoli or, in any case one of them shall be open and ready to operate the new currency from D-day.

12. It is anticipated that Barclays Bank (Dominions, Colonial and Overseas) will close their branch before the final withdrawal of the British Administration and in that case Barclays Bank (Dominions, Colonial and Overseas) and the Italian banks will be free to arrange for the transfer to the latter from the former of accounts and cash cover therefor, book credits, collateral guarantees &c., as usual in banking practice. The East African currency transferred in cash from Barclays Bank (Dominions, Colonial and Overseas) to the Italian banks shall be included in the amount of redeemed currency to be handed over to His Majesty's Government in accordance with paragraph 2 (a) above.

13. The banks concerned will be requested to arrange detailed discussions in relation to the matters referred to in paragraph 12.

14. The Italian Administration shall honour all Import and Export Licences issued by the British Administration outstanding at the date of hand-over. Representatives of the Italian Government and His Majesty's Government shall meet to discuss any re-orientation of the present import and export programmes which may be necessary gradually to bring them more into line with future Italian policy.

15. It is understood that the Italian Government will wish to constitute a fiscal tobacco monopoly and consequently will require the British American Tobacco Company to close down at or soon after the completion of the hand-over. It is therefore agreed that Representatives of the Italian Government will discuss the matter direct with the British American Tobacco Company. Stocks or other assets, property of the British American Tobacco Company in Somalia, are private property and shall be so treated and the company shall be at liberty to remove or dispose of them and to transfer any funds belonging to the company or arising from the proceeds of sale of its property.

[*Note.* The event which would have given rise to the operation of Annex B not having happened, its provisions did not take effect.]