

No. 3328

**CANADA
and
ITALY**

Exchange of notes constituting an agreement for the settlement of certain Canadian war claims and the release of Italian assets in Canada. Ottawa, 20 September 1951

Official text: English.

Registered by Canada on 30 April 1956.

**CANADA
et
ITALIE**

Échange de notes constituant un accord concernant le règlement de certaines réclamations canadiennes nées de la guerre et le déblocage des avoirs italiens au Canada. Ottawa, 20 septembre 1951

Texte officiel anglais.

Enregistré par le Canada le 30 avril 1956.

No. 3328. EXCHANGE OF NOTES CONSTITUTING AN AGREEMENT¹ BETWEEN CANADA AND ITALY FOR THE SETTLEMENT OF CERTAIN CANADIAN WAR CLAIMS AND THE RELEASE OF ITALIAN ASSETS IN CANADA. OTTAWA, 20 SEPTEMBER 1951

I

The Secretary of State for External Affairs to the Minister of Foreign Affairs of Italy

DEPARTMENT OF EXTERNAL AFFAIRS

Nº 52

Ottawa, September 20, 1951

Excellency,

In order to reach a final settlement, in a spirit of mutual understanding, of matters still pending between Italy and Canada as a result of the Peace Treaty of February 10, 1947,² it is proposed that the following agreement be entered into between the Governments of Canada and Italy :

Article 1

The Italian Government shall, as soon as this Agreement has been approved by the Italian Parliament, pay to the Canadian Government a lump-sum of 290 million lire, for unrestricted use in Italy in the satisfaction of all Canadian claims under the Peace Treaty of February 10, 1947, with the exception of :

- (a) Debts and bonds referred to in Article 2 of this Agreement;
- (b) The claims of Aluminium Limited or its Italian subsidiaries and of the Sir Alexander MacKenzie estate which will be dealt with separately in accordance with the relevant provisions;
- (c) Claims which might have arisen under paragraph 6 of Article 78 of the said Peace Treaty.

Such payment shall free the Italian Government of any responsibility towards the Government of Canada and Canadian nationals (individuals, corporations and associations) as regards the above-mentioned claims, excepting those mentioned in (a), (b) and (c).

¹ Came into force on 20 September 1951 by the exchange of the said notes.

² United Nations, *Treaty Series*, Vols. 49 and 50.

This sum, as well as any compensation paid by the Canadian Government to any of its claimants, shall be exempt from any deductions, taxes or other charges imposed by the Italian Government.

Article 2

Debts and bonds owing by the Italian Government and Italian nationals (individuals, corporations and associations) to the Canadian Government and Canadian nationals (individuals, corporations and associations), incurred before September 15, 1947, and referred to in Article 81 of the said Treaty, shall also be paid according to the respective rights of creditors and debtors, and in accordance with the contracts, deeds or relevant documents, in the currency originally stipulated which shall be made available to the debtors by the Italian Government for the purpose of such payment. The provisions of this Article shall also apply to Canadian claims against corporations or associations having "siège social" in the free territory of Trieste, within the limits of practical possibilities.

Article 3

Upon the signing of this Agreement, the Canadian Government will announce in the Canada Gazette the release of all the Italian assets sequestered, seized by or under the control of the Canadian Custodian, the actual release to start immediately and to be effected upon individual application, and to be terminated in the shortest possible time; the Canadian Government taking all necessary measures to this effect.

Article 4

In the case of a dispute arising between the two Governments as to the interpretation and application of this Agreement, which cannot be settled through normal diplomatic channels, such dispute shall be submitted to a neutral arbitrator jointly appointed by the two Governments, and, failing agreement, by the Secretary General of the United Nations, and the decision of such arbitrator shall be accepted by both Governments as final and binding.

The cost of arbitration shall be borne in equal shares by the two Governments.

If the Government of Italy accepts these proposals, it is suggested that this Note and Your Excellency's reply should be regarded as constituting an agreement between our two Governments.

Accept, Excellency, the assurances of my highest consideration.

L. B. PEARSON

II

The Minister of Foreign Affairs of Italy to the Secretary of State for External Affairs

EMBASSY OF ITALY

No. 2056/51

Ottawa, September 20, 1951

Sir,

I have the honour to acknowledge receipt of your note of September 20th, 1951 the text of which is transcribed hereafter :

[*See note I*]

I have the honour to inform you that the Italian Government accepts these proposals and that therefore your note and this reply are regarded as constituting an agreement between our two Governments.

Accept, Sir, the assurances of my highest consideration.

DE GASPERI