

# THE BRITISH AND ETHIOPIAN DISPOSAL OF ITALIAN PROPERTY IN ETHIOPIA, 1941-1956: A HISTORICAL REVIEW OF THE THEORY AND PRACTICE OF THE CUSTODIANSHIP OF ENEMY PROPERTY

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## **Abstract**

*During the Second World War, the Horn of Africa staged unusual and fast shifting encounters among the colonizers, the colonized, and would be super powers. Governments acted according to their own war time needs and postwar aspirations imbued with the Cold War. Investigating how this transpired in Ethiopia offers valuable insights about the wartime status of international laws regarding the management of property belonging to enemy states and their nationals. However, this is a sidelined aspect in the historiography of the Second World War. Using fresh archives and secondary sources, this article situates the British and Ethiopian treatment of Italian property in Ethiopia in the global discourse of the custodianship of enemy property. States mostly disregarded international law as political exigency and war time needs were given priority. As abstract laws had nominal respect, only individuals with technical, political and security profiles relevant to the victors enjoyed a relatively better protection. Besides, the victors absolved themselves from responsibility by including self-serving clauses in the peace agreement signed in Paris. Like other success factors, custodianship of enemy property was crucial in the rise and fall of firms. In this regard, the twentieth century was hardly progressive than preceding centuries were.*

Keywords: Custodianship, Enemy property, Ethiopia, Britain, Italy, Second World War.

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## **I. Introduction**

Over centuries states have expressed their tenets pertaining to the disposal of enemy property in treaties, conventions and agreements signed at bilateral and multilateral levels. In the twentieth century, states also established ownership with relevant laws and regulations to administer the property of enemy states and their nationals. The gulf separating legal idealism and political exigency in the actual treatment of enemy property was wide for political and economic reasons and pretexts, although there have been a few success stories. Studying the wartime laws and practices of combatants vis-à-vis enemy property helps a better understanding of the changing lots of firms and states in world economic history. However, historiography is almost silent on this vital aspect of economic history, which could play an important role in the development of international law for a more secure world in terms of the flow of people and capital.

During the five year occupation of Ethiopia by Italy, 1935-1941, Italy and Italians invested a great deal in manufacturing, infrastructure, and the service sectors with considerable success. The scale of investment in such a brief period was unmatched by the pace of development in other African colonies. Hence, when the Italians lost the war against the British and the Ethiopians, there was considerable booty to appropriate. Britain and Ethiopia had established their own Custodian of Enemy Property ostensibly to administer Italian property according to international law- to ensure the safekeeping and the eventual transfer of property to its legitimate owners.

As will be seen, very few have written about the fate of Italian property and businesses in Ethiopia. Such works suffer from shallow and one-sided use of sources and do not recount the story in light of broader and longer global experiences. In fact, the very issue of the custodianship of enemy property in wartime seems a neglected aspect of historiography, even among economic historians. This neglect constitutes a clear lacuna in our historical understanding of the circumstances of the rise and fall of states, small firms, and large international corporations.

This article intends to make a modest contribution to encourage research interest in the management of enemy property, which seems to be a promising field of investigation to fathom the dramatic upward and downward economic mobility of states in general, and private firms and corporations in particular. This is relevant not just for the sake of understanding history but also to generate practical insight for the management of enemy property in the future. Studying relevant international conventions, academic publications and archival data from the Custodians of Enemy Property and different ministries of the Ethiopian and British governments, the article reconstructs the history of the disposal of enemy property in Ethiopia. By situating the story in the global discourse, the article shows the salient norms in the wartime policies and practices of financing wars and compensating damages incurred by states and their nationals.

## **II. Global Precedent- Legal Status and Actual Exaction of Private Enemy Property in War**

Because states have long enacted laws and signed bilateral and multilateral agreements and conventions relating to the wartime disposal of enemy property, a brief outline of such global historical precedents as a foreground to the disposal of enemy (Italian) property in Ethiopia is necessary. Ostensibly, the wartime treatment of the property of an enemy state and its nationals in the nineteenth and twentieth centuries was claimed to have been governed by ‘international law’, which found expression in bilateral and multilateral agreements. Such provisions had the flavor of eighteenth century juridical values, especially as regards the sanctity of private property in war. The law stipulated that: ‘Those surviving the devastating effects of unmitigated war should have something left with which to take up again the thread of life.’<sup>1</sup>

Article XXIII of the 1799 treaty between Prussia and the USA granted a nine-month period for merchants in enemy territory to settle their debt and property issues or to evacuate with their belongings freely. It also provided for the economic freedom and property protection of enemy citizens engaged in other economic activities. The governments could confiscate the

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<sup>1</sup> Seymour J. Rubin, ‘Inviolability of Enemy Private Property’ in *the American Journal of International Law*, Vol. XCV, (1950), p.167.

private property of enemy state citizens without prejudice to compensation due to owners.<sup>2</sup> The historical value of the treaty is small since its signatories did not go to war. Of practical experience about disregarding the inviolability of private property we have the Austro-Prussian War of 1866, during which, a British diplomat noted, “The three Prussian armies and their insatiable ‘requisition commandos’ had succeeded in reducing Austria north of the Danube to a vast desert.” Requisitions were ‘paid’ for by paper receipts which were hardly honored for repayment by anyone.<sup>3</sup> On a positive note, private property was respected during the Spanish-American War, thanks to President McKinley’s proclamation of April 26, 1898, ordering Spanish ships to leave American ports within a month.<sup>4</sup>

The 1899 Hague Agreement outlawed the confiscation of private property, which seems to be a multilateral convention influenced by preceding customary rules.<sup>5</sup> It granted the victim of requisition to payment in cash or the issuance of a receipt to acknowledge the requisition. This, however, was a privilege property owners could only enjoy if they were neutral in the war. Moreover, requisition was considered congruent with the ‘eternal’ principle that war must support war through requisitioning supplies for invading armies.<sup>6</sup> Hence, international law did not give unconditional inviolability to private property since it could be overlooked should military necessity so require.<sup>7</sup> Nonetheless, states increasingly sensed the need to differentiate between the treatment of combatants and non-combatants and private or public properties.<sup>8</sup>

During the early stage of World War I, governments refrained from confiscating private enemy property mainly to prevent reprisals against their own citizens living in enemy territory, rather than because of a commitment to legality and humanitarian values. After a while, enemy property was appropriated according to wartime needs. The British sequestered German property worth about a billion dollars. Russia did the same from early 1915 on except that

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<sup>2</sup>*Ibid.*, p.166.

<sup>3</sup> Geoffrey Wawro, *The Austro-Prussian War: Austria’s War with Prussia and Italy in 1866* (Cambridge: Cambridge University Press, 2007), p.276.

<sup>4</sup> Rex M. Potterf, ‘Treatment of Alien Enemy Property in War Time and After by the United States’ in *Indiana Law Journal*: Vol.2: Iss. 6, (1927), p.456.

<sup>5</sup>*Ibid.*, p.453.

<sup>6</sup> William Gerald Downyer, ‘Captured Enemy Property: Booty of War and Seized Enemy Property’ in *The American Journal of International Law* Vol. 44, No. 3 (Jul., 1950), p.490; Martin Van Creveld, *Supplying War: Logistics from Wallenstein to Patton* (Cambridge: Cambridge University Press, 1977), p.5.

<sup>7</sup>Potterf, ‘Treatment of ...’, pp.453-4, 490.

<sup>8</sup>*Ibid.*, pp.456-7.

Germans paying a special tax were exempt from sequestration. The USA, through the May 1917 presidential order, authorized the confiscation of enemy vessels in American ports.<sup>9</sup>

The Versailles Peace Treaty made no departure in the protection of private enemy property. Article 297 accorded the Allied Powers ‘the right to retain and liquidate all the property rights and interests’ of Germans in Allied territory to meet compensation claims of Allied citizens and the reparation claims of Allied Powers so that only the remaining balance would be returned to the original property owners. Germany assumed responsibility to redress the loss caused to its own nationals. Germany suffered from similar compensation arrangements under the Treaty of Berlin, which concluded the war between Germany and the USA. The USA rationalized the confiscation of ‘hostile’ private Germany property in 1919, claiming that some German investments had supported the German army. Warehouses, factories, and offices were regarded as German spy centers and ‘... would have been nests of sedition if the Alien Property Custodian had not acted promptly in their seizure. ... no obligation is owed to their private owners....’<sup>10</sup>

Stating that nearly 5000 sequestered German investments had sinister motives to ‘dominate’ the US industry, the custodian, Mr. Palmer, claimed that the confiscation of such properties amounted to destroying a ‘sinister alien power in the United States’.<sup>11</sup> The USA was more interested in using enemy property to finance the war than concerned with the rights of enemy nationals.<sup>12</sup> Besides, the victors employed a reversal of the ‘thread of life’ argument: the damage suffered by their own citizens should be compensated at the expense of enemy property. At any rate, the Allies could not return enemy property to its private owners and yet expect a reparation amount that exceeded the entire assets of defeated states.<sup>13</sup> The framers of the Versailles Peace Treaty, June 28, 1919, felt justified in imposing harsh treaty terms citing the statement of the German peace delegates, whose May 22 note reads:

*The German peace delegation is conscious of the fact that under the pressure of the burden arising from the peace treaty on the whole future of German economic life, German property in foreign countries cannot be maintained to its previous extent.*

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<sup>9</sup>*Ibid.*

<sup>10</sup> Rubin, ‘Inviolability’, p.172.

<sup>11</sup> Potterf, ‘Treatment of ...’, pp.466-7.

<sup>12</sup>*Ibid.*, pp.460, 463, 469.

<sup>13</sup> Rubin, ‘Inviolability...’, pp.175, 177.

*On the contrary, Germany, in order to meet her pecuniary obligations, will have to sacrifice this property abroad in wide measure. She is prepared to do so.*<sup>14</sup>

Given the role private investments in foreign markets had on the foreign exchange between the warring governments, the private property of enemy nationals was seldom purely viewed as a private matter. Cognizant of this, Allied governments ordered their nationals to liquidate their foreign investments in enemy countries during the war. Against this background, it was unacceptable for Allied countries to allow enemy investors to emerge from the war with huge foreign assets while their own nationals were not provided with a similar opportunity. That being the argument, the terms ‘private property’ and ‘confiscation’ were regarded as misleading. In what Rubin calls a ‘compelling’ conclusion, ‘...enemy property assets should, not only for reasons of expediency, but also for reasons of justice, be utilized for the payment or the securing of the enemy's reparation or similar debts.’<sup>15</sup>

The Geneva Convention of 1929 prohibited confiscation of works of art, historical monuments, and all effects and objects of personal use by prisoners of war (except arms, horses, military papers, metal helmets and gas masks). Besides, in principle, international law restricted the taking or seizing of private enemy property. However, even after the Second World War, as Prof. H. A. Smith remarked, the ‘law of booty is almost unwritten’.<sup>16</sup> It appears that enemy property during and after World War II was treated exactly as during and after World War I: ‘no rule existed except that of the right of the sovereign to deal with enemy private property as the sovereign willed.’<sup>17</sup> The old Roman comment ‘*silent enim leges inter arma*’ (for the laws are silent in the midst of arms/war) was still the norm.<sup>18</sup>

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<sup>14</sup>*Ibid.*, pp.178-9.

<sup>15</sup>*Ibid.*, pp.181-2.

<sup>16</sup>Downyer, ‘Captured Enemy...’, pp.488-9, 494.

<sup>17</sup>Rubin, ‘Inviolability....’, p.170.

<sup>18</sup>Cicero, Pio Milone, *The Oxford Dictionary of Quotations*, 5<sup>th</sup> ed. (Oxford: Oxford University Press, 1946), p.1081.

### III. Italian Property in Ethiopia under British Administration

To make up for its relatively marginal colonial gain, Italy invested massively in occupied Ethiopia (1936-1941), to the extent of risking economic deficit at home. Italy and its citizens heavily invested in transport and communication infrastructure (roads, post offices and telecommunication networks), public administration institutions, hotels, hospitals, aqueducts, car repair workshops and oxygen producing factories.<sup>19</sup> Factories producing canvas, textiles, cement, beer, flour, biscuits, pasta, rope, boots and shoes and cigarettes mushroomed. There were also cotton mills, sawmills, tire-retreading plants, brick and tile factories and electric plants.<sup>20</sup> The total outlay of such investments was estimated to be more than 90 million pounds.<sup>21</sup> Ethiopia's economic potential had caught the imaginations of Italian officials to solve Italy's economic problems through the settlement of poor farmers and the exploitation of cheap agricultural and industrial labor in Ethiopia.

The Anglo-Ethiopian campaign to liberate Ethiopia started in January 1941 and completed in eighteen months.<sup>22</sup> However, the expropriation of Italian property by the British started before the end of Italian resistance in Gondar in November 1941. The British had dominated the disposal of Italian property until Ethiopia took over following the 1942 Anglo-Ethiopian Agreement and, more importantly, the 1944 Anglo-Ethiopian Agreement. Before 1942, since they had recognized Ethiopia's annexation by Italy in 1938, the British were tempted to consider Ethiopia as an Occupied Enemy Territory Administration (OETA), though theoretically an 'Allied' or 'Associated' member of the Allies<sup>23</sup> since Ethiopia had formally

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<sup>19</sup> Michela Wrong, *I Didn't Do It For You: How the World Betrayed a Small African Nation* (Pymble: HarperCollins Publishers, 2005), pp.140-1.

<sup>20</sup> Richard Pankhurst, 'Post-World War II Ethiopia' in *Journal of Ethiopian Studies*, Vol.29, No. 1, (1996), p.46.

<sup>21</sup> Sterling Joseph Coleman, Jr., 'No Independence Without Sovereignty: The Resistance of Emperor Hayläšəllase I to the British Occupation of Ethiopia, 1941-1944' in *Aethopica-International Journal of Eritrean and Ethiopian Studies*, Vol.13 (2010), p.58.

<sup>22</sup> Haile Muluken, 'A Diplomatic History of Ethio-Italian Relations, Ca. 1941-1991' (PhD Dissertation: Addis Ababa University, 2014), p.53.

<sup>23</sup> Harold, Marcus, 'The Anglo-Ethiopian Treaty of 31 July 1942: Did Ethiopia Become a British Protectorate?', in David Chapple *et al* (Eds.) *Proceedings of the XIV<sup>th</sup> International Conference of Ethiopian Studies*, November 6-11, 2000, Vol.1 (Addis Ababa: Institute of Ethiopian Studies, 2002), pp.414-21. It offers a sound argument against the claim that Ethiopia had no sovereignty under the 1942 agreement especially in light of the practical conduct of Haile Selassie's government. However, as regards the disposal of Italians and their property in Ethiopia, the British had no concern about Ethiopian sovereignty.

entered into the war against Germany and its allies. Apparently, Ethiopia was never an OETA since the initial temptation of the British army officers to treat Ethiopia as such was rejected by the Foreign Office. However, Ethiopia was under *de facto* British military influence which enabled them to prevail on the fate of the Italians and their property in Ethiopia. To ease the removal of Italian property from Ethiopia, Emperor Haile Selassie I was forced to slow his entry into Addis Ababa.<sup>24</sup> Shortly before the British transferred responsibility for enemy property to Ethiopia in 1942, most (about 80%) of enemy property of value was removed from Ethiopia.<sup>25</sup> The British Custodian of Enemy Property handled Italian property in Ethiopia against the norms of Custodianship in international law, administering the properties on behalf of and in the best interest of its owners. More precisely, the British army, rather than the British Custodian, prevailed in what to do with enemy property.<sup>26</sup>

In removing Italian property, neither legal nicety nor fairness to Ethiopia influenced the British who wavered between selfish and objective rationales. Under Anglican racial prejudice to the Italians, the British disapproved the massive Italian investment in Ethiopia: "... it was so typical of these flamboyant, hot-headed Mediterranean types- for 'overdeveloping' the Horn."<sup>27</sup> The removal of property preceded the deportation of its Italian owners, who were tasked with safely dismantling industrial plants. The property of deported Italians was considered by the British as having lost its *raison d'être* so that expropriating it for British wartime needs was more compelling than leaving it for 'loot and destruction' by Ethiopians.<sup>28</sup> Advancing the erstwhile wartime argument of all governments, Britain compensated some of its wartime cost in Ethiopia and elsewhere at the expense of Italian property in Ethiopia. In the end, the British left less important items regarded as enough to meet the reasonable requirements of Ethiopia for several years, commenting that what remained was beyond the capacity of local expertise to run and was deteriorating.<sup>29</sup> Disregarding their racist motives and exaggerations, the British

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<sup>24</sup>Tafará Háylaselásie, *Yaityoyáná Táláqua Britániá Yadiplomátic Tárík 1798-1966 E.C.* (Addis Ababa: Addis Ababa University Press, 1999 Ethiopian Calender ( hereafter E.C.),pp.246, 266.

<sup>25</sup> Coleman, 'No Independence ...', pp.59-60; Wrong, *I Didn't ...*, p.141.

<sup>26</sup> Haile, 'A Diplomatic...', pp.95-100.

<sup>27</sup> Wrong, *I Didn't ...*,pp.139, 146.

<sup>28</sup> Richard Pankhurst, 'Post-World War II Ethiopia: British Military Policy and Action for the Dismantling and Acquisition of Italian Factories and other Assets' in *Journal of Ethiopian Studies*, Vol. XXIX, No. 1 (June 1996), pp.42-3.

<sup>29</sup> See exchanges between the Foreign Office and the British Legation, August-November 1943, G.B. FO 371/300-35635, pp.22-3.

underestimation of the Ethiopian capacity to make proper use of Italian property was a genuine and realistic assessment.<sup>30</sup>

According to official statements, what the British removed from Ethiopia was immeasurable.<sup>31</sup> Copious Italian medical supplies, such as medicines, bandages and ointments, were taken for use by British East African troops.<sup>32</sup> Oxygen producing factories were removed, leaving hospitals in Ethiopia to run without the life-saving gas. The value of medical stores removed by the British was about £4 million.<sup>33</sup> Engineering machineries, factories, garage equipment, printing machines, oil, heavy trucks, and so forth were transferred to Eritrea, Kenya and Tanganyika in the name of the war effort.<sup>34</sup> Crankshaft grinders were shipped to Libya and used to repair tanks. Weapons and munitions were taken to Kenya. Of properties taken to India, Kenya and Uganda were road building equipment, a brick factory, an oxygen factory, soap-making equipment, diesel tractors, water-boring works, sawmills, mining machinery, and so forth.<sup>35</sup>

Under British political and military domination, powerless Ethiopia could hardly protest against the removal of enemy property, a stance mistaken by the British for consent. Haile Selassie did not protest the removal of 26 small mechanical workshops, six oxygen factories and the Pirelli Retreading Plant by way of direct requisitioning or private purchase through negotiation with private owners. The British took equipment from eight heavy repair workshops informing the Emperor but not securing his consent. He is said to have permitted the removal of 21 Lancia workshops and machinery from 26 small mechanical workshops while written permission is claimed for the removal of 13 road making machines, 19 items of sawmilling

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<sup>30</sup> See for example Ministry of Interior to Ministry of Finance, *Maskaram* 25 1967 E.C., No. 297445/44, National Archives and Library Agency (NALA0, File No. 17.1.1.82.05. It reveals that a tractor, thresher and other equipments (of about two tones) were deteriorating in disuse and left to the corrosive effect of rainfall and sunshine. The problem was reported by Kossá *Waradá* of Bale administrative region to the Ministry of Interior in 1940 E.C. Yet the latter ministry called to the Ministry of Finance for action after about 27 years which gave orders to the respective government institution to prepare an auction for the sale of the property and deposit the proceedings in an account opened for that purpose in the National Bank of Ethiopia.

<sup>31</sup> See exchanges between the Foreign Office and the British Legation, August-November 1943, G.B. FO 371/300-35635, pp.22-3.

<sup>32</sup> Comment sent to *New Times and Ethiopia News* by Evelyn Clayton, Ministry of Foreign Affairs Archives (MOFAA), Fol. No. 13, file No. 66.

<sup>33</sup> Wrong, *I Didn't ...*, p.139-146.

<sup>34</sup> Tafará, *Yainglizná Táláqua...*, pp.256-7.

<sup>35</sup> Wrong, *I Didn't...*, 2005), p.141.

machinery, 20 petrol pumps, one crankshaft grinder, 24 ‘scrapa’ metal [*sic*], and 100 cubic meters of timber.<sup>36</sup> Several trucks and other valuable enemy property were taken from the Italians with or without payment.<sup>37</sup> There were many cases in which British officers removed enemy war materials and other property without informing the Emperor.<sup>38</sup>

To lessen Ethiopians disaffection with the disproportional loot of spoil by the British and South African troops, the British appointed a Joint Anglo-Ethiopian Committee for enemy property. While this arrangement gave Ethiopians some share of the looting, the Committee did not prevent the removal of property in the name of serving British wartime needs. Workshop equipment, capable of maintaining 600 vehicles a year, was taken to Kenya with all the 1200 Italian workers. The Pirelli tire factory plant was taken to Kenya while an oxygen factory, having a daily production capacity of 700 cubic meters, was taken to Eritrea. Other removals include a printing press, carpet factory machinery, woodwork workshop equipment, heavy vehicles assembly and maintenance equipment, pharmaceuticals factory equipment and an unknown amount of money and gold to Kenya.<sup>39</sup> From about 40,000 registered enemy vehicles before the end of occupation, only about six thousand were transferred to the Ethiopian Custodian in 1942. Likewise, about 80% of Italian mechanical equipment was removed from Ethiopia by the British.<sup>40</sup> Obviously, not all of these appropriations could be justified by the British wartime needs.

#### **IV. Italian Property under Ethiopian Administration**

##### ***The Legal and Institutional Setting***

Under the terms of Article XIII of the 1942 Anglo-Ethiopian Agreement and Military Convention, Ethiopia had to requisition and hand over requested Italian assets to the British. After the agreement, the British protested against perceived illegal or arbitrary conduct by the

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<sup>36</sup> War Office to the British Legation, January 22, 1942, G.B. FO 371/300-35635, pp.22-33.

<sup>37</sup> British Civil Affairs Branch in Nairobi to the War Office, January 26, 1945, G.B. FO 371/300-35635; War Office to Foreign Office, 23 June 1941, G.B. FO/371/323, file 46089. Oxygen bottles were requisitioned on unknown date but paid for on September 8, 1941 but values were unknown. Another two oxygen plants privately owned by *Societa Anonima Fabbriche Riunite Etiopiche Ossigeno* (F.R.E.O) were requisitioned on 26, January 1942 for four hundred pounds and the plant was removed in March 1942. But, no payment was made, although the owner claimed 11, 500 pounds.

<sup>38</sup> A complaint letter by Sylvia Pankhurst to Foreign Office, October 1941, G.B. FO371-279-27522, pp.11-20.

<sup>39</sup> Tafará, *Yainglizná Táláqua...*, pp.256-7.

<sup>40</sup> War Office to Foreign Office, 23 June 1941, G.B. FO/371/323, file 46089. Detailed list of requisitioned and removed items was made on 21<sup>st</sup> August 1945 but not attached. G.B. FO/371/323 file 46114, p.183.

Ethiopian Custodian.<sup>41</sup> Nonetheless, Ethiopia ignored British warnings of ‘legal consequences’ and openly stood against British demands for enemy property. A fight over a sisal factory left five Ethiopian and two British colonial troops dead. Ethiopia also rejected a British demand to remove a radio transmission station, road-making equipment and a cement factory, causing the British to regret the granting of independence to Ethiopia. When Haile Selassie steadfastly resisted what he regarded as excessive British demands, the latter sought to avoid the political cost of fighting over less valuable enemy properties. By August 1942, the British decided to ‘...write off Ethiopia as a source of supply of any plant or machinery’, after taking 80% of Italian property.<sup>42</sup>

After the 1942 Agreement, Ethiopia established its Custodian of Enemy Property Administration, effective from 28 May 1942, under the Ministry of Production and Industries.<sup>43</sup> The Custodian was meant to protect enemy property until its fate was decided after the war. The Custodian could decide about enemy property as he deemed fit until the owner, or a legitimate representative, appeared and filed claims.<sup>44</sup> The law was very liberal regarding the Custodian’s authorities and responsibilities in administering enemy property. He could accept or reject claims of agency or power of attorney on behalf of the owner. He could collect any debts or sums owed to any owner of enemy property or business; sell it by public auction, tender or reach any private agreement on any perishable goods, furniture, trade stocks, livestock, produce or crops on farms; grant temporary leases of any enemy property; make arrangements for the carrying out of any business; maintain, retain or remove to safe custody any enemy property; pay, at his discretion, any rates, taxes or other impositions due for any enemy property or business; make any other disbursements which he might deem necessary or proper; acquire and hold any property movable or immovable; and enter into any contracts and execute any deed. The Custodian or his assistant would not be personally liable for any act committed or omission made by him or on his behalf in relation to any enemy property or business in the exercise or

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<sup>41</sup>The Civil Affairs Branch, HQ of East Africa Command to the Ministry of Interior, EAC/CEP/A/137CA, August 17, 1943, NALA, File No. File No. 1.213.12.

<sup>42</sup> Sterling, ‘No Independence ...’, pp.59-60.

<sup>43</sup> Archives of Şeháfe Te’ezaz Walda-Masqal Tariku Memorial Research Center, I.E.S., Addis Ababa University (hereafter Walda-Masqal Archives), section of ‘Enemy Property’ (hereafter E.P.) Audit Report, Fol. No. 134.

<sup>44</sup>*Negarit Gazetta*, Enemy Property Proclamation, 1942.

purported exercise of any powers conferred upon him under the proclamation and he was indemnified in regard to any such act or omission.<sup>45</sup>

To a limited extent the Ethiopian Custodian dealt with enemy property within the framework of ideal international norms. Some Italians received their property or its monetary value. Occasionally, the Custodian rejected allegedly undue requests for enemy property by government officials and acquaintances.<sup>46</sup> In some cases high profile public figures and ordinary people acquired enemy property by paying the assessed price.<sup>47</sup>

At the same time, Ethiopia was committed to compensate the damage that the state and its citizens suffered during the occupation.<sup>48</sup> Ethiopia used enemy property to equip and renovate government palaces, offices, libraries and so forth while using Italian buildings to house administrative offices, hospitals, and laboratories.<sup>49</sup> This was also how, for instance, the Ethiopian Embassy in Djibouti was furnished. The Emperor had restricted government purchases only to items that were unavailable from enemy property storage.<sup>50</sup> The procurement of some goods and services by government institutions was financed by revenue from the Custodian of Enemy Property while vital properties and oil stocks in the Custodian's stores were directly transferred to government institutions. The cost of deporting Italians was paid by the Custodian. The Custodian paid the unpaid taxes from enemy businesses and properties because such taxes could not be brought upon the individuals who had incurred them.<sup>51</sup> Private and state enemy vehicles found scattered throughout the country were indiscriminately sequestered by Custodian of Government Property, rather than the Custodian of Enemy Property, on the grounds that all of them were used by the Italian state for war purposes. This decision was passed by the Ministry of Interior.<sup>52</sup>

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<sup>45</sup> See Art.1-8 of Enemy Property Proclamation, *Negarit Gazeta* 1942.

<sup>46</sup> Walda-Masqal Archives, E.P., Fol. 5/525.

<sup>47</sup> *Ibid.*, Fol. 11/525. The type of restored goods vary, for example, looking glasses, photo albums, forks, cars, and so forth.

<sup>48</sup> Compensation Claims Submission Form, NALA, File No. Ministry of Interior Files, No. 1.511.

<sup>49</sup> Teláhun, *Ya20<sup>ñáw</sup>...*, pp.228-9; Comment to *New Times and Ethiopia News* by Evelyn Clayton, MOFAA, Fol. No. 13, file No. 66; British Legation, Addis Ababa, to Foreign Office, November 23, 1946, G.B. FO/371, 336- 63138.

<sup>50</sup> *Ibid.*

<sup>51</sup> Walda-Masqal Archives, E.P., Fol. 5/525 and Fol. 461/515.

<sup>52</sup> Walda-Masqal Archives, E.P., Fol. 16/525; Minute of a Commission in the Ministry of Interior, *Ginbot* 13 1935 (E.C.), No. 4317 in Custodian of Enemy Property Files, No. 13.15; See exchanges of Ministry of Interior (MOI), *yasaragalanáyáwtomobil T/bét*, Shawá Governorate and the Ministry of Pen in the files of

Compensations to citizens were calculated on the estimated price of damaged properties. Compensation claims, genuine and inflated (these ranged from 350 birr to 648,595 *birr*), were collected from almost all parts of Ethiopia. Examples of damages included the death of livestock, spoiled grains and cereals and destruction of forests, coffee trees, houses and household goods from air bombardment. The amount of compensation claims by the people was below the government's expectations so much that, in April 1946, the government urged its citizens to submit their claims or face a fine of one *birr*. There is no doubt that the disposal of enemy property contributed to the emergence and growth of the middle class in Ethiopia.<sup>53</sup> Besides, Ethiopians, on whose land Italians built assets, took enemy property, paying for the value added to the government.<sup>54</sup> Such Ethiopians were among the fortunate survivors of the of Italian occupation, for they resumed possession of their former houses, that were also completely renovated with electric light, running water, sanitation facilities, and equipped with European furniture.<sup>55</sup> The emperor considered these restorations as a 'gracious act' which shows that he considered himself as the supreme owner of enemy property, which had no justification, while his central role in property transfers might have helped him stabilize a politically corrupt system.

It was legitimate for the Custodian to pay administrative expenses, including rents for commercial property, from the proceeds of enemy holdings. However, other activities by the Custodian were marred by illegitimate conduct with very little or no regard for the principles of Custodianship. The ability of the Custodian to perform according to international norms was undermined by the internal and external conditions of the Custodian. Internally, employees appropriated enemy properties through various corrupt practices. Italians were employed since their technical competence was irreplaceable, but they used that opportunity to advance their own, and fellow Italians, interests in different ways.<sup>56</sup> The Italians would typically discard original price estimates if buyers happened to be Italian while they would inflate prices if

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the Custodian of Enemy Property, Fol. 13/15; Notice of the Ministry of Interior, *Magabit* 10 1937 E.C., Ministry of Interior Files, in NALA, File No. 1.511; From two compensation claims submission, Ministry of Interior, NALA, Files, No. 1.511.

<sup>53</sup> Haile, 'A Diplomatic...', pp.104-12.

<sup>54</sup> Walda-Masqal Archives, E.P., Fol. 461/515.

<sup>55</sup> British Legation to Foreign Office, August 13, 1943, G.B. FO 371/300-35635, p.86.

<sup>56</sup> Custodian of Enemy Property to Chief Security Director, *Maskaram* 13, 1936, NO.155, NALA, File No. file No. 1.213.17.

Ethiopians offered their own estimates. Bent on benefitting Italians and harming Ethiopians, Italian employees offered significant deductions to their compatriots (for instance from 1000 *birr* to 300, from 1500 *birr* to 300, and from 1500 *birr* to 190). In a contrary manner, they would inflate their prices when Ethiopians showed an interest in buying. Alternatively, assessors would prepare significant deductions (as large as  $\frac{3}{4}$  of the original price) if the buyers offered a bribe of half of the deducted price.<sup>57</sup> In this way the Derèdawá Cotton Mill was sold for 37, 000 *birr*, which was less than a quarter of the original cost estimate.<sup>58</sup>

As the sole price determiners, Italian employees opposed the sale of some properties through threatening resignation from their jobs or delaying the process of price estimation. What Italians could buy in two days would take months, if the buyers were Ethiopian, with regular visits and waste of time.<sup>59</sup> Delaying tactics by the Italians were meant to prevent Ethiopians from buying valuable properties and to prolong the tenure of their employment.<sup>60</sup> Such employees of the Custodian office took the liberty of exchanging spare vehicle parts in the stores, thus leaving broken cars available for sale.<sup>61</sup> Italian employees were also blamed for using sophisticated techniques that made their Ethiopian colleagues appear responsible for their own theft. Theft conducted in this way was responsible for disappearance of numerous properties. These machinations were perceived by observers as an Italian act of revenge on Ethiopians.<sup>62</sup>

Ethiopian employees of the Custodian also had corrupt practices. Some Italians had their sequestration receipts, issued by the British, taken away by the Custodian to disallow compensation claims.<sup>63</sup> Top officials of the Custodian, *Ato* Waldaberhán T. Háymánot and *Ato* Berru Makonnen, were noted for embezzlement through the free transfer and underselling of enemy property for themselves. Some proceeds from enemy property were distributed to employees of the Custodian under the guise of loans.<sup>64</sup>

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<sup>57</sup>Walda-Masqal Archives, E.P., Fol. 7/168; Bahru, *Society, State...*, p.177.

<sup>58</sup>G.B. FO/371/323, file 46096.

<sup>59</sup>Walda-Masqal Archives, E.P., Fol. 7/168.

<sup>60</sup>*Ibid.*, Fol. 7/168; Walda-Masqal Archives, E.P., Fol. 11/525.

<sup>61</sup>*Ibid.*, Fol. 13/525.

<sup>62</sup>*Ibid.*, Fol. 7/168.

<sup>63</sup> Exchanges between the British Legation and Foreign Office, November 1945, G.B. FO/371/323, file 46096.

<sup>64</sup>Walda-Masqal Archives, E.P., Fol. 13/525.

Further undermining good custodianship, the office was powerless against interference from officials of government institutions and influential persons. Haile Selassie had free reign to distribute enemy property for political, economic and administrative reasons. He took advantage of enemy property to increase his popularity and benefit his family and favorites.<sup>65</sup> Major enemy properties, such as the St. George Brewery, Anbassá City Bus, *Compagnia Nazionale Imprese Elettriche* (CONIEL), hotels, big buildings, and so forth were taken by the Emperor,<sup>66</sup> and his sons and daughters until nationalized by the government.<sup>67</sup> High officials, princesses, and princess took enemy properties either at unreasonable prices or for free without the authorization of the Custodian. The guard of the Custodian store could not stop a person heading to the enemy property store if the latter claims that his action ‘is authorized by the prince’.<sup>68</sup> The Custodian could not resist powerful figures who boasted of their patriotic deeds during the war of resistance. Even people whose military contributions were at best questionable purchased enemy properties below estimated prices.<sup>69</sup>

Rather than the legality of exploiting enemy property, Haile Selassie’s preoccupation was with the politically motivated distribution of enemy property among rival claimants: top officials who were exiles, patriots and even collaborators who articulated their respective credentials for entitlements to enemy property. Among the notable officials who benefited in this way were *Rás Asráta Kássá*, *Rás G/Hiwat Miká’el*, *Lej Dastá Berhánamasqal*, *Lej Aráyá Ababa*, and Col. Ababa Walda Selássè. The Emperor also distributed many houses to individuals as gifts.<sup>70</sup> Most Italian houses were given to exiles and collaborators while very influential patriots took enemy properties without authorization by the Emperor or the Custodian. Examples include *Rás Ababa Aragay*,<sup>71</sup> *Daj. GarasuDuki*<sup>72</sup>, *Lej Masfen Selashi*<sup>73</sup>, *Lej Ababa Shanquṭé*, and *Qañ. Dagfé*. Such heavyweight officials disposed of enemy property to benefit their followers and relatives, mostly with no care about the attitude of the Custodian or

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<sup>65</sup> *Ibid.*, Fol. 134: 7, 34, 41 and other file numbers.

<sup>66</sup> Teláhun ..., *Ya20<sup>náw</sup>* ..., p.384.

<sup>67</sup> *Ibid.*, pp.384-5; Bahru, *Society, State*..., p.171.

<sup>68</sup> Walda-Masqal Archives, E.P., Fol. 2/171/272/326.

<sup>69</sup> *Ibid.*, Fol. 134/ 7, 34, 41 and other file numbers.

<sup>70</sup> Teláhun, *Ya20<sup>náw</sup>* ..., pp.384-85., pp.228-9.

<sup>71</sup> Walda-Masqal Archives, E.P., Fol. 1/54.

<sup>72</sup> Complaint by a worker of the Custodian in Sidámo to the MOI, NALA, File No. 1.213.12.

<sup>73</sup> Illubábor Governor to Ministry of Interior Illubábor branch, *Hámlé* 24, 1935, attaching the complaints of *Rás Masfen Selashi*.

ignoring his expressed opposition.<sup>74</sup> They refused to pay rents and evicted lawful inhabitants to transfer ownership to favored ones. Municipalities were unwilling to heed to the Custodian's request to handover enemy property under their illegal possession.<sup>75</sup> Civil servants of the Ministry of Interior would refuse the demands of the Custodian to pay rent for the enemy houses they were inhabiting illegally. The Custodian could only write warning letters against such illegal practices,<sup>76</sup> all to no avail.<sup>77</sup> In fact, various municipalities and branches of the Ministry of Interior had assigned their own guards over the heads of the guards assigned by the Custodian of Enemy Property thereby denying the latter access to and control over some enemy properties.<sup>78</sup>

Given the rampant evasion of rents by illegal occupants, the underpriced sale and free transfer of enemy property, it is not surprising that administrative expenses of the Custodian were unsustainable. Because of mismanagement and corruption, the revenue of the Custodian, including the credit allowed for purchases, was close to its administrative cost. Some running expenses were paid using only sheets of white paper with handwritten receipts, which made the financial accounting difficult, exposing the transactions to fraud to the extent that, at one point, the Custodian couldn't afford the salaries of its employees. Later, when the government decided to turn all enemy property into government property, employees insisted upon receiving the arrears of all salary owed them.<sup>79</sup> As the British noted, Ethiopians felt entitled to enemy assets and the Custodian acted as a government official, although in a strict legal sense he was not supposed to act as such.<sup>80</sup> This can be further attested from the complaints lodged by Italian victims, as shown below.

Before July 1946, Ethiopia wanted to retain Italian investors at the expense of the British policy of deporting Italians from Ethiopia. Italian industrialists and businessmen were given wide assurances of freedom of work, the absolute protection of their interests, and were all duly

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<sup>74</sup> Wellega Governorate to Qelam Awraja, *Miazia* 2, 1942 E.C., No. 6342, NALA, File No. file No. 1.213.17.

<sup>75</sup> Exchanges of the Custodian of Enemy Property with Ministry of Interior, *Sané* 8, 1935 E.C., No. 3972, NALA, *Maskaram* 19 1935 E.C., No. 194 (all letters in NALA, File No. File No. 1.213.12.

<sup>76</sup> See proclamation on *Negarit Gazetta*, *Genbot* 11 1934 E.C. No. 14.

<sup>77</sup> Custodian of Enemy Property to Ministry of Interior, *Maskaram* 19, 1935 E.C., No. 194; Custodian of Enemy Property to Ministry of Interior, *Sané* 18 1935 E.C., No. 4091, NALA, File No. File No. 1.213.12.

<sup>78</sup> Haile, 'A Diplomatic...', pp.115-120.

<sup>79</sup> Walda-Masqal Archives, E.P., Fol. 461/515, 5/525.

<sup>80</sup> Exchanges between the British Legation and Foreign Office, November 1945, G.B. FO/371/323, file 46096.

subjected to income tax which was regularly paid. When Italy and Ethiopia could not agree in the Paris peace treaty negotiations in 1946, Italian investors were ordered to leave Ethiopia within eight days. Immediately, officials and armed guards of the Ethiopian Custodian of Enemy Property, confiscated industrial and commercial plants as well as the private residences of Italian investors. A hasty and arbitrary inventory was conducted by officials of the Custodian in the absence of owners. The registration of factories, machineries, engines, equipment, spare parts, motor vehicles and so forth was conducted against economic reality.<sup>81</sup>

Italians who refused to comply with the demands of the Custodian had their properties seized.<sup>82</sup> Italians were forced by armed police to sign the hasty inventory of their property while their own descriptions of their property were ignored. The offices of owners were searched for important papers and documents, concerning financial deals, requisition certificates, lawsuits in course and in abeyance, and so forth in addition to third party papers and properties belonging to POWs entrusted to them. Foreigners were warned not to purchase Italian properties and the Public Motor Car Registration Office was instructed not to permit Italians to sell their vehicles. Italians who attempted to revoke arbitrary sequestration orders through court rulings usually failed since the court hearings were staged after the Italians concerned had been expelled from the country. Italians had their telephone communication cut and the streets leading to the court, the residences of their lawyers, and the foreign embassies, were all blocked to prevent Italians from reaching the High Court or to deter them from getting the assistance of foreign representatives. Those who succeeded in reaching the Court, litigated without their legal advocate who was prevented from leaving his home by the police. Italians who attended court hearings were arrested upon leaving the court and were jailed together with prisoners guilty of crime. Italians under house arrest were subjected to arrest warrants and taken to prison the next day.<sup>83</sup>

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<sup>81</sup> From the petition signed by 80 businessmen and technicians who were deported from Ethiopia., Foreign Office to the British Legation October 14 1946, G.B.FO 371/329-534491, p.136.

<sup>82</sup>*Ibid.*, Some of the assets taken over were the firm of Paganoni Angelo, timber industry; the firm of Paganoni Angelo and Baschiera, plywood industry; the firm of Dotta- Electro mechanical industry, accumulator factory; the firm of Zingone- clothing, haberdashery general store; the firm of Lasagna- sweets and cakes factory; the firm of Ingallina, Atlantic Restaurant; the firm of Trobato- Butcher and provisions and S.A.S.E.D.E.- chemical industry, oxygen and carbide factory.

<sup>83</sup> From the petition signed by 80 businessmen and technicians who were deported from Ethiopia., Foreign Office to the British Legation October 14 1946, G.B.FO 371/329-534491, p.136.

Hence, the apologetic claims that 1) Italian private dwellings, factories, land, movable and immovable properties were guarded from injury, 2) the rent or selling price of enemy property was based on fair valuation and 3) the proceeds were banked for the Italian owner<sup>84</sup> were not entirely correct.

## V. Italian Property in the Diplomatic Arena

Safeguarding Italian state and private property in East Africa could not be achieved even after the installation of a pro-western government in Italy. When, on April 17, 1950, an Italian diplomat complained about the British treatment of Italian property in Eritrea, he was upfront that he was not raising a legal claim. The property in question related to naval facilities, a hospital, oil storage tankers, electrical installations, customs offices and buildings. The British defended themselves, rather arrogantly, saying that the destruction was not wanton but economically sound, in order to not waste British taxpayers' money in protecting buildings that would after all collapse from humidity, or after looting by 'natives'. Intending to avoid the legal consequences, the British had denied the Four Powers Commission of the UN for Eritrea access to the inventory of Italian property they removed, requisitioned and destroyed. According to the Eritrean Chamber of Commerce, the monetary value of the Italian property in Eritrea was close to a contemporary sum of £1.85 billion.<sup>85</sup> When Eritrea became federated with Ethiopia in 1952, the British demanded that Ethiopia compensate for the administrative costs they had incurred in Eritrea, £950,000. The British military in East Africa was instructed from London to maximize their material appropriations so that the British would have no commitment to compensate Ethiopia for the Italian property removed from Ethiopia. Americans were relieved that Axis propagandists did not use the Ethiopian example to warn Norway, Belgium, Holland, France, Poland and Greece about the dangers of 'liberation'.<sup>86</sup>

Italian property requisitioned before the signing of the Anglo-Ethiopian 1942 Agreement was removed by the British who felt no obligation to make payments to Ethiopia. In 1945, pro-Ethiopian publications accused the British military of taking Italian medical supplies worth

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<sup>84</sup> A memorandum by Sylvia Pankhurst to the Foreign Office, December 1945, G.B.FO/371/323, file 46089.

<sup>85</sup> Wrong, *I Didn't ...*, pp.116-7, 135-6.

<sup>86</sup> *Ibid.*, p.133-44.

70,000,000 £ between 1941 and 42 and that the British took 85% of property of value.<sup>87</sup> This was interpreted by the British as Ethiopia's bargaining weapon for the peace settlement, especially in order to obtain the return of Eritrea with all its Italian technical equipment<sup>88</sup> and as an attempt to externalize responsibility for the improper management of enemy property which 'the British Custodian duly surrendered to them'. Ethiopia had refused to give a certificate of indemnity to the British East African Command in Nairobi, by which they had wanted to protect themselves at the peace conference.<sup>89</sup> To strengthen its claims at the peace conference, Ethiopia maintained that the high value of Italian property removed by the British amounted to its contribution to the Allied war effort.<sup>90</sup>

For fear of a propaganda war with Ethiopia, the British decided to not publicize their own stewardship of enemy property for which Ethiopia could not produce evidence. According to the Financial Advisor of the British Legation, F.C. Stafford, there was little prospect of returning enemy property to its legitimate owners since all enemy assets were regarded as spoils of war. This was particularly the case with category 'A' properties which included money and valuables taken to Kenya for 'safe keeping'.<sup>91</sup> From the outset, the British had decided to leave behind category 'B' and 'C' properties.<sup>92</sup> The conduct of British and Ethiopian Custodians didn't tally with the universal ideal of preserving enemy property in contemplation of postwar arrangements<sup>93</sup> or of disposing it in the best interests of its owners. Hence, the British and Ethiopian Custodians did not administer enemy private property according to international law.<sup>94</sup>

For the British Foreign Office, the misconduct of the British and Ethiopian Custodians could be forgiven on account of the 'draconian methods' the Italians had applied in exacting

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<sup>87</sup> A memorandum by Sylvia Pankhurst to the Foreign Office, December 1945, G.B.FO/371/323, file 46089.

<sup>88</sup> Exchanges between the British Legation and Foreign Office about the Ethiopian Custodian of Enemy Property, April-August 1945, G.B. FO 371/300, file 35635, pp, 91, 100.

<sup>89</sup> *Ibid.*, 321, file 46096.

<sup>90</sup> A memorandum by Sylvia Pankhurst to the Foreign Office, December 1945, G.B.FO/371/323, file 46089.

<sup>91</sup> Exchanges between the British Legation and Foreign Office about the Ethiopian Custodian of Enemy Property, April-August 1945, G.B. FO/371/321, file 46096.

<sup>92</sup> Pankhurst, 'Post-World War II Ethiopia...', p.48.

<sup>93</sup> Exchanges between the British Legation and Foreign Office about the Ethiopian Custodian of Enemy Property, April-August 1945, G.B. FO 371/300, file 35635, pp, 91, 100.

<sup>94</sup> *Ibid.*, pp.102-103 (see the section of the comments by F.C. Stafford, Financial Advisor).

Ethiopian private property.<sup>95</sup> It therefore appears as if Ethiopia and Britain had tacitly agreed to avoid taking responsibility for their breaches of international law through inserting self-serving terms in the eventual peace treaty. Hence, the British declined Italian requests for clarification about the disposal of their property in Ethiopia. For the British, the Italians could not talk about international law and spoliation for what they did in Ethiopia, and there was little chance for Ethiopians to be accused of any irregularities in the management of enemy property.<sup>96</sup> Although Italy demanded British help regarding enemy property in Ethiopia in the name of maintaining European prestige in Africa, the British refused to involve themselves in what they now considered a matter to be handled by the Ethiopians only.<sup>97</sup>

During the 1947 peace conference in Paris, Ethiopia demanded the nationalization of all Italian property, arguing that it all had been obtained by force during the war and that, contrary to diplomatic norms, the embassy had been used for military purposes up to 1941. After a lengthy and heated debate, the Four Great Powers decided Ethiopia was entitled to nationalize the embassy. In the end, Ethiopia was able to nationalize state and private Italian property worth millions of dollars.<sup>98</sup> As stated above, enemy properties, including the Italian Embassy, had already been confiscated, so the Ethiopian delegates seem to have been demanding the approval of what Ethiopia had already done before the peace conference.

However, the 1947 Allied Peace Treaty with Italy clearly states that Italy had renounced all state and parastatal properties, but not private Italian properties and diplomatic or consular premises. The only enemy property which Ethiopia was empowered to nationalize was ‘...movable and immovable property of the Italian State of local authorities and of public institutions and publicly owned companies and associations, as well as movable and immovable property formerly belonging to the Fascist Party or its auxiliary organizations’.<sup>99</sup> However, by the time the treaty was ratified, Ethiopia and Britain had already breached international law by the indiscriminate expropriation of private as well as Italian state property. The positive response given to Ethiopia’s claims for Italian property in the Peace Treaty could be attributed to the tacit support the British gave to Ethiopia, since making Ethiopia responsible for the illegal

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<sup>95</sup>*Ibid.*, p.110.

<sup>96</sup> Exchanges between the British Legation and Foreign Office about Italian property, July-September 1946, G.B. FO 371/328, file 53474, pp.22, 25.

<sup>97</sup>*Ibid.*, p.27.

<sup>98</sup>Getachew Tedla, *Aklilu Remembers* (Addis Ababa: Addis Ababa University Press, 2011), p.162.

<sup>99</sup> Treaty of Peace with Italy, Paris, February 10, 1947, Art. 34. ANNEX XIV.

appropriation of the Italian property in Ethiopia would have raised questions about the British role in this abuse. In the Paris Peace Treaty, Italy recognized the sovereignty and independence of the State of Ethiopia and the legality of all measures which the Government of Ethiopia had taken or would take in order to annul Italian measures in Ethiopia taken after 3 October 1935, and the effects of such measures, including the legality of all Ethiopian annulments, modifying concessions, or any special rights granted to Italian nationals.<sup>100</sup>

The question of Italian property was once and for all resolved through a lengthy bilateral negotiation between Ethiopia and Italy in which the former agreed to renounce part of its compensation claims. Accordingly, Italy's treaty obligation to pay 25 million dollars in reparation to Ethiopia was reduced to 16 million dollars.<sup>101</sup> The deduction was justified by the large amount of Italian property Ethiopia had nationalized.<sup>102</sup> The favorable peace treaty agreements, generously sponsored by the great powers, had very little actual role since concerted bilateral engagements proved more important than any unenforced international treaty formulated in multilateral forums.<sup>103</sup>

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<sup>100</sup>*Ibid.*, Arts. 33-36.

<sup>101</sup>Agreement Between Italy And Ethiopia Concerning The Settlement Of Economic And Financial Matters Issuing From The Treaty Of Peace And Economic Collaboration. Signed At Addis Ababa, On 5 March 1956, United Nations, Treaty Series, Vols. 49 And 50, Art. VI (b).

<sup>102</sup>Calchi Novati, 'Re-establishing Italo-Ethiopian Relations after the War: Old Prejudices and New Policies' in *Northeast African Studies*, vol.3, No. 1 (1996), p.40.

<sup>103</sup>Haile, 'A Diplomatic...', p.374.

## Conclusion

Longitudinal historical data does not tally with the seemingly lofty pledge of safeguarding the private property of enemy state citizens. Up to WWII, the administration of enemy property was, for the most part, approached from a purely political point of view, rather than from normative legal principles. Despite high-sounding legal provisions about the sanctity of enemy state citizens' private property, in reality, custodians deviated from their mandate because of wartime needs of the state, the claims of war compensation, corruption, and other factors. In the Ethiopian case too, victors invoked economic, political, racial and emotional arguments to rationalize the unlawful embezzlement of enemy property, both state and private. Victors also cooperated on the international stage to avoid responsibility by sponsoring self-serving clauses in the 1947 Paris Peace Treaty. What Ethiopia, Britain and Italy did with regard to the property of their defeated enemy had much in common with the long tradition of the appropriation of plunder. Hence, the war caused the unexpected downward and upward economic mobility of Italians and Ethiopians respectively, while enabling Britain and Ethiopia to finance state expenses using proceeds from enemy property. The idea and practice of the custodianship of enemy property reveals how the fortune of private and government business undertakings is affected by non-market forces. The Second World War witnessed an important deviation because of the America innovation of post-war reconstruction program extended to defeated powers. While this is obviously different from the idea of custodianship of enemy property, future researchers could ponder how that represents change and continuity in the interaction of warring states.

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