

THE ROCKEFELLER FOUNDATION

~~JEH~~  
FMR

To

~~CCO~~ ~~CCU~~ ~~CCW~~  
EO

From

FMR

Date

5/15/61

The attached has  
just come in. Please  
return it to <sup>AUG 1 1963</sup> me  
and I will then  
put it in the  
pending file.

FMR

EDEN HOTEL-ROMA

49, Via Ludovica

May 10, 1961-

Dear Flora,

Many thanks for your cable about the tax agreements and your letter of May 1, with its full enclosures. A cable from Charlie Cole just received reports sending duplicate sets to this hotel, which made me feel that I should have sent an earlier acknowledgment of the first. I go to the American Express office daily to pick up mail and that is the safer address, as one never knows when they may start eviction proceedings in a Rome hotel.

The Embassy sent to the Italian Ministry of Foreign Affairs on May 5 a communication about the R's juridical status, in the form which I am enclosing. While not in precisely the language I would have chosen, I felt that this was a reasonably good compromise representing the ideas of the R's general counsel, its Roman counsel, Biamonti and Sereni, and of the Embassy lawyer, Mr. Mag. We were afraid Mag would haggle over the wording for days, as he had done in the Johns Hopkins project at Bologna, but he responded to pressure pretty well.

The package of books is still undelivered, but it may arrive to-day. Alitalia reports it

is at the airport, almost down to Ostia, where it must be cleared through the customs. They won't take responsibility for this without most explicit authorization from the addressee (given by me on May 8), because "so many addressees" claim to have a friend in the customs, with whom they could "have made an 'arrangement' to avoid the duty." As Charlie will confirm "arrangement" is the favorite Italian way of solving most problems, legal and other kinds.

I am still not reconciled to having the day interrupted from 1 to 4, just when one is trying to get something done. And tomorrow is another holiday, the third since I reached Rome.

Again with many thanks for the schedules of information, which obviously represented a lot of hard digging on the part of mealy,

Sincerely,

Chauncey Bellup

*Copy of communication from American Embassy, Rome, to  
Italian Ministry of Foreign Affairs - dated and delivered  
May 5, 1961*

F.O. No. 1653

*AUG 13 1963*

The Embassy of the United States of America presents its compliments to the Ministry of Foreign Affairs and has the honor to refer to the matter of the status of the Rockefeller Foundation which recently acquired the Villa Serbelloni at Bellagio, Como, as a gift under the will of the late Ella Principessa della Torre e Tasso for the purpose of promoting international understanding.

The Rockefeller Foundation is one of the oldest and largest American foundations. It was established as a corporate legal entity by an Act of the legislature of the State of New York, approved May 14, 1913, for the stated purpose of promoting the well-being of mankind throughout the world. In 1929 another corporation, The Laura Spelman Rockefeller Memorial, organized in 1919 under the laws of the State of New York for charitable purposes, was consolidated with The Rockefeller Foundation.

The Rockefeller Foundation enjoys in the United States of America all the rights and privileges of a non-profit corporate entity, engaged exclusively in philanthropic, cultural and scientific pursuits.

As is well-known, during the course of its long history The Rockefeller Foundation has been a pioneer in many fields of philanthropy: the prevention and elimination of disease, such as malaria, yellow fever, and other menaces to public health; the improvement of agriculture in areas suffering from malnutrition; the advancement of knowledge through research in the physical, biological and social sciences; the encouragement of humanistic studies and achievements in the creative arts; the identification, recognition and support through liberal fellowship awards of promising young scientists, scholars and others at the start of their productive careers; and numerous other fields.

The relations between the Government and cultural institutions of Italy and The Rockefeller Foundation are excellent and of long standing. Thus the Foundation'

international health staff were privileged to have a part in the eradication of malaria from Sardinia after the second world war. Over the years, Foundation grants have added several million dollars to the resources available for the support of scientific research in a number of Italian universities and institutions. In addition, more than 160 Italians, at early stages in their careers, have been awarded fellowships to pursue their studies at institutions of their choice in other countries, among them Enrico Fermi when still unknown.

Having in mind this background of The Rockefeller Foundation's achievements and its long and fruitful association with Italy, the Principessa della Torre e Tasso, who was an American by birth, but was bound to Italy by ties of marriage, long residence and affection, left to the Foundation by her will the Villa Serbelloni, together with the sum of \$ 2.000.000, for use as a cultural center to promote international understanding.

In prompt compliance with the terms of the will, the Foundation, upon the Principessa's death on June 20, 1959, took possession of the Villa, which has since been operated for the prescribed cultural purposes. Already it has been possible to hold at the Villa a series of conferences and seminars at which distinguished scholars from Italy, other parts of Europe and the United States have met for fruitful study. Facilities are also being made available at the Villa for individual scholars, scientists or artists from Italy and other countries, who can benefit from the opportunity for quiet concentration on their work in ideal surroundings.

The Villa is owned by the Foundation, which also directly conducts its operations from the New York office within the framework of the Foundation's international program. There is no separate legal entity owning or administering the property. A director residing in the Villa but paid by the Foundation in New York is in immediate charge of the premises and of the program as developed by the Foundation officers in New York.

The Embassy has been given to understand that title to the Villa is recorded

in the public records in the Foundation's name, and that exemption from the Italian inheritance tax has been granted, while the question of exemptions from other taxes is under negotiation.

Relations between the Foundation and the municipal authorities at Bellagio have been cordial and co-operative. The Foundation's predecessor in title gave employment to upwards of 60 residents of the community, and the Foundation has utilized the services of most of this number. While not paying municipal taxes, the Foundation is making annually a voluntary contribution to the municipality of Bellagio of Lit. 3.600.000. In addition, the Foundation is making contributions toward local charities at the rate of more than Lit. 3.500.000 annually. For the support of its operations at the Villa Serbelloni the Foundation is expending in Italy not only the income of the \$ 2.000.000 bequest left by the Principessa but also substantial additional funds.

While the Foundation has thus been operating the Villa for the stated purposes, difficulties have nevertheless arisen because of issues raised by certain minor officials. Perhaps by reason of lack of familiarity with the status in Italy of United States non-profit corporations, these officials have failed to recognize that the Foundation has in Italy the status of a juridical person. This has prevented the Foundation from buying a motor truck, or entering into such transactions as the sale of a motor boat; some difficulty is also being experienced with respect to payment of social security charges.

The basis of these difficulties appears to be the failure to realize that by virtue of the provisions of Article II of the Treaty of Friendship, Commerce and Navigation between Italy and the United States of February 2, 1948, as ratified by Law No. 385 of June 8, 1949, corporations created under the laws of either Party have their juridical status recognized within the territories of the other Party whether or not they have a permanent establishment, branch or agency therein.

And even aside from that Treaty provision, Art. 16 of the Disposizioni

sulla legge in generale (Disposizioni Preliminari al Codice Civile) appears to entitle the Foundation to enjoy the same rights in Italy as are enjoyed by Italian legal entities.

Moreover the legal personality in Italy of The Rockefeller Foundation as well as that of other American foundations has been consistently recognized since the inception of their activities here. No question was raised in connection with the purchase of materials, the obtaining of premises, the hiring of personnel and the operation of facilities by The Rockefeller Foundation in Sardinia in connection with its program of malaria eradication. Likewise, the giving of grants to universities and the support given to the Stazione Zoologica of Naples, which all implied recognition in Italy of the legal personality of the Foundation, never raised any question. Other American non-profit corporations are also permanently established in Italy and carrying on here functions predicated upon the recognition of their legal personality: for instance, the Johns Hopkins University owns a building in Bologna where it operates a graduate school. Recognition of the legal personality of The Rockefeller Foundation by the tax authorities has already been mentioned.

While there is no wish to magnify the difficulties which the Foundation has encountered, their cumulative effect can hardly fail in the long run to interfere seriously with the Foundation's continuing operation of the Villa.

Under the circumstances the Embassy would appreciate it if the Ministry would acknowledge that the Rockefeller Foundation is a non-profit corporation organized under the laws of the State of New York and certify that it is entitled to recognition as a juridical entity in Italy in accordance with the provisions of the Treaty of Friendship, Commerce and Navigation between Italy and the United States of February 2, 1948.

The Embassy of the United States of America takes this occasion to renew to the Ministry of Foreign Affairs the assurance of its highest consideration.

Embassy of the United States of America,

Rome, May 5, 1961.