

Declassified E.O. 12356 Section 3.3/NND No. 785017

ACC

10000/109/94

Declassified E.O. 12356 Section 3.3/NND No.

785017

10000/109/94

FEA SURPLUS DISPOSAL ACTIVITIES
NOV. 1944 - JAN. 1946

20

Ex-Com.

CSS- Folio 19 for info

~~Ex-Com.~~
20/10

Ex-Com 28/9

What does it all mean? 25/10/5

24 30

Ex-Com.

C50- Folios 26-28 for info of Ex-Com. by letter
to min. 21 is ~~unclassified~~ contained in folio

28

~~Ex-Com.~~ 3/10 Ex-Com 27/10

Exec

~~Ex-Com.~~ Commissioner

21

Approved
Attached is submitted for your signature
information

10/11

P25 comply to P24. Name submitted
all GWS
25/10

33

Ex-Com.

C50- Folio 32 for info

~~Ex-Com.~~ 18/10

Ex-Com 18/10

5210

82

~~1-2-10~~ 2/10

Eval

~~Chief, Development~~

2

[illegible]

10/11/44 - P28 empty to 124. 2 other sub-injects
OK

331

Cl. loma.

250- plus 32 for info

File 1810

Conrad 18/10

0125

345

1204
GCT 19 REG.

Chief, General Hospital

Approved _____
 Attached is submitted for your signature
 information _____

Noted by cc [Signature]

Case 05B-2314

OK

39 to wtp. Ecan. See. are copying. W.D. 2 Apr

Capt ordm

3

follow up 2

4/12

5

CSO: To v22 page 4. No drafts received to date. Have any arrangements been made direct with COS?

6 encl 7/12

Capt ordm

Yes, EC has phoned COS to say

they are producing this as soon as possible - by 9/12 1000h. file transcribed 7/12 & 7/12

9

CSO: FEA instructions on Surplus Property Disposal rec'd. there E con det. (folios 7-8). Suggest for COS to read! 9/12/51

No thanks!

P/A JCB 26/1

12/1

17

Syllme

Edo

As imp from 16

(chr)

S-11a 9/12

5209

They are producing this as soon as possible - on 9/12/80
file marked 7/12/80

9.
CSO: FEA Instructions on Surplus Property Disposal and the
Econ. Act. (folios 7-8). Suggest for COS to read: 7/12/80

No Warrants! P/A 1/28/80

12

Sydney
Bo

As info for 12/80
S 7/19

(at) 4/9

5209

36

18

Chief Commissioner

Approved
Attached is submitted for your signature
information

MS 17/19

Noted by CFB

Declassified E.O. 12356 Section 3.3/NND No. 785017

203 40
HEADQUARTERS ALLIED COMMISSION
APO 394
ECONOMIC SECTION

WMO/eeh

42

Ref. ES/2.02

12 January 1946

JAN 14 1946 41

My dear Mr. Ambassador:

Receipt is acknowledged of your communication, dated 8 January 1946, in which you state your desire that I continue to exercise supervision of FEA activities until such time as the FEA organization is finally liquidated, and request the appointment of a responsible member of my staff to carry out certain administrative functions referred to in your letter.

In accordance with your desire that I continue to exercise supervision of FEA activities, I accept such responsibility, and will carry on the supervisory function until the FEA organization is liquidated.

In connection with the request contained in the second paragraph of your letter, I am designating Mr. W.H. Gelbach, Jr., former FEA Business Manager, to authorize travel within Italy of FEA employees, to process personnel actions arising from the Department's telegram of instructions, No. 4379, dated 19 December 1945, and to assume the responsibility of accounting for all FEA property.

Pursuant to instructions contained in the last paragraph of your letter, all vouchers for FEA expenditures arising from obligations incurred subsequent to 1 January 1946 will be submitted to the Embassy for certification.

Very sincerely yours,

Harlan Cleveland
HARLAN CLEVELAND
Acting Vice President

5208

Honorable Alexander Kirk
Ambassador
American Embassy
Rome, Italy

cc: /Chief Commissioner ✓

(MAH) 12/1/46

A
14/1
E

THE FOREIGN SERVICE
OF THE
UNITED STATES OF AMERICA

AMERICAN EMBASSY

Rome, Italy, January 8, 1946

Dear Mr. Cleveland:

Referring to the State Department's circular telegram dated December 31, 1945, under which I am charged with the operating responsibility and certain specified administrative responsibilities for former FEA functions, it is desired that you continue to exercise supervision over FEA activities until such time as the FEA organization is finally liquidated.

In this connection you are hereby requested to appoint a responsible member of your staff to authorize travel within Italy of FEA employees and to process personnel action arising from the Department's telegraphic instruction No. 2379 dated December 19, 1945. This individual should also be charged with the responsibility of accounting for all FEA property which is to be transferred to the Embassy in accordance with the Department's telegraphic circular instruction of November 7, 1945. It would be appreciated if you would inform me of the name of the official so designated.

Effective January 1, 1946 all vouchers covering FEA expenditures should be submitted to the Embassy's authorized certifying officer for approval. Effective the same date the Embassy will maintain appropriate accounting records for such expenditures.

Sincerely yours,

Alexander Kirk

Harlan Cleveland, Esquire
Acting Vice President
Economic Section
Allied Commission

5207

See 42

Translation

The President of the Council of Ministers
S. 10.228

Rome, 17 November 1945

My dear Admiral,

answering your letter n. 13018/P I deem it advisable to confirm the reasons which made the Italian Government give one common organization to such bodies as are entrusted with the withdrawal of wares of allied provenience.

In fact, it is essential for the Treasury Department and Foreign Trade Administration to be permanently informed about all the wares which are being imported from abroad, this to avoid that the Italian Treasury should suffer losses in the sale of imported products, and the Foreign Trade Administration allow the import of wares which already exist in sufficient quantity within the Italian territory.

This is why the Foreign Trade Institute, which is the general agent, must be informed about all imports from allied sources, so as to be able to answer any time any request from the Treasury Department, and from the Ministry of Industry and Commerce (General Direction for Foreign Trade).

For what concerns the Federation of Agricultural Trusts (Federazione Consorzi Agrari), this doesn't change the situation in fact which is existing at present, for the Agricultural Trusts, as sub-agents of the I.C.E. which will intervene for the consignment, are to go on receiving all incoming foodstuffs.

Instructions have been given to the Foreign Trade Institute to contact the Allied Offices in charge, to make adequate agreements, also with the sub-agents, for the carrying out of the procedure you mentioned.

I take this opportunity to thank you for your letter of October 22nd. The situation described in the enclosed letter from General Mac Kinley definitely unsatisfactory. As you know, adequate action has been taken, and I can assure you that the I.C.E. will make all necessary efforts to guarantee a better functioning.

Believe me,

Sincerely yours,

S. Ferruccio Parri

Admiral Ellery S. Stone
Chief Commissioner
Allied Commission
Rome

C. C. DIST - 21 of 1
Action - to be (3)
Inf - C.C.
E.C.

trans.e/c

(MISS SAUNDEN)

Declassified E.O. 12356 Section 3.3/NND No.

785017

DCK/fah

203

38

526

ALLIED FORCE HEADQUARTERS
APO 512

AG 100.38 GPG-0

16 November 1945

NOV 19 1945

SUBJECT: Termination of Military Supply Responsibility in ITALY.

TO: Chief Commissioner
Allied Commission
APO 394

17 NOV 1945

23.

Concurrent with the transfer of the Office of the Army and Navy Liquidation Commission to the State Department, paragraph 6(b) of letter, file AG 100.38/021 GPG-0, dated 9 September 1945, subject as above, is rescinded and the following substituted therefor:

"6(b). Headquarters, Mediterranean Theater Field Commissioner, Office of the Foreign Liquidation Commissioner, APO 512, US Army".

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

D. C. Kirley
D. C. KIRLEY
Captain, AGD
Asst Adjutant General

5205

PA
19/11
B2

(1 Spec copy)

13018/V

18 October 1945

My dear Mr. Prime Minister:

OCT 24 1945

I have your letter of 8 October 1945, advising that Istituto Nazionale per il Commercio Estero (ICE) is to be the consignee for all supplies imported into Italy under the FEA 100 million dollar program. The Allied Commission will therefore expect ICE to make all necessary arrangements for receiving, protecting, storing and distributing these supplies, either through its own organization or through sub-agents acceptable to the Italian Government.

In a letter dated 12 October 1945, copy attached, ICE informed the Commission that until further notice the following agencies had been authorized to receive and acknowledge imports: solid fuel (coal), Ufficio Carboni Italiani; liquid fuels, Comitato Italiano Petroli; feedstuffs, Federazione Italiana dei Consorzi Agrari. The letter also informed that commencing 1 November 1945, ICE itself would provide directly for receiving and acknowledging imports of feedstuffs.

This Commission assumes in respect to each Italian organization named as sub-agent that the following action will be taken by ICE:

- a. Notification to the sub-agent of its appointment and the duration thereof.
- b. Specification of the powers and duties of the sub-agent (including authorization to sign bills of lading and out-turn reports).
- c. Arrangement to notify the sub-agent in advance of the arrival of ships through the ICE Italian Liaison Officer.
- d. Provisions directing the sub-agent to see that all incoming supplies are properly received, protected, stored and distributed.

The Allied Commission requests your confirmation that the foregoing action has been, or immediately will be, taken by ICE. To effect smooth working arrangements ICE, as well as the sub-agents, should communicate with U.S. War Shipping Administration who will give instructions relative to receiving cargoes and signing bills of lading and out-turn reports.

It is understood that discussions have recently been in progress regarding the possibility of Federazione Italiana dei Consorzi Agrari continuing to act as your receiving agent for feedstuffs and agricultural supplies. The Commission is hopeful that such action will be taken by the Italian Government. If a decision to this effect is reached by your Government, will you please inform the Commission so that appropriate action may be taken to establish liaison procedure with Federazione.

- 2 -

36

The outline of procedure appended to my letter of 26 September 1945, will continue to operate in respect to foodstuffs and miscellaneous supplies. Special arrangements, however, will have to be made for coal and petroleum products. ICG should notify Ufficio Carboni Italiani to communicate with Coal Division, Commerce Sub-Commission, AD, and Comitato Italiano Petroli with AFPM Petroleum Section. The Allied military units named will inform the respective sub-agent of the requirements for receiving and reporting the particular commodity handled by the agent.

Very truly yours,

For Henry W. Stone

KIMBRY W. STONE
Rear Admiral, USNR
Chief Commissioner

Professor Ferruccio Parri
The President of the Council of Ministers
Italian Government
Rome

5203

785017

35

TRANSLATION

ISTITUTO NAZIONALE PER IL COMMERCIO ESTERO

N. 25772 UFF Ro/Imp

Rome, 12 October 1945

SUBJECT: Receiving of Allied Supplies.

In reference to letter dated the 8th instant, addressed by the Italian Prime Minister to Rear Admiral Stone, we beg to inform you that until further notice, Istituto Nazionale per il Commercio Estero commits to the following agencies the receiving and the signing of receiving reports for the imported goods listed hereunder:

Solid Fuels - - - -	Ufficio Carboni Italiani
Liquid Fuels - - - -	Comitato Italiano Petroli
Foodstuffs - - - - -	Federazione Italiana dei Consorzi Agrari

We also inform you that commencing from 1st November 1945 ICE will provide directly for the receiving of imported foodstuffs and also for the issue of the relative receiving reports.

DIRETTORE GENERALE

signed by

5202

Grove

Allied Commission,
Finance Sub-Commission,
Rome.

HEADQUARTERS ALLIED COMMISSION
APO 394
Economic Section

20390

(32)

Ref. ES/1.37
X - 508

13 October 1945

OCT 18 1945

SUBJECT : Appointment of Chief Administrative Officer
for Surplus Property

TO : Mr. Phelps Kelley
Mediterranean Theater Field Commissioner
Office of Army - Navy Liquidation Commissioner
Public Relations Office Building

1. Mr. Albert E. Dickens (TSA) has been designated
Chief Administrative Officer for Surplus Property for the
Economic Section of Allied Commission.

2. Function of this office will be to serve as
official liaison between the Allied Commission and OALC, to
expedite and coordinate administrative relations and procedures
between the two organizations, and to represent the Economic
Section of Allied Commission generally in administrative matters
pertaining to surplus property.

3. Economic Section units and personnel interested
in OALC surplus property hereafter will initiate action
through this office, Room 44, First floor, AC Building,
telephone extension 460, and will not initiate such action
with OALC directly.

(sgd) E. B. McKinley

5201

E. B. MCKINLEY
Brigadier General, USA
Acting Vice President
Economic Section, AC

DISTRIBUTION BY STENCIL:

All S/C's, Allied Commission
Executive Commissioner ✓
Mr. Norriss
Mr. Hubbs
Regulation Branch
Industry and Commerce Division
Supply Division

See M. 33-54

PA
26/10

(ent. White)

Declassified E.O. 12356 Section 3.3/NND No. 785017

2039
ALLIED COMMISSION
INTER-OFFICE MEMORANDUM

SUBJECT: Termination of Military Supply
Responsibility in Italy
TO : Executive Commissioner

FILE No. *ES/20.02*

2 October 1945

DOT - 1545

I think the attached answers your question of 25 September.

L. D. Densmore
L. D. DENSMORE
Colonel, PA
Chief Staff Officer
Economic Section

34/28

(copy) imed

leg 20/5200
11/12/45

Tel. 549

RB-400.4

HEADQUARTERS ALLIED COMMISSION
AFHQ 394

Economic Section
Requisition Branch

RMQ:lak

27 September 1945

MEMORANDUM:

TO: Colonel Denmore
Chief Staff Officer
Economic Section

1. Paragraph 5 of attached letter subject, "Termination of Military Supply Responsibility in Italy", dated 9 September 1945 was referred to this office for necessary action.

2. Copies of requisitions for supplies for Italy are sent to AFHQ, which in turn distributes the requisitions to the various interested agencies of that Command (which includes British supply agencies and G-4, AFMUSA), at which time they have opportunity to advise any stocks applicable to the demand.

3. In the case of liaison with CANIC the action is as follows:

A list of item availabilities compiled by CANIC is forwarded to the Sub-Commissions of AC which screen it against outstanding requisitions or requisitions about to be submitted. After the items are checked against requirements on requisitions, etc., CANIC is contacted by the Sub-Commissions concerned with a view of effecting a physical examination of the goods. If they appear to satisfy requirements on requisitions, the Sub-Commission concerned wires Washington, copy of which is forwarded to CANIC, the list of items that are available at designated depots, including a request for cancellation of same from the requisition plus dollar credit (troop pay funds) for amounts deducted in order to set off the credit toward the purchasing of the goods in question at the depot. When a reply is received from Washington, a copy is forwarded to CANIC so that necessary disposition of the goods can be made as directed by the Sub-Commission concerned.

4. In connection with the second portion of the referred to Paragraph containing detailed instructions as to the manner of utilizing surplus property, AFHQ was contacted and stated that the present procedure as indicated above is satisfactory.

5. In this connection, attention is invited to COM 224 and CAL 1494, copies attached.

2 Incls.

Incl. 1 - COM 224

Incl. 2 - CAL 1494

Lt. Col. J. W. Smith
Economic Section

5199

785017

0138

37

5408
SEP 26 1953

7/9/53
SEP 27 1940
ROUTINE

FROM COM GIN GIN

OCT - 2 1945

ALLIED COMMISSION FOR ELAB INFO AMT FOR PHONO AND OR CASE
THE FOR CANTON MONETARIAL.

UNCLASSIFIED.

This is COM 224.

Procedure for purchase of surplus property.

1. FKA understands from MEMPHIS that surplus may (ref COM 275) was
sold on open market prior to arrangement between COM 275 Commissioner
and FKA, HOKK. Please confirm cancelling reqst COM 275.

2. In letter of September 1, US Treasury Secretary WILSON has
authorized army-navy liquidation commissioner to accept local currency
up to the equivalent at present exchange rate of 13 million dollars
in payment for surplus property sold to Italians. Arrangements for sale
of surplus property in return for local currency under terms of this
letter will be handled by Field Commissioner and Italian Govt.

3. In view this with no surplus property should or will be charged
against the troop pay account by FKA. Procedure described COM 218 and
commented on in COM 304 should therefore be disregarded. Text of
authorization letter being sent MEMPHIS by FKA HILLBURN.

DIST

ACTION COM 217 4
INFO CHIEF COMMISSIONER
SI COMMISSIONER
TO TO AN EMBASSY
SI TO US EMBASSY
COM 218
FINANCE 20
FILE 2
FLOAT

Declassified E.O. 12356 Section 3.3/NND No. 785017

5407
SEP 26 1953

7/9152
SEP 27 0930
ROUTINE

WAR FROM CCS CITE CCAG

OCT -2 1943

ALEXANDER FOR PHOENIX RITE INFO ALBOM, AND VE BASE SECTION FOR CABINET
SECRETARIAT.

UNCLASSIFIED.

This is OAL 1494. Refer LAG 1305.

Highway Maintenance.

Reference is made to WAR DEPARTMENT Technical Manual TM-55-420, September 45, 4 copies of which were forwarded to Headquarters G-4, CAB-EMPA, ITALY, 2 copies to Captain KOTON and 2 copies to Major General MAGNUSSEN.

Section IV paragraph 12 A of the reference TM authorizes overseas commanders to declare civilian type items (items for which there is a commercial equivalent on civilian market) as surplus to AMLG without reference to the WAR DEPARTMENT except for subsistence items, those items listed in Appendices A and B of the Reference document and those listed as in short supply in Appendix H.

Direct transfer of army items to PEA for sale to the Italian Government not approved. UNITED STATES items in question appear to fall within the classification of civilian type items, therefore, request that procedure as outlined in the reference TM be used to extent applicable. Where not applicable submit recommendations to WAR DEPARTMENT through UNITED STATES military channels.

Request that method of disposal of British items be arranged direct with the War Office.

INFO ACTION
INFO
DIST
SEC DIV 2
CHIEF COMMISSIONER
ECOM SEC 2
COMMERCE SC
FILE 2
FLOAT

Declassified E.O. 12356 Section 3.3/NND No.

785017

ALLIED [REDACTED] COMMISSION
INTER-OFFICE MEMORANDUM

SUBJECT:

TO : Vice-President,
Economic Section.

FILE NO.

CSO

194

x-1.21

20.02

Will you speak at next Executive Commissioner's
Meeting ?

W [25/5]

See F24

25.9.45.

5195

Declassified E.O. 12356 Section 3.3/NND No. 785017

HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

25 September 1945.

MEMORANDUM TO: Executive Commissioner.

AFHQ letter AG 400.38/021 GSG-O of 9 September, copy attached, provides in para b for AC to establish contacts with the British Ministry of Supply Representative in this theater, the Office of ANLC (US) and G-4, MTCUSA for the acquisition of theater surplus stocks in the fulfillment of its civilian supply responsibility.

Will you please check with the Economic Section and satisfy yourself, with report to me, that the proper procedure for acquisition of these surplus stocks has been provided.

Kindly return the attachment to this office for file.


ELLERY W. STONE
Rear Admiral, USNR
Chief Commissioner

5196

COPY

ALLIED FORCE HEADQUARTERS
APO 512

AG 400.38/021 GEG-C

9 September 1945

001 - 1 1945

SUBJECT: Termination of Military Supply Responsibility
in Italy

TO : Chief Commissioner
Allied Commission
APO 394

1. Combined Military responsibility for civilian supplies terminates upon completion of scheduled August loading. (September arrivals). TAM 667 refers.

2. It has been recommended by this Headquarters to CC/S that military responsibility for the civilian supply of the disputed areas of VENEZIA GIULIA, UDINE and other small areas continue as long as these areas remain under Allied Military Government.

3. The Allied Commission is responsible for civilian supplies for all of ITALY except as effected by approval of recommendation contained in paragraph 2.

4. The channel of communication for civilian supplies in the Allied Commission to the Combined Liberated Areas Committee (CLAC) is through the COM/MOC cable and Airgram series.

5. The Allied Commission will consult with Foreign Economic Administration, the Ministry of Supply and the Italian Government in determining all requirements. Priority of consideration for procurement will be given to

- (a) Local resources
- (b) Local (Italian) manufacturing potentials
- (c) Imports through normal commercial channels.

6. In order to utilize theater stocks to the maximum extent possible, the Allied Commission will ascertain theater surpluses from: 5:95

a. The British Ministry of Supply Representative in the theater according to established procedure, or

- 2 -

b. The ~~Office~~ of the Army and Navy Liquidation Commission (DS) and G-4 MTOUSA. *see Lia 35*

This will be accomplished by furnishing the agencies in paragraphs a and b with copies of all requirements either prior to dispatch of the requisition or by copies of the MOC Airgram or cable transmitting the requisition. Either of the agencies in paragraphs a or b having surpluses or excess stocks to meet the requirement will promptly notify the Allied Commission who in turn can notify CLAC either by attachment to the original requisition or a follow-up cable or Airgram. On notification to the Allied Commission of stocks in theater, the appropriate theater agency will seek approval, where necessary, to effect release to the Allied Commission on CLAC approval of the requirement.

7. With the completion of accounting for August loadings, (September arrivals), combined Civil Supply accounts will be closed. Instructions have been sought (LAC 1500) from the CC, as to

- a. the accounting procedure which will be followed and
- b. the agency that will be responsible for accounting.

BY COMMAND OF FIELD MARSHAL ALEXANDER:

Copy furnished
XIII Corps

RB Distribution

Agriculture S/C
Finance S/C
Food S/C
Industry S/C (2)
Public Works & Util. S/C
Transportation S/C
Files 400.1
400.4
400.2

R. H. FRESSE
Major, AGD
Asst Adjutant General

12 Sept. 45
Economic Sec. Distribution
ACTION: Supply Div (2)
INFO: Ch Com
Exec Com
A/VP Econ Sec
Mr. Merritt
Commerce S/C
Reqn. Br.
Finance S/C

5194

785017

2029/

EL COMM 19

To: ALLIED ADMINISTRATION FOR THE UNITED STATES AND FOR THE SEP 27 1945
FOR THE UNITED STATES.

1973-1974 1975-1976 1977-1978 1979-1980

2. VEA understands from REKRAFT that surplus key (ref HQ 473) was on open market prior to arrangement between REKRAFT and Commissioner SA, WAB. Please confirm controlling ref HQ 473.

3. In view this with no surplus property should or will be charged against the troop pay account by FSA. Procedure described GAO 518 and commented on in GAO 504 should therefore be disregarded. Text of authorization letter being sent MEMPHIS by FSA MILLING.

1200

10

5293

27 SEP 1943

443

~~Feb~~ 4/10

~~11~~ (CAPS White)

$\frac{1}{10}$

785017

203

E.C.

16

Seostate

1 September 1945 8:00 a.m.

COPY

N/N Circular

Brown

2 September 1945 9:00 a.m.

SEP - 11 1945

From FEA, MacDuffie.

1. General Connolly, Deputy Liquidation Commissioner, representing ANLC, Howard Peterson, special assistant to Under Secretary of War and General Osborne, representing War Department, Karl Borders and others, representing UNRRA and Marshall MacDuffie, Director, European Branch, representing FEA, will arrive Paris September 5 on mission set up by Under Secretary Peterson to expedite release of army surpluses to UNRRA. Mission may also go to Rome.

2. Mission's work is expected to take three weeks. MacDuffie will also be available to discuss FEA functions and Lend Lease questions with various FEA field offices.

M11
cc: FEA 3

BYRNES

5192

(Enc. 10/11/45)

(Copy PASSED FOR CC FILES)

see M17
PA 11/1/45

203

15

CONFIDENTIAL

CG 4052

21 June 1945.

JUN 21 1945

11.

Dear Chuck:

On 30 April I sent you for your information a paraphrase of a message from Antolini to the State Department in which he asked for advice as to his responsibilities as Special FSA Representative in relation to disposal of surplus property by the Army-Navy Liquidation Commissioner.

14

A reply has been received via the American Embassy and I am enclosing herewith a paraphrased copy.

Elmer W. Stone

ELMER W. STONE
Rear Admiral, USNR
Chief Commissioner

5191

Brigadier General Charles M. Spofford, U.S.A.,
Assistant Chief of Staff, G-5,
Allied Force Headquarters,
APO 512, U.S. Army.

cc: Exec. Comm.
CC Files

CONFIDENTIAL

PA 21/1
PMA

PARAPHRASE

CONFIDENTIAL

Sent: June 14, 5 p.m., 1945
Recd: June 15, 9 a.m.

From: State Department Signed BUSH Acting
From Needall, Cleveland, and Hunt, FEA
To : American Embassy Rome for FEA Special Representative
Ref : 990

References are your LDB dated 30 April; 963 dated 14 April, and F-85089 from McNerney to CANIC, Washington May 31.

1. Still under discussion here is the proposed aide memoire to Italian Govt. on surplus property.

2. Disposal of all surpluses outside U.S. to be taken over by CANIC.

3. Following are responsibilities FEA Special Representative on surplus property:

A. FEA property in Italy should be reported to Field Commissioner in case it becomes surplus.

B. Prior to disposition in any manner, CANIC required clear all surpluses with U.S. Govt. agencies. Therefore it is your responsibility at this stage to insure most complete utilization of surpluses in fulfillment of programs for which FEA has U.S. Procurement responsibility.

4. Three types of programs are involved under paragraph 3 (B):

A. FEA has procurement responsibility, to be financed out of troop pay account, for U.S. share of category B program. Surplus property can be applied against such requisitions where surpluses can be used in fulfillment of requisitions notified by CANIC to AD as being actually in procurement. FEA, Rome should determine substitutability of surplus item for item in actual B procurement program.

B. Administration of U.S. contribution to UNRRA is FEA responsibility. Where UNRRA wishes this done, U.S. contribution can be used to procure surplus property. To enable surplus property up to given dollar amounts to be acquired in field by UNRRA through FEA Special Representative, without reference to Washington, procedures are now being developed. In developing agreed procedures in handling this part of your responsibility, you should work closely with UNRRA, Italy. Property should be reported to Washington for debiting U.S. contribution to UNRRA administered by FEA, when it is turned over to UNRRA.

CONFIDENTIAL

(continued)

13

From: State Department Signed GREW Acting
From Reedall, Cleveland, and Hunt, FEA

Ref: 990 dated 14 June 45

- - -

C. FEA is procurement Agency for FEA programs in areas other than Italy (for example the Lend-lease programs to France, Belgium and Holland). Of instances in which you should clear with FEA, Wash. before stating FEA has no interest in items on surplus list, from time to time you will receive notification.

5. Policy and procedure on surplus property being discussed by Cleveland with FEA, Army-Navy Liquidation Commissioner and Livingston Short, and Cleveland will, therefore, be familiar with handling of surplus property in field.

GREW ACTING

5189

Declassified E.O. 12356 Section 3.3/NND No.

785017

203

1 May 1945.

MAY 1 REC'D

MEMORANDUM TO: Mr. A. G. Antolini, Acting Vice President,
Economic Section.

In connection with the cable forwarded by you April 28th through State Department channels to the F.B.A. requesting information re your duties and responsibilities in connection with the disposal of surplus property, would you be good enough to furnish me with a copy of the reply when it is received.

15/ May 1 1945

ELBERT W. STONE
Rear Admiral, USN
Chief Commissioner

cc: Executive Comm'r ✓

5188

(1185 STONE)

3/5

785017

203

CONFIDENTIAL

30 April 1945.

MAY 1 - RRR

The attached is a paraphrase of a message from Antolini to the State Department, for your information. I have asked him to advise me of the nature of the reply. If I find anything in it in conflict with your views and mine, I will communicate with you.

Elmer A. Stone

ELMER A. STONE
Rear Admiral, USNR
Chief Commissioner

Brigadier General Charles M. Spofford, U.S.A.,
Assistant Chief of Staff, G-5,
Allied Force Headquarters,
APO 512, U.S. Army.

cc: Ex-Comair.

5187

CONFIDENTIAL

(HAS RIVER)

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION
ECONOMIC SECTION

From: ANTOLINI
TO : STATE FOR IDOT
FEA FOR COMBENT AND HUNT

Advice on the following points is requested promptly:

- (a) Precise information covering my duties and responsibilities as special representative of the F.E.A. in relation to disposal of surplus property by Army-Navy Liquidation Commission;
- (b) Detailed reference to any current instructions or regulations governing duties in question. In this connection, please mail at once any appropriate data not already dispatched;
- (c) The meaning or scope of F.E.A. priority in this Theater;
- (d) With respect to USMA participation in surplus, my authority or other status.

PARAPHRASE

see below 12
5186

CONFIDENTIAL

SESTATS

January 18, 5 p.m., 1945

Circular

Brown

January 19, 3 p.m., 1945

JAN 23 1945

Reference is made to the instructions you have received concerning the disposal of overseas surplus property. (From Crowley and Scheuer FEA for the FEA special representative or mission or Consular officers). Several basic revisions affecting roles of FEA Army and Navy are in process of formulation and outstanding instructions are hereby modified in accordance with the following:

James F. Byrnes, Director Office of War Mobilization and Reconversion recently wrote FEA, War and Navy Departments "In order to avoid delay in the handling of overseas surpluses I have decided that it is advisable for the time being for the various owning agencies to take the responsibility for the disposition of their own surpluses. Of course under the law the owning agencies will be subject to the general direction of the surplus property board. It will be satisfactory if any or all owning agencies agree in any or all areas to merge in one official or committee of officials the authority to dispose of their surpluses."

In accordance with the foregoing Army sent following cable to all theater commanders under date of January 13. "It is contemplated that a joint Army Navy liquidation commission will act as disposal agency for all surplus property of War and Navy Departments overseas in place of FEA but until further notice aircraft and items peculiar to aircraft will continue to be reported to local FEA representative under AAF regulation 65-85. All such surplus property except aircraft and items peculiar to aircraft will be disposed of directly by theater commanders pursuant to WD Cir. No. 379 dated September 19, 1944 and other applicable instructions until local theater representatives of the liquidation Commission have established organizations for disposal of surplus property. However, property previously reported to FEA on which they are about to complete negotiations for disposal should be handled by them and FEA representatives when available should be consulted on disposal policies."

To carry out the foregoing, which is effective immediately, War and Navy are proposing to establish joint Army and Navy liquidation Commission. Army and Navy plan provides for regional branches with jurisdiction over areas corresponding to military or naval theaters of operation. It is also contemplated that in the interest of coordination and uniformity, regional disposal operations will provide for an Advisory Committee or of representatives of Army and Navy, FEA and State and other agencies having substantial surplus property interests in the area.

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FEA remains responsible for: (1) determining whether its property is surplus, (2) its disposition and (3) the disposal of surplus aircraft and related materials of Army, Navy or Lend Lease origin. For these purposes FEA property means all property procured with FEA or USCC funds and those properties, military or civilian, of Lend Lease origin available for return to the U.S. government by a Lend Lease country whenever such property is not required by the armed forces or reassigned by MAB for other military purposes. With respect to such FEA property, you are to be guided by PD regulations and instructions which have already been issued to you.

If other owning agencies apart from Army and Navy report surpluses to you for disposition you are authorized to handle the matter for them pursuant to outstanding instructions.

STETTINUS.

hh
cc: FEA.

518;

DISTRIBUTION AC. 25 Jan.

Chief Comm

C. S.

Original Economic Sec

(ORIGINAL WAS CIRCULATED BY
ECON SEC 24 Jan 45)

785017

Ref: 203/4/XS

Tel: 451.

5 December 1944.

SUBJECT: War Surplus Property Disposal.

TO : DOOS Establishment Section.
DOOS Economic Section.

Reference memorandum 203/4/XS of 27 Nov 44, the Chief of Staff directs that a reply be submitted to his office prior to 1600 hours 6 Dec 44.

5183

see Minutes 526
eng
Chief Staff Officer,
To the Chief of Staff.

[Signature]

785017

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Office of the Chief of Staff.

War Surplus Property Disposal.

203/2/008.

27 November 1944.

DOCS INT Sec
DOCS Econ Sec.

1. It was decided at a meeting with the Chief Commissioner this morning that you would submit a joint draft on the contents of the attached memorandum dealing both with the designation of the Vice President of the Economic Section and Colonel Murphy to deal with war surplus property disposal which is not one of the functions of this Commission.

2. I should be glad to have the draft as soon as possible.

MSL/JC.

M. S. LUSH
Brigadier,
Chief of Staff.

see page 3
5182

B/V
1/12/44

PA

28/11

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