

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

ACC

10000/109/881

PAYM  
MAR.

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

10000/109/881

PAYMENT FOR MILITARY REQUISITIONS  
MAR. 1945 - JAN. 1946

Commissioner

<sup>12</sup> Attached is submitted for your information/signature/approval.

I will send a copy to H. President

et f i.

MM/7/15

Rec'd 10th May. ✓ *[Signature]*

3883

C.F.A. to spec. 178/1873

- 3 -

TO: Executive Commissioner

You may like to have it in writing that the appropriate branches of AFHQ are preparing a new Administrative Memorandum which will cancel the tortuous provisions of Administrative Memoranda 95 and 31 and will state in essence that the policy of the Allied Forces is to make current cash payment for supplies, services and facilities in all instances where payment is considered necessary to maintain the required volume of procurements or production. This memorandum should be issued shortly and I will keep you informed.

A.P. Braggeryman

Brigadier,  
Joint Chief Financial Adviser.

11 March, 1945.

4.

Ref by 677 President as above.

See also 5.

8.

Capt Arundel.

Pl. look the: dra. & tell me  
if there is anything to be done  
I don't think there is. Sept 17, 1944  
except to show it  
to Ex Com.

b.b.

9

Has seen this & there does not seem to be anything to be done  
Sub 3073  
Sept 17, 1944

10.

Ex Com

To see folio 7 - further to min 3. 7th May.



11 March, 1945.

AS. Brasseveryhner  
Brigadier,  
Joint Chief Financial Adviser.

4.

Reply to AT President as above.

W/11/3 — See also 5.

8.

Capt Aradde

Pl. with the one & tell me  
if there is anything to be done  
I don't think there is. See also 4/15.  
except to show it  
to Ex. Com.

9

Edo.

Have seen this & there does not seem to be anything to be done. See also 3/15/45.

10.

Ex. Com.

To see folio 7 — further to min 3. See 7th May.

11

C.S.O. Send copy to AT President in connection with 5.

W/11/6

RESTRICTED

/leg

70 7 H614, 96

14

ALLIED FORCE HEADQUARTERS  
APO 512

ADMINISTRATIVE MEMORANDUM )

NUMBER

2 )

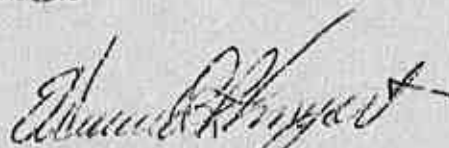
11 January 1946

PROCUREMENT AND PAYMENT POLICY IN "ITALIAN TERRITORY"  
FOR SUPPLIES AND SERVICES

Paragraph 3, Administrative Memorandum Number 21, this headquarters, 1945, is rescinded and the following substituted therefor:

"3. Nothing in this Memorandum will be construed as affecting the allocation of certain types of supplies made under the provisions of AFHQ Administrative Memorandum Number 54, 1945. Similarly, it will in no way affect the established policies in regard to captured enemy material or equipment."

BY COMMAND OF LIEUTENANT GENERAL MORGAN:



EDMUND R. SARGART  
Colonel, AGD  
Adjutant General

DISTRIBUTION:

C

3078

seen on file 70/EC

RESTRICTED

PA  
14/11

Ref: 4614/13/EC

11 May 1945

SUBJECT: Payment for Military Requisitions

TO : Acting President

Further to the Executive Commissioner's memorandum 4614/5/EC, of 12 March, subject as above, the Executive Commissioner wishes to invite your attention to the attached copy of AFM Administrative Memorandum No. 21 on the procurement and payment policy in "Italian Territory" for supplies and services. This is the new memorandum referred to on that date.

(Sgd) L. W. STARNES  
MAJ

3877

3877

MAJ  
2/5



785017

CONFIDENTIAL

CONFIDENTIAL

DCK/wfb

AP505

ALLIED FORCE HEADQUARTERS  
APO 512

ADMINISTRATIVE MEMORANDUM )

NUMBER

21 )

8 April 1945

PROCUREMENT AND PAYMENT POLICY IN "ITALIAN TERRITORY"  
FOR SUPPLIES AND SERVICES

AFHQ Administrative Memorandum Number 95, 1943 is rescinded.

1. The provisions of AFHQ Administrative Memorandum 31, 1944 are modified to the extent of permitting certain cash (lire) payments to be made by the military forces, United States and British, in accordance with paragraphs 5 and 8 below, pending the establishment of suitable arrangements along the general lines of AFHQ Administrative Memorandum Number 31, 1944. The provisions of this Memorandum are not retroactive and do not authorize payment of any unpaid invoices covering supplies furnished or services rendered prior to this date, which heretofore were not properly payable under the terms of Administrative Memorandum Number 31, 1944.

2. Separate instructions will be issued by AFHQ/INTOUSA to cover disposal of bills not payable under the terms of this directive or AFHQ Administrative Memorandum Numbers 31 or 95.

3. Nothing in this memorandum will be construed as affecting the controlled allocations of certain types of supplies, made by the AFHQ Board, vide Section III, AFHQ Administrative Memorandum Number 46, 1944. Similarly, it will in no way affect the established policies in regard to captured enemy material or equipment.

METHODS OF PROCUREMENT

4. There are two methods of procurement for supplies and services:

- a. Requisition.
- b. "Payment in cash" (Purchase or Rental).

5. While this headquarters authorizes "Payments in Cash" as an ~~indication~~ <sup>method</sup> of procurement, such action is not to be considered as an indication that the Italian Government is not responsible under the terms of the Armistice to furnish supplies and services to Allied Governments in Italian Territory at the expense of the Italian Government. Procurement by payment in cash is resorted to in general as a matter of expediency in order to insure a continuing supply of essentials necessary for the prosecution of the war effort.

DEFINITIONS OF METHODS OF PROCUREMENT

6. The two methods of procurement are defined as follows:

- a. Requisition - The term "Requisition" shall mean the process whereby supplies, equipment, facilities or services needed by one of the

CONFIDENTIAL



**CONFIDENTIAL**

AFHQ Administrative Memo #21 (Cont'd)

Allied Forces, or the use thereof, are acquired from their owners, regardless of their wishes in the matter or of the price or rental they require, against delivery to them of a requisition receipt note. It is left to the requisitioning authority to decide, in accordance with the terms of this directive whether to determine and pay a fair compensation, in cooperation with AMG/AC representatives wherever possible, or to turn over a copy of the requisition receipt note to the civil government, through such channels as may be directed by the respective forces (United States and British).

b. Payment in Cash - The term "Payment in Cash" shall mean a transaction between the owner of property or the purveyor of a service, or his duly authorized agent, and a purchasing officer of one of the Allied Forces whereby, at a price or rental in conformity with any price restriction measures, etc, in force agreed between proprietor and buyer, the ownership or use of such property is transferred to or the service is received by one of the Allied Forces and proprietor is paid in cash.

REGULATIONS GOVERNING PROCEDURE7. Requisitions

a. Procurement by requisitioning will be used to the maximum extent consistent with the policies set forth herein.

b. As requisitioning on the civilian population is apt to be a source of friction and misunderstanding, which can be substantially lessened in many cases by the avoidance of direct dealing between the requisitioning officer and the owner of the property to be requisitioned, arrangements will be made whenever possible whereby the service of requisition orders and the taking of property are effected by recognized local civil officials.

c. The requisitioning procedure will be used for the procurement of all items for which "Payment in Cash" is prohibited by paragraph 9 below.

d. The requisitioning procedure may be used in combat zones in those instances where it is impossible or inconvenient to arrange for purchase or rental. In such instances the requisitioning procedure will provide for prompt settlement of the requisition whenever payment in cash is appropriate as stated in paragraph 8 below.

e. The requisitioning procedure may be used in those cases where the owner cannot be located or ascertained with reasonable certainty or whenever it is considered that the price, rental or other terms asked are unreasonable.

f. Supplies and Services are not to be requisitioned unless strictly required for military purposes, the test being whether, if payment had to be made, the charge would be admissible against public funds.

g. Procurement authorities will normally exercise such authority within the areas of their respective area commands. Procurement by one authority in an area of another command will not be made except with the knowledge and consent of the area commander concerned.

- 2 -  
**CONFIDENTIAL****CONFIDENTIAL**

**CONFIDENTIAL****CONFIDENTIAL**

AFHQ Administrative Memo #21 (Cont'd)

8. Payment in Cash (Purchase or Rental) - "Payment in Cash" is authorized in any of the following cases:

- a. Small day to day procurements.
- b. Where this is necessary for operational or security reasons or to insure a continuing supply or
- c. Where hardship to an individual would result from delay in payment.

9. No payment in cash will be made for the following:

- a. All public property to include supplies and facilities taken over from or owned by and services performed by state or local authorities or state owned enterprises.
- b. All communications, transportation and utilities including all ports, harbors, POL installations and other services rendered by or the supplies and facilities of concerns engaged in rendering public services.
- c. Private moveable property except as authorized in paragraph 8 above.
- d. All fixed assets in real estate including machinery, plant, equipment, etc, installed therein.

#### REAL ESTATE

10. The methods for procurement and payment described above will not be employed in obtaining the use of real estate. The real estate sections and hirings officers of the respective Forces shall continue to acquire buildings, land, and all other types of real estate, including accommodation and furnishings thereof, through the Italian Government Comando Genio Militare.

11. Claims will be processed by the various claims sections and passed to the Italian Government for payment under the system now in operation.

BY COMMAND OF FIELD MARSHAL ALEXANDER:

3875

*C. W. CHRISTENSEN*  
C. W. CHRISTENSEN  
Colonel, AGD  
Adjutant General

DISTRIBUTION:

C

*Copy to files:- 70/EC AFHQ Admin Memo  
544/EC Requisitioning Policy*







785017

4614  
HEADQUARTERS ALLIED COMMISSION  
Office of the President  
APO 394

To: Brigadier Lush.  
From: Mr. Macmillan.

MAR 10 1945

In the course of my trip, and from various other indications, it seems to me that the question of early payment for army requisitions is one of the most important now awaiting settlement.

I hope you will keep me informed of what progress is made towards its solution. I am not so much concerned about the return of property as the payment of cash in order to keep production going.

17m

10th March, 1945.

see 5

3873

see M.2-4  
and folio 5

0980