

Declassified E.O. 12356 Section 3.3/NND

No.

785017

ACC

10000/109/1224  
(VOL. IV)

Declassified E.O. 12356 Section 3.3/NND

No.

785017

1000/109/1224  
VOL. IV)

WAR MATERIAL DISPOSAL  
OCT. 1945;  
FEB. 1946 - JAN. 1947

Ex Comm. 362.

Econ. Div. (or Ex Comm)

Reference 361.

Attach hereto notes of a meeting held in  
our office on 7<sup>th</sup> Nov 46, also three written  
reports marked 'A.B.C.' which, when read, I  
should like return for C.F.M. file please.  
Beyond asking the Questura of Bolzano to  
continue his investigation & do not see  
that anything more can be done.

9/Nov/46.

Lehmann Colonel  
C.F.M. 12/11

Minute No. 363.

To: Econ. Division for C.F.M.

14 November 1946

Papers are returned herewith. I do not think that any good  
purpose can be achieved by pursuing this matter further, nor do I  
consider that we should ask the Questura at Bolzano to make a  
further investigation.

See thank you.  
S.S. 15/11/46.

McLan Brigadier  
M. Carr, Brigadier.  
Executive Commissioner.

372

CCO Ex Comm.

5516

Tales 371 for info - please  
15/11/46 12/31/11

To: ECOM. Division for C.E.M.

14 November 1946

Papers are returned herewith. I do not think that any good purpose can be achieved by pursuing this matter further, nor do I consider that we should ask the gestura at Bolzano to make a further investigation.

*McLan Bygones*

M. CARR, Brigadier.  
Executive Commissioner.

*See Hand to you.*

*S. S. S.*

*15/11/46*

*372*

*COO of Comm.*

*Notes 371 for info - release*

*5316*

*21/11 18.311*

*10/12/46*

359.

C.50

You may wish to see folio 358. I think that director can Branch, most ourselves should be the person to bring it to the Ex. Comm. matter. so you agree please

Chet  
4/10

360,

Ex Comm.

4 358 for info. H.S. 511

361

From Dir. (A.C.E.M.)

Reference 358. There is no trace of any action ever having been taken to hand the material over to the A.B.S. or to get A.B.S. to collect in accordance with 290 in V.P. III attached. Our paper course should have been to hand the whole lot over to A.B.S. if they would take them. According to 290, the material should have been in your safe. Keeping as C.L.O. However it appears to take to do anything and

1 358 for info. H.S. 5111  
361

From Div. (in C.E.M.)

Reference 358. There is no trace of any action ever having been taken to hand this material over to the A.B.S. or to get A.B.S. to collect in accordance with 290 in VII III attached. Our further course should have been to hand the whole lot over to A.B.S. if they would take them. Accordingly to 290 in VII III the material should have been in your safe. Keeping as C.L.O. However it appears to take to do anything and unless the matrices are still intact. I cannot understand how C.E.M. Gonzales acted as they did in view of 290 in VII III attached unless A.B.S. had intified that they were not interested in the material.

Man Buy  
- F.C.

2 7/x1

041

To L.S.O. [initials]

Attache Newell suggested letter (draft)

L.S. on this matter

J. C. Cunn

L/C

S.E.M. (S.E.)

23.10.46.

351.

Ex Comm.

Draft letter at # 350 has been prepared by C.E.M. Sub-Div and is submitted for approval. It is in reply to C-5 letter at # 336 & hastener at # 348.

The matter was referred to UZINE and V.G. and their replies are at # 344 and 347 respectively.

J.H. 24/10

353.

Ex Comm.

5013

Ref to 351 above. Letter opposite now submitted for signature in secondary with your amendments to draft.

C.E.M. (Col Green) confirms that para 5

is correct in as far as [unclear]

at # 336 & laster at # 348.  
The matter was referred to VJINE and  
V.C. and their replies are at #s 344  
and 347 respectively. H.S. 24/10

353.  
Lx Comm. 5513

Ref no 351 above. Letter opposite  
now submitted for signature in secondary  
with your amendments to draft,  
C.E.M. (Col Green) confirms that para 5  
is correct in so far as agreement of  
2 Dist. & C.E.M. Thilan is concerned.

354  
H.S. 26/10

C.C.  
Enclosed letter is submitted for approval before  
signature.  
The authority under which A.M. J. Venetia India  
take over all such foreign vehicles is at # 17.  
File 338 F.

Man Beyer. OCT 28 1949

28/x. E.C. Ex-Commissioner  
- 28/10 OK 900

339.

CSO's

Letter at folio 337 r.o. for signature, per

W.C. 27/9 Qub

340

C.S.O.

Letter signed. Please return file  
to me as I must take action on  
Maj. Rowarth's letter at 334

McAn  
Buy. Officer

28/9/48

341.

MEMORANDUM FOR FILE.

I saw Major Rowarth on 8 October 46 on the subject of his report to 3 District at Folio 334.

I pointed out to Major Rowarth that such a report should have been sent to this HQ and not to 3 District.

In any case the report should have been confined to facts and to drawing attention, if necessary, where instructions had been disregarded. It should not have contained allegations against personnel of the Allied Commission. I further pointed out that CEM Branch should not request instructions as to whether an enquiry should be held ~~about~~ <sup>about</sup> such transactions. If any such enquiry was held it would be arranged by this HQ or a military formation probably on instructions from AFHQ.

Info

Major Rowarth explained that the reason for the terms of his report was that there was at that time no senior officer in charge of the CEM Branch and also he had been reproved by certain officers in

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C. Carr

Major Rowarth explained that the reason for the terms of his report was that there was at that time no senior officer in charge of the CEM Branch and also he had been reproved by certain officers in the North for not having drawn their attention to probable irregularities.

*M. Carr*  
M. CARR,  
Brigadier,  
Executive Commission.

8 October 1946.

345.

Exec Div. (for C.E.M.)

It is proposed to reply to C-5 letter at p 336 on the lines of reply from P.C. Madine at p 344. Have you any comments please? L.S. Madine. 21/10

345.

*Ray. 27/10/46*

*28/9/46*

324.

Ex Comm.

Letter to the P.M. at 523 for signature pre  
This is a loose-leaf to folio 309. *Aut. 11/16/7*

325

Chief Commissioner.

(323)

Attached is submitted for signature approval  
information

Amended to 309. Reasons offered on 1320511

*11/16/7*

cc: to Comm. - *MB*

Please see folio 326 for info. C.E.M. in v.g. is not  
the same as in the rest of T.H.Y. There is a Not Body  
Commission already dealing with such matter.

329

C.E.M. Bt.

Please advise the action taken on 1320511 *Aut. 11/16/7*

330.

Reminders to 307. Reasons appear on 322-331

327 7/15/46

CSO to Comm: *[Signature]*

Please see folio 326 for info. C.E.M. in V.G. is not the same as in the rest of T.H.Y. There is a War Body Commission already dealing with such matters.

*[Signature]* 26/7

329

MS. 217

C.E.M. B.

Please advise the action taken on 328 *[Signature]* 26/7

330.

TO: Acting Vice-President, Economic Section.

The Director and Major Bates visited CHQ on 24 July 46. The details requested by OCS were supplied. Draft signal to OCS was discussed together with certain other instructions which CHQ intend issuing concerning C.M. The draft signal and instructions were forwarded to this HQ for concurrence. The drafts were discussed with A/E, Economic Section and it is understood agreed with the Executive Commissioner and were duly returned to CHQ with slight amendments.

*[Signature]* 6 Aug 46.  
Di C.E.M. Branch

331

To E.C.M. *[Signature]*  
Please see 330

*[Signature]* 7/15/46

307

Ex Comm,

- 1) We asked Land Forces S/C for their comments on letter at #297 (Vol III)
- 2) We also asked them to draft letter to P.M. as suggested in para 4 of their #288.
- 3) At #306 in Land Forces reply forwarding a draft letter at #303 for approval. J.S. 18/5.

308

Draft to PM to come from C.C. as

agreed.

V.P. Ecom Sec. ✓ 311

Folio 300.

Would you enquire with them?

Exec. Com.

312

Folio 313.

Attached letter is C.E. M reply to Col Miller. Below C.E. M is an edited version.

C.W. 18/5

Folio 300.

Would you ever give in a to this?

312 W L's

Folio 313.

Exec. Com.

attached hereto is CE in reply to Col Muller.  
Believe CE M is in solid ground.

C. W. W. (18/5)

314

5308

Chief Commissioner.

Attached is submitted for your information  
signature

Ms/22/v.

✓ [Signature]

0016

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

7026 AV

341

JAN 31 1947

QG221  
JAN.301110

H/9510  
JAN 301530

ROUTINE

~~XXXXXXXXXXXX~~ GHQ CMF  
AFHQ INFO ALCOM

UNCLASSIFIED.

Subject captured enemy material.

1. Understand that your G-5 Branch anxious to pass to this GHQ all matters concerning Cem on British side. Confirm or otherwise.
2. Am not clear what is procedure in vogue for accounting for value of Cem material and property handed over to Italians.
3. Understand that Inter Allied reparations agency sitting in Brussels are ultimate authority on Cem and wonder if you would consider sending Col Miller HQ Alcom Cem to explain present position in Italy if procedure in 2 not to your satisfaction.

AC DIST

|                  |                    |
|------------------|--------------------|
| ACTION           | C.E.M.             |
| INFO             | CHIEF COMMISSIONER |
| EC Dist. 31/1/47 | EX COMM            |
| Para 'A'         | ECON DIV 3         |
| Para 'B'         | FLOAT              |
|                  | FILE               |

See Ltr to B/9006/1/103

M 322 4/1/47

Copies of this should go 5307

M. Buxton (Am Envoy) & M. Rowley  
 of Br. Envoy if data 31/1 Com go to  
 P.O. Adm. (2-7 by message 31/1)

Copy K

31/1

9006  
ALLIED FORCE HEADQUARTERS  
G-5 Section  
APO 512

370

Ref; G-5 : 912.52 P

21 November 1946

SUBJECT : Handing of German Property in Italy.

TO : Chief Commissioner,  
Allied Commission,  
APO 794.

1. Reference is made to your letter (Economic Section- 13074/T dated 8 December 1945, and AFHQ reply thereto reference G-5: 386.3 dated 20 December 1945 (Copy attached for easy reference).
2. It has now been decided that funds and materials held by Italian firms which were owing to the German at the time of the capitulation will be treated as if they were German property.
3. The Italian Government Agency - URGIT - (Office for the Recovery of German Plants and Materials) - brought into being by the Allied Commission in June 1945, and later absorbed by ARAR in October 1945 - was formed expressly to deal with such property. You should therefore handover to the Italian Government any matters in this connection which are still outstanding.
4. The AFHQ letter under reference is hereby cancelled.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

/s/ A.L. KAMBLIN  
Colonel, G.S.C.  
Assistant Chief of Staff, G-5.

Incls: as above.

Copy to: CHQ CEF  
AFA

5306

See by E.C. 6/12

PH 6  
W.E. 12

0027

369

HEADQUARTERS ALLIED COMMISSION  
APO 394  
Economic Section

13074/P

8th December 1945.

SUBJECT: Handling of German Property in Italy.

TO : G-5 Section  
A.P.H.Q.

1. I refer to letter 13074/P of 10 August 1945, MAT 094 of 2 September, and TAM 694 of 28 September 1945.

2. It is the purpose of this letter to review briefly the handling of various categories of German Property in Italy and to request policy decisions from you on certain points.

3. German property in Italy may be grouped into the following classes:

- (a) Physical property and supplies of the German Armed Forces and related units (Mak, Todt, etc.) - this type of property is seized as war booty by army commands and passed to the Italian Government by the Captured Enemy Materials Branch, Economic Section, Allied Commission.
- (b) Currency, bank accounts and valuables held by or in the name of the German Armed Forces and related units and funds taken from prisoners of war/surrendered enemy personnel - these funds are seized by MAT/AC Finance Officers and are presently being held by the Allied Financial Agency, sub-section of the Finance Sub-Commission, pending instructions as to ultimate disposition.
- (c) German diplomatic property in Italy - the care and management of this property has been entrusted to the Italian Government, acting as trustees for the four Powers on the German Control Council, i.e., U.S., Great Britain, Russia and France.
- (d) German private property, including German owned firms

2. It is the purpose of this letter to review briefly the handling of various categories of German property in Italy and to request policy decisions from you on certain points.

3. German property in Italy may be grouped into the following classes:

- (a) Physical property and supplies of the German Armed Forces and related units (fuel, food, etc.) - this type of property is seized as war booty by army commands and passed to the Italian Government by the Captured Enemy Materials Branch, Economic Section, Allied Commission.
- (b) Currency, bank accounts and valuables held by or in the name of the German Armed Forces and related units and funds taken from prisoners of war/surrendered enemy personnel - these funds are seized by AMG/AC Finance Officers and are presently being held by the Allied Financial Agency, sub-section of the Finance Sub-Commission, pending instructions as to ultimate disposition.
- (c) German diplomatic property in Italy - the care and management of this property has been entrusted to the Italian Government, acting as trustees for the four Powers on the German Control Council, i.e., U.S., Great Britain, Russia and France.
- (d) German private property, including German owned firms, German owned interests in Italian firms - this type of property is being sequestered by the Italian Government under its own laws of war. In accordance with TCM 694, we have informed the Italian Government that it is to refer specific cases of sale or other disposition of such property to the U.S. and British Embassies for prior consideration.

368

4. As you are aware (reference letter CM/MS/10/2943 of 30 October, to Allied Commission Headquarters, copy to AFHQ, G-5 Section), officers of the Captured Enemy Materials Branch are going through the Ruk files in North Italy and they have found that many Italian firms are in possession of funds which appear to belong to the German Armed Forces. These funds, estimated to amount to as much as 30 billion lire, represent chiefly two types of transactions:

- (a) Various payments on production contracts for supplies to be furnished to the German Armed Forces, which contracts were either not carried out or not completed.
- (b) Sales by the German Armed Forces of raw materials and other supplies to Italian manufacturing firms, for which payment was not made by the Italian firms.

In certain cases, Captured Enemy Materials Officers in North Italy have actually recovered such funds from Italian firms and have turned over such funds to AEG Finance Officers for treatment as captured enemy state and army funds. At the present time this procedure has been suspended in order that this Headquarters might consult you and obtain your advice as to whether recovery of such funds is to be proceeded with in all cases that are revealed by the Ruk and similar files and wherever found in Italy.

5. In considering this matter it should be borne in mind that AEG/AC officers in North Italy have received thousands of claims against the German Army and German State, ranging from well documented invoices for supplies delivered to the Germans but not paid for, to unsupported claims for requisitions, thefts, etc., by the German Armed Forces. All such claims have, with the concurrence of your Headquarters, been handed by the Allied Commission directly to the Italian Ministry of the Treasury. Likewise, many claims have been received by Finance Sub-Commission from persons who held checks drawn against German accounts which were negotiated before such checks were presented for payment. All such claims have been referred to the Ministry of the Treasury, as Finance Sub-Commission has no authority to make any payments out of the sequestered enemy state and army funds which it is holding, amounting at the present time to some 15 billion lire. In any case, adjudication and settlement of any such claims would be an impossible administrative task at the present time.

6. In the light of the above, we should be grateful for your decision as to whether we are to proceed to uncover and seize funds held by Italian companies which are determined to belong to the German Armed Forces.

FOR THE CHIEF COMMISSIONER

500

in all cases that are revealed by the ink and similar files and wherever found in Italy.

5. In considering this matter it should be borne in mind that AUC/AG officers in North Italy have received thousands of claims against the German Army and German State, ranging from well documented invoices for supplies delivered to the Germans but not paid for, to unsupported claims for requisitions, thefts, etc., by the German Armed Forces. All such claims have, with the concurrence of your Headquarters, been handed by the Allied Commission directly to the Italian Ministry of the Treasury. Likewise, many claims have been received by Finance Sub-Commission from persons who held checks drawn against German accounts which were cashed before such checks were presented for payment. All such claims have been referred to the Ministry of the Treasury, as Finance Sub-Commission has no authority to make any payments out of the requisitioned enemy State and Army funds which it is holding, amounting at the present time to some 15 billion lire. In any case, adjudication and settlement of any such claims would be an impossible administrative task at the present time.

6. In the light of the above, we should be grateful for your decision as to whether we are to proceed to uncover and seize funds held by Italian companies which are determined to belong to the German Armed Forces.

5007

FOR THE CHIEF COMMISSIONER

/s/ Haelan Cleveland  
Haelan J. Cleveland  
Acting Vice-President.

Copy to:  
Finance Sub-Division.  
British Embassy  
U.S. Embassy  
Economic Commission Northern Italy

Copy

COPY

367

ALLIED FORCE HEADQUARTERS  
G-5 Section  
APO 512

G-5: 386.5

20 December 1945

SUBJECT : Handling of German Property in Italy.

TO : Headquarters, Allied Commission, APO 394

1. Reference is made to your letter 1507/P of 8 December 1945 subject as above.

2. The funds falling within the categories set out in paragraph four of your letter should continue to be treated as captured enemy funds and should be recovered. They can be regarded in the same light as captured enemy material. Not to do this would unjustly enrich the Italian firms or persons holding such funds.

BY COMMAND OF LIEUTENANT GENERAL MORGAN :

A.L. KAGLEN  
Colonel, G.S.C.  
Assistant Chief of Staff, G-5

5363

0023

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

9006 *st*

DEC 4 1945

366

Ref: CCM/3.9/366

3 December 1945.

My dear Mr. Prime Minister,

As you may be aware a considerable quantity of heavy machinery moved by the Germans into the tunnels on Lake Garda, (and the Bolzano area), has been returned to individual firms and industrialists in the North, on the basis that it could be used provided it was properly maintained, that it was not to be disposed of, and that ownership remained with the Allies pending a decision regarding its final disposal.

Some 57 (fifty seven) firms are concerned, and inventories of the machinery etc. handed over to them are in the possession of the Allied Commission. I understand that ARAR are in general informed of the position.

It is now considered by ARHQ that the custody of these industries should be transferred to your Government, and I therefore request that you will kindly designate either ARAR or some other Italian agency, to take over these inventories in exchange for an overall receipt.

The problem of individual ownership, and the final disposition of the industries concerned, will thus no longer be a responsibility of the Allies.

I shall be very glad, my dear Mr. Prime Minister, if you will kindly notify me at an early date the name of the agency designated by you for the above purpose.

Very truly yours,

*/s/ E. V. Stone*  
ELIZABETH V. STONE  
Rear Admiral, USNR  
Chief Commissioner

Dr. Alcide De Gasperi,  
President of the Council of Ministers,  
Italian Government.

TOM.

Copy to: CC.  
EC.  
Econ Div.

5362 *st*

*st*

*st*

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

E.C.

7006

NOV 7 1946

365

HEADQUARTERS ALLIED COMMISSION  
APO 794  
SECURITY DIVISION

JDBW/mgl

Ref:

c November 1946

SUBJECT: Disposal of American and  
British Army Stores.TO : Allied Military Government,  
Venetia Region.

Reference No. 130/ACB/44, 10/922 of letter dated 28 Sept. 1946

1. Your letter on the above subject, copy to AFHQ, was referred to AFHQ.
2. The present system of disposal of surplus Allied vehicles is directly to the Italian Government through AFHQ. However, in Italian Government territory, AFHQ disposes of war surplus vehicles directly to private firms and individuals. It is not clear to this Headquarters for what purpose 100 jeeps, 270 Staff cars and 250 trucks miscellaneous, are required in connection with the supply situation.
3. AFHQ has informed this Headquarters, they would need to obtain authority of the Combined Chiefs of Staff accompanied with full justification based on "Disposal and Urgent" formula before approaching the Services to release Theater supplies direct to AFHQ. Also, AFHQ would need to pay for such purchases in either Sterling or Dollar currency.
4. Therefore, we desire to know the justification and purposes for which these vehicles will be used, means and methods of payment and any other pertinent information which we must have in order that further consideration can be given to this matter.
5. With reference to your last paragraph on the matter of office furniture, AFHQ states that they do not understand how office furniture can have been awarded as war booty to the Yugoslavs. It is suggested that this matter be discussed by AFHQ with the War Booty Committee and possibly you will then be in a position to revise your requirements for office furniture. This Commission cannot trace any record that the office

5301

007  
Capt K

14  
16/11/46

0023

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

364

Furniture in question has been awarded as war booty.

FOR THE CHIEF COMMISSIONER:

J. de B. WALSH  
Colonel SAC  
Director

copy: Chief Commissioner  
Executive Commissioner \_\_\_\_\_

5306

70069  
GRADUATES ALLIED COMMISSION  
AFC 794

Confidential  
358

NOV 2 1946

ACTO/BZ/9.

31 October 1946

SUBJECT: - Reported Loss of Matrices from Bolzano.

TO : - Director, CEM Sub-Division.

I am sorry to flood you with paper, but I feel in fairness to myself and the other officers of my Liaison Group (and unconcerned officers of CEM) I should record such information as I possess, on the above subject.

1. On April 30th 1946, Capt. Amore came to my office to say he had to send to Milan some 800 cases of gramophone records plus some 24 cases containing master discs. He asked that in view of the cultural and commercial value of the latter, would I write and ask the Executive Commissioner for separate disposal instructions for the discs. His additional reasons also were:

- (a) In the hands of the uninitiated these nameless discs might not receive the care due to their value.
- (b) He had heard certain persons in Milan would be "interested" in their arrival and were, in fact, waiting for them.
- (c) A letter from me would have more weight with the Executive Commissioner, than one from him to CEM Milan where little notice would be taken.

Ref 289 in Vol III

I wrote accordingly on 30 April to the Executive Commissioner, sending copies of my letter to CEM Milan, CEM Bolzano, and the Director CEM Rome.

2. Some time in May, I saw cases of records being brought into the main building of my B.O. and ascertained that Capt. Amore had obtained permission to utilise several derquisitioned rooms in this building where I saw cases of records piled ceiling-high.

Capt. Amore said to me that he thought the records would be safer there than in their previous location, which I believe he said was at Merano. This explanation seemed logical to me.

Later, on hearing sounds of music coming from the rooms I found Capt. Amore had engaged a team of German musicians from the B.P. Camp to classify these records on an electrical gramophone, and later on still many lozies from the Milan Broadcasting Station, (sent by Major Loworth) came from time to time to take cases of records away to Milan. His first visit was the W.O. i/c convoy (an employee of the Milan B.O.)



distance from our main building, had been broken up by children and the discs had disappeared. The music master was then sent to me.

This was the first time since April 1944 I had heard a word about the discs, and neither I, nor any member of my staff, had the foggiest notion that these discs were anywhere but in the safe custody of G.E.M.

The old garages referred to were derequisitioned in November 1945, as being unsafe for any kind of storage or garage whatever. Until this report from the German music master, I thought the garages had remained empty.

I interviewed Major Hare to report the circumstances to the Quetzaro of Bolzano, and venture agents were at once provided by him to investigate the loss. A very small number of discs and some 300 old records were recovered by the agents; the discs were handed to Major Hare, and the records to the Director of the Bolzano Radio Station. Many of the discs were badly scratched, as the agents found them used as supports to flower pots, by children as crumpling paper, and some in shop windows as additional decorations to reflect the light. Nevertheless I feel this recovery is insufficient as the German music master has reported there were 6 to 8 cases in the garage. I also instructed Major Hare to interview Capt. Ansore in Milan on the subject.

I verbally reported it to:

- (a) Lt. Col. Horn who then, at my request, had come to Bolzano to try and clear up many outstanding G.E.M. problems. He, I am pretty certain, reported to his Economic Division.
- (b) Brigadier Bush, Executive Commissioner, I. C., A.C. who was on a visit to Bolzano.

I feel now that at the risk of being considered "interfering" I might have probed deeper into this business from the beginning. Always in Bolzano, it was made clear to me by your late Director and his officers, that the branches were responsible to G.E.M. and through G.E.M. channels. Perhaps I can do no better than attach a copy of letter No. 43-1/327/60/870 of the 14 February 1946, which, is interesting.

Finally, I would not have submitted all this but as so many officers are being dispersed I feel the above circumstances, as known to me, should, in everybody's interest, be recorded.

(Statements from the German music master, Mr. Rotor, (caretaker) and Capt. Fairweather have already been handed to you).

*Subscribed*  
E.W. HALL 5297  
Colonel, R.A.

to try and clear up any outstanding cases.  
I am pretty certain, reported to his Economic Division.

(p) Brigadier Lush, Executive Commissioner, R.A.C., A.C. who was on a visit to Bolzano.

I feel now that at the risk of being considered "interfering" I might have probed deeper into this business from the beginning. Always in Bolzano, it was made clear to me by your late Director and his officers, that the branches were responsible to C.E.M. and through C.E.M. channels. Perhaps I can do no better than attach a copy of letter No. A3-4/CMV/60/870 of the 14 February 1946, which, is interesting.

Finally, I would not have submitted all this but as so many officers are being dispersed I feel the above circumstances, as known to me, should, in everybody's interest, be recorded.

(Statements from the German music master, Mr. Rotor, (caretaker) and Capt. Fairweather have already been handed to you).

*Sub. Lush, Bolzano*  
S.W. Hill 52.97  
Colonel, R.A.C.

Copies to:- Executive Commissioner,  
Executive Officer (H).  
Major Haro R.A.C.

COPY

356

CAPTURED ENEMY MATERIALS BRANCH  
MILAN OFFICE

at

HQ LOMBARDIA LIAISON GROUP  
ALLIED COMMISSION APO 394

AC-M/CEM/60/870

14 February 1946

SUBJECT : Orders for Capt. Amore on proceeding to Bolzano.

TO : Capt. J.P.S. AMORE.

1. You will report to Col. MILLER, Chief Liaison Officer Bolzano upon arrival. Accommodation will be provided by Col. Miller.

2. You are hereby appointed head of the CEM Department at Bolzano and as such will only be responsible to AC-CEM Branch Milan.

3. For purposes of routine administration you will be dependent upon Col. Miller. For all matters regarding the question of captured enemy material you are responsible solely to the head of the Milan Office of CEM Branch. In cases of not being able to receive orders from Milan you will receive your orders direct from Lt.Col. CAMPBELL, Director, CEM Branch AC.Rome.

4. You will arrange to divide your office into three departments i.e.  
(a) CEM Dumps Bolzano and area (O i/c Lt.C.S. NARDINI)  
(b) CEM Dumps Merano and area (O i/c Lt.R. BOMBINO)  
(c) Puk Files and documents (i/c Mr. WHITE).

You will be responsible for the co-ordination of the above matters and organization, and also for the liaison between CEM Branch Milan, HQ 60 Sub Area, Chief Liaison Officer Bolzano and APAR Alta Italia Bolzano. You will be in charge of all correspondence and will normally sign all out-going letters. Your Chief Clerk will be Dr. SREED.

5. In cases justifying it, disciplinary action will be taken by you in collaboration with Col. Miller. All reports of any such disciplinary action will be forwarded immediately to this Office.

/s/ C.I. ROWORTH, Major RF,  
O.i/c Milan Office  
CEM Branch  
HQ, ALLIED COMMISSION.

Col. Miller. For all matters for the Milan Office of the CEM Branch you are responsible solely to the head of the Milan Office. You will receive your orders direct from Lt. Col. CAMPBELL, Director, CEM Branch AC.Rome.

4.

You will arrange to divide your office into three departments i.e.  
 (a) CEM Dumps Bolzano and area (O i/c Lt. G.S. NARDINI)  
 (b) CEM Dumps Merano and area (O i/c Lt. R. BOMBINO)  
 (c) Ruk Files and documents (i/c Mr. WUTTKE).

You will be responsible for the co-ordination of the above matters and organization, and also for the liaison between CEM Branch Milan, HQ 60 Sub Area, Chief Liaison Officer Bolzano and AFAR Alta Italia Bolzano. You will be in charge of all correspondence and will normally sign all out-going letters. Your Chief Clerk will be Dr. SMEND.

5. In cases justifying it, disciplinary action will be taken by you in collaboration with Col. Miller. All reports of any such disciplinary action will be forwarded immediately to this Office.

/s/ T.L. ROWORTH, Major RE,  
 C.i/c Milan Office  
 CEM Branch  
 HQ, ALLIED COMMISSION.

Copies to : Chief Liaison Officer,  
 AC Bolzano.  
 C.O. HQ 60 Sub Area  
 HQ AC.CEM Branch Rome  
 Lt. Mardini Bolzano  
 Lt. Bombino Merano  
 Mr. Wuttke Bolzano  
 Dr. Smend Bolzano.

*du 7-357*

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

9006 ~~9006~~

EX. COMM P  
355

ALLIED FORCE HEADQUARTERS  
G-5 Section  
APO 512

OCT 30 1946

G-5: 902.33-1

29 October 1946

SUBJECT: Illegal Transactions - C.E.M.

TO : Chief Commissioner,  
Allied Commission,  
APO 794.

An early reply to this Headquarters letter G-5:902.33-1 of 19 September would be appreciated. This Headquarters letter of 18 October also refers.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

348

A. I. HAMBLIN  
Colonel, G.S.C.  
Assistant Chief of Staff, G-5

See file 352

5294

*[Signature]*  
(CAPT K)

*[Signature]*  
31 Oct 46

0033

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

HEADQUARTERS ALLIED COMMISSION

A P O 794

Office of the Executive Commissioner

352

*File*

Ref. : 9006/352/30

28 October 1946

SUBJECT: Alleged Improper Transactions - C.E.M.

TO : G-5  
AFHQ.

336

1. Reference is made to your letter No. G-5: 902.333-1 of 19th Sept. 1946.
2. This matter has been referred to the Provincial Commissioner A.M.G., Udine and from his explanation it would appear that some misunderstanding has arisen in this matter, partly owing to the way in which the list of materials was compiled. From this list it would appear that complete vehicles have been sold, whereas in fact, the only sales effected are stated to have been of Battlefield Scrap. P.C. Udine Province reports that no entire vehicles have been sold by the Transportation Division of AMG Udine Province.
3. It is pointed out that a differentiation has always been made between C.E.M. and "Battlefield Scrap", which latter has never been treated as C.E.M. and has not been considered to be covered by directives concerning C.E.M. Battlefield scrap has frequently included hulks of Allied vehicles.
4. The disposal of battlefield scrap is the responsibility of the local Military District Commander (A.P.H.Q. Letter A.G. 407.93/217 C.E.S.-O, 31st July 1943 refers), and in the case of Nos. 2 and 3 Districts requests were made by the District Commanders to C.E.M. to assist them in effecting sales of such scrap.
5. These sales in Udine Province were effected by the Transportation Division of the Provincial Military Government under authority of H.Q. Venezia Region. So far as can be traced this authority was verbal and was stated to be in agreement with H.Q. 2 District and C.E.M. Branch, A.C., Milan. This Headquarters has no reason to doubt that the sales in question were of battlefield scrap.
6. The total amount realised by the sales, 15,683,750 lire, was credited to A.P.A. No. 1 A/C in the Bank of Italy.
7. As regards Venezia Giulia, C.E.M. has always been made available for disposal to AMG XIII Corps in accordance with A.P.H.Q. Dir 5293

*See 12-351, 353, 354*

*PA- 21/10/46*

- 2 -

Such materials as have been surplus to unit and A.M.G. requirements have been disposed of to the highest civilian bidder at public auctions. This appears to be quite regular as in this area it is obviously not possible to pass such material to the Italian Government. Moneys received from such sales are paid into C.F.O. A/C Hq. A.M.G. XIII Corps - Sale of Captured Enemy Materials - and are held at the Banca d'America ed Italia.

8. List of scrap vehicles sold is returned herewith as requested.

FOR THE CHIEF COMMISSIONER:

*McLain*

Brigadier,  
Executive Commissioner.

Encls. as above.

Copy to: Econ. Div. (For C.F.O.)

See 11351 - 353

11351  
5291

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

9006. 9

Ex-Comm

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348

ALLIED FORCE HEADQUARTERS  
G-5 Section  
APO 512

OCT 21 1946

G-5: 902.33-1

12 October 1946

SUBJECT: Sale of CEM

TO : Chief Commissioner,  
Allied Commission,  
APO 794.

1. It is hoped that you will be in a position  
to reply to this Headquarters letter G-5 902.33-1  
of 19 September at an early date.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

*A. L. Hamblen*  
A. L. HAMBLLEN  
Colonel, G.S.C.  
Assistant Chief of Staff, G-5

*See in 351. - 4.352*

5290

*PA 29*  
*11*

*See F-355*

(cso)

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9006 48

347

**HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
VENEZIA ~~XIII CORPS~~ GIULIA**

**OCT 21 1946**

Reference: VG/AMG/Ec.30/153

13 October 1946

Subject : Transaction CEM

To : HQ Allied Commission,  
Office of Executive Officer,  
APO 794 - (Rome)

1. Reference is to your letter 9006/338/Ec.30  
of 27 September 1946.

2. Disposal of captured enemy materials has  
been in accordance with para 9, ltr. AFHQ AG 386.3 Q  
"AE", 2 October 1946, which provides that in Venezia  
Giulia captured enemy materials will be disposed of  
to Allied Military Government XIII Corps. This refer-  
ence has been interpreted by Captured Enemy Materials  
Branch, XIII Corps, to imply the right to sell property  
not directly needed for rehabilitation purposes.

3. The procedure in Venezia Giulia has been  
as follows:

(a) When the enemy material has been classi-  
fied as captured enemy material, as dis-  
tinguished from War Booty, the property  
is released to this Headquarters by CEM  
Branch XIII Corps.

(b) The various Divisions of this Headquarters  
are asked whether they need the material in  
question. If not needed by the Divisions  
or by any governmental agencies working for  
them, the materials are sold to the highest  
civilian bidder, at public sale.

See 4351

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(cso)

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VG/AMG/Ec.30/153  
13 October 1946 continued

- (c) Proceeds from all sales are paid into an account entitled "CFO, HQ AMG 13 Corps-Sale of Captured Enemy Materials" and are held at the Banca d'America e d'Italia. Monthly reports of sales are submitted by the Chief Finance Officer to the Allied Financial Agency, Rome.



ALFRED C. BOWMAN  
Colonel, J.A.G.D.  
Senior Civil Affairs Officer

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9006 91  
344  
HEADQUARTERS  
ALLIED MILITARY GOVERNMENT  
UDINE PROVINCE

11 October 1946.

To : The Executive Commissioner,  
Headquarters Allied Commission,  
Rome.

Subject: Sales of C.E.M.

File No: DFC/OCT/2

337 OCT 17 1946

1. Your 9006/337 EC of 28 September 1946 is acknowledged and the list enclosed therewith is returned. No entire vehicles have been sold by the Transportation Division of this Headquarters. The only sales effected have been sales of scrap.

2. In answer to the last paragraph of your letter:

- a) The Transportation Officer of this Province received verbal authority from HQ Venezia Region to effect these sales.
- b) The Transportation Officer of this Headquarters, assisted by the Technical Staff of the Ufficio di Autotrasporti, Udine, was responsible for the individual transactions and valuation of items, etc.
- c) The total amount realized by the sales - 15,683,750 Lire.
- d) The proceeds were credited to AFA Account No 1 in the Bank of Italy.
- e) These details have been twice rendered to HQ AC, CEM Branch, during the past month and copy letter from CEM Branch, Allied Commission, Northern Office, to HQ AC CEM Branch, of 27 September 1946 is attached herewith.

No entire vehicles have been sold by the Transportation Division of this Headquarters. The only sales effected have been sales of scrap.

letter:

2. In answer to the last paragraph of your

- a) The Transportation Officer of this Province received verbal authority from HQ Venezia Region to effect these sales.
- b) The Transportation Officer of this Headquarters, assisted by the Technical Staff of the Ufficio di Autotrasporti, Udine, was responsible for the individual transactions and valuation of items, etc.
- c) The total amount realized by the sales - 15,683,750 Lire.
- d) The proceeds were credited to AFA Account No 1 in the Bank of Italy.
- e) These details have been twice rendered to HQ AC, CEM Branch, during the past month and copy letter from CEM Branch, Allied Commission, Northern Office, to HQ AC CEM Branch, of 27 September 1946 is attached herewith.

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3. Particulars of these sales have been continually reported in the monthly report from this Headquarters.

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14-3-46

H. N. Bright, Lt. Colonel,  
Provincial Commissioner,  
ANG, Udine Province.

CIFG/am

See M345351

(cso)

CAPTURED ENEMY MATERIALS BRANCH  
ALLIED COMMISSION - NORTHERN OFFICE  
at  
HQ MILAN INCREMENT 217 AREA C.M.F.

COPY

343

URGENT - BY Air

27 September 1946

AC-M/CEM/17.2

SUBJECT: Sales of C.E.M. by AMG Udine.

TO : HQ AC CEM Branch, Attn. Lt. Col. F.G.GRENN, Rome.

Ref letter CEM/102.1/24 of 20 July 46 and subsequent telephon message Green-Roworth.

1. Attached please find complete list of the certificates of sale and deposit to AFA account No 1 for the months of December 1945 to June 1946 from the Province of Udine.

2. These lists comprise the entire sales carried out for C.E.Vehicles scraps.

3. These lists will enable the Allied Financial Agency to check the amounts actually received in the AFA Bank account and complies with para 5 of the AFA letter to the Director of the CEM Branch AC. ref 13823/F/A/105 of 18 July 1946.

4. Enclosed please find also a complete list of the material sold by the Transport Office of the AMG Udine Province.

Signed T.I. ROWORTH  
Major RE  
O.i/c CEM Northern Office  
HQ Allied Commission

Encl. (1) List of certificates of sale and deposit to AFA/I acc.

(2) List of material sold by Transport Office  
Udine Province

5285

Copy to : Provincial Commissioner, Udine Province.

*See F-344*

004

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

File 9006/EC 342

RE. ALOOM

3 OCT. 1200

AGG UNITE

FROM REAR 13 COMPS  
C-2 CHA-CHQ

5104

UNCLASSIFIED

UNCLASSIFIED PD

ECN SEC  
FILE

REFERENCE YOUR BUDAR ONE FIVE EIGHT OF TWO FIVE SEPTEMBER PD  
SUBJECT IS AGED OF BUDAR ORIGIN PD BUDAR REP ALOOM STATES  
FRENCH MIL MISSION REP IN BUDAR HAS INSTRUCTIONS TO SHL  
SUBJECT ALSO KN LOCALLY PD

Copy to: Econ. Sec.  
C.O.

A. W. Kinsely.

ROUTINE

Executive Commissioner

371

5.87

JAMES R. HAYES  
Major AGD  
Adj

P.A. 9/27/66

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

338

File

Ref. : 9006/338/EO

27 September 1946.

SUBJECT: Transaction CEM.

TO : SCAG AND XIII CORPS.

336

1. It has been reported that sales have been made in UDINE direct to private individuals or firms of Captured Enemy and other vehicles by the Transportation Office at AEG, UDINE, otherwise than in accordance with AFHQ Directive AG 386.3 Q(AS)-0 of 2nd Oct 1945.

2. Will you please inform this Headquarters what is the situation as regards any sales which may have taken place in AEG VERONZI: GIULIA.

BY ORDER OF REAR ADMIRAL STONE:

/s/ M. CARR. Brigadier,  
A/ Executive Commissioner.

Copy to: C.E.M. Branch

See M-339

See F-347

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RESTRICTED

ALLIED FORCE HEADQUARTERS  
APO 512

2 October 1945

AG 386.3 Q(AE)-O

SUBJECT: Disposal of Captured Enemy Material in the Mediterranean Theater  
(To include ITALY, AUSTRIA, GREECE and MIDDLE EAST)

TO: Commanding General  
Peninsular Base Section, APO 782  
Land Forces Greece.  
- General Officers Commanding  
XIII Corps  
GHQ, Middle East  
Number 2 District  
Number 3 District.  
- Headquarters British Troops in Austria.

1. OBJECT OF THIS DIRECTIVE

The object of this directive is to indicate the method of disposal of, and policies and conditions controlling the disposal of the remaining captured and/or surrendered enemy war material in the Mediterranean Theater. The following letters from this Headquarters, as amended, are hereby rescinded:

AG 386 3/163 LOG-O, dated 22 June 1945, subject: "Disposition of Captured Enemy Material in ITALY".

AG 386.3/143 GGT-O, dated 9 April 1945, subject: "Allocation and Disposal of Enemy Material in GREECE".

AG 386.3/219 GGT-O, dated 3 August 1945, subject: "Disposition of Captured Enemy Material in AUSTRIA".

2. RESPONSIBILITY FOR THE CONTROL AND DISPOSAL OF ENEMY MATERIAL

a. The control of all enemy material in this theatre is vested in the Supreme Allied Commander.

b. The allocation, use and ultimate disposal of enemy material is a responsibility of command, which will be exercised by you in accordance with the provisions of this directive.

3. OWNERSHIP

The property of all enemy material in this theater is vested in the Supreme Allied Commander.

RESTRICTED

RESTRICTED

Ltr, AFHQ, AG 386.3 (AFHQ)  
dated 2 October 45, (Cont'd)

4. LOCATION

The majority of enemy material available for disposition is located in ITALY and AUSTRIA. Therefore this Directive has been prepared with full reference to disposal in these two countries. Where the policy varies for other countries within the theater, notes have been added indicating the different procedure to be applied.

5. DEFINITIONS

a. Captured or Surrendered Enemy War Material - (Hereafter referred to as enemy material) includes any material of whatever nature and wherever situated, intended for war on land, at sea, or in the air, which has been at any time in use by, or intended for use by, the armed forces, civil defence, or other formations or organizations under the control or influence of the German Governments, German authorities, or Governments or authorities of any states allied to, or associated with, GERMANY.

b. Disposal Authority is the military authority in whom is vested the power to dispose of enemy material.

6. PRINCIPLES TO BE APPLIED

a. Allied Naval, Ground and Air Force Responsibilities -

Enemy Naval, and Air Force material will be controlled and disposed of by the Allied Naval and Air Forces respectively. Enemy Ground Forces material will be controlled and disposed of by the Allied Ground Forces and co-ordination, where necessary, between the Allied Naval, Ground and Air Forces will be effected by the Ground Forces Commanders. The latter, in the appropriate cases, must be prepared to assist Allied Naval and Air Force Commanders in the control and disposition of material peculiar to the enemy Naval and Air Forces. Common user items will normally be the responsibility of the Allied Ground Forces.

b. Allied Ground Forces, Staff and Service Responsibilities for Control and Disposition of Enemy Material -

The responsibility for the control, safeguarding or disposition of all enemy Ground Forces war material is placed upon the Commanding Generals of all major commands in their respective areas. This responsibility will be exercised through the normal Allied Staff and Technical service <sup>5681</sup> includes appropriate to the type of material concerned. It is desired that arrangements made by each command be such that continuity of control can be maintained when changes of territorial command occur.

338D

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7. CONTROLLING AUTHORITIES AT AFHQ - The control of enemy material will be exercised by AFHQ through normal command and technical channels appropriate to the material concerned.

Ltr, AFHQ, AG 386.3 2(AE)-O  
dated 2 October 45, (Cont'd)

8. POLICIES

a. Retention of material by units or individuals - Retention by units or individuals of such material unless properly authorized in accordance with this instruction, and other pertinent directives is forbidden.

b. Use of material by Allied Commanders - Authority is granted for the maximum use to be made of enemy material required for the support of Allied Forces in the accomplishment of their assigned mission (including essential civil requirements) or for the maintenance of enemy forces.

c. Recaptured material of Italian Military Origin - Recaptured material of Italian origin which is not required for military purposes, including maintenance of POW, will be turned over immediately to the Italian military authorities. The channel of transaction in material of Italian Ground Force or origin, which is to be returned to the Italian Army authorities, will be the Land Forces Sub Commission A.C. (MMIA). Receipt for material so handed over will be taken by the issuing Allied Service and forwarded to this headquarters through normal service channels. All remaining recaptured Italian War material, not required for maintenance as above, will be reported to AFHQ and disposal instructions awaited, except that on the case of Naval and Air Force material, when the instructions of the Navy or Air Force Sub Commission of the Allied Commission, acting on behalf of the Allied Naval and Air Force Commanders, may be accepted.

d. War material of United States, British or other United Nation Origin

(1) It will be the policy for material of United States or British origin recovered from the enemy by recapture or surrender to be turned over to the American or British services normally responsible for the class of material concerned.

(2) War materials which can be readily identified as having been acquired during the war in any way by the Germans, from any United Nations, will be restored, providing however, that material susceptible only of warlike use shall be restored only when it can be identified as having been captured from the armed forces of any United Nation.

5-8"

+ Deleted by letter AG 386.3 2(CENS)-O from AFHQ dated 8 March, 1946.

RESTRICTED

338E

3. Any enemy material, apparently previously belonging to any of the United Nations as defined above will be segregated and reported to this headquarters. Particular attention is requested in this theater to material of Russian, Czechoslovak or French origin.

Ltr, AFHQ, AG 386.3 Q(AB)-O  
dated 2 October 45, (Cont'd)

e. Enemy material required by the London Munitions Assignment Board  
There still exists outstanding requirements of the London Munitions Assignment Board to meet global demands for enemy material. A list of these requirements is contained in this headquarters letter AG 386.3/163 SUP-O of 23 September 45, as amended. A copy of the required by Technical Intelligence. This material when found, is regarded as Category 1.

f. Enemy material required for research - A search of enemy material required for research in U.K. and U.S. has been supplied to major commands and items on this list are still required by Technical Intelligence. This material when found, is regarded as Category 1.

g. German Naval Equipment - All material appertaining to ships and vessels of the German Navy (including armament, ammunition and supplies) which must be handed over to the power receiving the ships and vessels, will be safeguarded and reported through naval channels.

h. War factories and War Factory Production - The policies contained in letter, this headquarters, file AG 388.3/007 GEC-O dated 2 August 1945, subject: "Policy on Italian Munitions Production" will apply.

i. Remaining Surplus Material - All enemy material surplus to the requirements contained in a and g above will be disposed of in the manner indicated in the following section of this letter.

With the exception of vehicles - see paragraph 9 g below - if material is surplus within any one particular command, it will be assumed to be surplus to theater requirements, unless notification received to the contrary, and will be disposed of as indicated.

#### 7. METHODS OF DISPOSAL

a. Enemy material suitable for use in the civil rehabilitation of the country - In order that the maximum use may be made of surplus enemy material in its present form, all such material having a value in the civil rehabilitation of a country will be made available immediately for disposal to the Government of that country as follows:

- 338F
- (1) In ITALY ( s Venezia Giulia) -To the Ministry of Transportation through the Allied Commission to ITALY.
  - (2) In VENEZIA GIULIA - To Allied Military Government XIII Corps.
  - (3) In AUSTRIA - To British Troops in Austria (Military Government Staff) and later to Allied Commission to Austria when responsibility for civil supply passes to them from Military Government Staff.
  - (4) In other countries - To the respective Governments through the Allied Military agency in that country.

b. Captured Civilian Material

Captured material which is apparently of a civil character and surplus to known military requirements will be disposed of as in above. The Governments or Allied Military Government of the country will be responsible for investigating and settling claims to ownership.

c. Enemy material unsuitable for civil use (excluding ammunition)

All enemy material surplus to known requirements and having no value in its present form, in the civil rehabilitation of the country will be disposed of by being rendered innocuous, reduced to scrap and disposed of by the normal Allied Salvage organization. As far as possible, and in order to reduce transportation commitments, the material will be reduced to scrap in situ. Salvage organizations will arrange for the disposition of the material through normal channels to the Government or Allied Military Government concerned, from the location where the material is reduced to scrap. It will be the responsibility of the command concerned to ensure that all enemy material is rendered of no further military value, in its existing form, before it is made available for disposal as scrap.

d. Chemical Warfare Equipment and Toxic Material

(1) All defensive chemical warfare equipment which may have a value in the civil rehabilitation of the country will be disposed of as in 9a above. All other defensive chemical warfare equipment will be reduced to scrap.

(2) All chemical warfare ammunition will be destroyed by dumping at sea. Dumping will take place at least 20 miles from the shore, in at least 250 fathoms of water and away from shipping routes, fishing grounds and submarine cables. The provisions of ACHQ Operation Memorandum Number 77 and of AFHQ Administrative Memoranda Numbers 14, 15 and 33 will be adhered to in connection with all movement of toxic material.

(3) Any PHOSGENE or DIPHOGENE (valuable materials for dyestuffs manufacture) in bulk will be released to the Government or Allied Military Government of the country in which it is found, for use only by reputable concerns

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3389

whose plant can be subjected to suitable control, or such materials will be dumped at sea under conditions laid down in paragraph (1).

(4) Any other bulk toxic material will be treated as in paragraph (2) unless its transportation is considered dangerous, in which case it will be rendered innocuous by methods approved by the chemical warfare advisers.

(5) Further instructions will be issued by Chemical Warfare Staffs.

e. Ammunition

(1) All enemy mines, grenades, detonators and initiators, explosives, small arms ammunition and ammunition of 20 mm caliber or below and surplus to known military requirements will be destroyed by dumping in the sea, or lakes or by being exploded. Dumping will take place only in water of 50 fathoms depth or more. Until destroyed, as indicated, enemy material of this nature will continue to be a guard responsibility of the command in whose area it is located. In the destruction of this material German personnel, under Allied supervision, may be utilized and if necessary, German technical units may be formed for the purpose.

(2) The location and quantities of all enemy ammunition, larger than 20 mm caliber, will be made known to the Government or Allied Military Government of the country concerned by the Command in whose area the material is located, through the Allied Commission or similar Allied agency. The Government or Allied Military Government of the country will then become totally responsible for the ammunition and will make the necessary arrangements with civilian firms, for the breaking of the ammunition into its component parts. The Allied agency will be responsible for ensuring that the resultant products from the breaking down the process, are not employed in the production of further armaments by the Governments of the countries. When the location and quantity of ammunition larger than 20 mm caliber has been made known to the Government or Allied Military Government of the country concerned, that organization will then be responsible for the safeguarding of the ammunition until its final disposal. Allied responsibility for safeguarding such ammunition will cease from the time that satisfactory arrangements have been made to this effect.

(3) Nothing in these instructions is to be regarded in any way as restricting the authority of addresses to dispose of ammunition, in any quantity, or in any manner considered suitable, which is in a dangerous condition, or constitutes a hazard to civil or military security.

5277

f. Animals - Any enemy animals surplus to known military requirements will be reported to this headquarters and disposal instructions awaited.

g. Vehicles (1) All captured enemy vehicles will be used to the fullest possible extent in order to save Allied transport. Whenever practicable however, such vehicle will not be issued without workshop inspection, and never without WD numbers and full registration.

RESTRICTED.

Ltr, AFHQ, AG 386.3 Q(AE)-C  
dated 2 October 45 (Cont'd)

- (2) The issue of enemy vehicles to existing Allied Units will be permitted only in cases where such units have deficiencies in their TE's (W.E.'s), except within the powers delegated to commands to issue vehicles in excess of T.E. (W.E.).
- (3) Vehicles of Italian Military origin, if surplus to Allied requirements, will be returned to the appropriate Italian Army authorities through the Land Forces Sub Commission A.C. (MMIA) under the terms of paragraph 8 c above. All other captured Italian vehicles, if surplus to requirements, will be returned to the Italian Government, through Allied Commission, under the terms of paragraph 9 a (1) above. Italian military vehicles can usually be identified by two stars to be found on the engine. If doubt arises as to whether a vehicle of Italian make is a civilian or military vehicle, such vehicle will be turned over to MMIA who will determine the ownership and subsequent allocation in conjunction with Allied Commission. Every effort will be made to hand over ALL vehicles of Italian make to the appropriate Italian authorities at the earliest possible date. Every effort will be made to hand over to MMIA all stocks of spare parts including tires for Italian military vehicles which are marked with two stars, or are otherwise identifiable as having been the property of the Italian Ministry of War. Stocks of spares for Italian civilian vehicles will be handed over similarly to Allied Commission, or in doubtful cases, to the MMIA. Sufficient spares may be retained for such Italian vehicles as are held against deficiencies in unit establishments. Responsibility for repair of vehicles, proper registration, and provision of drivers for all vehicles handed over to them will be that of Allied Commission or MMIA as the case may be.

RESTRICTED.

Ltr, AFHQ, AG 386.3 Q(AE)-0  
dated 2 October 45 (Cont'd)

- (4) Vehicles of other United Nation origin will be disposed of as in paragraph 8 d above.
- (5) All other vehicles if surplus to the requirements of any particular command (including in Military Government areas requirements for civil relief to the extent needed to prevent disease and unrest) will be reported as surplus to this headquarters and disposal instructions awaited. If vehicles are surplus to theater requirements they will be disposed of as in paragraph 9 above.
- (6) All non runners, unless earmarked for any other particular purpose, will be made available to and handed over immediately to the Government or Allied Military Government of the country under the terms of 5 a above for repair by the civil organization of that country.

RESTRICTED.

Ltr, AFHQ, AG 386.3 Q(AE)-C  
dated 2 October 45, (Cont'd)

10. DISPOSAL OF MATERIAL IN MIDDLE EAST AND GREECE.

Arrangements for the disposal of surplus enemy material in MIDDLE EAST and GREECE will be made to suit the locally existing conditions of those countries provided the policies established in paragraph 8 above are complied with at all times.

11. RECORDS.

In order that any financial adjustments may be completed at a subsequent date records of all issues and receipts and material reduced to scrap will be maintained. Salvage organizations will record quantities and nature of scrap disposed of through normal salvage disposal channels. Copies of all records of transactions will be forwarded to Q(AE)AFHQ, through service channels, for maintenance, of the records.

12. REPORTS.

a. Addressees will render reports, as called for by this directive as at 15th each month (commencing with 15 October 1945) to reach this headquarters by the 28th of the same month. No other monthly reports other than those shown below are required.

(1) Material of other United Nation origin giving description of type, quantity, serviceability and location.

(2) Requirements of London Munitions Assignment Board in accordance with paragraph 8 a above.

(3) Material of Italian origin and surplus to command requirements as defined in paragraph 8 c above.

(4) Vehicles surplus to the requirements of the command in accordance with 9 g (5) above.

Reports will give:

Numbers

Type etc.

Classification of serviceability.

13. In ~~xxx~~ the case that this directive is contrary to, or at variance with, other directives in this theater covering the same subject, this directive will govern.

BY COMMAND OF THE ACTING SUPREME ALLIED COMMANDER:

338 L

RESTRICTED.

Ltr, AFHQ, AG 386.3 Q(AE)-O  
dated 2 October 43, (Cont'd)

DISTRIBUTION.

- |                               |                                 |
|-------------------------------|---------------------------------|
| 20 - Each Addressee           | 10 - Allied Commission to Italy |
| 2 - Combined Chiefs of Staff  | 6 - Land Forces Sub Commission  |
| 2 - War Department            | AC (MMIA)                       |
| 2 - War Office (LMI and LMAF) | 1 - S & T                       |
| 4 - C in C Med                | 1 - V & RS                      |
| 6 - RAF MED/ME                | 1 - Print and Stationery.       |
| 1 - CAO                       | 4 - Salvage.                    |
| 1 - G-2                       | 1 - REME                        |
| 1 - G-3 Ops                   | 1 - British Res Min             |
| 2 - G-3 Org                   | 1 - POLAD                       |
| 1 - G-3 AMO                   | 2 - DMRS                        |
| 30 - G-4 (A)                  | 1 - Liaison                     |
| 2 - G-4 (B)                   | 2 - Ministry of Supply (c/o     |
| 1 - G-4 (Mov & Tn)            | British Embassy - Rome).        |
| 2 - G-5                       | 2 - O.A.N.L.C.                  |
| 6 - Q(AE)                     | 1 - Financial Adviser           |
| 4 - QM                        | 1 - Fiscal Director             |
| 2 - Q(Maint)                  | 2 - AG Records                  |
| 1 - Pet                       | 30 - Spares to Q(AE).           |
| 1 - Coal Sec                  |                                 |
| 1 - Surg (A)                  |                                 |
| 1 - Surg (B)                  |                                 |
| 2 - Engrs                     |                                 |
| 2 - Sig                       |                                 |
| 3 - Ord (B)                   |                                 |
| 6 - Ord (B) Ammunition        |                                 |
| 2 - Ord (A)                   |                                 |
| 1 - Tn (A)                    |                                 |
| 1 - CWS                       |                                 |
| 2 - RAAC                      |                                 |
| 1 - Tn (B)                    |                                 |

5273

0053

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

HEADQUARTERS ALLIED COMMISSION  
A P O 794  
Office of the Executive Commissioner

337

*File*

Ref. : 9005/357/30

*17 September 1945*

SUBJECT: Transactions C.E.M.

TO : Provincial Commissioner  
AMB  
Udine.

*336*

It has been reported that sales have been made in your province direct to private individuals and firms of Captured enemy and other vehicles by the Transportation Office, your Headquarters, otherwise than in accordance with AMB Directive AG 386.3 Q (AB)-0 dated 2 October 1945.

Enclosed is a list of the vehicles concerned. If a copy of this list is already in your possession will you please return the attached.

Please submit as soon as possible a full report on this matter. The report should include :

- (a) Under what authority these sales took place.
- (b) Who was responsible for the individual transactions, valuation of the items, etc.
- (c) The total amount realised by the sales.
- (d) The account to which the proceeds were credited.
- (e) Date and details of all payments into the account in respect of these sales.

FOR THE CHIEF COMMISSIONER

*A/* */s/* M. CARR. Brigadier,  
Executive Commissioner.

Encls. as above.

5272

Copy to: C.E.M. Branch

*See 17-339  
1 344*

*12*

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

9006 80 1769  
ALLIED FORCE HEADQUARTERS  
G-5 Section  
APO 512

SEP 20 1946

G-5: 902.33-1

19 September 1946

SUBJECT: Improper Transactions CEM.

TO : Chief Commissioner,  
Allied Commission,  
APO 794.

Enclosed are copies of CEM Milan letter AG.M/CEM/22 of 11 September and 3 Dist. letter 489/13/Q of 16 September.

1. Will you please take up this matter with AMG, UDINE and establish on what authority this equipment was sold to private individuals contrary to established procedure, and ascertain to what account the proceeds from these sales have been credited.

2. You will also ascertain whether AMG VENEZIA GIULIA has taken similar unauthorized action.

3. If you have already received a copy (through your CEM Branch) please return the list. If not please return it when action has been completed.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

*[Signature]*  
A. L. HAMLEN  
Colonel, G.S.C.  
Assistant Chief of Staff, G-5

Encls:  
as above.

5271 352 14351  
See 4. 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000

See 7-348-355

(CSO)

0055

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

SUBJECT:- Irregular Sales of Captured Enemy  
Vehs in the Province of UDINE

335  
CONFIDENTIAL

3 District  
Ext 14  
489/13

Sep 46  
-----

Q GHQ CMF  
-----

AQMG 13 Corps  
Allied Commission CEM ROME (for attention  
Director Economic Section)  
Alcom CEM Branch c/o HQ 59 Sub Area  
-----

Ref conversation FIELD/SPRAY.

Original letter with enclosure received from  
AICOM CEM Branch Northern Office ref AC-M/CEM/22 of 11 Sep 46  
is enclosed for such action as you may consider necessary.

(R.B. SPRAY) Lt Col  
for Maj Gen  
Comd

RBS/mic

5270  
1-3-46

ATTACHED ARMY MATERIALS BRANCH  
ALLIED COMMISSION - NORTHERN OFFICE

at  
HQ CG SUB-AREA C.M.P.

AC-W/CEM/22

11 September 1946

SUBJECT : Irregular Sales of Captured Enemy Vehicles in the Province of Udine.

TO : AQMG 3 District

COPY TO : AQMG 13 Corps

Allied Commission CEM Rome (for attn. of Director Economic Section)

1. In accordance with your instructions I enclose herewith a completed list of all vehicles sold directly by the A.M.G. of Udine Province. The lists comprise : type of vehicle, number of engine, number of chassis, date of sale, name and address of buyer and the cost of the vehicle.

2. This office has not had opportunity to examine thoroughly the possibility of these irregular sales being dishonest, but it is pointed out that a casual examination of the lists shows that the prices are much too low. Moreover, it is noticed that certain individuals have been able to buy large numbers of these vehicles which shows a favoritism which, taken into consideration the Italian character, suggests dishonesty on the part of the civilian employees of A.M.G. and a serious laxity on the part of Allied officers.

3. Further instructions from you are awaited as to whether this Branch, or some other army formation, should hold a public inquiry into these sales.

4. Alternatively instructions should be given for the legalization of these sales which have been carried out contrary to AFHQ directives. It must be taken into consideration that, if these sales are legalized, the following laws must be waived with regard to these vehicles.

- (a) An Italian law which provides for the re-allocation of vehicles formerly the possession of Italian nationals and afterwards requisitioned by the Germans (Art. 7. Decreto Legge L. 1000/1945 No. 45 No. 133).
- (b) AFHQ instructions for the handing over of all vehicles formerly the property of the United Nations.
- (c) AFHQ instructions for the handover of Allied military type vehicles to the Italian army.

5. You will also notice from the list that considerable numbers of British and American vehicles such as Dodge, Chevrolet, Buick and motorcycles Ariel, BSA, MG, Matchless, Norton, New Hudson, New Imperial, Raleigh and Triumph have been sold by the A.M.G. Udine. This appears most irregular and it is suggested that inquiries regarding the source of these vehicles be made.

222

04



1000

11/11/2011 11:11 AM

Figure 1

Major R.  
0.1% GEM Northern Office  
G.A. Allied Commissioner

0038

Declassified E.O. 12356 Section 3.3/NND No. 785617

9006 980 Ex. Comm.  
R/3805 333  
ALL 200900E

ALLO/ /53  
121600 AUG

PRIORITY

ALCON DIADON BOLZANO  
RE ALCON FOR ECONOMIC SECTION  
INFO ALLIED FINANCIAL AGENCY RESERVE COMET STORM  
AUG 20 1946

UNCLASSIFIED

Your LHM NO 954/159 of 13 July 46 releases property Freysen Castle  
Pala Vipiteno to Army. Col Horn has since strongly recommended that should  
have first choice and that machinery should remain in the castle where some  
six million lire have been expended since May 1945 in installation costs.  
Machinery is embedded in concrete and the majority would be useless if re-  
moved. Recommend careful reconsideration and cancellation of release and  
that further detailed instructions be sent to Bolzano regarding disposal.  
AFH letter 20065 V/A/49 has some reference.

AS DIST  
ACTION: GEM BR 2  
INFO: COMEF COMMISSIONER  
ECON SEC 2  
EX COMMISSIONER  
AFA  
FIS  
FLOAT 2

HEADQUARTERS  
20 AUG 1946  
A. C.

5268  
P.A. 26/8/46

*[Handwritten signature]*  
(copy)

9006  
332  
ENCLOSURE  
MESSAGE

Reference, FX 70638

Message Centre No: H/5791

Date/Time of Origin: AUG

Date/Time Rec'd: AUG 18 1720

Precedence: ROUTINE  
AUG 18 1946

FROM: AFHQ SIGNED SACMED CITE FHGBG

TO: AGWAR WASHINGTON FOR CCS FOR CCAC, INFO: CABINET OFFICES  
WHITEHALL FOR ECS ALCOM ROME

CONFIDENTIAL.

CONFIDENTIAL

MAT 1037. Subject accounting for captured enemy materials.

1. CEM RECORDS AUSTRIA

A. Quantitative receipts for all Cem disposed of in AUSTRIA held by Finance Division ACA. receipts are priced and in most cases itemised

B. Valuation of CEM is carried out by Austrian Government and AFM and represents an agreed shilling value receipts from completed sales are records at shilling value and held as supporting vouchers to sales account.

C. 68 RECEIPTS. HOLD TO date.

2. CEM RECORDS ITALY.

A. Records of CEM disposed of in ITALY held by HQ AC ROME.

These purely quantitative receipts. Records are indexed but material is not categorised in detail or priced.

B. No actual account maintained other than for sales of CEM, and battlefield scrap of salvage value only found in isolated locations sold for lire to individual Italian Civilian or Government agencies. Records, of all such transactions, maintained in sales registers. 1-526,7 lire (lire 526,7 at current rate of exchange) recorded from

CONFIDENTIAL

Low  
(CPT X)

1.A 19/8/46  
G.H.

INCOMING MESSAGE  
Headquarters Allied Commission

Message Centre:H/5791

pag 2

these sales held in FFA accounts as at 31 May 46.

C.Volume of records in A and B above approximately 50  
cubic feet.

AC DIST

ACTION DIRECTION: ECONOMIC SECTION 2

SUPPLY OPS V/G UDINE 4

ADVANCE COPIES TO:COMMERCE SC 1

FOOD & AGRIC SC 1

IND & UTIL SC 1

TPTN SC 1

A.S.A.A. 1

INFO: CHIEF COMMISSIONER 1

EXEC COMMISSIONER 1

CC BRITISH EMBASSY 1

CAUS EMBASSY 1

UNRA 6

FILE 1

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

054688

201150B JULY

AZHQ GHQ CMF Q

ALCOM FOR CEM

H/4851

JULY 211030

ROUTINE

JUL 29 1946

UNCLASSIFIED

Request you send rep to this HQ to discuss questions relating to CEM disposal receipts. CCS have called for certain details of records held. If possible rep should be conversant with all back history and in particular with sales returns and registers.

AC DIST

ACTION: C E M 2

INFO: CHIEF COMMISSIONER

FLOAT 2

FILE

See M-329-331

STANDARD

5265

*[Handwritten signature]*

*[Handwritten signature]*

(COPY X)

SUBJECT: Disposal of C.E.M.  
Recovery Italian Army property.

Land Forces SubCommission AC.,  
M.M.I.A.  
R O M E  
Q.158

25 July 1945

TO : GENERAL HEADQUARTERS C.M.F.(3)

JUL 25 1945  
138 - Vol. II

Reference is made to ATHQ.AG 386.3 Q(IE)-O dated 2 Oct 1945.

1. Para 8 c of above Directive states "recaptured material of Italian Military origin which is not required for military purposes including maintenance of P.O.W will be turned over immediately to the Italian Military Authorities".

2. The following is reported as a matter requiring policy decision and serving to illustrate a departure from the above directive in the case of Venezia Giulia.

3. (a) The 18 ton Tug "BLANCHI" the property of the Italian Army is at present located at GRADO under the control of the firm CORIMA of TRIESTE.

(b) This firm refuses to hand over the Tug and claim compensation for salvage and repairs.

(c) The matter has been taken up by M.M.I.A with HQ. AMG 13 Corps who state that the firm of CORIMA have been held responsible for the safe custody of the tug and forbidden to move it from Zone "A" waters pending a decision.

(d) It is stated that Italian Army property in Venezia Giulia is subject to "War Booty claims" and is not recoverable till the question of reparations to Yugoslavia is finally settled.

4 Your instructions are requested.

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4 Your instructions are requested.

*Handwritten signature*  
Major General,  
L. M.M.I.A.

5-51

Copy to : A.C. ( for Exec. Comm.) ✓  
Rear XII Corps ( 1013/3/OS of 15 July 46 refors)  
5 BLU ( 102/64/179 of 17 July 46 refors)

Internal: L.O.  
"G"  
ST.

*Handwritten notes:*  
26/7/46  
P. G. A.

HEADQUARTERS ALLIED COMMISSION  
Office of the Chief Commissioner  
APO 794

323

Ref. 9006/323/20

17 July 1946

My dear Mr. Prime Minister,

With reference to my letter no. 9006/309/20 dated 21 May on  
the subject of supplies for the Italian Armed Forces.

I would appreciate the assurances requested in the last  
paragraph at an early date.

Yours very truly,

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

Dr. Alcide De Gasperi,  
President of the Council of Ministers,  
Italian Government  
ROME.

*M MIT Report relations  
between us mint ARAR  
most unlikely produce  
Satis maintenance without  
intervention by Head of foot  
all remaining by Expenses M 324 & 325  
is being handled over to the  
Min of Supply & will go to  
ARAR. Matter now being fully  
examined & further report  
will be submitted to  
us. AW*

9006 41

322

SUBJECT: - Maintenance Italian Army.

Land Forces Sub Commission AC.,  
M.M.I.A.  
R O M E  
I.O.O.F.

11 July 1946

JUL 11 1946

TO : A.C. (For Gen. Houn.)

309

Ref your 9006/309/20 of 21 May 46 addressed President of Council.

Request information as to outcome of this correspondence.

Please see Land Forces S/O. letter 9.006 of 10 July 1946 addressed G.H.Q. copy to you.

321

*R.A. Curtis*

R.A. CURTIS, Lt.Col.,  
For Major General  
M.M.I.A.

*We spoke Curtis - Knively.*

240/100.

See 323.

5262

*(CAPT K)*

Subject: Maintenance Italian Army

LAND FORCES SUB COMMISSION AC  
(H.M.I.A.)

Q.006

10 July 1946.

TO : General Headquarters (3)  
C.M.E.

316 JUL 11 1946

Reference is made to your LRD/81/3D of 6 June 46 (in particular para 2(a)).

1. The Ministry of Supply has again been approached with the object of ascertaining what maintenance items the War Ministry are likely to obtain from that source.

They confirm that the position as outlined in Q.006 of 2 April 46 (copy attached at Appx "A" for easy reference) is unchanged.

2. As your letter under reference makes specific reference to "lethal equipment" it is again urged that this term may be accepted as including all items detailed in para 5 of Appx "A".

3. It is understood to be your policy that military stores "surplus to military requirements" shall be offered to the Italian Government and it is agreed that in theory the needs of the Italian Army should be assessed by the Italian Government and that they should receive a due proportion of the total, the balance going to civilian interests.

In practice, if the efficiency of the Italian Army is to be regarded as of importance to the British Authorities it is considered necessary that the reservation made in the case of "lethal equipment" be applied to the items detailed above.

W.P. *W.P. D. L. L.* Colonel  
Major General  
H.M.I.A.

Copy to: Chief Disposals Officer (ITALY)  
Surplus Stores Division,  
MINISTRY OF SUPPLY.

0067

2. As your letter under reference makes apparent, the term "lethal equipment" it is again urged that this term may be accepted as including all items detailed in para 5 of Appx "A".

3. It is understood to be your policy that military stores "surplus to military requirements" shall be offered to the Italian Government and it is agreed that in theory the needs of the Italian Army should be assessed by the Italian Government and that they should receive a due proportion of the total, the balance going to civilian interests. In practice, if the efficiency of the Italian Army is to be regarded as of importance to the British Authorities it is considered necessary that the reservation made in the case of "lethal equipment" be applied to the items detailed above.

*W.F. Pakenham* Colonel  
for Major General  
N.M.I.A.

Copy to: Chief Disposals Officer (ITALY)  
Surplus Stores Division,  
MINISTRY OF SUPPLY.

↙  
A.C. (For Executive Commissioner, - your 9006/309/EC of 21 May refers) 5261

INTERNAL: (3/35)  
GAD  
GHE

*copy*

*8/*  
(107 x)

Appendix "A" to  
6006 of 10.7.45

(CONF)

SUBJECT:- Equipment for Interim Italian Army.

Land Forces Sub Commission AC.,

M.M.I.A.

R O M E

C.O.C.

2 April 1946

TO : G.H.Q.

Reference GHQ letter ESD/81/3 of 27 Mar 46 forwarding Minutes of GHQ Conference held 16 Mar 46. The following information is given:-

1.
  - (a) Since the conference this Mission has again contacted the Chief Disposal Officer, Ministry of Supply in Rome. It appears we may expect no active support from this source in spite of para 12 of AFHQ Directive of 2 Nov 45.
  - (b) This is due to the fact that the Chief Disposal Officer may deal only with ARAR and in practice no priority is given by ARAR to the needs of the War Ministry.
  - (c) In para 8 of the Directive issued by Ministry of Supply HQ Mission on 4 Mar 46 it is stated :-

"The C.D.O. will have nothing to do with any question of equipping the Italian Army. This is the responsibility of MFI and/or the Italian Government. If the C.D.O. intervenes in this field he will be concerning himself with political issues".

2. M.M.I.A. has also interviewed the Director of the Italian Government Disposal Agency (A.R.A.R.) who states that he cannot permit representation from any Italian Ministry, that neither the Ministry of War nor any other Ministry has any priority.

A.R.A.R. is a commercial undertaking representing the Italian Government interests and sells Allied surpluses to the best customer. In the case of Government Departments Treasury credit to the required amount is needed before the "sale" is approved.

1.
  - (a) Since the conference this Mission has again contacted the Chief Disposal Officer, Ministry of Supply in Rome, it appears we may expect no active support from this source in spite of para 12 of ARHQ Directive of 2 Nov 45.
  - (b) This is due to the fact that the Chief Disposal Officer may deal only with ARAR and in practice no priority is given by ARAR to the needs of the War Ministry.
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2.

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A.R.A.R. is a commercial undertaking representing the Italian Government interests and sells Allied surpluses to the best customer. In the case of Government Departments Treasury credit to the required amount is needed before the "sale" is approved.
3.

This offers but little chance to a service Ministry to whom funds are not available. It is apparent that the immediate needs of the Italian Army will not be met from this source. Under reference 9006/235/EC dated 16 Feb 46 the Chief Commissioner advised the head of the Italian Government to give such priority as would ensure the Army is properly equipped. No reply has yet been received.
4.

In view of the above it is more than ever evident that unless material essential to the Italian Army is provided from British surpluses direct to the War Ministry, there will be little chance of having an Italian Army for some time.

/.....5

807-321

- 2 -

319

5. It is therefore recommended (vide Minute 16) that the definition of lethal equipment should be a wide one to include the following and that these should then be made available in such quantities as are necessary :-

- (a) Weapons, ammunition and explosives.
- (b) All instruments for fire direction and control.
- (c) All Army signals equipment.
- (d) All field engineering stores and special equipment
- (e) Appropriate specialist tools, gauges and special maintenance stores (including expendable items) for weapons and technical equipment.
- (f) Spare parts & replacements for weapons & equipment.
- (g) All M.T. vehicles (not only A vehicles previously recorded)
- (h) Makers parts, accessories and associated stores for M.T. vehicles.
- (i) Spares and replacements for the above (including tyres and major assemblies).

6. The earliest possible information regarding the projected "standardisation" of M.T. in the British Army and consequently of the surplus "tanks" likely to be available to the Italian Army is required by this Mission in order that an economical distribution may be effected within the Italian Army with a view to standardisation within Italian formations.

W. PIDSLEY, Colonel,  
for Major General,  
M.M.I.A.

- (n) All M.T. vehicles (not only A vehicles previously recorded)
- (h) Makers parts, accessories and associated stores for M.T. vehicles.
- (i) Spares and replacements for the above (including tyres and major assemblies).

6. The earliest possible information regarding the projected "standardisation" of M.T. in the British Army and consequently of the surplus "makes" likely to be available to the Italian Army is required by this Mission in order that an economical distribution may be effected within the Italian Army with a view to standardisation within Italian Formations.

W. PIDSLEY, Colonel,  
for Major General,  
M.M.I.S..

5259

C O P Y

Tele No. : FREEDOM 254

G(DD) Branch,  
G(DD) CEF

SUBJECT : Maintenance of Lethal Equipment  
for ITALIAN ARMY.

ESD/81/3D

6 June 1946

TO : "G"

COPY TO : ORD

Land Forces Sub Commission AC, (MHA)

1. AFHQ policy is to make available to the ITALIAN Government 12 months maintenance for all equipment, etc provided for the Italian Army in so far as it is available from surpluses (AG.091.711 G(3D)-7 of 2 Nov 45 refers).

2. (a) In the case of NON-lethal equipment, no problem arises since all surpluses will eventually be available to the Italian Government through the medium of the Ministry of Supply.

(b) In the case of lethal equipment however, any maintenance available will either be shipped out of the theatre or demilitarised before handing over to Ministry of Supply unless it is transferred direct to the Italian Army now.

3. It is understood, unofficially, that the War Office has approved AFHQ policy on standardisation on BRITISH weapons as stated in NAF. 1155.

It therefore follows that in order to avoid the necessity for shipment into this theatre at a later date, maintenance for lethal equipment should now be transferred direct as far as available from global surpluses in this theatre.

4. Attached at Appendix "A" is a table showing in coin (e) the requirement for 12 months maintenance at FPC Quiet Rates based on the latest edition of the Staff Tables for the Italian Army.

It is emphasised that this requirement is quite separate from, and additional to any previous requirement.

Will you please investigate availabilities of weapons in PART I - coin (e) and earmark for issue, after completion of initial issues outlined in ESD/81/3D of 25 May 46.

0073

arises since all surpluses will eventually be available to the Italian Government through the medium of the Ministry of Supply.

- (b) In the case of lethal equipment however, any maintenance available will either be shipped out of the theatre or demilitarised before handing over to Ministry of Supply unless it is transferred direct to the Italian Army now.

3. It is understood, unofficially, that the War Office has approved AFHQ policy of standardisation on BRITISH weapons as stated in NAT. 1155.

It therefore follows that in order to avoid the necessity for shipment into this theatre at a later date, maintenance for lethal equipment should now be transferred direct as far as available from global surpluses in this theatre.

- 4. Attached at Appendix "A" is a table showing in coln (c) the requirement for 12 months maintenance at FFC Quiet Rates based on the latest edition of the Staff Tables for the Italian Army.

It is emphasised that this requirement is quite separate from, and additional to any previous requirement.

Will you please investigate availabilities of weapons in PART I - coln (c) and earmark for issue, after completion of initial issues outlined in ESD/81/3B of 25 May 46.

5258

for  
M. W. M. MACLEOD  
Major General,  
Chief of General Staff.

SEL F-321

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

DISTRIBUTION Econ Sect.

3- CEM Br,

1- CSO

2- Spare

1- File

1- ED

1- CC

ALLIED FORCE HEADQUARTERS  
APO 512

317  
Exec Comm.  
ES/5.13

AG 386.3 Q(AE) -0

1 July 1946

SUBJECT: Disposal of Captured Enemy Material in the Mediterranean Theater,  
(To include Italy, Austria, Greece, and Middle East)

TO : General Officers Commanding:  
British Troops in Austria  
Land Forces, Greece  
XIII Corps  
No. 3 District  
Middle East Forces  
Commander, Rome Area Allied Command

1. Letter, this headquarters, file and subject as above, dated 2 October 1945, as amended by letters dated 8 February, 8 March, and 17 May 1946, is further amended.

2. Paragraph 9 g (5). Delete whole paragraph.

3. Paragraph 9 g (6) will be re-numbered to read paragraph 9 g (5).

a. Delete line 1 of this sub-paragraph and substitute therefor:

"All other vehicles, unless earmarked for any particular purpose....."

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

DISTRIBUTION:

20 - Each Addressee  
2 - Combined Chiefs of Staff  
2 - War Department  
2 - War Office (EMI & LMAE)  
4 - C in C Med  
6 - RAF MED/ME  
1 - CAO  
1 - G-2  
4 - G-3 AFHQ  
30 - G-4 MTOUSA  
1 - (Mov & Tr) G-4  
2 - G-5  
6 - Q  
1 - Surg (A)  
1 - Surg (B)  
2 - Engrs (B)  
2 - LRS

2 - Sigs  
3 - Ord (B)  
6 - Ord (B) Ammunition  
2 - RAAC  
1 - TM (B) Main  
10 - ALCOM to Italy  
6 - Land Forces Sub-Commission AC (MMA)  
1 - SAT  
1 - V & RS  
1 - Print & Stationery  
1 - REME  
1 - British Res Min  
1 - POLAD  
2 - Ministry of Supply (C/o Br. Embassy, ROME)

*John R. Hayes*  
JOHN R. HAYES  
Major, AGD  
Asst Adjutant General

1 - LIAISON  
1 - Financial Adviser  
1 - Fiscal Director  
2 - AG Records  
30 - Spares (to Q-2)

5257

3604 46  
316

ALLIED FORCE HEADQUARTERS  
G-5 Section  
APO 512

G-5: 386

11 June 1946

JUN 12 1946

SUBJECT: Surplus Property.

TO : Chief Commissioner  
Allied Commission, APO 794  
(Attention: Executive Commissioner)

315  
9006/EC  
Reference 9006/EC dated 29 May 46.

1. The painting of surplus vehicles some color other than the original service color prior to sale to Italian civilians is not feasible, inasmuch as paint and personnel are not available for this purpose.

2. Identification markings are covered when possible prior to delivery.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A. L. HAMBLEY  
Brigadier General, G.S.C.  
Assistant Chief of Staff, G-5

Action Copy to 9006/EC.

5:00 PM  
seen 5:00 PM  
5:00 PM  
9006/EC

PA  
11/1/46

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

~~178~~ 9006 9006

72  
315

Ref. : 9006/ND

29 May 1946.

SUBJECT: Surplus Property.

TO : G-5 Section  
AFHQ

A report has been received from the Allied Commission Liaison Officer, Liguria, to the effect that jeeps sold to Italian civilians as Surplus Property are being handed over in their original Service colour.

The result is that should any accidents occur, they will immediately be attributed to the Allied Forces, especially as many of the drivers are in possession of battle dress or partial American uniform.

It is suggested that all Surplus Army vehicles are sprayed some colour other than khaki in order that the various Police Forces and civilians may be able to differentiate between civilian owned jeeps and those operated by Allied Drivers.

For the Chief Commissioner:

A. W. Kinsely.

Brigadier,  
Executive Commissioner.

Copy to: Brig. NIXON  
Chief Disposal Officer  
Ministry of Supply (Br.)  
Rome

Copy to: 3604/EC  
FILE 173/EC  
CA Section.

See 7-316

5255

31/5

C O P Y

HQ ALCOM - Col CAMPBELL for ECON SEC

140945B

ALCOM BOLZANO for COLONEL MILLER

3045

UNCLASSIFIED

UNCLASSIFIED

REFERENCE YOUR SIGNAL ABLE CHARLIE LOVE OBOE SLANT BAKER SLANT  
NINE OF ONE ZERO MAY PD ALL MEDICAL EQUIPMENT RELEASED TO CEM  
BRANCH WAS HANDED OVER AND ACCEPTED BY ABLE ROGER ONE FOUR  
MARCH ONE NINE FOUR SIX PD GERMAN PETER WILLIAM WERE ISOLATED  
UNDER TWO DISTRICT ARRANGEMENTS CMA ALL EQUIPMENT AND STORES  
LOCATED IN BLOCK SET APART FOR GERMAN PETER WILLIAM CMA WERE  
RETAINED AS NECESSARY FOR MILITARY REQUIREMENTS IN ACCORDANCE  
WITH AFHQ DIRECTIVE PD NOT UNDERSTOOD WHERE STORES AND MEDICAL  
EQUIPMENT ARE BEING MOVED FROM CMA AS UNDERSTOOD ALL GERMAN  
PETER WILLIAM ISOLATED IN BARBED WIRE ENCLOSURE UNDER GUARD PD  
ANY ACTION NECESSARY SHOULD BE TAKEN WITH OFFICER COMMANDING  
PETER WILLIAM CAMP AND AREA COMMANDER PD ACTION BY CEM BRANCH  
CAN ONLY BE TAKEN AFTER MATERIAL IS RELEASED AS SURPLUS TO  
MILITARY REQUIREMENTS

Internal Distribution  
Ex Commr.  
Disper,  
Econ.

IMPORTANT

CEM BRANCH

288

SEXSON E. HUMPHREYS  
CWO, USA. 5454  
Lt. Colonel, Asst. Adjutant.

see M 312, 314

(CART K)

9006 ~~AD~~  
ALLIED FORCE HEADQUARTERS  
AFS 512

ES/8.13  
Ep. Comm.  
310

AG 386.3 Q (AFS) - O

17 May 1946 MAY 21 1946

SUBJECT: Disposal of Captured Enemy Material in the Mediterranean Theater,  
(To include Italy, Austria, Greece, and Middle East)

TO: General Officers Commanding:  
British Troops in Austria  
Land Forces, Greece  
VIII Corps  
No. 2 District  
No. 3 District  
Middle East Forces  
Commanding General, Rome Area Allied Command, APC 894,

Amended 21/5/46 ltr. 4/48. 138  
Letter, this headquarters, file and subject as above, dated 2 October 1945, as amended by letters, this headquarters, file AG 386.3 Q (AFMS) - C, dated 8 February and 8 March 1946, is further amended as indicated below:

- a. Delete entire paragraph 12, entitled "REPORTS" ✓
- b. Paragraph 13 will be re-numbered as paragraph 12.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

*John R. Hayes*  
JOHN R. HAYES  
Major, AGD  
Asst Adjutant General

DISTRIBUTION:

- 20 - Each Addressee
- 20 - CO, PEG, APC 762
- 2 - Combined Chiefs of Staffs
- 2 - War Department
- 2 - War Office (IMI AND IMAE)
- 4 - C in C MED
- 6 - RAF MED/ME
- 1 - GAO
- 1 - G-2
- 1 - G-3 OPS
- 2 - G-3 ORG
- 1 - G-3 AMO
- 30 - G-4 (A)
- 2 - G-4 (B)
- 1 - G-4 (Mov and Tr)
- 2 - G-5

(CAPT K)

See 317

5200/1/1/1  
PA  
22/5/46

Ltr. AFHQ, APO 512, file AG 386.3 Q (AE) -C,  
dated 17 May 1946 (Cont'd)



- 6 - Q (AE)
- 4 - OM
- 2 - Q (Maint)
- 1 - PET
- 1 - Coal Sec
- 1 - Surg (A)
- 1 - Surg (B)
- 2 - Engrs
- 2 - Sigs
- 3 - ORD (B)
- 6 - ORD (B) Ammunition
- 2 - ORD (A)
- 1 - TN (A)
- 1 - CWS
- 2 - RAAC
- 1 - TN (B)
- 10 - Allied Commission to Italy
- 6 - Land Forces Sub Commission AG(MFLA)
- 1 - V and RS
- 1 - Print and Stationery
- 4 - Salvage
- 1 - REME
- 1 - British POLAD
- 1 - US POLAD
- 1 - IMES
- 1 - Liaison
- 2 - Ministry of Supply (c/o British Embassy Rome)
- 2 - CELE (Rome)
- 1 - Financial Advisor
- 1 - Fiscal Director
- 2 - AG Records
- 30 - Spares (to Q(CEMS))

HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

Ref: 9006/309/SG.

*Spoke to  
R. Santorini  
3/6/46*  
21 May 1946.

My dear Mr. Prime Minister:

I have to acknowledge receipt of your 685/12060.441/19.8 of 3 May 46. (297) (303)

I fear that I cannot consider the position as satisfactory. From correspondence between A.R.A.R. and the War Ministry dated 29 March 46 (reference ARAR/1E/8307/Sbg) and 23 April 46 (reference War Ministry 208966/II) it would appear that the War Ministry is not receiving sufficient material aid from this source.

It appears that the War Ministry will obtain nothing from A.R.A.R. unless Treasury approval is first obtained and further that A.R.A.R. refuse to "freeze" material considered by the War Ministry of value to them pending a Treasury decision.

I agree that my suggestion to include in the A.R.A.R. organization direct War Ministry representation would not longer appear desirable.

I would ask, however, for an assurance that the needs of the Italian Army will be given the consideration justified by their importance so that the efficiency of the Italian Army may be maintained.

It is a matter of concern to see a deterioration of the Army resulting from lack of maintenance.

I will give one example. On 8 Nov 45 the War Ministry under reference 25184/DL requested the Ministry of Industry and Commerce to allocate a proportion of tyres and tyre repair facilities to the Army. In spite of frequent reminders no results have been achieved.

The transport of both Army and CO. RR. is reduced to a dangerously low level and lack of tyres is a serious contributory factor.

The percentage of tyres received by A.R.A.R. from Allied surplus stocks which have been released to the War Ministry are insufficient to remedy the present position.

The War Ministry require:

- (a) adequate repair facilities;
- (b) the release of tyres listed at Appendix "A".

May I have your assurance that this assistance will be given and a copy of any instructions which may be issued to the Department concerned.

Very truly yours,

*5252*  
/s/ Ellery W. Stone

Dr. Alcide de Gasperi,  
President of Council of Ministers,  
Italian Government, ROME

ELLERY W. STONE,  
Rear Admiral, USMC  
Chief Commissioner

Copy to: Land Forces S/C (Ref Q.006 of 17 May 46)

6. Comm.

Ref 321

xt

Declassified E.O. 12356 Section 3.3/NND No. 785017APPENDIX "A" to Ref: 90 /309/EC  
dated 21 May 1990

309A.

TUBES REQUIRED BY WAR MINISTRY FOR ARMY AND CO. RR.

| <u>Size.</u>                            | <u>Covers</u> |                | <u>Tubes</u> |                |
|-----------------------------------------|---------------|----------------|--------------|----------------|
|                                         | <u>Now</u>    | <u>Monthly</u> | <u>Now</u>   | <u>Monthly</u> |
| 325 x 19                                | 500           | 50             | 500          | 50             |
| 350 x 19                                | 2000          | 200            | 2000         | 200            |
| 400 x 15/425 x 15                       | 500           | 50             | 500          | 50             |
| 500 x 15                                | 2500          | 250            | 2500         | 250            |
| 550 x 15                                | 1800          | 180            | 1800         | 180            |
| 400 x 17/426 x 17/<br>450 x 17/430 x 40 | 1600          | 160            | 1600         | 50             |
| 600 x 16/440 x 40                       | 500           | 50             | 500          | 50             |
| 140 x 40/165 x 400                      | 500           | 50             | 500          | 50             |
| 11 x 45                                 | 100           | 10             | 100          | 10             |
| 700 x 18                                | 1000          | 100            | 1000         | 100            |
| 32 x 6/34 x 7                           | 3600          | 360            | 3600         | 360            |
| 210 x 20                                | 8000          | 800            | 8000         | 800            |
| 270 x 20/38 x 9/1050<br>x 20            | 3500          | 350            | 3500         | 350            |

98-9036

306

M. M. I. A.

# ROME

2.006

17 May 1946

MAY 17 1916

TO : Allied Commission (for Executive Commissioner).

Reference is made to 68504/12060.441/19.8 dated 3 May 46 received by you from the Prime Minister in reply to your 9006/235/EC dated 16 Feb 46.

11. This does not give you the full facts nor represent the situation as it exists today.

The letter from the War Ministry referred to (206458 dated 29 Mar) was followed by correspondence copies attached at Appendices "A" and "B". Note reply at "A" comes from the offices of A.R.A.R. The War Ministry wrote again on the 23 Apr 46 (Appendix "B"), this time to A.R.A.R. with a copy to the Council of Ministers.

This gist of this correspondence is that the War Ministry will obtain nothing from A.R.A.R. unless treasury approval is first obtained and further that A.R.A.R. refuse to "freeze" material considered by the War Ministry of value to them pending a treasury decision.

2. Further to this H.Q. letter Q.207 of 6 May 46 and with reference to above a draft letter to the Prime Minister is forwarded for consideration.

Major General,  
M.M.I.A.

This gist of this correspondence is that the War Ministry will obtain nothing from A.R.A.R. unless treasury approval is first obtained and further that A.R.A.R. refuse to "freeze" material considered by the War Ministry of value to them pending a treasury decision.

2. Further to this H.Q. letter Q.207 of 6 May 46 and with reference to above a draft letter to the Prime Minister is forwarded for consideration.

Major General,  
M.M.I.A.

Copy to:- Q.207

RAC/ar

be 309.

5.50

$\frac{1}{2} (CAP K)$

## TRANSLATION

FROM : A.R.A.R.  
 TO : Ministry of War  
 and to MILA (for info.)  
 REF : APAR/IE/8307/Sbg  
 DATE : 29/3/46

SUBJECT : Assignment of war salvage to the Armed Forces.

With reference to letter 206458 of the 9 ult., this Establishment considers it necessary to point out as follows :-

(a) We agree with the proposal made in para.2, i.e. that the Military Commands will arrange for the withdrawal of materials formerly belonging to the War Administration, which are recognised as such without any dispute by the local representatives of the APAR, and will signal to the various Directorates General of your Ministry information regarding the material of which it is not possible to affirm without dispute, military ownership.

(b) The proposal advanced in para 4 does not seem advisable to this Establishment since direct cession on the part of the Allied Command to representatives of War Ministry before the Depots are handed over to the APAR would have the disadvantage of making the Allies deal with two Departments instead of only one and would definitely cause a delay in the handing over of the Depots to the APAR.

(c) We have no comments to make on the proposal put forward in para 5, i.e. that the provincial Departments of the APAR, as soon as a Depot has been handed over to them by the Allies will send a list of materials contained therein to the Local Military Territorial Command and subsequently arrange to forward this list to the Directorate General of the Arar, pointing out explicitly the materials asked for by the Military Command for purchase or because identified as belonging to the Military Administration.

(d) It does not appear advisable to this Establishment to hold "frozen" (as proposed in the last part of para 4) the materials the purchase of which has been requested by our Ministry. In fact, to keep such materials frozen in the Depots would mean a delay in the normal development of the operations which this Establishment must carry out, and consequently delay the introduction on to the market of materials which could be of the greatest use in National reconstruction.

The difficulty would then be increased most appreciably if we had to extend this procedure to all other Administrations of the State. This Establishment, therefore, would not freeze the materials which it

(b) The proposal advanced in para 4 does not seem advisable to this Establishment since direct cession on the part of the Allied Command to representatives of War Ministry before the Depots are handed over to the ARAR would have the disadvantage of making the Allies deal with two Departments instead of only one and would definitely cause a delay in the handing over of the Depots to the ARAR.

(c) We have no comments to make on the proposal put forward in para 5, i.e. that the provincial Departments of the ARAR, as soon as a Depot has been handed over to them by the Allies will send a list of materials contained therein to the Local Military Territorial Command and subsequently arrange to forward this list to the Directorate General of the Arar, pointing out explicitly the materials asked for by the Military Command for purchase or because identified as belonging to the Military Administration.

(d) It does not appear advisable to this Establishment to hold "frozen" (as proposed in the last part of para 4) the materials the purchase of which has been requested by our Ministry. In fact, to keep such materials frozen in the Depots would mean a delay in the normal development of the operations which this Establishment must carry out, and consequently delay the introduction on to the market of materials which could be of the greatest use in National reconstruction.

The difficulty would then be increased most appreciably if we had to extend this procedure to all other Administrations of the State. This Establishment, therefore, would not freeze the materials which it is desired to purchase and therefore all the relative negotiations would have to be dealt with urgently so that the necessary decisions could be taken before the said materials were sold to the public. Naturally this representatives of Your Ministry in order that the requirements of the Establishment would arrange to give the maximum collaboration to the Military Administration may be satisfied.

Sgd. SOLARI  
Director General

Appendix "B"

TRANSLATION

REF : 208960/II

DATE : 23 April 1946

FROM : WAR MINISTRY

TO : Direzione Generale ARAR  
copy to: Presidenza del Consiglio dei Ministri  
Land Forces Sub Commission A.C.

ref. your letter 1/E/8307/Sbg. dt. 29th.ult.

1 I deem it right that the realization of the proposition made by this Ministry with his letter of 9th.ult. sub.no.206458, para 4, namely "the obtaining from the Allied Authorities of military materials should be a direct transfer to the military authorities before the stocks are handed over to the ARAR", does not represent any inconvenience.

It is therefore, above all, necessary for the selection of W.D. material to take place in order to avoid the withdrawal and payment by the ARAR of materials for which the Supreme Allied Authorities have already granted the free recovery.

2 If it is wished for the Army to have any profit by purchasing material from this Institute, it is necessary to block the materials requested by the Military Territorial HQ's, awaiting the approval of the purchase. Otherwise, being in competition with private and civilian firms which have the privilege of deciding immediately the purchases, this Department would have only the materials not required by other agencies. The result of slight delay will not bring serious disadvantages.

However, instructions will be given so that decisions concerning the purchases may be taken with the shortest delay.

sgd. The Minister

303  
DRAFT

ALLIED COMMISSION TO PRIME MINISTER

*My dear P.M.*  
SUBJECT:- Maintenance of Italian Army.

*Then to be known as maintenance.*  
Reference your 68504/12060.441/19.8 of 3 May 45.

1. It is not considered that the position ~~is at all~~ satisfactory as from correspondence between A.R.A.R. and the War Ministry dated 29 Mar 46 (reference ARAR/1E/8307/Sbg) and 23 Apr 46 (reference War Ministry 208960/II) it would appear that the War Ministry is not receiving sufficient material aid from this source.

2. It appears that the War Ministry will obtain nothing from A.R.A.R. unless treasury approval is first obtained and further that A.R.A.R. refuse to "freeze" material considered by the War Ministry of value to them pending a treasury decision.

3. I agree that my suggestion to include in the A.R.A.R. organisation direct War Ministry representation would no longer appear desirable.

*would only be for*  
I wish however an assurance that the needs of the Italian Army are being given the consideration justified by their importance so that and that positive and direct action is being taken by your Government to maintain the efficiency of the Army. *The Italian Army may be maintained*

4. It is a matter of concern to see a deterioration of the Army resulting from lack of maintenance.

I will give one example. On 8 Nov 45 the War Ministry under reference 25184/II requested the Ministry of Industry and Commerce to allocate a proportion of tyres and tyre repair facilities to the Army.

In spite of frequent reminders no results have been achieved.

The transport of both Army and CC.RR is reduced to a dangerously low level and lack of tyres is a serious contributory factor.

The percentage of tyres received by A.R.A.R. from Allied surplus stocks which have been released to the War Ministry are insufficient to remedy the present position.

5. The War Ministry require:-

(a) adequate repair facilities.

52

desirable.

*would like for*  
I wish however, an assurance that the needs of the Italian Army are being given the consideration justified by their importance so that and that positive and direct action is being taken by your Government to maintain the efficiency of the Army. *The War Ministry may be interested*

4. It is a matter of concern to see a deterioration of the Army resulting from lack of maintenance.

I will give one example. On 8 Nov 45 the War Ministry under reference 25184/IM requested the Ministry of Industry and Commerce to allocate a proportion of tyres and tyre repair facilities to the Army.

In spite of frequent reminders no results have been achieved.

The transport of both Army and CC.RR is reduced to a dangerously low level and lack of tyres is a serious contributory factor.

The percentage of tyres received by A.R.A.R. from Allied surplus stocks which have been released to the War Ministry are insufficient to remedy the present position.

5. The War Ministry require:-

- 52:
- (a) adequate repair facilities.
  - (b) the release of tyres listed at Appendix "A" <sup>\*</sup> (see ~~original Appendix to Q207 of 6 May 46~~).

May I have your assurance that this assistance will be given and a copy of any instructions which may be issued to the Department concerned.

*CC* *Chief Commissioner*

*Copy to: C. Commissioner  
L. Jones S/C  
CCW. Bnd*

*- 787*

*\* In your file.*

*See Q207 6 May 46*

0090

0090