

362

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

785015

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

785015

10000/136/414

WAR SURPLUS PROPERTY DISPOSAL  
NOV. 1944 - JAN. 1947

1584

G. M. C. Form 363 (Old No. 490)  
Revised July 26, 1948

4052/CC

Office of the  
Chief Commissioner

# LIST OF PAPERS

File under No. 4052 WAR SURPLUS PROPERTY DISPOSAL

ALLIED COMMISSION

From: 27 Nov 44

## SECRET

Vol. I Page 5

8-6738

SERIAL NUMBER	FROM-	DATE	TO-	SYNOPSIS
49	Cbl FX 72323 SACM	26 Sep 46	CCALA	Suggested move of ASAA to Paris fr incorporation into combined CALA
50	Cbl 9006/337/ EC	28 Sept 46	Prov Comm AMG	Req report on sale of CEM (encl)
51	Ltr Stone 5822/51/EC	10 Oct 46	De Gasperi	Repl parts for surplus motor veh
52	Ltr Walbech	6 Nov 46	AMG VG	Disposal of Amer & Brt Army Stores
53	Ltr 31873.1/15.2	11 Nov 46	CC	Reply to CC ltr of 1 Oct 46
54	Ltr 90583/12060.4 1/19.8 Cappa	23 Dec 46	CC	Consignment of materials to It Govt (of It origin & remvd by Germans)
55	Ltr De Gasperi	2 Jan 46	CC	Transf of war material located in Austria
56	Ltr Stone	6 Jan 46	De Gasperi	Transf of war material located in Austria; reply to ltr of 2 Jan 46

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# Confidential

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U. S. G. Form 373 (Old No. 490)  
Revised July 29, 1948

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Office of the  
Chief Commissioner

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File under No. 4052 WAR SURPLUS PROPERTY DISPOSAL

ALLIED COMMISSION

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of 4

SERIAL NUMBER	FROM -	DATE	TO -	SYNOPSIS
40	Ltr MTOLC Caulkins	21 Jan 46	Walton	Sales of US Surp Prop to Ita Gov
41	Ltr MTOLC Caulkins	6 Feb 46	Walton	Sales of US Surp Prop to Ital Gov
42	Cbl WCL 28447 WAR	28 Mar 46	Econ Sec	Amend of SPA rev reg 8 of Jan 3
43	Ltr McK Key	2 May 46	CC	Forwardind of memo in regard to disposition of air-navigation, communications, & weather facils.
44	Ltr Stone	7 May 46	Key	Ack of ltr of 2 May 46
45	Ltr 147/O/ES	14 Aug 46	Econ Sec	Surplus Army Stores - AMG VG & Uan
46	Cbl G 63487 CMF	16 Sep 46	Econ Sec	Disposal of assets by ARAR
47	Cbl 5006 CEM Brnch	21 Sep 46	CNF	Disposal of assets by ARAR
48	Cbl C 64666 CMF	25 Sep 46	Troopers	Acceptance of surplus fixed assets by ARAR fr It Govt.

INSTRUCTIONS.—When papers on a subject have more than one number, they will be numbered serially and brief entries made on this form.

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Office of the Chief Commissioner

ALLIED COMMISSION

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SERIAL NUMBER	FROM	DATE	TO	SYNOPSIS
26a	Parri	19 Oct 45	Stone	Please sell surplus wood barracks to Italian Gov't.
26b	Parri	20 Oct 45	Stone	Manner of Payment of Am. wreckage.
26c	Cbl C 30979 MTOUSA	23 Oct 45	PBS	Stevedoring Equip. Auth. issue to AC.
27	6630/A.G.. Infante	27 Oct 45	Stone	Per support for War Surp. Purchases.
27a	Ltr CAO/214/6 Duff	20 Oct 45	CC AC	Disposal of captured Enemy Material Ital
28	Cbl CG/279, Disthree	3 Nov 45	Q 56 AREA	Dismantling hutting at ATRIPALDA.
28a	Memo Army-Navy Liq. Caulkins	3 Nov 45	Stone	Sale US surplus property Italian Gov.
29	5.08/ES Cleveland	5 Nov 45	Stone	OANLC Catalogue No. I, 15 Sept. 45.
29a	AG 386.3 Q(AF)-0 AMAR	27 Oct 45	All Conce	Disposal captured enemy material
30	WMD/3c/203 Stone	7 Nov 45	Hq AC LIF/SC	Recovery of Italian Army property.
31	Ltr 7.03/ES Stone	7 Nov 45	Parri	CC endorses and fowards approval of sale of wood barracks to lt. Gov't.
32	Ltr 7.03/ES Stone	7 Nov 45	AFHQ	Emergency dis. of surplus wood barracks
33	Ltr ES/5.08 Stone	14 Nov 45	Infante	In support of surplus material purchase
34	MEMO-AC EC Sect Col Walton	15 Nov 45	AFHQ see Dist	Procurement of Surplus Property.
34a	Ltr AC/5706/IND Penings	16 Nov 45	PBS Leghorn	Lumber
35	Ltr 7002/A.G. Infante	19 Nov 45	Stone	Tnx for Ltr re request of "Fratelli delle Scuole Cristiano".
35a	Ltr MFOIC	26 Dec 45	Walton	Sales of US Surp. Prop. to Ita. Gov.
35b	Ltr CAO/260 Duff	7 Dec 46	CC	Dispos. of Surp Eks. , Building Mats.
36	Cbl NTCLC 350 OFLC	28 Dec 45	CC	Aviation Sales Italy
36a	Memo Duff	10 Dec 45	CC	Surplus Barracks and Building Material
37	Cbl 113 ALCOM	10 Jan 46	AFHQ	Surplus barracks and building materials
37a	Ltr 5109 Dickens	16 Jun 46	Off of CC	Ital Govt elect of Sub-agents for surp.
38	Ltr ES/51/3 Stone	19 Jan 46	Gasperi	Disposal of enemy materials ARAR
39	Cbl WARX95201 AFHQ	1 Feb 46	ALCOM Rome	Combat material for foreign countries

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Page 2

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
14	Cbl, Antolini	28 Apr 45	State, FEA	Info requested covering duties/resp as FEA Sp Rep in re War Surplus Disp... UNRRA participation in surplus, etc.
15	DO Ltr, Stone	30 Apr 45	Spofford	Antolini asked State, FEA, for info on duties/resp in re War Surplus Disposal.
16	Memo, Stone	1 May 45	Antolini	Advise what reply rec'd to cbl.
17	Memo, Stone	26 May 45	Antolini	Mead Committee interested in disposal of surplus property, pls have answers.
18	Cbl Antolini	7 Jun 45	State, FEA	Info requested on duties/responsibilities as FEA Sp Rep on War surplus disp.
19	Cbl State, FEA, 990	14 Jun 45	FEA Rome	FEA responsibilities on surplus property disposal.
20	1.57/ES, McKinley	19 Jun 45	CC	FEA Rep responsibilities on surplus property disposal.
21	CC 4052, Stone <b>331</b>	21 Jun 45	Spofford	FEA REP responsibilities on surplus property disposal.
22	Mr Cleveland fr Wash.	7 Jul 45	AG Econ	Progress Report No. 3 - disposal of surplus property - US Policy.
23	Telecommunications Rpts	6 Sep 45		"Army declares 2 radiotelegraph transmitters at Naples surplus."
24	MCOUSA Circular No. 111	14 Sep 45		Disposal of surplus Army installations and de-reqn of real estate - directive.
25	Cbl CCS, COM-224	26 Sep 45	AC, AFHQ, BOS	Procedure for purchase of surplus property.
26	Memo, Stone	8 Oct 45	Exec. Commr	Requesting translation of agreement to hand over surplus war material to It Gov

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Office of the  
Chief Commissioner

ALLIED COMMISSION

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SECRET

Page 1

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1	Ltr 203/2/COS Lush	27 Nov 44	Est & EconS	Re draft of memo on war property disposal handling, re atchd. INCL: Memo dtd 23 Nov 44 on war surplus property disposal. FEA designated.
2	SECSTATE Circular	18 Jan 45	Brown	Re instruction already recvd on disposal of surplus property. Details.
3	AC Priorities Board	10 Feb 45		Bulletin #2 Salvage, Scrap, etc
4.	AFHQ Admin Memo #8	14 Feb 45		Disposal of Surplus Property. Formation of Committee.
5	AC Econ Sec Memo	12 Mar 45		Draft, Procedure for Handling Disposal of Salvage, Scrap, etc. A/P A.
6	Ltr Taylor	16 Mar 45	Stone	For info. INCL: Ltr Taylor to Alexander 16 Mar 45 Request for disposal of scrap to It Govt
7	Ltr CC 950 Stone	17 Mar 45	Taylor	Tnx for yr ltr 16 Mar 45.
8	Ltr ES/5.10 Stone	21 Mar 45	Hq PBS	Disposal of Salvage & Scrap. Recommendations for specific procedure.
9	Ltr ES/5.10 stone	21 Mar 45	G-5 AFHQ	Procedure for surplus disposal. Proposals for coordination.
9a	Ltr, Macmillan	27 Mar 45	CC	Disposal to Relief Organizations.
10	Ltr Taylor	28 Mar 45	Stone	A/CAO AFHQ explains disposition of surplus war property. INCL, Ltr 118/CAO, Hamblen, 25 Mar 45.
800				
11	AC Priorities Bd.	28 Mar 45		Fifth Meeting, 20th March 45, Minute No. 5: Salvage Clothing.
12	Draft Aide Memoire	10 Apr 45		Draft USG-IG Agreement for disposal of US surplus property (supplies & Movable equipment) to It Govt.
13	Army-Navy Liquidation Comm., Field Comm.	14 Apr 45	Stone	4th Draft USG-IG agreement for disposal US surplus supplies & movable equipment to IG.

CONFIDENTIAL



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6 January 1946

My dear Dr. De Gasperi:

I wish to acknowledge your letter 55

of 2 January concerning the negotiations now in progress between the Italian War Ministry and MIA concerning the transfer of certain war-material now located in Austria. You may be assured that I shall give my support to this project.

Very sincerely yours,

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

4052/46

854

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

(56)

TRANSLATION

THE PRESIDENT OF THE COUNCIL OF MINISTERS.

Rome, 2 January 1947.

Dear Admiral,

The Italian War Ministry is negotiating with M.M.I.A. about the transfer of a considerable part of war-material now located in Austria.

I should be very grateful to you if you would support and facilitate these negotiations that the Italian Government regards with keen interest.

Yours truly,

(s) De Gasperi.

858

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Admiral Ellery W. Stone  
Chief Commissioner  
Allied Commission  
Rome.

SPARES  
4052/LL

TRANSLATION

THE PRESIDENT OF THE COUNCIL OF MINISTERS.

Rome, 2 January 1947.

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857

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Admiral Ellery W. Stone  
Chief Commissioner  
Allied Commission  
Rome.

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855

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Chief Commissioner  
Allied Commission  
Rome.

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Yours truly,

(s) De Gasperi.

835

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Admiral Ellery W. Stone  
Chief Commissioner  
Allied Commission  
Rome.

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Rome, 2 January 1947.

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Yours truly,

(s) De Gasperi.

Admiral Ellery W. Stone  
Chief Commissioner  
Allied Commission  
Rome.

see [56]

405-2/22

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*Il Presidente  
del Consiglio dei Ministri*

Roma, li 2 - 1 - 1946

Caro Ammiraglio,

il Ministero della Guerra Italiana è in trattative con la M.M.I.A. per la cessione di una cospicua aliquota del materiale di armamento esistente in Austria.

Le sarei molto grato se Ella potesse appoggiare e facilitare il perfezionamento di tali trattative, che il Governo Italiano segue con interesse.

Con molti cordiali saluti

857

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Ammiraglio ELLERY W. STONE  
Capo della Commissione Alleata

R O M A

55

C.C.

TRANSLATION

THE UNDERSECRETARY OF STATE TO THE  
PRESIDENCY OF THE COUNCIL OF MINISTERS

90583/12060.44.1/19.3

Rome, 23 December, 1945.

Dear Admiral,

Thank you for your letter dated 3 December, 1945, CEM/30/366, addressed to the President of the Council of Ministers, regarding the necessity for the Italian Government of indicating a firm or agency charged with the consignment of the inventories of machinery belonging to Italian firms, removed by the Germans, and, subsequently, returned directly to industrial firms of Northern Italy by the Allied Command.

After meetings with the competent authorities of the Administration, the Government has decided to appoint A.R.A.R. to take over these inventories on behalf of the Government itself, and A.R.A.R. will issue the respective receipts. At the same time it will be necessary to transfer to A.R.A.R. the receipts of the consignee firms for eventual future contests regarding ownership of single pieces of machinery.

11052/46

We would be grateful if you will kindly inform CEM-Branch that as this material is of Italian origin and removed by German Armed Forces, it comes under note CEM/95 - 1 - 24, dated 10 April 1945, and any future debit to the Italian Government is excluded.

It is indispensable to specify this, as the Italian Government must register for said machinery, which is returned directly to the presumed owners by the Allied Command without, without intervening.

Very sincerely yours,

(s) Cappa.

Avv. Paolo Cappa.

853

E.C. DIST. 28/12/46

Admiral Elery W. Stone  
Chief Commissioner  
Allied Commission  
Rome.

ACTION - EION DIV  
(CEM Branch)  
INFO - C.C.

54

cc has seen  
on 27 Dec



TRANSLATION

THE UNDERSECRETARY OF STATE  
TO THE PRESIDENCY OF THE COUNCIL OF MINISTERS

31373.1/15.2

Rome, 11 November 1946.

Dear Admiral,

I assure you that I have informed the Administrations concerned of the opinion expressed by you, following the suggestion of the U.S. War Department, in the note No. 5322/61/AC of 1 October 1946, regarding the procedure for the request of spare pieces for the motor vehicles purchased as surplus material of the American Armed Forces.

51

Very sincerely yours,

/s/ Paolo Cappa

4052/10

Admiral Ellery W. Stone  
Chief Commissioner  
Allied Commission  
Rome.

✓  
E.C. Dist.  
Action: Ev Com  
Info: CC

851

57

CC

TRANSLATION

THE UNDERSECRETARY OF STATE  
TO THE PRESIDENCY OF THE COUNCIL OF MINISTERS

31873.1/15.2

Rome, 11 November 1946.

Dear Admiral,

I assure you that I have informed the Administrations concerned of the opinion expressed by you, following the suggestion of the U.S. War Department, in the note No. 5822/61/EC of 1 October 1946, regarding the procedure for the request of spare pieces for the motor vehicles purchased as surplus material of the American Armed Forces.

Very sincerely yours,

/s/ Paolo Cappe

853

Admiral Ellery W. Stone  
Chief Commissioner  
Allied Commission  
Rome.

Spare  
4052/6

EC Dist 14/11/46

Action : EC

Info : CC

NOV 7 1946

*c.c.*

HEADQUARTERS ALLIED COMMISSION  
APO 798  
ECONOMIC DIVISION

JRBW/sgl

Ref:

November 1946

SUBJECT: Disposal of American and British Army Stores.

TO: Allied Military Government, Venezia Giulia.

Reference No. 130/AMG/So. 16/932 of letter dated 28 September 1946.

1. Your letter on the above subject, copy to AFIA, was referred to AFIA.
2. The present system of disposal of surplus Allied vehicles is directly to the Italian Government through AFIA. However, in Italian Government territory, AMG disposes of war surplus vehicles directly to private firms and individuals. It is not clear to this Headquarters for what reasons 1000 jeeps, 200 Staff cars and 250 trucks miscellaneous, are required in connection with the supply situation.
3. AMG has informed this Headquarters, they would need to obtain authority of the Combined Chiefs of Staff accompanied with full justification based on "Disease and Unrest" formula before approaching the Services to release Theater surpluses direct to AMG. Also, AMG 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, AFIA 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 AMG 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 furniture in question

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has been awarded as war booty.

FOR THE CHIEF COMMISSIONER:

J. G. B. WALDACH  
Colonel GSC  
Director

copy: Chief Commissioner  
Executive Commissioner

818

52

CC

HEADQUARTERS ALLIED COMMISSION  
Office of the Chief Commissioner  
APO 394

Ref: 5-22/61/13

1 October 1946

My dear Mr. Primo DiStefano,

I have been requested by the Headquarters, Mediterranean Theater of Operations, United States Army, to inform you that the agencies of your Government which have purchased surplus Army motor vehicles have desired to procure any replacement parts for the maintenance of these vehicles. Since the parts desired were not available from Army surpluses, a request was made to the U. S. War Department to make arrangements in the United States so that your agencies could order the required parts direct from the manufacturers. It was also requested that if this arrangement could not be worked out by the War Department, then the manufacturers be asked as to the terms they would require for furnishing drawings and specifications of the required parts to your Government agencies in order that these items might be locally manufactured in Italy.

The reply from the War Department stated that it was desirable for normal commercial channels of trade to be re-established between the United States and Italy, and for that reason it was suggested that your Government should make their inquiries through commercial channels for the purchase of all vehicular spare parts that are not available from Army surpluses in this theater.

I am therefore advising you that your requests for prices and orders for actual delivery of spare parts should be submitted to the proper United States manufacturer and that proper United States part number and descriptive nomenclature must be used. Additional assistance is prepared to give your agencies assistance in determining the proper manufacture and part numbers and nomenclature to be used in correspondence on this subject.

Very truly yours,

/s/ Elery W. Stone  
Major General, USA  
Chief, Ordnance Section

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

Copy to: HQ AFMUSA  
AFMA

81

See [13]

4052/100

(51)

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

Ref. : 9006/357/30

28 September 1946

SUBJECT: Transactions C.E.M.

TO : Provincial Commissioner  
AMC  
Udine.

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 AMC directive AG 386.5 Q (AE)-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 realized 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. J. Carr* Brigadier,  
Executive Commissioner.

845

Encls. as above.

Copy to: C.E.M. Branch

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SEP 30 1946

CC

Ref. : 9006/338/EG

27 September 1946.

SUBJECT: Transaction CEM.

TO : SCAD AMG XIII CORPS.

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 AMG, UDINE, otherwise than in accordance with AFHQ directive AG 386.3 Q(AM)-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 AMG VENEZIA GIULIA.

BY COMMAND OF REAR ADMIRAL STUBBS:

*M. E. Lan*  
Brigadier,  
Executive Commissioner.

Copy to: C. E. M. Branch

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Encl

FX 72323  
SEPT 261315 B

H/6846  
SEPT 271500 B  
ROUTINE

SIGNED SACRED CITE PHGEG K  
WBS FOR CCALA, INFO: ALCOM ROME FOR ASAA USPET FOR G-5

CONFIDENTIAL

CONFIDENTIAL.

Ref conversation Majors KERR-FALIPSCHEK

Subject is suggested move of Allied Supply Accounting Agency to PARIS for incorporation into combined Civilaffairs Liquidating Agency.

1. Billing and accounting for supplies to Italian Armed Forces could be handed over to Army providing supplies.
2. Accounting for A) Pol deliveries to Italian economy after 31 August your 5, B) Billing of Vatican, C) Cost of rehabilitation of Italian State Railways, need not influence final decision as they are not current liabilities but problems awaiting final settlement which can as well be dealt with in PARIS as elsewhere.
3. Billing and accounting for supplies to VENEZIA GIULIA and UDINE after 30 November 45 is a current liability with unknown cutoff date. Considered here that by strengthening Supply Accountin Branch in VENEZIA GIULIA and UDINE that their accounts could as well be submitted to PARIS as ROME after say 1 January 47.
4. If you object to taking on a current liability like VENEZIA GIULIA or UDINE, not considered that any useful purpose served in transferring ASAA or any of its functions to PARIS USA agency is now scaled down to minimumtable of organization war establishment consistent with efficient working.
5. These are our views but would be glad to discuss along with all other problems effecting ASAA with Mister MOORE C. MCINTOSH if the can visit ROME.

CONFIDENTIAL

(over)



C 64666  
SEPT 251720B

H/6836  
SKPT 261800B

ROUTINE

AMHQ & GHQ CMB  
TROOPERS , INFO: ALCON CLAIMS & HIRINGS ROME FOR INSPECTOR OF LANDS

see 

46
47

UNCLASSIFIED:

Ref recent conversation in London Col ROBERTSON Lt Col FIELD. Subject is acceptance of surplus fixed assets by Arar for Italian Government.

1. Italian Government agency Arar State they are not prepared to accept all our surplus fixed assets. Commercial Councillor H.B.M. Embassy Rome confirms that no agreement exists which requires them to do so.
2. We are replying to a written query on following lines.  
(A) Our procedure is based on War Office instructions. Vide your 16/ABD/2458 of 16 November 46. (B) Italian Government when disposals commenced requested AMHQ to ensure that our disposals were effected through an Italian State Agency and not through individuals. (C) Italian Government nominated Arar as this agent.
3. Despite our reply as in 2 it is thought Arar will maintain present attitude which will mean complete standstill on disposal Majority fixed assets. This most undesirable in view planned rundown therefore request you take energetic action with Foreign Office to produce agreed procedure.
4. For claims and hiring S Rome. Ref your OCIB/307/2 of 20 August reply to Arar on lines of 6752/1002 of 31 August and para 2 above.
5. For Alcom. Your 5006 of 21 September refer.

4052

AC DIST

INFO ACTION : C 2 B 2 INFO: CHIMP COMMISSIONER ECON 2 FILE FLOAT 2

48

3

6624

REF ALDOR CDS BRANCH

SEPT 211030 B

ASST. CH. CDF

5006

UNCLASSIFIED

UNCLASSIFIED

46

REF YOUR CASE 63487 OF 16 SEPTEMBER SUBJECT ARAR AND YOUR LETTER 6752/10/92

31 AUGUST PD COMMODORE BRITISH EMBASSY ADVISES ARAR WITHIN RIGHTS IN REFUSING TAKE OVER ASSETS WHICH HAVE NO INSTRUCTIONS FROM ITALIAN GOVERNMENT PD

MINISTRY OF SUPPLY WHICH DEALS ONLY WITH MOVABLE ASSETS NEGOTIATED AGREEMENT WITH ITALIAN GOVERNMENT WISHED ARAR APPOINTED WILL AGREE FOR SUCH ASSETS PD BRITISH EMBASSY CONSIDER NEW AGREEMENT NECESSARY REGARDING DISPOSAL FIXED ASSETS PD LETTER FOLLOWS PD

4052/92

see 48  
47

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*[Handwritten signature]*

*[Handwritten signature]*

IMMEDIATE

CDS BRANCH

PAUL COLE  
1st Lt, Air Corps  
Assistant Adjutant

147

C 63487  
SEPT 161843 B

H/6624  
SEPT 170930  
ROUTINE

AFHQ FROM ~~XXX~~ Q GHQ CMT  
ALCOM, INFO: CLAIMS AND HIRINGS ROME

UNCLASSIFIED.

Subject ARAR my 6752/10/Q2 of 31 August. In view early move this HQ and subsequent reorganization essential matter dealt with earliest If no reply received above letter by 23 September will reply on lines indicated.

	<u>AC DIST</u>
ACTION	ECON 2
INFO	CHIEF COMMISSIONER
	CLAIMS
	FLOAT 2
	FILE

*4052/20*

8 1/2

*see* 47  
48  
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AUG 23 1946

HEADQUARTERS ALLIED COMMISSION  
APO 794  
ECONOMIC SECTION

14 August 1946.

Ref. 147/C/ES

SUBJECT : Surplus Army Stores

TO : Economic Section  
AMG, 13 Corps

1. Reference your 13C/AMG/Es.10/517 of 7 June and  
13C/AMG/Es.10/598 of 27 June 1946.

2. For your information a copy of letter AFHQ/G-5/  
VG/1000/ES of 6 July 1946, is forwarded herewith.

FOR THE CHIEF COMMISSIONER:

GILBERT M. MELVIN  
1st Lt. Inf. (Arm'd)  
Venezia Giulia/Udine  
Supply Opers. Branch

*4652/a*

*3*

Incl: 1 letter

840

*Ex Comm  
cc ✓*

*(45)*

ALLIED FORCES HEADQUARTERS  
G-5 Section  
APO 512

Ref : AFHQ/G-5/VG/1000/ES

6 July 1946.

SUBJECT: Surplus Army Stores - AMG Venezia Giulia and  
Uaine Province.

TO : Chief Commissioner,  
Allied Commission,  
APO 794.  
(Attn: Economic Section)

Reference your 147/O dated 2 July 1946.

1. Surplus Military stores in this Theatre can only be disposed of as follows:

- (a) Through OFLC, where the stores are of United States origin, and,
- (b) Through C.D.O., Ministry of Supply, where they are of United Kingdom origin.

2. Unless specifically requisitioned by the C.G. as an immediate Military requirement during an emergency, no military stores whatsoever can be furnished AMG territory without the prior approval of the Combined Chiefs of Staff.

3. Further, as all demands for stores must be justified on the "disease and unrest" formula, it is the considered opinion of this Headquarters that better results will obtain by adhering to the present policy, whereby AMG can purchase such military surpluses as they require through Italian Government channels without reference to any other authority.

4. It is regretted that no procedure exists whereby AMG can procure military surpluses direct.

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

A.L. HAMBLEN,  
Colonel GSC,  
Assistant Chief of Staff, G-5

*A Certified True Copy*  
*Gilbert M. Mellin 1st Lt.*

(45)

MEMO 794

7 May 1946

Dear Mr. Key:

Thank you for your letter of May 2nd enclosing a copy of the memorandum presented by your Embassy to the Italian Foreign Office with regard to the disposition of air navigation, communications, and weather facilities in Italy.

Sincerely yours,

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

Mr. David McK. Key,  
Charge d'Affaires, a.i.,  
American Embassy,  
Rome.

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*Handwritten note:* 405015



THE FOREIGN SERVICE  
OF THE  
UNITED STATES OF AMERICA

AMERICAN EMBASSY  
Rome, Italy,  
May 2, 1946.

PERSONAL AND CONFIDENTIAL

Dear Admiral Stone:

For your information I am enclosing a copy of a Memorandum which the Embassy has presented to the Italian Foreign Office with regard to Army and Navy air navigation, air communications and weather facilities in Italy and the desire of the United States Government to dispose of these facilities to the Italian Government as surplus property. The Memorandum is exploratory and is designed to elicit from the Italian Government certain information which the State Department has requested the Embassy to obtain for it.

4/05/46

Sincerely yours,

*David McK. Key*  
David McK. Key,  
Charge d'Affaires, a.i.

Enclosure:  
Memorandum

837

Rear Admiral Ellery W. Stone,  
Chief Commissioner,  
Allied Commission,  
Rome.

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MEMORANDUM.

The immediate closing of most Army and Navy air navigation, air communications and weather facilities is made necessary because of demobilization. The State Department at Washington has been advised that most countries desire to acquire these facilities as U.S. surplus in case the financial commitment is limited and provided that there will be furnished by the United States assistance in training the nationals of the respective countries in the technical features of maintenance and operations.

With a view to accomplishing the foregoing objective, it is the desire of the Department to effect service agreements with each one of the purchasing countries (including Italy) by the terms of which the purchasing government would undertake to operate the facilities in question in accordance with certain specified standards and would provide free service to U.S. aircraft. For the text of the agreement which is contemplated see attached draft as it would be proposed to read in the case of Italy.

Location of the Services Contained, in the case of Italy.

All air navigation, communication and weather facilities in operation or in storage at Cagliari, Bari, Naples, Poggia, Palermo,



in training the nationals of the respective countries.

With a view to accomplishing the foregoing objective, it is the desire of the Department to effect service agreements with each one of the purchasing countries (including Italy) by the terms of which the purchasing government would undertake to operate the facilities in question in accordance with certain specified standards and would provide free service to U.S. aircraft. For the text of the agreement which is contemplated see attached draft as it would be proposed to read in the case of Italy.

Location of the Services Concerned, in the case of Italy.

All air navigation, communication and weather facilities in operation or in storage at Cagliari, Bari, Naples, Foggia, Palermo, Rome, Pisa and Trapani are expected to come within the scope of the applicable provisions of the service agreement when such facilities are sold as U.S. surplus. While it is not yet known when declaration as surplus will be issued in the case of Rome, it is hoped that this will not cause delay in negotiations and transfer of facilities at other places.

The Theater Commanders have been authorized by the War and

Navy

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Navy Departments to declare as surplus in place as complete operating installations, with one year's expendable supplies whenever possible, the U.S. Army and Navy air navigation, air communications and weather facilities at the above-cited places; and, as indicated above, it is the intention that when transferred as surplus all such facilities now in operation or in storage at these places be made subject to the service agreement's provisions.

Information Requested.

(1) In the light of the foregoing the Department requests the U.S. Embassy at Rome, in cooperation with the Foreign Liquidation Commission, to ascertain if the provisions of the service agreement which is proposed, and the text of which is enclosed herewith, would be acceptable to the Italian Government as a primary consideration for the sale as surplus property of the U.S. air navigation facilities in question. (It is explained, as regards procedure, that the exchange of air navigation facilities in consideration of proposed service agreement may be handled cooperatively or as part of bulk sale and with only such additional monetary considerations as particular circumstances might warrant. The service agreement should generally be incorporated in FIC contract, although when advisable a separate agreement may be concluded.)

(2) Station Training. Station training now being conducted by the Army will in most instances not be completed before the withdrawal of Army personnel, and to complete the training pro-

tion Commission, to ascertain if the provisions of the service agreement which is proposed, and the text of which is enclosed herewith, would be acceptable to the Italian Government as a primary consideration for the sale as surplus property of the U.S. air navigation facilities in question. (It is explained, as regards procedure, that the exchange of air navigation facilities in consideration of proposed service agreement may be handled separately or as part of bulk sale and with only such additional secondary considerations as particular circumstances might warrant. The service agreement should generally be incorporated in FIC contract, although when advisable a separate agreement may be excluded.)

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(2) Station Training. Station training now being conducted by the Army will in some instances not be completed before the withdrawal of Army personnel; and to complete the training program so that the purchasing Government may maintain and operate facilities with the efficiency which aircraft safety requires, civilian assistance will be necessary. Such assistance, if so expected, may be furnished either by CAA, United States airline or private agency such as Aeronautical Radio Inc.--a non-profit organization which air lines can jointly for providing communication services.

In some

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In some cases it may be that the Local Government is not prepared to assume responsibility of providing personnel and permanently to operate the facilities. Information on Italy's situation in this regard is requested so that the Department may be duly advised.

(3) It is further desired by the Department to know if the purchasing government desires the United States to continue the training program and to continue in charge of maintenance and operation of facilities after U.S. Army personnel has been withdrawn either permanently or until the time when the purchasing government itself is prepared to take over the operation of the facilities in pursuance of the service agreement.

(4.) In such case, it is desired to know at the earliest practicable date the minimum number of U.S. civilians that will be required. In the estimate there should be itemized the number required of communicators, astrophysicists and equipment maintenance experts, and control tower operators. It is pointed out that until further advice is received from the Department no commitment of course exists on the part of the U.S. Government to furnish the personnel contemplated in paragraphs 3 and 4 of the proposed U.S. components of the service agreement.

1 5 9 8

either permanently or until the time when the purchasing government itself is prepared to take over the operation of the facilities in pursuance of the service agreement.

(4) In such case, it is desired to know at the earliest practicable date the minimum number of U.S. civilians that will be required. In the estimate there should be itemized the number required of communicators, meteorologists and equipment maintenance experts, and control tower operators. It is pointed out that until further advice is received from the Department no commitment of course exists on the part of the U.S. Government to furnish the personnel contemplated in paragraphs 3 and 4 of the proposed U.S. commitments of the service agreement.

83' It is believed that an arrangement along the lines indicated in this exploratory Memorandum will be welcomed by Italy as a means of acquiring a system of air navigation that is integrated with ICAO standards on liberal terms and with valuable United States assistance. In order to prepare the way for action on the matter, it would be appreciated if the Italian Government would at the

earliest

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- 4 -

earliest possible moment supply the Embassy of the United States with the information indicated as necessary in numbered paragraphs 1, 2, 3, and 4 above.

Done, April 30, 1946.

1600

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

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"The Government of Italy agrees:

"1. To operate and maintain all facilities continuously in a manner adequate for the air traffic operating in, to and away from the airbase at which the facilities are located and along the recognized international air routes converging on that airbase, and in order to insure this standard of service, the Italian Government agrees to abide by existing United States standards of operations unless and until changed by the Provisional International Civil Aviation Organization or by other international agreement to which the United States is a party.

"2. To provide the full service of all facilities to all aircraft on a non-discriminatory basis with charges, if any, only for non-operational messages until an international agreement on charges has been promulgated by the Provisional International Civil Aviation Organization.

"3. To transmit weather reports as prescribed by the weather service of the United States Army Air Forces to designated stations of the United States Army Communication Airway Service for the use of the United States occupational forces in Europe and to such other stations as are required to insure an integrated meteorological network for the international air routes unless and until changed by international agreement to which the United States is a party, covering civil and military meteorological requirements.

"4. To continue the operation of all types of facilities in their original location until new facilities are installed in accordance with standards promulgated by the Provisional International Civil Aviation Organization or until it is determined by the Government of Italy and the United States Government that there is no longer a need for the original facilities, it being understood that the aeronautical communication service facilities will be devoted exclusively to that service and will not be diverted to the general communication service.

"5. To provide English-speaking operators at air-to-ground and control tower communication positions until regulations covering such voice transmissions are promulgated by the Provisional International Civil Aviation Organization and further until such regulations are promulgated to grant permission to a representative of the United States air carriers authorized to serve an airbase, to enter



Organization.

"3. To transmit weather reports as prescribed by the weather service of the United States Army Air Forces to designated stations of the United States Army Communication Airway Service for the use of the United States occupational forces in Europe and to such other stations as are required to insure an integrated meteorological network for the international air routes unless and until changed by international agreement to which the United States is a party, covering civil and military meteorological requirements.

"4. To continue the operation of all types of facilities in their original location until new facilities are installed in accordance with standards promulgated by the provisional International Civil Aviation Organization or until it is determined by the Government of Italy and the United States Government that there is no longer a need for the original facilities, it being understood that the aeronautical communication service facilities will be served exclusively to that service and will not be diverted to the general communication service.

"5. To provide English-speaking operators at air-to-ground and control tower communication positions until regulations covering such voice transmissions are promulgated by the provisional International Civil Aviation Organization and further until such regulations are promulgated to grant permission to a representative of the United States air carriers authorized to serve an airdrome, to enter its control tower and when, in the opinion of the representative, a case of necessity exists, to talk to the pilot of any United States aircraft flying in the vicinity of the airdrome.

"6. To select radio frequencies for air-to-ground and control tower operations only after coordination with the United States carriers and with adjacent stations on the recognized international air routes converging on the airdrome in order to minimize (a) radio interference and (b) the number of frequencies required to be operated by aircraft.

"7. To authorize and facilitate day-to-day adjustments in air communication

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communication service matters by direct communication between the operating agency of Italy and the service agency of the United States Government, United States air carriers or a communication company representing one or more of them.

"8. To authorize United States air carriers or the Civil Aeronautics Administration of the United States to designate a technical adviser to advise and assist the agency designated by the Government to operate the facilities so far as they relate to the safety and efficiency of United States airline operations. This designation is to continue as long as it is useful to United States air carriers.

(Paragraphs "7" and "10" are applicable only when a training program is required).

"9. To furnish in sufficient number suitable personnel to be trained to operate and maintain all facilities transferred under this sale.

"10. To negotiate a supplemental agreement to be entered into by the agency of the Italian Government which will eventually take over the operation of the facilities and the agency of the United States Government or its representative which undertakes the training and interim operation and maintenance of the facilities pending transfer of full operation and responsibility to the agency of the Italian Government. The supplemental agreement will define the responsibility, authority, and relations between the above-mentioned agencies and their representatives during the period the United States agency remains in charge of the operation, maintenance and training. The Government of the United States of America through either the United States Army, United States Navy, Civil Aeronautics Administration or private agency agrees (1) to include in the sale of the basic installations wherever Theater surplus stocks permit, one year's supply of maintenance parts and expendable supplies; (2) to do everything possible to assist the Government of Italy or its representative in purchasing through regular commercial channels maintenance parts and expendable supplies for the operation of the facilities; (3) and "4" are applicable when the foreign government is not prepared to assume responsibility immediately for the operation of the facilities.

"9. To furnish in sufficient number suitable personnel to be trained to operate and maintain all facilities transferred under this sale.

"10. To negotiate a supplemental agreement to be entered into by the agency of the Italian Government which will eventually take over the operation of the facilities and the agency of the United States Government or its representative which undertakes the training and interim operation and maintenance of the facilities pending transfer of full operation responsibility to the agency of the Italian Government. The supplemental agreement will define the responsibility, authority, and relations between the above-mentioned agencies and their representatives during the period the United States agency remains in charge of the operation, maintenance or training. The Government of the United States of America through either the United States Army, United States Navy, Civil Aeronautics Administration or private agency agrees (1) to include in the sale of the basic installations whatsoever Theater surplus stocks permit, one year's supply of maintenance parts and expendable supplies; (2) to do everything possible to assist the Government of Italy or its representative in purchasing through regular commercial channels maintenance parts and expendable supplies for the operation of the facilities; (3) are applicable when the foreign government is not prepared to assume responsibility immediately for the operation of the facilities; (2) to operate and maintain the facilities for a period of            months (not to exceed 12) or until the time, if for a shorter period, the Government of Italy is prepared to assume full responsibility for the operation and maintenance of the facilities as herein above provided; (4) to train the personnel selected by the Government of Italy pursuant to paragraph 10 above so long as an agency of the United States operates and maintains the facilities in accordance with paragraph 3 above."

.....

INCOMING MESSAGE  
Headquarters Allied Commission

Originator's Reference: WCL 28447 Message Centre :H/1408  
Date Time of Origin: 280110Z Date Time Rec'd: MARCH301150  
Precedence: PRIORITY

FROM WAR OFLC.

TO: CG WESTERN BASE SECTION FOR FLC LONDON AREA OFFICE FOR FLC  
CG RAAC FOR FLC CG AMSMF FOR FLC CG IBT FOR FLC CG AFWES-  
PAC FOR FLC PASS TO THOMSON NOUMEA NEW CALEDONIA FOR FLC  
PASS TO COM MARIANAS HDQS GUAM CLOSE FOR FLC CG CHINA FOR  
FLC CG ABCOM SYDNEY FOR FLC JOINT BRAZIL US MIL COM RIO  
FLC FOR INFO CG USFET MAIN CINCPAC

4052/00

UNCLASSIFIED

The following amendment became effective March 15:  
"SPA revised regulation 8, dated January 3, 1946, entitled " foreign disposal "is Hereby amended by deleting all of para 8308 point 16 (E) and substituting therefor the following:  
(E) consideration for disposition of surplus property.(1) In general.Surplus property may be disposed of for cash, credit or other property.(2) Disposal of surplus property ferclaims. Surplus property may be disposed of in return for the settlement of cancellation of any claim determined by any properly authorized governmental agency to be an appropriate claim against the Government of the United States, and for the set-off

UNCLASSIFIED

4052/ce

The following amendment became effective March 15: "SPA revised regulation 8, dated January 3, 1946, entitled "foreign disposal" is hereby amended by deleting all of paragraph 16 (E) and substituting therefor the following: (E) consideration for disposition of surplus property. (1) In general. Surplus property may be disposed of for cash, credit or other property. (2) Disposal of surplus property for claims. Surplus property may be disposed of in return for the settlement of cancellation of any claim determined by any properly authorized governmental agency to be an appropriate claim against the Government of the United States, and for the settlement for which appropriations exist: upon settlement, reimbursement will be made from such appropriations in an amount equal to the claim. (3) Disposal of surplus property for other property or property rights. Surplus property may be exchanged for other property, real or personal, tangible or intangible, where this course of action is determined by the department of state to be in the best interests of the Government of the United States. The property or rights thus acquired may be disposed of by sale or by transfers authorized by law, including transfers to the Government agencies authorized to acquire such property and having appropriations which can be charged with the value of the property so transferred. Where surplus property is exchanged for property or rights which are not

(42)

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H/1408

appropriate for sale or transfer, the department of state will be the custodian of the documents evidencing such property or rights and will be charged with the responsibility for any other governmental negotiations incident to the protection, enforcement or continuance of such property or rights. This amendment shall become effective March 15, 1946. "Part under the new amendment surplus property may be disposed of to settle a claim which has been determined by the proper agency to be appropriate for settlement. This procedure will apply only to claims which the War Department or other authorized agency could otherwise settle for cash. Claims which the War Department or other departments of the Government are not authorized under existing law, to settle by the payment of cash may not be settled by transfer or surplus property.

The most immediate instance in which the new power to exchange surplus property for other tangible property will be utilized is in connection with a program of the state department, to acquire improved and / or unimproved properties and improvements on properties including commitments to construct and rehabilitate buildings at the request of the U S. This program is the responsibility of the foreign buildings operations division of the state department and the secretary of state has instructed this office to provide every cooperation in the acquisition of such properties. When programs are received for particular coun-

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Department or other authorized agency could otherwise settle for cash. Claims which the War Department or other departments of the Government are not authorized under existing law, to settle by the payment of cash may not be settled by transfer or surplus property.

The most immediate instance in which the new power to exchange surplus property for other tangible property will be utilized is in connection with a program of the state department, to acquire improved and / or unimproved properties and improvements on properties including commitments to construct and rehabilitate buildings at the request of the U S. This program is the responsibility of the foreign buildings operations division of the state department and the secretary of state has instructed this office to provide every cooperation in the acquisition of such properties. When programs are received for particular countries these will be forwarded to you immediately AD on the basis there of you are free to work out with the local representatives of the foreign buildings operations division or their designee transfers or surplus property for this purpose within the limits thereof. The properties to be obtained and the values to be placed thereon will be the responsibility of the foreign buildings operations representative and you should obtain his certificate as set fourth in operating directive no 21. Permanent transfer of the property to the state department will be made only after appropriations or other enabling legislation has been passed. Meanwhile suitable arrangements can be worked out with Embassy for holding title documents in escrow under circumstances which would not complicate a subsequent sale of the property by FLC should permanent transfer of the property to

page 3

H/1408

the department not be authorized. The nature, quantity and valuation of the surplus to be transferred will of course be your determination. In the event that specific properties have not been agreed upon between representatives of the foreign Government, you may, to the extent of any program received by you for the acquisition. The contract should be so worded however as to create a clear obligation to pay for the surpluses in the event of the failure to arrive at an agreement as to properties to be transferred. Where credit agreements have already been signed for surpluses already transferred which arrangements provide for accelerated payments in local currencies, the question of using such local currencies for the purchase of properties desired by FBO is a matter for which you as field commissioner have no responsibility. Under the new regulation other types of tangible property may be accepted in exchange for surplus, and we are presently requesting information as to any strategic materials desired by the Army or Navy for stockpiling which might be obtained in return for surplus property. Your comments are invited as to any other type of tangible property which you think we might possibly accept in exchange for surplus property.

You will also be advised of any instances in which the state department feels that surplus property can be advantageously exchanged for intangible interests desired by the Government, such as landing rights or a commitment to maintain operation of navigational aids. Your suggestions as to other valuable



arrangements provide for accelerated payments in local currencies, the question of using such local currencies for the purchase of properties desired by TBO is a matter for which you as field commissioner have no responsibility. Under the new regulation other types of tangible property may be accepted in exchange for surplus, and we are presently requesting information as to any strategic materials desired by the army or navy for stockpiling which might be obtained in return for surplus property. Your comments are invited as to any other type of tangible property which you think we might possibly accept in exchange for surplus property.

You will also be advised of any instances in which the state department feels that surplus property can be advantageously exchanged for intangible interests desired by the Government, such as landing rights or a commitment to maintain operation of navigational aids. Your suggestions as to other valuable rights which might be acquired in return for surplus are desired, as it is our desire to acquire intangible benefits for the United States when such course seems to offer the best possible.

AC DIST

INFO ACTION: ECON SECT 2

INFO: CHIEF COMMISSIONER

IND & UTIL 2

FINANCE 2

FILE 2

FLOAT

(42)

FEB 14 1946

HEADQUARTERS OF THE  
MEDITERRANEAN THEATER FIELD COMMISSIONER  
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER  
APO 512

MTOLC:

6 February 1946

SUBJECT: Sales of U.S. Surplus Property to  
the Italian Government.

TO : Colonel Charles W. Walton, Chief Supply Group  
Economic Section, Headquarters,  
Allied Commission, APO 394.

1. This is to acknowledge receipt of your letter of 2 February 1946, wherein you request information concerning sales made to the Italian Government by this office from Catalog No. 4, plus any sales made to date outside Catalog No. 4 after 8 January 1946.

2. Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 13, 14, 17 to 66 incl. of Catalog No. 4 were sold to the Royal Italian Government on 15 January 1946. There have been no special sales since 8 January 1946.

D.P. CAULKINS,  
Colonel, C.E.  
Acting Field Commissioner.

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41057/00

HEADQUARTERS OF THE  
MEDITERRANEAN THEATER FIELD COMMISSIONER  
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER  
APO 512

MTOLC:

21 January 1946

SUBJECT: Sales of U.S. Surplus Property to  
the Italian Government.

TO : Colonel Charles W. Walton, Chief Supply Group,  
Economic Section, Headquarters,  
Allied Commission, APO 394.

1. This is to acknowledge receipt of your letter of  
12 January 1946, wherein you request information concerning  
sales made to the Italian Government by this office from  
Catalog No. 3, plus any sales made to date outside Catalog  
No. 3 after 15 December 1945.

2. The following sales have been made:

- a. Catalog No. 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 84, 85, 86, 87.
- b. Special Sales:
1. Locomotives, (110)  
8 January 1946

4052/c

2. The following sales have been made:

- a. Catalog No. 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 84, 85, 86, 87.

4052/20

b. Special Sales:

- 1. Locomotives, (110)  
8 January 1946
- 2. Fixed Installations as follows:
  - a. F-19 Two (2) recreational beach facilities, five (5) miles north of Leghorn.
  - b. F-17 One (1) Po River steel and timber bridge on Route No. 2 at Ostiglia.
  - c. F-16 One (1) Adige River steel and timber bridge, on Route No. 11 in Verona.
  - d. F-15 One (1) Po River steel and timber bridge, on Route No. 35 at Mizzano.

*At Col. Dam  
Mazzano*

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- e. F-7 One (1) camp facility (27 Replacement Depot) Located in community of Marina di Pisa.
- f. F-20 Water supply equipment installed by U.S. Army in City of Florence in Florence Redeployment Training Area.
- g. F-14 One (1) Airfield installation four (4) road miles northeast of City of Rome, and three (3) air miles.
- h. F-29 One (1) Arno River Highway bridge at Casseine Nuovo.
- i. F-24 U.S. improvements to Malignano (Sienna) Airfield, six (6) road miles southwest of Siena.
- j. F-22 One (1) improved camp facility (Cecchi-gnola Military Barracks) six (6) miles south of Rome.
- k. F-8 One (1) Water Pipeline located in city of Montecatini, Italy.

All of the above listed sales were consummated 8 January 1946.

D. P. CAULKINS,  
Colonel, C. E.  
Acting Field Commissioner.

**CONFIDENTIAL**

WARX95201  
1FEB1440A

G/8534  
2FEB0915  
ROUTINE

AFHQ SERVREAD

OFLC ROME CGPBS AND ALCOM ROME INFO: NAFGDN FOR USFET MAIN ONLY  
REURAD

CONFIDENTIAL.

REURAD S 38711 DATED 24 JAN

FOREIGN COUNTRIES SEEK COMBAT MATERIAL WHETHER FOR USE OF ARMED FORCES OR OTHERWISE THEY WILL BE INSTRUCTED TO SUBMIT THEIR LISTS OF REQUIREMENTS BOTH THROUGH THEATER COMMANDER AND DIPLOMATIC CHANNELS TO STATE DEPT SIMULTANEOUSLY. THEATER COMMANDER WILL FORWARD TO WD LISTS SUBMITTED TO HIM WITH SUCH COMMENTS AS HE CONSIDERS HELPFUL TO WARCOS IN RENDERING DECISION AND WILL STATE WHAT QUANTITIES HE CAN FURNISH FROM SURPLUS IN HIS THEATER. HE WILL INFORM FIELD COMMISSIONER WHEN HE HAS FORWARDED LISTS TO WD. UPON RECEIPT OF LISTS HERE WARCOS WILL INSTRUCT THEATER COMMANDER WHAT TYPES AND QUANTITIES OF UNDEMILITZRIZED COMBAT MATERIAL HE WILL DECLARE TO FLC EARMARKED FOR SALE TO FOREIGN COUNTRIES SEEKING IT. LX FLC WILL CONTINUE TO MAKE ALL SALES. THEATER COMMANDER HAS NOT RESPONSABILITY OR AUTHORITY CONCERNING SELLING PRICE OR NEGOTIATION OF THE SALE.

4052/oc

AC DIST

ACTN/ CEM S/S 2  
INFO/ CHIEF COMMISSIONER  
FILE 2  
FLOAT

825

**CONFIDENTIAL**

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HEADQUARTERS OF THE  
MEDITERRANEAN THEATER FIELD COMMISSIONER  
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER  
APO 512

MTOLC:

21 January 1946

SUBJECT: Sales of U.S. Surplus Property to  
the Italian Government.

TO : Colonel Charles W. Walton, Chief Supply Group,  
Economic Section, Headquarters,  
Allied Commission, APO 394.

1. This is to acknowledge receipt of your letter of  
12 January 1946, wherein you request information concerning  
sales made to the Italian Government by this office from  
Catalog No. 3, plus any sales made to date outside Catalog  
No. 3 after 15 December 1945.

2. The following sales have been made:

- a. Catalog No. 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 84, 85, 86, 87.
- b. Special Sales:
1. Locomotives, (110)  
8 January 1946

4052/cu

sales made to the Italian Government by this office Catalog No. 3, plus any sales made to date outside Catalog No. 3 after 15 December 1945.

2. The following sales have been made:

- a. Catalog No. 3: Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 58, 59, 60, 61, 62, 63, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 84, 85, 86, 87.

b. Special Sales:

1. Locomotives, (110)  
8 January 1946
2. Fixed Installations as follows:
  - a. F-19 Two (2) recreational beach facilities, five (5) miles north of Leghorn.
  - b. F-17 One (1) Po River steel and timber bridge on Route No. 2 at Ostiglia.
  - c. F-16 One (1) Adige River steel and timber bridge, on Route No. 11 in Verona.
  - d. F-15 One (1) Po River steel and timber bridge, on Route No. 35 at Mizzano.

825

410

*At C. J. ...*  
*Alto ...*

*1052/c*



- e. F-7 One (1) camp facility (27 Replacement Depot) Located in community of Marina di Pisa.
- f. F-20 Water supply equipment installed by U.S. Army in City of Florence in Florence Redeployment Training Area.
- g. F-14 One (1) Airfield installation four (4) road miles northeast of City of Rome, and three (3) air miles.
- h. F-29 One (1) Arno River Highway bridge at Casseine Nouve.
- i. F-24 U.S. improvements to Malignano (Siena) Airfield, six (6) road miles southwest of Siena.
- j. F-22 One (1) improved camp facility (Cecchi- gnola Military Barracks) six (6) miles south of Rome.
- k. F-8 One (1) Water Pipeline located in city of Montecatini, Italy.

All of the above listed sales were consummated 8 January 1946.

D. P. CAULKINS,  
Colonel, C. E.  
Acting Field Commissioner.

CONFIDENTIAL

WARX95201  
1 FEB 14 40A

G/8534  
2 FEB 09 15  
ROUTINE

AFHQ SERVREAD

OFIC ROME CGPBS AND ALCOM ROME INFO: NAFGDN FOR USPET MAIN ONLY  
REURAE

CONFIDENTIAL.

REURAD S 38711 DATED 24 JAN

FOREIGN COUNTRIES SEEK COMBAT MATERIAL WHETHER FOR USE OF ARMED FORCES OR OTHERWISE THEY WILL BE INSTRUCTED TO SUBMIT THEIR LISTS OF REQUIREMENTS BOTH THROUGH THEATER COMMANDER AND DIPLOMATIC CHANNELS TO STATE DEPT SIMULTANEOUSLY. THEATER COMMANDER WILL FORWARD TO WD LISTS SUBMITTED TO HIM WITH SUCH COMMENTS AS HE CONSIDERS HELPFUL TO WARCOS IN RENDERING DECISION AND WILL STATE WHAT QUANTITIES HE CAN FURNISH FROM SURPLUS IN HIS THEATER. HE WILL INFORM FIELD COMMISSIONER WHEN HE HAS FORWARDED LISTS TO WD. UPON RECEIPT OF LISTS HERE WARCOS WILL INSTRUCT THEATER COMMANDER WHAT TYPES AND QUANTITIES OF UNDEMILITZRIZED COMBAT MATERIAL HE WILL DECLARE TO FLC EARMARKED FOR SALE TO FOREIGN COUNTRIES SEEKING IT. LX FLC WILL CONTINUE TO MAKE ALL SALES. THEATER COMMANDER HAS NOT RESPONSABILITY OR AUTHORITY CONCERNING SELLING PRICE OR NEGOTIATION OF THE SALE.

4052/CC

AC DIST

ACTN/ CEM S/S 2  
INFO/ CHIEF COMMISSIONER  
FILE 2  
FLOAT

825



39

CONFIDENTIAL

JAN 17 RECD

HEADQUARTERS ALLIED COMMISSION  
APO 394  
Economic Section  
Surplus and Special Materials Branch

Ref. 5109 16 January 1946

SUBJECT : Italian Government Election of Sub-agents for Surplus Property

TO : Office of the CHIEF COMMISSIGNER

1. The Italian Government has been instructed to comply with paragraph 4 of the attached memorandum relating to the appointment of subject agents.
2. Azienda Rilievo Alienazione Residuate, the operating agency for this function, will report to this Branch daily on the progress of these appointments.
3. This Branch will inform your office immediately upon any indicated developments.

41052/nc

ALBERT E. DICKENS  
Chief of Branch

Attachment:  
AFHQ memorandum and subject correspondence

821

39

ALLIED FORCE HEADQUARTERS  
C.A.O. Office

COPY

CAO/260

SUBJECT: Disposals of Surplus Barracks and  
Building Materials.

TO : Chief Commissioner,  
H.Q. Allied Commission.

Reference your 7.03/ES dated 7 Nov. 45 forwarding copy of a letter from Professor PARRI dated 19 Oct. 45.

1. Surplus serviceable fixed assets of United States origin are disposed of through the Foreign Liquidation Commissioner, who has offices in ROME. The Commissioner has instructions to dispose of such facilities to UNRRA as the first priority and to the Italian Government if UNRRA has no need thereof. The OFIC deals directly with the Director of the Supply Service of the Italian State Railways as the purchasing agency for the Italian Government for U.S. surplus property. The Director of the Supply Service of the Italian Railways will be placed on the list of bidders by the salvage officer of Peninsular Base Section when unserviceable fixed assets, the value of which make it desirable to have them sold by the military rather than by OFIC, are to be disposed of.
2. The official British instructions have just been received; in accordance with these instructions UNRRA must be allowed the first refusal of any "surplus fixed asset" likely to be of use to that organisation and thereafter all surplus British fixed assets are to be turned over to the Italian Government.
3. There will be no immediate payment involved in respect of these transfers, but the British Authorities will record the value of each transfer for settlement between the British and Italian Government at some future date.
4. It is noted that the Italian Government have appointed the Director of the Supply Service of the Italian State Railways as their agent for the acceptance of surplus fixed assets. As these facilities would greatly facili-

with the Director of the Supply Service of the Italian State Railways as the purchasing agency for the Italian Government for U.S. surplus property. The Director of the Supply Service of the Italian Railways will be placed on the list of bidders by the salvage officer of Peninsular Base Section when unserviceable fixed assets, the value of which make it desirable to have them sold by the military rather than by OFLC, are to be disposed of.

2. The official British instructions have just been received; in accordance with these instructions UNRRA must be allowed the first refusal of any "surplus fixed asset" likely to be of use to that organization and thereafter all surplus British fixed assets are to be turned over to the Italian Government.

3. There will be no immediate payment involved in respect of these transfers, but the British Authorities will record the value of each transfer for settlement between the British and Italian Government at some future date.

4. It is noted that the Italian Government have appointed the Director of the Supply Service of the Italian State Railways as their agent for the acceptance of surplus fixed assets. As these assets will arise over the whole of ITALY, it would greatly facilitate disposal as and when fixed assets become surplus to British requirements, if the Italian Government could appoint sub-agents in all major towns throughout the country with whom transfer could be effected direct.

5. It should be noted that consequent on the receipt of the official British policy, this HQ letter 6752/Q(Maint) dated 25 Aug. 45 should be regarded as cancelled; new instructions will be issued in due course.

A.C. DUFF,  
Major-General,  
Chief Administrative Officer.

7 Dec. 45.

Copy to: G-4 MTOUSA.  
"Q" Branch, GHQ CMF.

Ref. ES/5.13

19 January 1946

My dear Mr. Prime Minister:

It has been brought to my attention that there is great delay in the taking over of captured enemy material once it is released by the Captured Enemy Materials Branch of this Headquarters to the Azienda Ricupero Alienazione Residui, the agency which the Italian Government have set up for the acceptance and disposal of such material.

In November and December, although over a hundred releases of dumps and separate lots of material were made (apart from vehicle dumps), only some 15 acknowledgements of release orders have been received from ARAR. Amongst these releases, one was for a large quantity of all types of materials from No 1 CEM Dump, Bolzano. The release note for this material was forwarded on 12 December 45, but so far no attempt has been made to inspect or collect it.

The Director of the CEM Branch, after investigating the position, discussed the matter with Ing. COTTICA, the ARAR Representative in Milan, and was informed that the cause of the delay was mainly lack of transport, especially the lack of passenger cars. Furthermore, it was stated that the allotment of petrol made to ARAR in the North was quite inadequate to carry out the work.

In this connection, I must point out that in one small dump, Foro Voaro, which was handed over to the Italian Government over two months ago, there were sixty cars, the large percentage of which were easily repairable, especially as at Gavardo a considerable number of spare parts had also been released. No steps were taken to commence repair work on these cars, many of which have now deteriorated, while parts and tyres have been stolen from the dumps.

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page 2.

In view of the above, I should appreciate being informed whether the Italian Government are now in a position to take acceptance of the releases already made, as well as further releases which can be made in the immediate future. I should also like to have your assurance that the agency set up by the Italian Government to carry out the necessary work in connection with the physical take-over of all captured enemy materials will be effectively organized and equipped to do so. I think you will agree that delay in acceptance of these materials represents a serious loss to the Italian economy. On the other hand, if every release to the Italian Government can be dealt with promptly, it is hoped that the physical hand-over of all CEM can be completed by March, 1946.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief CommissionerDoctor Alcide de Gasperi  
President of the Council of Ministers  
Italian Government  
ROME.

821

38

ALCOM CITE ACSEM

10 JANUARY 1946

APHQ

UNCLASSIFIED

113

SUBJECT IS SURPLUS BARRACKS AND BUILDING MATERIALS PD  
 YOUR SIGNAL FOUR JANUARY REFERS PD  
 PARA ONE PD ITALIAN GOVERNMENT PROMISES TO MAKE SUBJECT  
 APPOINTMENTS AT EARLIEST PD NAMES AND LOCATIONS OF APPOINTEES  
 WILL BE SUPPLIED YOU UPON THEIR NOTIFICATION TO THIS  
 HEADQUARTERS PD

4052/00

320

ROUTINE

S & SMB

Ext. 409

(Mr. ALBERT E. DICKENS)

G. J. LEONE  
CWO., USA  
ASST., ADJUTANT

37



ALLIED FORCE HEADQUARTERS

C.A.O. Office

CAO/260

MEMORANDUM To : Chief Commissioner,  
HQ Allied Commission

SUBJECT : Emergency Disposal of Surplus Barracks and Building  
Materials.

Ref your ES/7.03 dated 7 Dec 45.

Please see our letter of even reference dated 7 Dec 45  
which answers the query raised in your letter referred to above.

10 Dec 45.

AJM/rw

/s/  
Major-General  
Chief Administrative Officer.

4057/cc

4057/cw

Re: Your Ltr. 277.03 dated 7 Dec 45.

Please see our letter of even reference dated 7 Dec 45 which answers the query raised in your letter referred to above.

/s/

FOR A. C. DUFF,  
Major-General

Chief Administrative Officer.

10 Dec 45.

AJM/rw

818

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NPCLC 350

281145

CONFIDENTIAL

G/6333

DEC 28 1700

ROUTINE

RAAC FROM <sup>OF his Com.</sup> OFLC

DSFET FOR OFLG AGWAR FOR OFLC

INFO CGMTOUSA G-4 NAFWD ALLIED COMMISSION

CONFIDENTIAL:

OFFERED MEANS TO ITALIAN GOVERNMENT. SALE POSSIBLE PROVIDED CIVIL AVIATION PROGRAM APPROVED FOR ITALY. PRESENT ALLIED REGULATION PROHIBIT. UNLESS YOU CAN OBTAIN REMOVAL OF RESTRICTION ALL SALES WORK ON PLANES SHOULD BE DONE IN PARIS AND WASHINGTON.

AC DIST

INFO/ACTION: AIR FORCES S/C

INFO : CHIEF COMMISSIONER

EMAC COMMISSIONER

ECOM SEC

FILE (2)

FLOAT

4052/100

B

439.

79 66382

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CONFIDENTIAL

M

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ALLIED FORCE HEADQUARTERS

C.A.O. Office

CAC/260.

SUBJECT: Disposals of Surplus Barracks and Building Materials.

TO : Chief Commissioner,  
H.Q. Allied Commission.

Reference your 7.05/MS dated 7 Nov 45 forwarding copy of a letter from Professor PARI dated 19 Oct 45.

1. Surplus serviceable fixed assets of United States origin are disposed of through the Foreign Liquidation Commissioner, who has offices in Rome. The Commissioner has instructions to dispose of such facilities to UPRRA as the first priority and to the Italian Government if UPRRA has no need thereof. The CMC deals directly with the Director of the Supply Service of the Italian State Railways as the purchasing agency for the Italian Government for U.S. surplus property. The Director of the Supply Service of the Italian Railways will be placed on the list of bidders by the salvage officer of Peninsular Base Section when unserviceable fixed assets, the value of which make it desirable to have them sold by the military rather than by CMC, are to be disposed of.

2. The official British instructions have just been received; in accordance with these instructions UPRRA must be allowed the first refusal of any "surplus fixed asset" likely to be of use to that organisation and thereafter all surplus British fixed assets are to be turned over to the Italian Government.

3. There will be no immediate payment involved in respect of these transfers, but the British Authorities will record the value of each transfer for settlement between the British and Italian Governments at some future date.

4. It is noted that the Italian Government have appointed the Director of the Supply Service of the Italian State Railways as their agent for the acceptance of surplus fixed assets. As these assets will arise over the whole of ITALY, it would greatly facilitate disposal as and when fixed assets become surplus to British requirements, if the Italian Government could appoint sub-agents in all major towns throughout the country with whom transfer could be

4057/CC

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*[Handwritten signature]*

4057/cc

Government of the Supply Service of the Italian State Railways with the purchasing agency for the Italian Government for U.S. surplus property. The Director of the Supply Service of the Italian Railways will be placed on the list of bidders by the salvage officer of Peninsular Base Section when unserviceable fixed assets, the value of which make it desirable to have them sold by the military rather than by CMC, are to be disposed of.

2. The official British instructions have just been received; in accordance with these instructions UERA must be allowed the first refusal of any "surplus fixed asset" likely to be of use to that organization and thereafter all surplus British fixed assets are to be turned over to the Italian Government.

3. There will be no immediate payment involved in respect of these transfers, but the British authorities will record the value of each transfer for settlement between the British and Italian governments at some future date.

4. It is noted that the Italian Government have appointed the Director of the Supply Service of the Italian State Railways as their agent for the acceptance of surplus fixed assets. As these assets will arise over the whole of ITALY, it would greatly facilitate disposal as and when fixed assets become surplus to British requirements, if the Italian Government could appoint sub-agents in all major towns throughout the country with whom transfer could be effected direct.

5. It should be noted that consequent on the receipt of the official British policy, this HQ letter 6752/3(Maint) dated 25 Aug 45 should be regarded as cancelled; new instructions will be issued in due course.

811

*(MK)*  
*C.C.D. 4/2*

A. C. DUFF,  
Major-General,  
Chief Administrative Officer.

7 Dec 45.

Copy to:- C-4 MEMUSA.  
"Q" Branch, CHQ CMB.

AC-Dist.

Action - Econ Sect (3)

Info - CC

Ex Com

135-6

COPY

10V 13 REC

HEADQUARTERS OF THE  
MEDITERRANEAN THEATER FIELD COMMISSIONER  
OFFICE OF THE FOREIGN LIQUIDATION COMMISSIONER  
APO 394

MTOLC

26 December 1945

SUBJECT: Sales of U.S. Surplus Property to the Italian Gov't.

TO: Colonel Charles W. Walton, Chief Supply Group, Economic Section; Headquarters Allied Commission, APO 394.

1. This is to acknowledge receipt of your letter of 11 December 1945, wherein you request information concerning, sales made to the Italian Government by this Office from Catalog N.2, plus any sales made to date outside of Catalogs N.1 and N.2.

2. The following sales have been made:

- a. Catalog N.2: Lots 1 to 16 inclusive
- Lots 18 to 20 "
- Lots 22
- Lots 24 to 26 inclusive

b. Special Sales:

- 1. Tires 41,899 \$ 489,096.51  
15 November 1945.
- 2. Port Equipment (Cranes) \$ 213,307.50  
15 December 1945.
- 3. Railway Property \$ 7,560,236.30  
15 December 1945.

3. Inasmuch as the information you requested has been listed above, it is not thought that your representative from Surplus and Special Materials Branch will want to call at our office, as you mention in paragraph 4. However, should you 81 desire any further information, this office will be very glad to comply with your requests.

D. P. CAULKINS  
Colonel, C. E.  
Acting Field Commissioner

Copy: CC

359

cc/4052/CC

C O P Y

ALLIED FORCES HEADQUARTERS  
C.A.F. Office

CAC/260.

SUBJECT: Disposal of Surplus Barracks and Building Materials.

TO : Chief Commissioner,  
U.S. Allied Commission.

Reference your 7.02/53 dated 7 Nov 45 forwarding copy of a letter from Professor SPMI dated 19 Oct 45.

1. Surplus serviceable fixed assets of United States origin are disposed of through the Foreign Liquidation Commissioner, who has offices in Rome. The Commissioner has instructions to dispose of such facilities to UNRRA as the first priority and to the Italian Government if UNRRA has no need thereof. The OFIC deals directly with the Director of the Supply Service of the Italian State Railways as the purchasing agency for the Italian Government for U.S. surplus property. The Director of the Supply Service of the Italian Railways will be placed on the list of bidders by the salvage officer of the particular base section when unserviceable fixed assets, the value of which make it desirable to have them sold by the military rather than by OFIC, are to be disposed of.

2. The official British instructions have just been received in accordance with these instructions UNRRA must be allowed the first refusal of any surplus fixed assets likely to be of use to that organization and thereafter all surplus British fixed assets are to be turned over to the Italian Government.

3. There will be no immediate payment involved in respect of these transfers, but the British authorities will record the value of each transfer for settlement between the British and Italian Governments at some future date.

4. It is noted that the Italian Government have appointed the Director of the Supply Service of the Italian State Railways as their agent for the acceptance of surplus fixed assets. As these assets will arise over the course of 1946, it would greatly facilitate disposal as and when fixed assets become surplus to British requirements, if the Italian Government could appoint sub-agents in all major towns throughout the country with whom transfer could be effected direct.

815 It should be noted that consequent on the receipt of the Special British letter this letter 5752/0(United) dated 25 Aug 45

1633  
Individual Regs section when unserviceable fixed assets, the value of which make it desirable to have them sold by the military rather than by OFIC, are to be disposed of.

2. The official British instructions have just been received; in accordance with these instructions MUSA must be allowed the first refusal of any surplus fixed asset, likely to be of use to that organisation and thereafter all surplus British fixed assets are to be turned over to the Italian Government.

3. There will be no immediate payment involved in respect of these transfers, but the British authorities will record the value of such transfer for settlement between the British and Italian Governments at some future date.

4. It is noted that the Italian Government have appointed the Director of the supply service of the Italian State Railways as their agent for the acceptance of surplus fixed assets. As these assets will arise over the whole of Italy, it would greatly facilitate disposal as and when fixed assets become surplus to British requirements, if the Italian Government could appoint sub-agents in all major towns throughout the country with whom transfer could be effected direct.

815. It should be noted that consequent on the receipt of the official British policy, this is, letter 6752/2 (mint) dated 25 Aug 45 should be regarded as cancelled; new instructions will be issued in due course.

A. C. LEST,  
Major-General,  
Chief Administrative Officer.

7 Dec 45.

Copy to:- G-4 MUSA.  
"Q" Branch, GIC, GBT.

*Distinction*  
*Action: Com. Sect (3)*  
*Info: Ex. Comm.*

*Spaul*

*4032/04*

COPY



325

NOV 24 1945  
CC 9.50

cc

Translation

7002/A.G.

Rome, 19 November 1945

My dear Admiral,

I received your letter N. 85/5.08, dated 14th inst., and I greatly appreciate the kind information you sent me about the request made by the Congregation of the 'fratelli delle scuole cristiane'.

Many thanks for your kind interest about this matter. Believe me,

Yours sincerely,

S. A. Infante

(Generale Adolfo Infante)

Rear Admiral Ellery W. Stone  
Chief Commissioner  
A.G.

R O M E

trans. e/c

E. C. DIST - 23 Nov -

INFO - ACTION. Ec. Sec

INFO - C.C.

EC.

81

35

Ltr. Hq AG, Industry Department, file AG/5706/IND, subject: "Lumber,"  
dat 16 Nov. 45, Cont'd.

AG/11.1 WFSG (16 Nov 45) 1st Ind.

Headquarters, Peninsular Base Section, APO 752, U.S. Army, 30 November 1945.

TO: Chief Commissioner, Allied Commission, APO 394, U.S. Army.  
(Attention: Chief, Industry Department)

1. An excess over needs of this theater is available. It is possible that after meeting demands of other theaters a certain amount may be declared surplus at some future date.

FOR THE COMMANDING GENERAL:

A. J. MARSHALL  
Capt., A.G.D.  
Asst. Adj. Gen.

813

*Surplus*  
4052/CC

HEADQUARTERS ALLIED COMMISSION  
APO 394  
INDUSTRY DEPARTMENT

HXF/ dg

Tel. 489081 - Ext. 391

16 November 1945

Ref. AG/5706/ IND

SUBJECT : Lumber

To : F.B.S. - Leghorn Depot.

1. We are advised that there is stored in the Leghorn Depot some 1,00,000 cubic metres lumber of various sizes.
2. We are further advised that this lumber was originally requisitioned by 1116 Forestry Coy.
3. The I.S.R. are in urgent need of 20,000 cu. m. lumber in thicknesses of 40 to 80 mm. for the production and repair of railroad cars in their various plants.
4. Please advise this Headquarters if any portion of the above lumber can and will, in the future, be declared surplus and if the information is available when this declaration will be made.

4052/CC

For the Chief Commissioner :

CHARLES FEWINGS  
Major, RASC  
Chief,  
Industry Department

Copy to :  
Transportation Sub-Commission  
Surplus Materials Sub-Commission  
Ministero dei Trasporti  
(Attn. Servizio Approvvigionamenti  
Ing. Bracci )  
Piazza della Croce Rossa, Roma.

(34)

Ltr, Hq AG, Industry Department, File AG/5706/IND, subject: "Lumber,"  
dtd 16 Nov. 45, Cont'd.

AG 411.1 XPRNG (16 Nov 45) 1st Ind.

Headquarters Peninsular Base Section, APO 782, U.S. Army, 30 November 1945.

TO: Chief Commissioner, Allied Commission, APO 394, U.S. Army.  
(Attention: Chief, Industry Department)

1. An excess over needs of this theater is available. It is possible  
that after meeting demands of other theaters a certain amount may be  
declared surplus at some future date.

FOR THE COMMANDING GENERAL:

A. J. MARSHALL  
Capt, A.G.D.  
Asst. Adj. Gen.

41057/ce

811

(34)

*Chief Commissioner*

NOV 15 1945

HEADQUARTERS ALLIED COMMISSION

NOV 1945

ECONOMIC SECTION

15 November 1945

Ref.: 45/5.08

MEMORANDUM:

SUBJECT : Procurement of Surplus Property

TO : See distribution

1. The organizational pattern for the disposal of US/UK surplus and scrap has now become one whereby the Italian Government is the principal, but not exclusive, recipient of such property. This development places upon sub-commissions the following responsibilities.

a. They are to be alert to the possibility of substituting surplus property for supplies they may have previously requisitioned.

b. They are to advise the Italian Government, through appropriate ministerial channels, as to the availability of actual surplus property, and, when indicated, to recommend that the Italian Government take procurement action with surplus disposal authorities.

c. They are to search for allied property which might possibly be declared surplus and be of use in the Italian economy. Having discovered any such possible surplus, sub-commissions will recommend to the Italian Government that procurement action be taken with surplus disposal authorities.

2. To assist in the accomplishment of 1a and 1b, sub-commissions have been provided with copies of O.I.S.C. Catalog No. 2, and they will receive all future issues of catalogs or listings prepared by O.I.S.C. These distributions will be made by surplus and special material file branch.

3. It is requested that sub-commissions examine such catalogs and lists in the light of possible substitutability of surplus property for supplies. The sub-commissions previously may

4052/CC

substituting surplus property for supplies they may

2. They are to advise the Italian Government, through appropriate ministerial channels, as to the availability of actual surplus property, and, when indicated, to recommend that the Italian Government take procurement action with surplus disposal authorities.

3. They are to see that the surplus property which might possibly be declared surplus and be of use in the Italian economy, having discovered any such possible surplus, sub-commissions will recommend to the Italian Government that procurement action be taken with surplus disposal authorities.

4. In order to accomplish the acquisition of surplus property, sub-commissions have been provided with copies of OMBUD Catalogue No. 1, and they will receive all future issues of Catalogue or listings prepared by OMBUD. These distributions will be made by surplus disposal authorities.

5. It is requested that sub-commissions examine each surplus item listed in the light of possible substitutability of surplus items for supplies the sub-commissions previously may have recommended through available channels. In the event surplus property appears to be substitutable for supplies on requisition, requisition branch should be notified to that effect.

810

6. Sub-commissions are also advised to examine such catalogs and lists in the light of their studies and knowledge of the specialized needs of the Italian Government over and over supplies already requisitioned. In this respect, as in the case of procurement, sub-commissions may act only in an advisory capacity to the Italian Government. Consequently, they should communicate their comments, recommendations or suggestions to appropriate Italian ministries. In turn, the ministries will initiate any indicated procurement action through the supply function of the Italian State railways, the recognized organization for dealing with OMBUD and the British Ministry of Supply in behalf of the Italian Government.

4052/OC

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[Handwritten signature]

5. In view of these recognized channels, the sub-commissions will not negotiate directly with COMSEC, G-4 MTOUSA, or any in regard to actual procurement of surplus or potential surplus for, or in behalf of, the Italian Government. It is in order, however, for sub-commissions to act in the same advisory capacity, and through the same channels, in regard to unaccounted surplus, as in cases involving actual surpluses. Knowledge of such potential of unaccounted surplus goods may arise from field observations and from other sources. In this connection it would be in order to correspond directly with G-4 MTOUSA or AFHQ for informational purposes only.

6. Although this objective relates mainly to the procurement and utilization of U.S. surplus property, the possibilities of similar utilization of surplus property in custody of the British Government is not to be overlooked. Inquiries on this subject should be made to the office of the Chief Disposal Officer, Ministry of Supply, British Embassy, tel. 043241.

80

*Charles W. Walton*  
 CHARLES W. WALTON  
 Colonel, AG  
 Chief, Supply Group

Distribution:

- Distribution Unit
- Office of the Army Navy Liquidation Commissioner, AG 512
- Acquisition Branch
- Mr. C. Paccione, Economic Section
- Chief, Supply Group
- Chief Disposal Officer, British Ministry of Supply
- G-4 PIS
- Supply section, Italian State Railways

5. In view of these recognized channels, the sub-commissions will not negotiate directly with G.M.I.C., G-4 M.I.O.B., or surplus for, or in behalf of, the Italian Government. It is in fact, however, for sub-commissions to act in the same advisory capacity, and through the same channels, in regard to undeclared surpluses, as in cases involving surplus goods may arise from field observations and from other sources. Knowledge of such potential or available surplus goods may arise from field observations and from other sources. In this connection it would be in order to correspond directly with G-4 M.I.O.B. or A.M.H. for information purposes only.

6. Although this directive relates mainly to the procurement and utilization of U.S. surplus property, the possibilities of similar utilization of surplus property in custody of the British Government is not to be overlooked. Inquiries on this subject should be made to the office of the Chief Disposal Officer, Ministry of Supply, British Embassy, tel. 843241.

80

*Charles W. Walton*  
 CHARLES W. WALTON  
 Colonel, AD  
 Chief, Supply Group

Distribution:

- Distribution
- Office of the Army Navy Liquidation Commissioner, 405 512
- Acquisition Branch
- Mr. Caracello, Economic Section
- Chief, Supply Group
- Chief Disposal Officer, British Ministry of Supply
- AD
- G-4 PIS
- Supply section, Italian State Railways



## HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

Ref.: PS/5.08

17 November 1945

My dear General Infante:

Your letter of 27 October 1945 and the appeal of the Religious Congregation of the Brothers of the Christian Schools have been carefully examined.

I can fully appreciate the needs of this organization as stated in the letter of the Superior, and I sympathize with these people in regard to the supplies and equipment which they desire to obtain.

However, my understanding is that under existing laws and regulations governing disposal of surplus property, it is not possible to transfer such materials to a private organization until the material has first been offered to the Italian Government. This arrangement has been made to conform with the suggestions of your Government.

It might be advisable, therefore, for this organization to present its case to the Supply Section of the Italian State Railways, which is the official surplus property purchasing agent for the Italian Government.

*W.S.* Henry W. Stone

HENRY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

General Adolfo Infante,  
Primo Aiutante di Campo Generale  
di S.A.R. il Luogotenente del Regno,  
Palazzo Quirinale.

809

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4052/pc

BOY 8 4/60

C.C.

Ref. 7.03/25

4. November 1945

SUBJECT : Emergency Disposal of Surplus Barracks and Building Materials

TO : Chief Administrative Officer  
Allied Force Headquarters  
AFHQ 512

1. I enclose a letter from the Prime Minister requesting assistance in procuring wooden barracks or similar structures which may be disposed of by Allied agencies. My reply is also enclosed.

2. The need for such materials is readily agreed. The Italian concern is that, under pressure of time, many of these may be disposed of to private speculators. Another concern is the possible delay in disposals.

3. It is therefore recommended that a directive be issued from your Headquarters to all disposal agencies enjoining them to promptly notify and dispose to the Italian Government any disposable wooden or frame structures. Notifications of availability should be telephoned or mailed to the:

Engineer G. B. Solari  
Director of Supply Service of Italian State Railways  
c/o Ministry of Transport  
Piazza Croce Rossa  
Rome

Telephone - 863961, extension 9356

4. It would appear that the Allied agencies concerned would include:

Office of Army - Navy Liquidation Commission  
Chief Disposals officer in Italy (British)  
General officers in Command:  
28 District  
29 District  
Commanding General, Peninsular Base Section

Enc 8 (1/15)

/ Letter from Professor Parri, 19 October 1945  
/ Answer to referred letter, November 1945

(Sgd) MERRY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

32

Translation

The President of the Council of Ministers

Rome, 19 October 1945

Dear Admiral,

Because of the incoming winter, I must draw your attention on a problem which is getting more and more serious.

As you know, because of the large number of houses that have been destroyed, the Government is faced with the difficult task of finding temporary accommodation for the persons who find themselves without a roof. I think that the tragical situation in which those people will find themselves because of the rigours of winter could be relieved by putting wooden barracks or some kind of similar constructions at their disposal. As such materials are likely to be found among Allied and ex German surplus materials, I want to ask for your kind intervention with the military authorities to have all the barracks not needed by the army put at the disposal of the supply office of the Ferrovie dello Stato, or at the direct disposal of the civilian administrations. The payment of the lot could follow the usual procedure established for surplus. I shall also be most grateful if, considering the urgency of the case, you intervene without delay and ask for the delivery to take place as soon as possible.

Trusting in your kind interest for our population, I remain,

Yours very truly,

(s) Ferruccio Parri

Admiral Ellery W. Stone  
Chief Commissioner  
Allied Commission  
Rome

trans. e/c

807

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HEADQUARTERS ALLIED COMMISSION

Office of the Chief Commissioner

APO 394

7 November 1945

Ref. 7.03/ES

SUBJECT : Emergency Disposal of Surplus Barracks and Building Materials

TO : Chief Administrative Officer  
Allied Force Headquarters  
APO 512

*Stone*

*32*

1. I enclose a letter from the Prime Minister requesting assistance in procuring wooden barracks or similar structures which may be disposed of by Allied agencies. My reply is also enclosed.
2. The need for such materials is readily agreed. The Italian concern is that, under pressure of time, many of these may be disposed of to private speculators. Another concern is the possible delay in disposal.
3. It is therefore recommended that a directive be issued from your Headquarters to all disposal agencies enjoining them to promptly notify and dispose to the Italian Government any disposable wooden or frame structures. Notifications of availability should be telephoned or mailed to the:

Engineer O. B. Solari  
Director of Supply Service of Italian State Railways  
c/o Ministry of Transport  
Piazza Croce Rossa  
Rome

Telephone - 863551, extension 9355

4. It would appear that the Allied agencies concerned would include:

Office of Army - Navy Liquidation Commission  
Chief Disposals Officer in Italy (British)  
General Officers in Command:  
#2 District  
#3 District  
Commanding General, Peninsular Base Section

*/s/ Elmer W. Stone*

ELMER W. STONE  
Rear Admiral, USNR  
Chief Commissioner

8  
Enclosures:

- / Letter from Professor Parri, 19 October 1945
- / Answer to referred letter, November 1945

*32*

*Surplus*



*32*

*W*

*4052/CC*

Go 30 float

Ref. 7.03/ES

7 November 1945

Mr. Parri

My dear Mr. Prime Minister:

I acknowledge receipt of your letter of 19 October 1945, drawing attention to the important need of the Italian government to acquire wooden barracks and similar structures which may become surplus to Allied needs. The urgency of the need is fully appreciated by me.

Your letter will be forwarded with my endorsement, to the Supreme Allied Commander for his consideration and any action which he may desire to take.

In the meantime, I trust that the arrangements recently made at this Headquarters between the Ministers of Reconstruction and Transport and the Peninsular Base Section for direct contact on disposal of camps and other scrap and salvage from United States sources are working effectively.

I shall inform you of any progress to further your objective to acquire the materials you desire.

Very truly yours,

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

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

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HEADQUARTERS ALLIED COMMISSION  
Office of the Chief Commissioner  
APO 394

*cc*

Ref. 7.03/ES

7 November 1945

My dear Mr. Prime Minister:

*(26a)*

I acknowledge receipt of your letter of 19 October 1945, drawing attention to the important need of the Italian government to acquire wooden barracks and similar structures which may become surplus to Allied needs. The urgency of the need is fully appreciated by me.

Your letter will be forwarded with my endorsement, to the Supreme Allied Commander for his consideration and any action which he may desire to take.

In the meantime, I trust that the arrangements recently made at this Headquarters between the Ministers of Reconstruction and Transport and the Peninsular Base Section for direct contact on disposals of camps and other scrap and salvage from United States sources are working effectively.

I shall inform you of any progress to further your objective to acquire the materials you desire.

Very truly yours,

*[Signature]* Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

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

*4052/00*

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*(3)*

WD/3c/203

7 November 1945

SUBJECT: Recovery of Italian Army Property

TO : Headquarters Allied Commission  
Land Forces Sub-Commission (EMIA)

1. Reference is made to your memo /5 dated 8 October 1945 reference above subject, and the inclosed interpretation of existing instructions re the disposal of Captured Enemy Material.

2. It is agreed that the addressees of the AFM directive No. AC 396.3 (AS)-0 dated 2 October 1945, namely GOC No. 2 and 3 Districts, P23 and XIII Corps, have disposal jurisdiction. The additional commentaries on the AFM instructions dated 2 October 1945 are agreed as a basis for present and future action, except that the last sentence in your comment on para 9 g (3) is not clear.

3. War Materials Disposal Sub-Commission and AGC officers are in possession of all directives concerning disposal of vehicles and are fully conversant with the fact that EMIA is the deciding factor in determining origin of any vehicle under dispute.

4. Great care is taken by officers engaged on vehicle inspections to segregate vehicles of Italian military origin from civilian, and EMIA is notified of any vehicles awaiting its disposal instructions.

5. I do not deem it necessary or desirable to publish further instructions to AC/AGC officers, as suggested in your para 5 (b).

6. I should appreciate information from you as to specific violations of existing directives, in order that steps may be taken towards rectification.

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

802

cc: HQ, AC, Milan Office (WD)

NOV 2 1945 RECD Chief Commissioner  
MFA/rt1

ALLIED FORCE HEADQUARTERS  
APO 512

27 October 1945

AG 386.3 0(AE)-0

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

TO: Commanding Generals  
Peninsular Base Section, APO 752  
Army Air Force Service Command, MTO, APO 528  
General Officers Commanding  
Middle East  
British Troops in AUSTRIA  
XIII Corps  
Land Forces, GREECE  
Number 2 District  
Number 3 District

1. Reference is made to letters, this headquarters, AG 386.3/153 SUP-0, dated 23 September 1945; AG 386.3 0(AE)-0, dated 2 October 1945; and letter, Headquarters MTOUSA, AG 400.93/156 D-0, dated 13 October 1945.
2. The LMAE has relieved this theater of the responsibility of meeting the United States requirements for War Memorials and Trophies.
3. Accordingly, Appendix "B" of letter, this headquarters, AG 386.3/153 SUP-0, dated 23 September 1945; pages 7 - 9, inclusive, of Appendix "A" to letter, this headquarters, AG 386.3 0(AE)-0, dated 2 October 1945; and pages 7 - 9, inclusive, of Appendix "A" to letter, Headquarters MTOUSA, AG 400.93/156 D-0, dated 13 October 1945, are rescinded.
4. Items which have been "frozen" under the following authorities pending receipt of consignment instructions from LMAE will now be disposed of in accordance with existing policies:

Commanding General,  
Peninsular Base Section - AG 400.93/156 D-0, dated 19 October 1945.

Headquarters,  
Number 2 District - GHO/5052/0(AE), dated 13 October 45.

802

BY COMMAND OF LIEUTENANT GENERAL MORGAN:

29a

M. Frances Aman

M. FRANCES AMAN  
1st Lt., AGD  
Asst Adjutant General

DISTRIBUTION:  
See Reverse Side

405a/102



Letter, AFHQ, AG 386.3 (AF)-0  
dated 27 October 1945 (Cont'd)



**DISTRIBUTION:**

- 10 - Each Addressee
- 2 - Combined Chiefs of Staff
- 2 - War Department
- 2 - War Office (IMI & IMAB)
- 2 - C-in-C MED
- 3 - RAF MED/MS
- 1 - CAO
- 2 - G-3
- 2 - G(SD)
- 10 - G-4 (A)
- 4 - OH
- 1 - Engr
- 1 - RR
- 2 - Ord (A)
- 3 - Ord (B)
- 2 - Ord (D) Ammunition
- 10 - Allied Commission to Italy
- 5 - Allied Commission to Austria
- 4 - Salvage
- 1 - RUMF
- 2 - AG Records
- 1 - British Resident Minister
- 1 - POLAD

I November

**Economic Section Distribution:**

**ACTION:** War Materials Disposal

**INFO:** Chief Commissioner —

Executive Commissioner

Economic Section

Agriculture S/C

Commerce S/C

Industry S/C

Transportation S/C

For OANLC catalogue No. 1, 15 Sept. 45  
see 4052- I

801

29

HEADQUARTERS OF THE  
MEDITERRANEAN THEATER FIELD COMMISSIONER  
OFFICE OF THE ARMY-NAVY LIQUIDATION COMMISSIONER  
APO 512

CC  
NOV 9 1945

3 November 1945

MEMORANDUM

TO: Rear Admiral E. W. STONE, USNR, Chief Commissioner,  
Allied Commission, Rome, Italy.

SUBJECT: Sales of United States Surplus Property to the Italian  
Government.

1. This office has been advised by the Office of the Foreign Liquidation Commissioner, Washington of your request to the State Department that, if possible, reports of sales of surplus to the Italian Government be sent to you.

2. It will be very easy, as we have informed your liaison representative with our office, Mr. Dickens, to comply with your request. Sales to the Italian Government will be by lots which are listed in our monthly catalogs, several copies of which are furnished to the Allied Commission through Mr. Dickens each month.

3. Some 13 or 14 copies of our Catalog No. 1, issued 15 Sept., 1945, were transmitted to the Allied Commission in this manner, immediately following its issuance. The following lots in our Catalog No. 1 have been sold to the Italian Government:

Lots No. 1, 2, 3, 5, 6, 7, 8, 9, 11, 12, 13, 14, 15,  
16, 17, 18 and 19.

4. Unfortunately, all of the copies of Catalog No. 1 on hand here, except for our official records and file copies, have been used as part of the executed contracts and as supporting documents to the Shipping tickets. Moreover, the stencils were destroyed, so that the production of additional mimeographed copies of Catalog No. 1 can not be accomplished, due to our limited staff and the volume of current work on hand.

D. P. CAULKINS  
Colonel, C. E.  
Acting Field Commissioner

801 EC DIST - 9/1/45

ACTION: RECON SEC (7)

INFO: CHIEF COMMR

EX COMMR

(2) a

QG4279  
NOV 030900

G/2763  
NOV 031345 A  
ROUTINE

DISTHREE  
Q 56 AREA, INFO HQ AC IND SUB-COMMISSION - U.N.R.R.A. NAPLES

UNCLASSIFIED.

Subject is Canadian Field punishment camp ATRIPALDA. AFHQ confirm no objection to dismantling hutting in question. Signal G338 of O1 refers. Intended to give a week in which Italian Govt can come to firm decision. Thereafter dismantle at your discretion and report completion derequisition or disposal to Italian authorities.

DIST  
INFOACTION INDUSTRY 2  
INFO CHIEF COMMISSIONER  
ECON SEC 2  
FILE 2  
FLOAT

2/05/50

79

28

C O P Y

ALLIED FORCE HEADQUARTERS  
C.A.O. Office

20 Oct. 45

CAO/214/6

SUBJECT: Disposal of Captured Enemy Material in ITALY

MEMORANDUM FOR: Chief Commissioner, Allied Commission to ITALY

1. Recently the Combined Chiefs of Staff authorized the disposal of all captured enemy material in the Mediterranean Theatre. This authority has been implemented by the publication of this HQ letter AG 386.3 Q(AE)-O dated 2 October 1945.

2. The policy established for disposal of material in ITALY is as follows:

(a) All captured enemy material surplus to the needs of the United Nations and being of value, in its present form, to the rehabilitation of the economy of ITALY will be made available by the Allied Commands to the Italian Government for such purpose.

(b) All captured enemy material surplus to the needs of the United Nations and being of no value, in its present form, to the rehabilitation of the country will be rendered of no further military value, reduced to scrap by the Allied Commands and, if still surplus, disposed of as scrap to the Italian Government through:

- (i) the QANLC in the case of US material
- (ii) the representative in ITALY of the Ministry of Supply in the case of British material.

3. The objects of this policy are twofold, namely:-

(a) To relieve Allied Commands of the responsibility of guarding and maintaining large dumps of enemy material, thus effecting a large economy in our already overstrained manpower resources.

(b) To make available immediately to the Italian Government, large quantities of material which it is realized are urgently required in the re-establishment of the internal economy of ITALY.

In accordance with the policy laid down by CCS in FAN 487, namely to turn over control of Italian affairs progressively to the Italian Government, the Italian Government will be entirely responsible for receiving and disposing of the captured enemy material offered to it. Once such material has been declared surplus to Allied military requirements and accepted by the Italian Government, no Allied military or civilian agency or personnel should be involved in deciding how it is to be distributed; nor will they entertain requests for such material from private individuals or firms, who will be referred to whatever agency the Italian Government makes responsible for dealing with such requests.

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5. It is therefore requested that you will ask the Italian Government to:

(a) draw up their own policy and procedure for receiving, guarding and disposing of the materials to be offered to them,

(b) nominate to this HQ their duly authorized agencies with whom the Allied Commands, OANIC and the Ministry of Supply representative should deal. These agencies should be able to take physical custody of the material as soon as possible and to accept full responsibility for it once it has passed from Allied control.

(c) announce publicly the names of the agencies so designated, the method by which they propose to dispose of the material and the correct procedure to be followed by private individuals and firms who wish to enquire about captured material.

(d) accept full responsibility for settling disputes as between varying claimants.

6. Owing to the need for economizing in the Allied manpower at present employed in guarding and maintaining the material, and to enable Allied formations to begin release of the material to the duly authorized Italian agencies as soon as possible, it is requested that the attention of the Italian Government be drawn to the need for prompt action under paragraph 5 above. This is to their own interest, as the material is of considerable value to them.

(a) A. C. DUFF  
Major-General  
Chief Administrative Officer

20 Oct 45  
DHS/her

COPY TO: GOC No. 2 District  
GOC No. 3 District  
CG, PBS  
G-4  
G-5  
Q(AE)

GOC XIII Corps  
EC. SEC. DIST:  
ACTION: WMD S/C (2) (1 for Milan office)  
INFO: Chief Commissioner  
Executive Commissioner  
Econ. Sec.  
Industry & Commerce  
Supply Div  
Commerce (2) (1 for Milan office)  
Industry (2) (1 " " " )  
File

797

OCT 31 RECD

*17 C*

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Translation

6630/A.G.

Rome, 27 October 1945

Dear Admiral Stone,

The Religious Congregation of the 'Brothers of the Christian Schools', whose seat is in Rome, - via Aurelia, n. 202, asked for the support of A.R.M. the Lieutenant General of the Kingdom to obtain the allocation of surplus war material.

The Prince who protects the said Congregation wants me to ask you very kindly to examine this request.

To this end, I forward you, my dear Admiral, the enclosed request from Mr. Francesco TRANQUILLI, Superior General of the Congregation, and thanking you, I remain,

Yours very truly,

A. A. Infante

(General Adolfo Infante)

Honorable Admiral Eilery A. Stone  
Chief Commissioner  
Allied Commission  
Rome

Encs. 2/0

*Handwritten mark*

EC DIST - 30.10.45

ACTION - ECONOMIC SEC  
INFO - CHIEF COMMR.  
- EX COMMR.

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*Handwritten note*

C 30979  
OCT 231937A

G/2128  
OCT 261800A  
PRIORITY

MTOUSA  
PENBASE INFO PENSOUTH. ANLC ROME. ALCOM

UNCLASSIFIED

Stevedoring equipment for Italian port area, NAPLES, ref  
your PBS-C-1139.

Letter this Hq file AG 413.8/984 dated 19 October 1945,  
subject; "Stevedoring Gear and Equipment for Italian Port Area, NAPLES",  
inclosing 2 lists of equipment granted you authority to issue to ALLIED  
COMMISSION on Memorandum receipt for 30 days such items listed as can  
be declared surplus to OANLC. Authority now granted to rrrgr fvb(?)  
memorandum receipt to ALCOM for same period such additional equipment  
as in your opinion is required provided it can be declared surplus to  
OANLC.

ALLIED COMMISSION/Italian Govt will bid for the purchase of  
such items and quantities as are declared surplus to meet this require-  
ment. If more desirable from an operating standpoint issue may be to  
WSA if acceptable to them. Advise any equipment necessary but not de-  
clarable as surplus in order WD may be requested to release.

List

Info-Action - L Forces  
Tr SC 2  
Info - Chief Commissioner  
Econ Sec 2  
File 2 Floot

795

4/10/51 fvb

(abc)



230

OCT 26 1940

cc 93000

Translation

The president of the Council of Ministers

Admiral Stone  
Chief Commissioner - A.C.  
Dear Admiral,

Rome, 20 October 1940

during the meeting which took place yesterday evening between the Ministers members of the Interministerial Committee for Reconstruction, and the representatives of the P.S.S. and A.M.D. S/C, about the handing over of wreckage of all kind by the American Government to the Italian Government, the P.S.S. officials stated that the payment of such material should not be made in ready money, Italian lire.

This is accordance with orders issued by Washington. Now, this particular financial regulation is in contrast with what has been established for the handing over of the American surplus and property taken from the Germans, so that we might think it to have been issued previously to the regulation on the payment of surplus material and former German property, and therefore consider it as no longer valid.

As it is well known, for the two latter kind of material, a form of settlement has been devised, by means of a simple debiting to the Italian Government financial agreements between both governments concerned with the payment are postponed to a later date. Such a system is doubtless more in accordance with the relations agreed upon by both governments, and their relative interests of their economic policy.

In fact, leaving aside all other considerations, it is to be feared that if the Italian Government is obliged to make immediate payments in ready money, this may lead to inflation, which the Italian Government has been trying to curb also in accordance with the suggestion from the American Government.

On the other hand, the Italian Government cannot give up such wreckage, not only because they represent goods which may be a considerable asset for the economic rehabilitation of the country, if properly put on the market, but also because the renunciation of the Italian Government would imply the carrying on of speculating measures by private persons, which have already been bitterly criticized by public opinion and by the press, when direct negotiations took place between the commands of local depots and private concerns.

At Leggia, material from American airplanes were handed over to a private concern which is supposed to have made considerable profit by selling it back to other speculators, and the Italian Government greatly desires that such things shouldn't happen again.

Therefore, in the name of the Italian Government, I beg for your personal intervention with the American Government, to have orders issued as soon as possible to P.S.S. for the handing over of wreckage with a system of debiting instead of that of immediate payment in ready money; as I have already told you, such a system is already being used for the handing over of surplus material and such goods as were German property.

Believe me,

Truly yours,  
S. Ferruccio Parri

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OCT 23 1945  
002600 CHIEF COMM. 232

Translation

The President of the Council of Ministers

Rome, 19 October 1945

Dear Admiral,

Because of the incoming winter, I must draw your attention on a problem which is getting more and more serious.

As you know, because of the large number of houses that have been destroyed, the government is faced with the difficult task of finding temporary accommodation for the persons who find themselves without a roof. I think that the tragical situation in which these people will find themselves because of the rigours of winter could be relieved by putting wooden barracks or some kind of similar constructions at their disposal. As such materials are likely to be found among allied and ex-German surplus materials, I want to ask for your kind intervention with the military authorities to have all the barracks unused by the army put at the disposal of the supply office of the *perrovis dello stato* or, at the direct disposal of the civilian administrations. The payment of the lot could follow the usual procedure established for surplus. I shall also be most grateful if, considering the urgency of the case, you intervene without delay and ask for the delivery to take place as soon as possible.

Treating in your kind interest for our population, I remain,

Yours very truly,

S. Ferruccio Parri.

Admiral Ellery W. Stone  
Chief Commis

40552

E.C. DIST 230K

ACTION: ECON SEC

INFO: CHIEF COMM ✓

: RX COMM

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(26)a

8 October 1945

MEMORANDUM TO: Executive Commissioner.

On page 2 of the AC Weekly Bulletin of 6 October, the statement is made, "On 28 September, an agreement with the Allies on the handing over to the Italian Government of surplus war material was approved." I have seen this report in other publication as well.

Will you undertake to get me a translation of this agreement.

/s/ Ellery W. Stone

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

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SEP 262105Z

F/9153  
SEP 270940  
ROUTINE

WAR FROM COS CITE CCAC  
ALLIED COMMISSION FOR CLAC RPTD INFO AMHQ FOR PHGEG AND UK BASE  
SEC FOR CABINET SECRETARIAT.

UNCLASSIFIED.

This is COM 224.

Procedure for purchase of surplus property.

1. FEA understands from MERRITT that surplus hay (ref NOC 275) was sold on open market prior to arrangement between CAMEL FLD Commissioner and FEA, ROME. Please confirm cancelling rqst NOC 275.

2. In letter of September 1, US Treasury Secretary VINSON has authorized army-navy liquidation commissioner to accept local currency up to the equivalent at present exchange rate of 15 million dollars in payment for surplus property sold to Italians. Arrangements for sale of surplus property in return for local currency under terms of this letter will be handled by Field Commissioner and Italian Govt.

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

791

DIST

- ACTION REQ DIV 4
- INFO CHIEF COMMISSIONER
- EX COMMISSIONER
- CC TO BR EMBASSY
- CA TO US EMBASSY
- ECOR SEC
- FINANCE SC
- FILE 2
- FLOAT

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RESTRICTED

DCS/er

HEADQUARTERS  
MEDITERRANEAN THEATER OF OPERATIONS  
UNITED STATES ARMY  
APO 512

*Chief  
Comm*

CIRCULAR )  
NUMBER 111 )

14 September 1945

DISPOSAL OF SURPLUS INSTALLATIONS  
AND RELEASE OF REAL PROPERTY

Disposal of Surplus Army Installations . . . . .	I
Derequisitioning of Real Estate . . . . .	II

1. The following instructions are hereby rescinded:

- a. MATOUSA letter, file AG 686/225 ITC-O, subject: "Release or Abandonment of Airfields", dated 8 January 1944, addressed to Commanding General, AAF/MTO.
- b. MATOUSA letter, file AG 600.91/110 ENGR-O, subject: "Reports on Army Overseas Installations", dated 31 May 1945.
- c. MATOUSA letter, file AG 602.1/829 D-O, subject: "Vacating of Requisitioned Property", dated 7 July 1945.
- d. MATOUSA Redeployment Circular Number 13, dated 12 May 1945 and Change Number 1, dated 27 May 1945.
- e. Paragraph 6, MATOUSA Circular Number 92, dated 29 June 1945.

2. References

- a. MATOUSA Circular Number 92, dated 29 June 1945.
- b. MATOUSA letter, file AG 600.91/110 ENGR-O, subject: "Report on Overseas Army Installations", dated 1 August 1945.
- c. MATOUSA Engineer Letter, subject: "Reports Required by Allied Commission", dated 21 August 1945.

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I -- DISPOSAL OF SURPLUS ARMY INSTALLATIONS

3. Purpose - The purpose of this directive is to establish a procedure in this theater for the disposition of surplus US Army installations (except Special Signal installations) and for the removal of US Army equipment and materials installed therein in accordance with the policies established in War Department Memoranda Number 700-45, subject: "Disposal of Property Overseas", dated 9 May 1945, as amended 20 June 1945 and 20 July 1945 and Number 700-45, subject: "Policy With Respect to United States Installed Equipment in Overseas Army Installations", dated 24 July 1945, and letter from Chief of Engineers War Department, subject: "Report of Excess Fixed Installations and Disposal Actions", dated 19 June 1945. Special Signal installations will be disposed of in accordance with Item 3, Section IX, AFHQ Signal Instructions, dated 22 November 1944.

*4082/10/50  
(+ 32/10/50)*

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Re MTOUSA Circular #111 (cont'd)

4. Definitions

a. Fixed installation

(1) A unit of real property not in a combat zone, leased, purchased or otherwise acquired by agreement, expressed or implied, together with any improvements constructed thereon, for the United States Army, at which a specific military function is performed.

(2) A unit of real property not in a combat zone at which there have been accomplished repairs, modifications, or replacements to existing facilities such as roads, railroads, bridges, utilities, ports, airfields, depots and similar properties utilized by the US Army, where the repairs, modifications or replacements are of such type construction as to have a potential postwar economic value.

b. Renovable installed equipment - (Applies to equipment installed by or for the US Army). Equipment which can be removed without damage to the structure or real property or without rendering the structure or property useless. Examples of removable installed equipment are boilers, power plants, motor generator sets, industrial production equipment, communication equipment, pre-fabricated huts, etc.

c. Non-removable installed equipment - (Applies to equipment installed by or for the US Army). Equipment which cannot be removed without damage to the structure or real property or without rendering it useless. Examples of non-removable installed equipment are sewage piping, water piping, steam piping, electrical or communication wiring, etc.

d. Definitions listed in paragraph 2, MTOUSA Circular Number 92, 1945, are applicable to this directive.

5. Base Section Commanders and the Commanding General, AAF/TCO, will take aggressive action to insure that all installations and real property, not absolutely essential to the needs of redeployment or occupational forces, are immediately released in accordance with instructions below. Special attention will be given to the release of civilian hospital, industrial, educational and agricultural facilities.

6. Disposal of installations

a. Installations to be reported to this Headquarters prior to disposal - Installations of the following categories determined to be excess to the needs of the Base Section Commander or Commanding General, AAF/TCO, will be reported to this Headquarters for reference to the War Department for disposition instructions (See paragraphs 7a and 8 below).

(1) All installations regardless of United States investment which have major strategic or economic value.

(2) All airfields in which the estimated United States investment at the time of determination as excess is more than \$100,000.

(3) All installations which are terminal stations of or stations tributary to the Army Command and Administrative Network.

Hq AFMUSA Circular #111 (cont'd)

(2) All petroleum and port installations of the following types in which the United States investment at the time of determination as excess is more than \$100,000:

- (a) Tank farms.
- (b) Petroleum pipe lines.
- (c) Petroleum pumping installations.
- (d) Petroleum distribution systems.
- (e) Petroleum refineries.
- (f) Petroleum loading terminals.
- (g) Can and drum plants.
- (h) Piers and wharves.
- (i) Berths.
- (j) Fixed port unloading facilities.
- (k) Tanker unloading facilities.
- (l) Marine repair facilities.

b. Upon the declaration of an installation of the above categories as surplus by the War Department, and upon instructions from this headquarters, the installation will be reported on Form SPR-9 by the command concerned to the Field Commissioner, AFM, for disposal in accordance with AFMUSA Circular Number 92, 1945.

c. Installations to be disposed of by authority of Base Section Commander or Commanding General AAF/AFM - all other types of installations not included in paragraph a, above, will be considered surplus without further authorization when they are determined by the Base Section Commander or Commanding General, AAF/AFM, to be excess to current needs. However, clearance will be obtained from this headquarters prior to disposition of any airfield, port facility or petroleum installations, or of installations with a housing capacity of over 5,000 men, installations specifically constructed or acquired by direction of this headquarters, or installations which may, in the opinion of the controlling command, be of use to another agency or command.

78.1 d. Disposal of surplus installations (except real estate on which no expenditures have been made by the United States other than for maintenance - see paragraph 6e, below) included in the categories outlined in paragraph c, above will be as follows:

(1) As soon as it is known when the installation will become surplus, the Field Commissioner AFM, will be advised directly by informal memorandum and arrangements made with him for inspection of the property. He will be furnished with any data required to assist him in determining whether the installation has a commercial value and whether the cost of its care, handling and disposition would exceed the estimated proceeds.

## RESTRICTED

Hq. AFMUSA Circular #111 (cont'd)

(2) When the installation is actually declared surplus, the Base Section Commander, or Commanding General, AAF/ATO, will report the installation on Form SPB-5 to the Field Commissioner, ALC, for disposal in accordance with paragraphs 8 through 11, AFMUSA Circular Number 92, 1945. (See paragraph 7b and 8 below). If the ALC notifies the reporting officer that disposal by ALC is not warranted, the Base Section or Air Force Commander will make the following disposition:

(a) All items of removable installed equipment which are serviceable or economically repairable will be removed and returned to the appropriate supply depot.

(b) Items of non-removable installed equipment will not be removed if the cost of removal and labor involved will not justify such removal.

(c) All other items will be disposed of as scrap in accordance with paragraph 7, AFMUSA Circular Number 92, 1945, either in place or dismantled and turned in to a Quartermaster Salvage Depot.

(d) Real Estate will be de-requisitioned and the residual value of improvements made by the US Forces will be reported to Allied Commission in accordance with letter referred to in paragraph 2a, above and Section II below. The report to Allied Commission will not include any part of the installation disposed of by the Field Commissioner, ALC, or disposed of as scrap.

e. Real estate on which no expenditures have been made other than for maintenance will be de-requisitioned in accordance with Section II below.

7. Report of excess fixed installations and disposal actions

a. Upon determination that a fixed installation or a portion thereof required to be reported to the War Department in accordance with paragraph 6a, above, is or will be excess to the needs of a Base Section or AAF/ATO, a report will be submitted in 4 copies on Part D (Eng. Form 1266, 1 May 1945) "Report of Excess" to this headquarters, attention: Chief Engineer. The report of excess will be forwarded by this headquarters to the War Department in accordance with current War Department instructions.

b. Where an installation has been disposed of under the authority contained in paragraph 6c, above, and the installation is required to be reported on Parts A, B or C of "Real Property Records", (reference paragraph 2b, above) a report will be submitted in 4 copies on Part E (Eng. Form 1266, 1 May 1945) "Report of Disposal" to this headquarters, attention: Chief Engineer, upon completion of disposal action. Part E will not be submitted on those installations which are reported for disposition to the Field Commissioner, ALC, on Form SPB-5.

8. Policy with respect to US installed equipment in Army installations to be disposed of through ALC or reported to the War Department

a. The policy of the War Department is to remove from installations all removable equipment which is in short supply; to leave as part of the installation all removable installed equipment which is an excess, surplus, or obsolete supply; and to remove equipment in normal supply only if such removal does not interfere with ultimate disposal. Non-removable installed equipment will



## RESTRICTED

Hq MTOUSA Circular #111 (cont'd)

not be removed. The above policy and the procedure outlined below will govern with respect to removal of installed equipment from installations to be disposed of through the Field Commissioner, ALC, or reverted to the War Department.

b. A list of items in short, excess, surplus, and obsolete supply will be furnished each command by this headquarters. In addition to this list, the supply status of items listed in War Department SF 38-1 will apply. All items not included in either the short or in excess, surplus, or obsolete supply categories will be considered as being in normal supply.

c. All items of removable installed equipment in short supply will be removed from the installation and returned to depot stocks prior to its disposition or preparation of the report of excess (Part D of the Real Property Record).

d. Removable installed equipment in excess, surplus, or obsolete supply will not be removed unless specifically required by this headquarters.

e. With respect to removable installed equipment in normal supply the Base Section Commander or Commanding General, AAF/MTO, will by informal inquiry to the Field Commissioner, ALC, determine whether the retention of such equipment is desirable as a means of facilitating the ultimate disposal of the installation. If there is a desire for retention of such equipment, it will not be removed. In the case of installations required to be reported as excess on Part D, Eng. Form 1266, a statement of desire for retention of the equipment will be included in the transmittal letter forwarding the report of excess. If there is no desire for the retention of such equipment, it will be removed only if it is economically desirable, taking into consideration the cost of removal, repair, packing and shipment. Equipment removed from an installation prior to the submission of a Report of Excess (Part D, Eng. Form 1266) will be indicated in letter of transmittal forwarding the report of excess.

9. Custodial responsibility - The Base Section Commander or Commanding General, AAF/MTO, will have continuing custodial responsibility for all property declared excess to his needs until it is transferred or abandoned in accordance with instructions of the Field Commissioner, ALC, or until the installation is dismantled and real estate is returned to the owner. All such property will be retained in his control as US Army property until disposition is determined. Pending such determination the installation will not be abandoned or entirely evacuated. A minimum of personnel will be retained for maintenance, security and preservation of the rights of the United States Government.

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## II---DEREQUISITIONING OF REAL ESTATE

10. Subject to the above, the procedure set forth below will be followed by all US Commands when derequisitioning real estate in Italy.

11. For the purposes of this directive, the following definitions will apply:

a. Controlling agency - Any major command which holds territorial jurisdiction for the area concerned. Examples of a controlling agency are PBS, Rome Area Command, or a British District.

## R E S T R I C T E D

Hq MTOUSA Circular #111 (cont'd)

b. Requisitioning agency - A major command responsible for requisitioning and derequisitioning real estate. Examples are AAF/MTO, US Navy. A controlling agency may be, in some cases, the requisitioning agency.

12. Prior to derequisitioning, all household and office furnishings added by the US during the US occupancy will be removed and returned to the appropriate US supply depot. Such furnishings belonging to the owner will not be removed.

13. Notice of intent to derequisition - The requisitioning headquarters will address notice of intent to derequisition specific real estate to the nearest office of the Genio Militare ten days in advance of evacuation date. At the same time, Genio Militare will be requested to send a representative to make a final inventory of the premises in conjunction with a representative of the requisitioning agency. In those cases where the requisitioning agency is not the controlling agency, the real estate officer of the controlling agency will also be notified of intent to derequisition. If the Genio Militare representative cannot be present at the time of evacuation, derequisitioning procedure will not be delayed. It is, however, most desirable that Genio Militare view all real estate and contents at the time of evacuation since that office will make settlement of claims arising from occupancy.

14. Derequisitioning

a. Inventory

(1) The final inventory will be made by a representative of the requisitioning agency together with the Genio Militare and the owner or the Owner's representative. In the absence of both the Genio Militare and the owner, the owner will be represented on the joint inventory by a disinterested officer appointed by the requisitioning agency, or he may be represented by the local Sindaco, Genio Civile or Prefettura. In the case of a quasi-military organization such as the ARC, where the owner of the property is unknown or cannot be located and the Genio Militare is not available, a disinterested officer will be appointed by the requisitioning agency to represent the owner when making the joint inventory.

(2) There will be noted on the final inventory form the following information:

- (a) Contents, fixtures, etc., and condition thereof.
- (b) A full description of any damages to buildings or contents caused by the occupying unit and not the result of fair wear and tear.
- (c) A full description of any damage caused by the occupying unit to crops or land.
- (d) A full description of any improvements made to the property by US Forces. Lists of materials used and an estimate of man and/or equipment hours will also be noted.
- (e) Any failure in agreement between persons conducting the inventory as to contents or condition of premises.
- (f) Signature of all parties making the inventory.

RESTRICTED

Hq. MOWSA Circular #111 (cont'd)

(3) A copy of the final inventory will be retained by the requisitioning agency and a copy will be furnished the real estate officer of the controlling agency and the Genio Militare.

5. The United States will not be divested of responsibility for the real estate until it is returned to the owner, or in the absence of the owner, returned to the Genio Militare, Sindaco, Genio Civile or Prefettura and a receipt obtained therefor. Quit-claims will be obtained whenever possible, copies of which will be furnished the Genio Militare and the real estate officer of the controlling agency.

15. The requisitioning agency will be responsible for maintaining adequate guards for the protection of the real estate and property until divested in responsibility as outlined in paragraph 14b, above. The requisitioning agency will also be responsible that the property is left in a clean and sanitary condition.

16. Misuse, such as willful destruction or looting, of requisitioned property will not be permitted. If such misuse is discovered, the real estate officer will present all available information to the Commanding General or Commanding Officer of the requisitioning agency for appropriate action.

17. The Genio Militare will receive and adjust all claims arising from authorized occupancy of real estate.

18. The principal office of the Genio Militare is:

Ufficio Centrale Controllo Requisizioni,  
Via XX Settembre - Rome

Branch offices are called Ufficio Genio Militare Per Requisizioni AA and are located in the following cities:

- |            |         |
|------------|---------|
| Ancona     | Naples  |
| Bari       | Palermo |
| Bologna    | Perugia |
| Campobasso | Rome    |
| Catania    | Taranto |
| Florence   | Turin   |
| Genoa      | Vasto   |
| Lisbon     | Venice  |
| Milan      |         |

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## RESTRICTED

Hq WFOUSA Circular #111 (cont'd)

19. Headquarters releasing real estate will report residual value of any improvements made to the property by United States Forces in accordance with reference mentioned in paragraph 2c, above. The value thus reported will be reconciled with the value of improvements listed on inventory required in paragraph 14a, above.

BY COMMAND OF GENERAL MCWATNEY:

OFFICIAL:

H. G. WHITE  
Major General, G3C  
Acting Chief of Staff

*C. W. Kristinberry*  
C. W. KRISTINBERRY  
Colonel, AGD  
Adjutant General

4. Inclosures:

- Incl. #1 - Letter, Chief of Engineers, War Department, file 601.1 SPELY, dated 19 June.
- Incl. #2 - Part D, Eng. Form 1266, 1 July 1945, "Report of Excess."
- Incl. #3 - Part E, Eng. Form 1266, 1 July 1945, "Report of Disposal".
- Incl. #4 - Flow Chart.

DISTRIBUTION:

2

CE 601.1 SPELY

19 June 1945

SUBJECT: Report of Excess Fixed Installations and Disposal Actions

TO: ALL THEATERS, DEPARTMENTS AND SEPARATE BASE COMMANDS

1. Attention is invited to the following references:

a. War Department Memorandum No. W 100-44, dated 9 March 1944, "Report on Army Installations in Theaters, Departments and Separate Base Commands."

b. Letter from the Chief of Engineers, File CE 601.1 SPELY, dated 5 May 1945, Subject: "Report on Overseas Army Installations."

c. War Department Memorandum No. 700-45, dated 9 May 1945, as amended, Subject: "Disposal of Property Overseas," requiring that certain fixed installations if excess to the needs of a theater will be reported on Part D "Report of Excess" to the Chief of Engineers, and reports of disposal action for fixed installations on Form Part E "Report of Disposal" to the Chief of Engineers.

2. Upon determination that a fixed installation or a portion thereof required to be reported to the War Department under War Department Memorandum No. 700-45, as amended, is or will be excess to the needs of a theater, there will be submitted to the Chief of Engineers, Attention: Real Estate, Washington 25, D. C., a report on Part D (Eng. Form 1266, 1 May 1945) "Report of Excess." Upon receipt in the Office, Chief of Engineers appropriate action will be taken by the War Department and necessary instructions will be issued to the theater commander who will take appropriate action in accordance with Memorandum No. 700-45, as amended.

3. Where the theater commander has authority to dispose of fixed installations in accordance with War Department Memorandum No. 700-45, as amended, and the installations are required to be reported on Parts A, B and C of "Real Property Record," a report will be submitted on Part E (Eng. Form 1266, 1 May 1945) "Report of Disposal" to the Chief of Engineers, Attention: Real Estate, Washington 25, D. C., upon completion of disposal action. This report is required in order to complete the records of the Chief of Engineers with respect to fixed installations reported to him. Part E will not be submitted on those installations which are reported for disposition to Army-Navy Field Liquidation Commissioner on Form SPE-3.

Sincerely,

E. REYBOLD  
Lieutenant General  
Chief of Engineers

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REAL PROPERTY RECORD			
PART D REPORT OF EXCESS		THEATER OF OPERATION	DATE OF REPORT
Enter in appropriate blanks below sufficient data to identify the installation or portion thereof previously reported on Forms Parts A, B, C, "Real Property Record" and reasons for reporting as excess (See WD Form. 700-43, dated 9 May 1945, as amended). Form to be submitted in quadruplicate.			
TO: CHIEF OF ENGINEERS WASHINGTON 25, D. C. ATTENTION: REAL ESTATE			
1. a. NAME OF INSTALLATION (Official designation)		b. OTHER NAMES (Now or previously used)	
2. a. COUNTRY		b. SOVEREIGNTY (Where country is not sovereign nation)	
3. a. TYPE OF INSTALLATION (Check one)			
ARMYFIELD	HOSPITAL	DEPT	OTHER (Specify)
4. a. PARTS OF "REAL PROPERTY RECORD" SUBMITTED TO CHIEF OF ENGINEERS			
MOST RECENT SUBMISSION		PARTS	DATE SUBMITTED
		a	
		b	
		c	
5. a. STATE WHETHER PART OR ALL OF INSTALLATION IS EXCESS (Identify portions by reference to number on Parts A and B and changes in such items specified in Part C, if part only is reported excess). (Check one)			
ALL		PART (Identify)	
6. a. REASONS FOR REPORTING EXCESS: (Give reference to appropriate paragraph in W.D. Memorandum No. 700-43, 9 May 1945 as amended)			
7. a. REMARKS AND RECOMMENDATIONS AS TO POSSIBLE REDISTRIBUTION TO OTHER U. S. AGENCIES OF STRUCTURES, FIXTURES AND EQUIPMENT (Or materials derived therefrom)			
TYPED NAME AND GRADE		DATE	AUTHORIZED REPORTING OFFICIAL (Signature)

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1672

# REAL PROPERTY RECORD

## PART E REPORT OF DISPOSAL

THEATER OF OPERATION

DATE OF REPORT

To be used only for fixed installations previously reported on Forms Parts A, B, C, "Real Property Record" disposed of by theater commanders or returned to supplying Government under authority of Memo. No. 700-45, dated 9 May 1945, as amended. To be submitted in triplicate.

TO: CHIEF OF ENGINEERS  
WASHINGTON 25, D. C.  
ATTENTION: REAL ESTATE

1. a. NAME OF INSTALLATION (Official designation)

b. OTHER NAMES (New or previously used)

2. a. COUNTRY

b. SOVEREIGNTY (Where country is not sovereign nation)

3. a. TYPE OF INSTALLATION (Check one)

AIRFIELD

HOSPITAL

DEPOT

OTHER (Specify)

4. a. PARTS "REAL PROPERTY RECORD" SUBMITTED TO CHIEF OF ENGINEERS

MOST RECENT SUBMISSION

PARTS

DATE SUBMITTED

A

B

C

D

5. a. DECLARATION OF SURPLUS

PROPERTY DECLARED SURPLUS BY (War Department or Theater Commander)

DATE

UNDER AUTHORITY CONTAINED IN W.D. MEMORANDUM NO. 700-45, DATED 9 MAY 1945, AS AMENDED. (Paragraph No.)

6. a. STATE WHETHER PART OR ALL OF INSTALLATION HAS BEEN DISPOSED OF (Identify portions by reference to numbers on Parts A and B and changes in such items specified in Part C if part only has been disposed of). (Check one).

ALL

PART (Identify)

7. a. METHOD OF DISPOSITION (Check one)

SALE

EXCHANGE

TRANSFER

RECIPROCAL AID  
PROPERTY RETURNED  
TO SUPPLYING GOV.

ABANDONMENT

b. CONSIDERATION RECEIVED: (Stated in currency used and official exchange rate at time of disposition)

8. a. IDENTITY OF PURCHASER, TRANSFEREE OR SUPPLYING GOVERNMENT

78

9. a. REMARKS

TYPED NAME AND GRADE

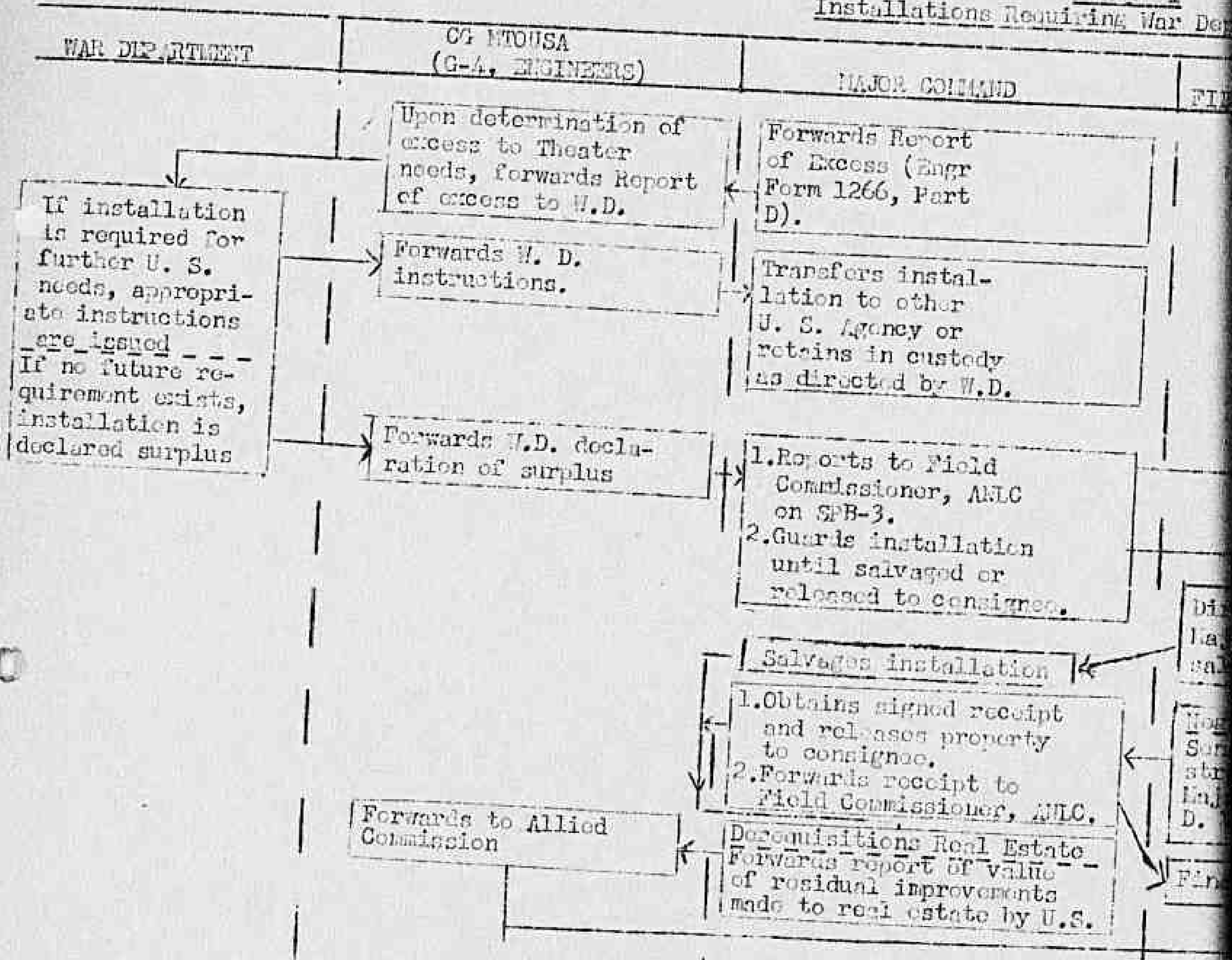
DATE

AUTHORIZED DISPOSAL OFFICIAL (Signature)

24

Inclosure #4 to liq MTOUSA Circular #111

FLOW CHART - PROCEDURES FOR DISPOSAL  
CHART I  
Installations Requiring War Dept

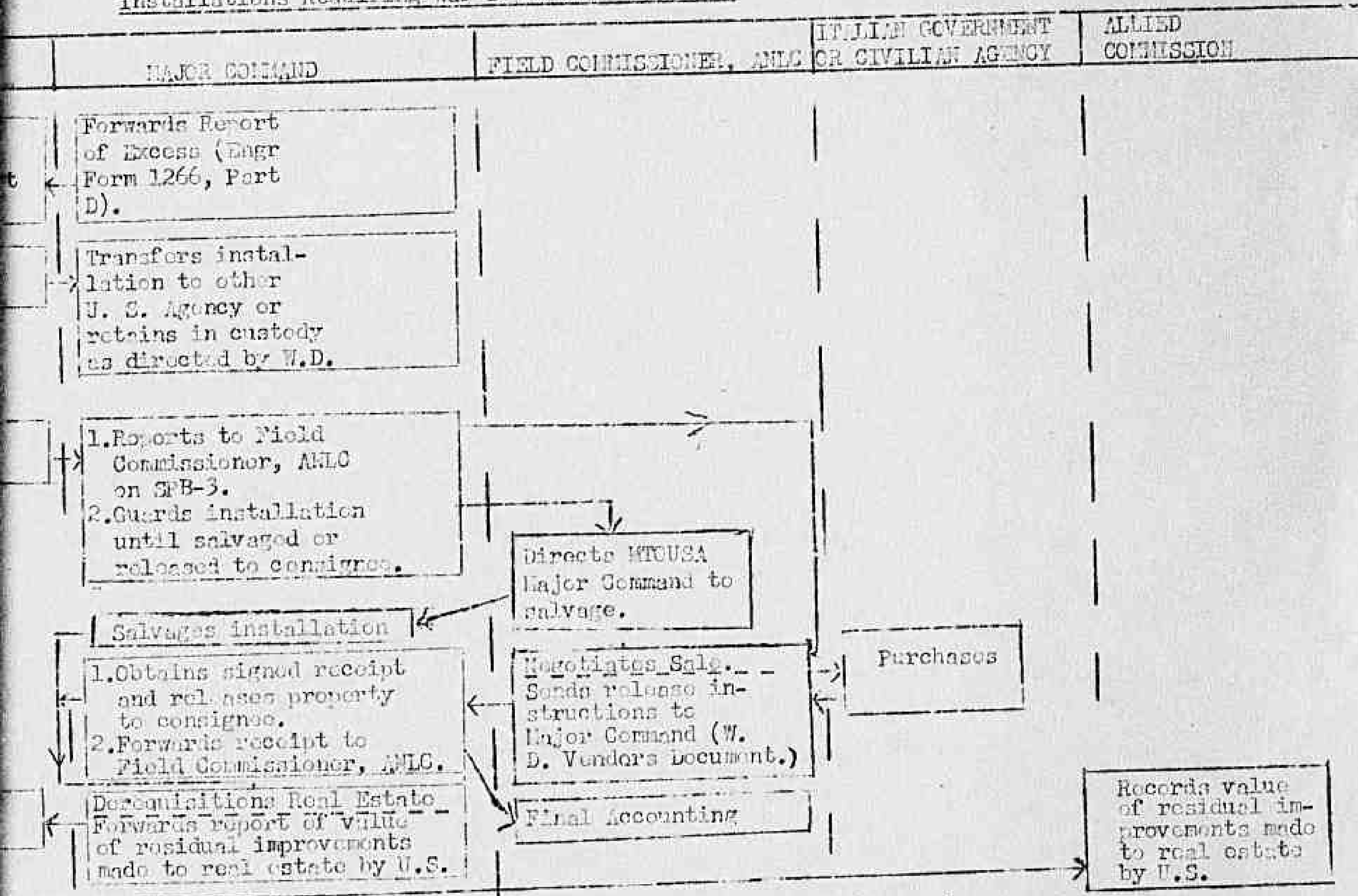




FLOW CHART - PROCEDURES FOR DISPOSITION OF INSTALLATIONS

CHART I

Installations Requiring War Department Approval

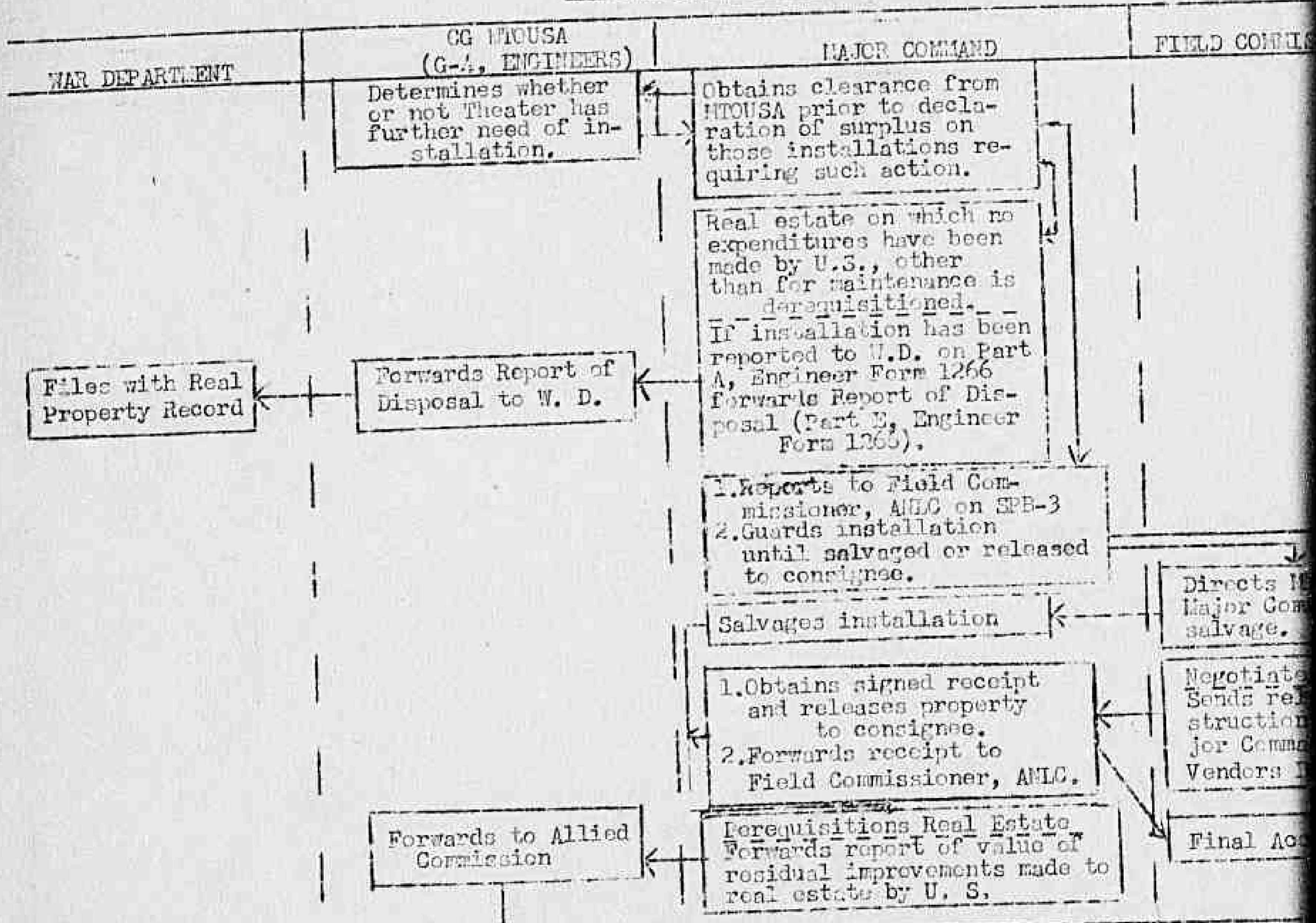


Inclosure #4 to Hq MTOUSA Circular #111

FLOW CHART - PROCEDURES FOR DISPOSITION OF INST

CHART II

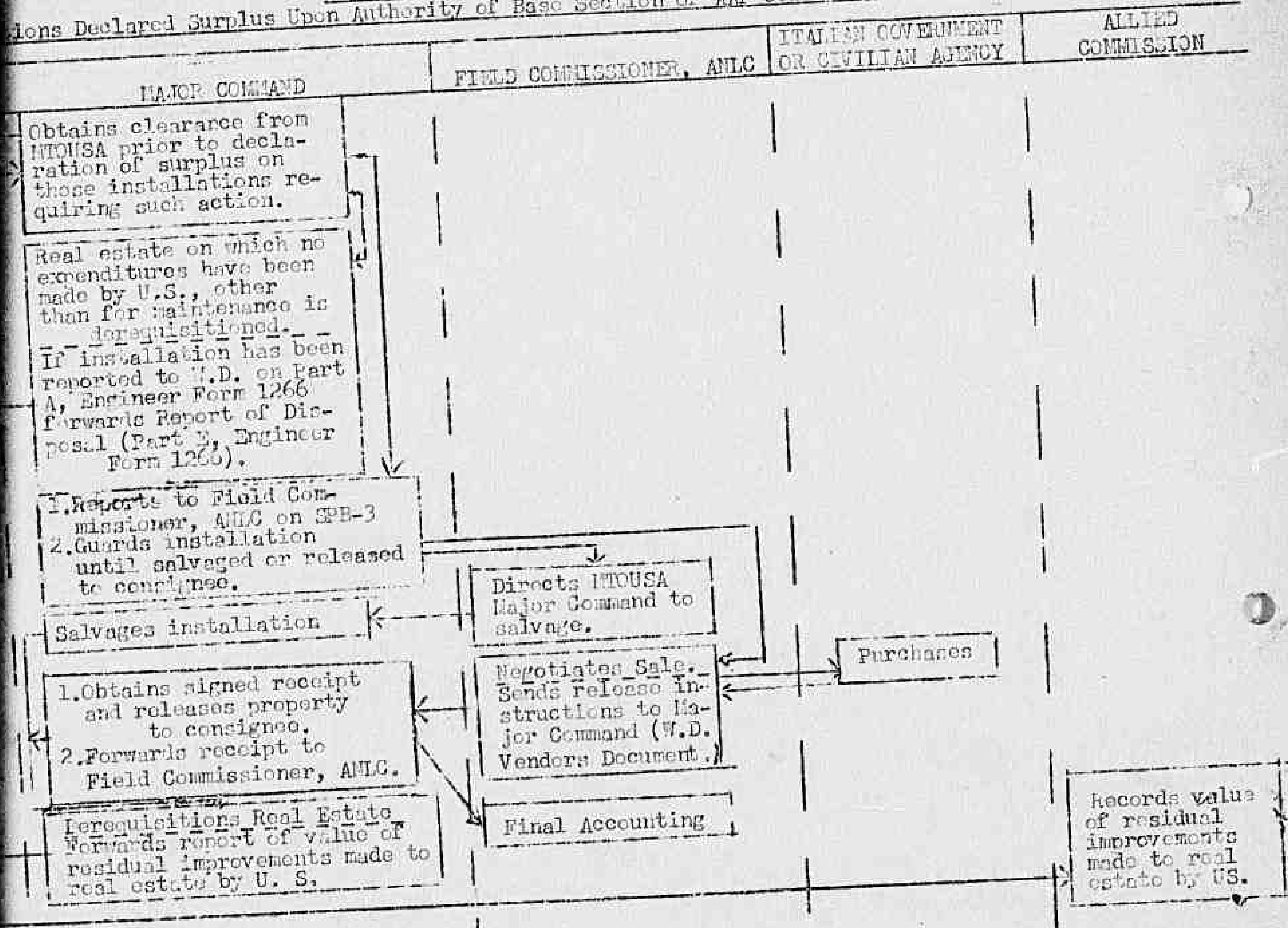
Installations Declared Surplus Upon Authority of Base Se



FLOW CHART - PROCEDURES FOR DISPOSITION OF INSTALLATIONS

CHART II

Installations Declared Surplus Upon Authority of Base Section or AAF Commander



SEP 18 1952

To: Chief Commissioner

Have written to AFHQ for

Confirmation of accuracy of report and

if confirmed shall inform Ministry of

J + A

WNS

*Col. Sudder - would have been interested. Or you*

VOLUME TWELVE, NO. 3, September 6, 1945

\*\*\*\*\*  
\* COMMUNICATIONS PHASES EXPECTED TO LOOK UP IN AIR PEARL HARBOR PROBLEMS \*  
\*\*\*\*\*

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The communications facilities between the United States mainland and the Territory of Hawaii, which were brought into the Army and Navy Boards' Report on the Pearl Harbor disaster, will undoubtedly be injected into any future Congressional investigations of this event. Congressional fulminations about Pearl Harbor appear certain — and will undoubtedly become part of the growing storm of criticism on Capitol Hill and among politicians against our armed forces. To many observers, this spirit of attack against the military services, which three and four years ago were so fulsomely hailed for their defense of the nation, seems shameful and, if criticism is in order, it would be more fitting to await the opinions of the returning G. I.s than to have it come from "home-front" politicians.

In regard to United States-Hawaii communications from the War Department in warning about the Japanese attack threats before Pearl Harbor, the Boards' reports brought out that a major reason for the delay was the inter-service jealousies on communications. The interrogation of a former Signal Corps traffic branch chief brought out this aspect — this defect in communications' operations (which has been cured most notably during the war) will undoubtedly be a major argument in the future Congressional consideration of unification of the Army and Navy.

The dispatch of General Marshall to General Short in Honolulu on the day of the Pearl Harbor attack was handled by RCA Communications in 45 minutes. The real delay came at the Honolulu end in the decoding and delivery by the Army authorities. Undoubtedly in any Congressional investigation the remarks of Admiral E. J. King that the most expeditious means of delivery might have been the radiotelephone probably will be a keynote of the communications phase.

The freedom of Japanese communications from Hawaii to Japan by radiotelephone and radiotelegraph, which was censured during the war in Congressional circles, will be without doubt highlighted in the future Congressional probe proceedings. The stand of former FCC Chairman James Lawrence Fly on the question of wire tapping and intercepting of cable and radiotelegraph messages prior to Pearl Harbor which was such a bone of contention during the House Committee investigation of the Commission, will in all probability be one of the feature subjects in any probe proceedings. The Pearl Harbor radar episode, in which Signal Corps Private Lockard (now 1st Lt.) flashed the warning about the attacking Japanese planes, which was not heeded by the only officer in the Army Information Center (who is now an AAF Lt. Col.), will also be spread thick upon any Capitol Hill investigation records, it is thought. —End—

—ARMY DECLARES TWO RADIOTELEGRAPH TRANSMITTERS AT MAPLES SURPLUS—

Indicating a significant policy determination by the War Department in regard to its world-encircling radiocommunications system, the FCC disclosed last week-end that it had been advised by the Army-Navy Liquidation Commissioner the Army had declared surplus two 40-C-1 commercial type radiotelegraph carrier terminal stations, now installed at Maples. These terminals permit the operation of twelve R-1E telegraph channels over one voice frequency channel. The FCC announcement stated that anyone interested in acquiring this equipment should communicate with Col. S. Grunckl, Director of Plants and Fixed Installations of the Liquidation Commission, New War Department Building in Washington. —End—

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4052/0

JUL 19 1945  
CC 1615

HEADQUARTERS ALLIED COMMISSION

ECONOMIC SECTION

RESTRICTED

Washington, D.C., U.S.A.

7 July 1945

JUL 18 1945

To: Headquarters Allied Commission  
(Attention: Economic Section)

Subject: Surplus Property - Progress Report No. 3

1. This memorandum is the third of a series of Progress Reports to the Allied Commission on developments in Washington during my mission here, on matters of interest to the Allied Commission and the Italian Government. The first report was on the financing of supplies, and action on the Italian supply program; the second was on coal.

2. The handling of U. S. surplus property is, by recent order of the Surplus Property Board, to be channeled entirely through the Field Commissioner of the Army-Navy Liquidation Commission. The points in the following two paragraphs emerged from discussions in Washington with the Army-Navy Liquidation Commissioner and with Livingston Short, Field Commissioner for the Mediterranean Theatre of Operations.

3. The disposal of U. S. surplus property must be handled through U. S. channels -- i.e., not through a combined organization like the Allied Commission. The coordination between the supply program for Italy (which is on a combined basis) and the availability of surplus property (which is on a U. S. basis) can, however, be easily and automatically effected since the disposal of much of the surplus property will be handled through the representatives in Italy of the Foreign Economic Administration. The responsibilities of the Foreign Economic Administration, Rome, are set out in the attached cable which was sent by FEA Headquarters to the FEA Special Representative in Italy (Appendix "A"). It is important to note that this means that certain of the American civilian personnel in the Allied Commission will be operating also as representatives of FEA, on questions having to do with U. S. Surplus property.

4. There has been much discussion as to the use of the Net Troop Pay Account in paying for U. S. surplus property. A procedure for using this account, to the extent that it is decided on a policy basis that these funds will be used for the purchase of surpluses, is detailed

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4052/4

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(CAP. Adm. 07)

Noted by AC [Signature]

ES DIST

REGISTRATION BRANCH  
CHIEF COMM. - TRAD. A.P. E.S.  
MR. MERRITT - ASST. S/C

- 2 -

in Appendix "B". This procedure was agreed between FEA and the Office of the Army-Navy Liquidation Commissioner; it is, however, subject to the results of a policy proposal which would amend the attached procedure (Appendix "B") along the following lines:

The cost of surplus items will not be automatically debited by FEA against the Net Troop Pay Account or other Italian dollar assets but will be recorded by FEA in a cumulative suspense account. This account will be reviewed from time to time by the U. S. Government in the light of the Italian foreign exchange position, to determine to what extent the cost of such surplus property should be taken out of the Net Troop Pay Account or other dollar resources of the Italian Government.

Meanwhile, the FEA Representative in Rome can operate on U. S. surpluses according to the procedure in Appendix "B", and notify Washington of any surpluses applied against the Category B procurement program (see the E/1 program attached as Appendix "C" to my progress report of 23 June 1945; see also Document No. CLAC(S) 22/1 already sent to you with a recent COM Airgram.

5. The most recent policy statement by the War Department on the disposition to the Foreign Economic Administration of Army supplies and equipment overseas is attached as Appendix "C".

*Harlan Cleveland*  
 HARLAN CLEVELAND  
 Executive Director  
 Economic Section

**Attachments:**

- Appendix "A" - Cable 14 June 1945 to FEA Special Representative in Italy.
- Appendix "B" - Procedure on use of Italian Troop Pay Fund.
- Appendix "C" - Army Policy on Disposition to FEA of Army Supplies and Equipment Overseas.

**Distribution:**

- Headquarters Allied Commission (3 copies)
- G-5 AWHQ
- Foreign Economic Administration (Attention: Italian Division)
- State Department (Attention: Mr. Dallas Dort)
- U. S. War Department (Attention: Civil Affairs Division)
- British Civil Secretariat (Attention: Mr. Claude Berkeley)
- Army-Navy Liquidation Commission (Attention: Captain W.L. Nelson, USN)

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## APPENDIX "A"

June 14, 1945  
5 P. M.

This telegram must be paraphrased  
before being communicated to anyone  
other than a Government agency.  
(RESTRICTED)

AMEMBASSY  
ROME  
990

(1) The proposed Aide Memoire to Italian Govt on surplus property still under discussion here. (FROM REEDALL CLEVELAND AND HUNT FEA FOR FEA SPECIAL REPRESENTATIVE. Your 1086 April 30; 963 April 14, F-85089 from McNary to QANLC Wash May 31)

(2) QANLC to take over disposal of all surpluses outside US.

(3) Responsibilities FEA Special Representative on surplus property are:

(a) In case of FEA property in Italy becoming surplus it should be reported to Field Commissioner.

(b) QANLC required clear all surpluses with US Govt agencies prior to disposition in any manner. It is, therefore, your responsibility at this stage insure most complete utilization of surpluses in fulfillment of programs for which FEA has US procurement responsibility.

(4) Under paragraph 3(b) three types of programs are involved:

(a) FEA has procurement responsibility for US share of Category B program, to be financed out of Troop Pay Account. Where surpluses can be used in fulfillment of requisitions notified to AC by CLAC as being actually in procurement surplus property can be applied against such requisitions.



- 2 -

Appendix "A"

Determination of substitutability of surplus item for item in actual B procurement program should be made by FEA, Rome.

(b) FEA responsible for administration of US contribution to UNRRA. US contribution can be used to procure surplus property where UNRRA wishes this done. Procedures now being developed enable surplus property up to given dollar amounts to be acquired in field by UNRRA through FEA Special Representative, without reference to Wash. You should work closely with UNRRA, Italy, in developing agreed procedures in handling this part of your responsibility. When property is turned over to UNRRA it should be reported to Wash for debiting US contribution to UNRRA administered by FEA.

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

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

GREW  
(ACTING)  
(RLH)

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## APPENDIX "B"

Procedure on the Use of the Italian Troop Pay Fund in  
Connection with the Disposal of Surplus Property in Italy.

(This procedure applies only to surplus property submitted for items in the Category "B" Program.)

(1) Dollars from the Troop Pay Fund will be used in payment for surplus property only when such surplus can actually be substituted for an item in the category "B" program which has been duly designated for procurement. (The majority of the "B" Program does not have any money in back of it at the moment.)

(2) The emergency list of items under procurement in the United States under the Category "B" Program, which contains the items designated for procurement will be brought up to date from time to time by cables and telegrams from the Combined Liberated Areas Committee in Washington to the Allied Commission in Rome. Allied Commission will make available to the Field Commissioner of OANLC a copy of such lists and revisions.

(3) On receipt of notice of lists of available surplus property, the FEA Staff in Rome (Economic Section of AC) will determine, in consultation with the Field Commissioner, whether any of the items on the surplus list can be substituted for Category "B" items in procurement in the United States.

Where this is possible, the surplus will be taken up and transferred to the Italian Government in the field. Simultaneously, FEA, Rome, will cable in the COM-MOC series to FEA, Washington, copy to OANLC and the Field Commissioner, asking that:

- (a) Procurement in the U. S. of the item in question be suspended, and
- (b) The Troop Pay Account be debited with an amount agreed between the Field Commissioner and FEA, Rome.

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## APPENDIX "C"

ARMY POLICY ON DISPOSITION TO FEA OF  
ARMY SUPPLIES AND EQUIPMENT OVERSEAS

The following procedure will govern the disposition to FEA of Army supplies and equipment overseas, other than the disposition of 16,000 trucks covered specifically by the agreement between FEA, the Army and the Director of War Mobilization contained in the letter dated 31 May 1945, from FEA to the Commanding General, Army Service Forces:

In order to minimize demands on procurement, FEA will make all requests for Army supplies and equipment located in an inactive theater to the ANIC. If the required quantities of items have not already been declared surplus to ANIC, the War Department will declare additional quantities surplus to the extent that such quantities can be released without replacement to the theater from United States stocks. ANIC will make available such surpluses to FEA in accordance with applicable procedures, and subject to the following conditions:

(a) that the prices to be charged by the FEA for supplies and equipment obtained through ANIC and resold by the FEA in accordance with lawful authority shall be as agreed between FEA and ANIC; and

(b) that FEA will coordinate with ANIC as to all sales agreements hereafter negotiated by FEA with foreign governments, in order to protect the interests of the United States Government in the disposition of other surpluses by ANIC.

Robert F. Patterson  
Under Secretary of War

773

June 19, 1945

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CONFIDENTIAL

CG 4052

21 June 1945.

Dear Chuck:

15

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

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

19

*H. Ellery W. Stone*

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

4052/c

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

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cc: Exec. Commr.  
CC Files

CONFIDENTIAL

21

ALLIED [REDACTED] COMMISSION  
INTER-OFFICE MEMORANDUM  
ECONOMIC SECTION

cc 1225  
JUN 20 1945

SUBJECT: Responsibility of FEA Representative for the disposal of surplus property  
TO : CHIEF COMMISSIONER  
FILE No. 1.37/ES  
19 June 1945

With reference to your memorandum of 1 May concerning Mr. Antolini's cable of April 28, the inclosed cable was received yesterday through the American Embassy. The original has been passed to Mr. James M. Merritt.

*E. B. McKinley*  
E. B. MCKINLEY  
Brigadier General, USA  
Acting Vice President

14

Incl - Cable 15 June

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773

4052/c

PARAPHRASE

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

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

References are your 1086 dated 30 April; 963 dated 14 April, and F-85089 from McFarney to OANLC, Washington May 31.

1. Still under discussion here is the proposed aide memoire to Italian Govt. on surplus property.
2. Disposal of all surpluses outside U.S. to be taken over by OANLC.
3. Following are responsibilities FEA Special Representative on surplus property:
  - A. FEA property in Italy should be reported to Field Commissioner in case it becomes surplus.
  - B. Prior to disposition in any manner, OANLC required clear all surpluses with U.S. Govt. agencies. Therefore it is your responsibility at this stage to insure most complete utilization of surpluses in fulfillment of programs for which FEA has U.S. Procurement responsibility.
4. Three types of programs are involved under paragraph 3 (B):
  - A. FEA has procurement responsibility, to be financed out of troop pay account, for U.S. share of category B program. Surplus property can be applied against such requisitions where surpluses can be used in fulfillment of requisitions notified by CIAC to AC as being actually in procurement. FEA, Rome should determine substitutability of surplus item for item in actual B procurement program.
  - B. Administration of U.S. contribution to UNRRA is FEA responsibility. Where UNRRA wishes this done, U.S. contribution can be used to procure surplus property. To enable surplus property up to given dollar amounts to be acquired in field by UNRRA through FEA Special Representative, without reference to Washington, procedures are now being developed. In developing agreed procedures in handling this part of your responsibility, you should work closely with UNRRA, Italy. Property should be reported to Washington for debiting U.S. contribution to UNRRA administered by FEA, when it is turned over to UNRRA.

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See 21

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(continued)

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

Ref: 990 dated 14 June 45

- - -

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

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

GREW ACTING

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(19)

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION  
ROME, ITALY  
ECONOMIC SECTION

7 June 1945

TO : STATE FOR BUREAU  
FOR CROSLBY AND BENT  
FROM : ANTOLINI

INFORMATION OF MY DUTIES AND RESPONSIBILITIES IN CONNECTION WITH  
THE DISPOSAL OF SURPLUS PROPERTY IS SUBJECT. REFERENCE MY CABLE  
1066 of 30 APRIL. MAY A REPLY NOW BE GIVEN?

14

APPROVED: A. G. ANTOLINI

Passed by Chief Commissioner  
Hq, Allied Commission

L. W. Stearns  
Major, AGD  
Staff Officer  
Chief Commissioner's Office

See 19

4052/w

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SECRET

CROSS REFERENCE SHEET

Ltr Stone

26 May 1945

to Antolini, VP, Econ Sec

Please consult with Sub-Commissions on attached so as to have clear-cut program to discuss when LEAD COMMITTEE arrives.

INCL: Tel from Paris on Mead Committee

Committee interested in:

- x - 4611 CC a. Inequality in exchange rate (problems arising out of)
- b. German CA problems
- c. Difficulties of organ. & admin. of overseas civ. agencies
- x - 4052 CC d. DISPOSAL OF SURPLUS PROPERTY
  - 1. Procedures to be followed, etc.
  - 2. Use for rehabilitation, etc.
  - 3. Disposition of military stockpiles.

DOCUMENT FILED IN 563 CC (Missions)

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SECRET

4052/c

17

1 May 1945.

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

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

*Elmer W. Stone*

ELMER W. STONE  
Rear Admiral, USNR  
Chief Commissioner

*cc: Executive Commis.*

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4052/CC

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CONFIDENTIAL

30 April 1945.

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

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*raj Ellery W. Stone*

ELLELY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

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

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*cc: Ex. Com.  
CC Files*

*4052/CC*

15

CONFIDENTIAL

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION  
ECONOMIC SECTION

From: ANTOLINI  
To : STATE FOR BORT  
FEA FOR CROWLEY AND HUNT

Advice on the following points is requested promptly:

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

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PARAPHRASE

CONFIDENTIAL

15

HEADQUARTERS ALLIED COMMISSION  
ROME, ITALY  
ECONOMIC SECTION

ASL/cmt

TO : STATE FOR DORT  
FEA FOR CROWLEY AND HUNT

FROM : ANTCLINI

REQUEST PROMPT ADVICE ON THE FOLLOWING POINTS: (1) PRECISE INFORMATION COVERING MY DUTIES AND RESPONSIBILITIES AS SPECIAL REPRESENTATIVE FEA IN RELATION TO DISPOSAL OF SURPLUS PROPERTY BY ARMY-NAVY LIQUIDATION COMMISSIONER; (2) DETAILED REFERENCE TO ANY CURRENT INSTRUCTIONS OR REGULATIONS GOVERNING DUTIES IN QUESTION. MAIL AT ONCE ANY APPROPRIATE DATA NOT ALREADY DISPATCHED; (3) THE MEANING OR SCOPE OF FEA PRIORITY IN THIS THEATRE; AND (4) MY AUTHORITY OR OTHER STATUS WITH RESPECT TO UNRRA PARTICIPATION IN SURPLUS.

/s/ Antolini  
APPROVED: A. G. Antolini

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Passed by Chief Commissioner  
Hdq. Allied Commission

/s/ J.A. Quayle

J. A. Quayle, Major, R. A.  
Staff Officer to Chief Comm'r

See (15)

(14)

This is a copy of a  
signal sent by Antolini  
today. I thought you  
might be interested to see it.  
P 28. iv

4052/CC

HEADQUARTERS ALLIED COMMISSION  
ROME, ITALY  
ECONOMIC SECTION

ASL/cmt

TO : STATE FOR DORT  
FEA FOR CROWLEY AND HUNT  
  
FROM : ANTOLINI

REQUEST PROMPT ADVICE ON THE FOLLOWING POINTS: (1) PRECISE INFORMATION COVERING MY DUTIES AND RESPONSIBILITIES AS SPECIAL REPRESENTATIVE FEA IN RELATION TO DISPOSAL OF SURPLUS PROPERTY BY ARMY-NAVY LIQUIDATION COMMISSIONER; (2) DETAILED REFERENCE TO ANY CURRENT INSTRUCTIONS OR REGULATIONS GOVERNING DUTIES IN QUESTION. MAIL AT ONCE ANY APPROPRIATE DATA NOT ALREADY DISPATCHED; (3) THE MEANING OR SCOPE OF FEA PRIORITY IN THIS THEATRE; AND (4) MY AUTHORITY OR OTHER STATUS WITH RESPECT TO UNRRA PARTICIPATION IN SURPLUS.

/s/ Antolini  
APPROVED: A. G. Antolini

763

Passed by Chief Commissioner  
Hdq. Allied Commission

/s/ J.A. Queyle

J. A. Queyle, Major, R. A.  
Staff Officer to Chief Comm'r

See (15)

(14)

This is a copy of a signal sent by Antolini today. I thought you might be interested to see it.  
P 28. iv

4052/cv

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APR 21 1945 FILE  
CC 1500

OFFICE OF THE ARMY - NAVY LIQUIDATION COMMISSIONER  
MEDITERRANEAN THEATRE

Office of the Field Commissioner

Embassy of the United States  
Rome, April 14, 1945

Rear Admiral Ellery W. Stone,  
Chief Commissioner,  
Allied Commission,  
Rome.

Dear Sir:

In accordance with your request we are enclosing herewith for your information a revised draft of the Aide Memoire which has been prepared by this office in cooperation with the Economic Section of the United States Embassy and the United States Treasury Representative in Rome.

As you know, it is intended that after approval by Allied Force Headquarters and the appropriate authorities in Washington, this document will serve as a basis for negotiations with the Italian Government with respect to the disposal of surplus property to that Government.

For the Field Commissioner:

*Alfred Hayes*

Alfred Hayes,  
Lt. (j.g.) U.S.N.R.

4052/cc

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Enclosure:

Revised Draft of  
Aide Memoire

13

File 13

APR 21 1945 file  
CC 1500

Fourth Draft  
12 April 1945

CONFIDENTIAL

AIDE MEMOIRE

1. Large amounts of property belonging to the United States Government and located in Italy will become available in the near future for disposition as surplus. This aide memoire applies only to supplies and movable equipment having civilian utility. It does not apply to fixed installations or real property of any kind, nor to weapons, ammunition or tactical equipment.

2. It is believed that such items of surplus property would be of great value in the economic rehabilitation of Italy. Accordingly, the United States Government, acting through the Office of the Army-Navy Liquidation Commissioner, proposes that such items are not needed or desired by other United States Government agencies or by such other persons or organizations as may be given a priority or preference by the Office of the Army-Navy Liquidation Commissioner, shall be disposed of to the Italian Government for use in the restoration of the Italian economy.

3. It is believed that an outright sale of such surplus property to the Italian Government would make for a more orderly disposition and would more directly assist the reactivation of the Italian economy than would sales to individuals.

4. It is the policy of the United States Government to dispose of its surplus property for dollars. The United States will, therefore, expect the Italian Government, in the purchase of such surplus, to use dollars whenever they are available.

5. Certain dollars are immediately available to



equipment.

2. It is believed that such items of surplus property would be of great value in the economic rehabilitation of Italy. Accordingly, the United States Government, acting through the Office of the Army-Navy Liquidation Commissioner, proposes that such items as are not needed or desired by other United States Government agencies or by such other persons or organizations as may be given a priority or preference by the Office of the Army-Navy Liquidation Commissioner, shall be disposed of to the Italian Government for use in the restoration of the Italian economy.

3. It is believed that an outright sale of such surplus property to the Italian Government would make for a more orderly disposition and would more directly assist the restoration of the Italian economy than would sales to individuals.

4. It is the policy of the United States Government to dispose of its surplus property for dollars. The United States will, therefore, expect the Italian Government, in the purchase of such surplus, to use dollars whenever they are available.

5. Certain dollars are immediately available to the Italian Government from the proceeds of net troop pay. The United States Government, however, recognizes that these dollars will be utilized for the purchase of a list of requirements which has been prepared for the rehabilitation of Italy and for the purchase of any similar requirements in other official programs which may be established. It is recognized that such of the above requirements as are finally approved should have first priority on the dollars which have become available to the Italian Government from the dollars deposited by the United States Treasury in Washington to cover net troop pay, and from any other dollar balances which may be garnered for this purpose. The United States Government will expect that, wherever items on such requirements program are similar to items declared surplus, the requirements will be met from surplus to the extent possible, and the dollars held for the Italian Government in the net troop pay account, or in other accounts similarly earmarked, will be used for the purchase of such property.

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equipment.

2. It is believed that such items of surplus property would be of great value in the economic rehabilitation of Italy. Accordingly, the United States Government, acting through the Office of the Army-Navy Liquidation Commissioner, proposes that such items as are not needed or desired by other United States Government agencies or by such other persons or organizations as may be given a priority or preference by the Office of the Army-Navy Liquidation Commissioner, shall be disposed of to the Italian Government for use in the restoration of the Italian economy.

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Aide Memoire, 12 April 1945

6. The Italian Government will pay lire for all surplus property which it may purchase, other than supplies purchased for dollars under paragraph 5. The Italian Government will agree that the lire so paid shall constitute a dollar obligation at the official rate of exchange, as determined by the United States Government, in effect at the time of sale. This lire account will be converted into dollars and paid over to the United States Government as the two governments agree that dollars are available to the Italian Government. The Italian Government, within three years after the execution of the initial agreement, will execute a definitive agreement with the United States Government for the payment of the unpaid balance of the lire account in dollars in accordance with a fixed schedule.

7. Pending ultimate conversion into dollars of any lire received by the United States Government for surplus property, any portion of such lire may be used by the United States for any expenditures in Italy other than for military purposes.

8. The Italian Government will purchase all surpluses tendered by the United States, but will have the right to inspect the property before delivery. In order to facilitate the conversion into dollars of the lire received in payment for surplus property, and to aid the Italian Government in maintaining a sound financial system, the United States will base the prices for the property upon landed cost less depreciation, subject to such adjustments downward to reflect actual values as may be agreed upon in the case of articles having limited civilian utility. The United States Government recognizes that the Italian Government may resell the property at lire prices prevailing at the time of resale, but will expect the Italian Government, on the other hand, to regulate the resale of the surpluses in such manner as to avoid hoarding, speculation and inflation, and to promote production, reemployment, and mutually advantageous economic relations with the United States.

7. Pending ultimate conversion into dollars of any lire received by the United States Government for surplus property, any portion of such lire may be used by the United States for any expenditures in Italy other than for military purposes.

8. The Italian Government will purchase all surpluses tendered by the United States, but will have the right to inspect the property before delivery. In order to facilitate the conversion into dollars of the lire received in payment for surplus property, and to aid the Italian Government in maintaining a sound financial system, the United States will base the prices for the property upon landed cost less depreciation, subject to such adjustments downward to reflect actual values as may be agreed upon in the case of articles having limited civilian utility. The United States Government recognizes that the Italian Government may resell the property at lire prices prevailing at the time of resale, but will expect the Italian Government, on the other hand, to regulate the resale of the surpluses in such manner as to avoid hoarding, speculation and inflation, and to promote production, reemployment, and mutually advantageous economic relations with the United States.

9. Some of the surpluses to be disposed of in Italy will consist of trademarked goods of United States manufacture. The United States reserves the right to sell any such goods directly to United States manufacturers or their Italian branch offices or representatives. The Italian Government will also agree, on the request of which are not sold directly by the United States, to such branch offices or representatives as the United States Government may designate, at prices which will be subject to review and agreement between the two Governments upon the request of the United States Government.

10. The United States Government will not be liable for any claims arising directly or indirectly out of the sale of any surplus property.

Aide Memoire, 12 April 1945

11. The Italian Government will accept delivery at such places as may be designated by the Office of the Army-Navy Liquidation Commissioner. Unless the premises upon which the property is stored are turned over to the Italian Government, the United States may, when military operations so require, request the removal of any property from the point of delivery, in which event the Italian Government agrees to remove such property within 30 days of date of sale. Where such removal has not taken place, the United States Government reserves the right to dispose of the property for the account of the Italian Government in any manner and on such terms as the United States Government may determine. When delivery has been accepted by the Italian Government, the United States Government shall have no responsibility with respect to transportation, storage or security of the property.

12. The Italian Government will make payment, in dollars or lire as the case may be, within sixty days after date of invoice. Specific arrangements for making payments will be agreed upon between the two governments.

13. The United States Government reserves the right to cancel any sale prior to final delivery of the property.

14. The Italian Government will agree that no customs or import duties shall be assessable against property sold under this agreement, and will hold the United States Government harmless from any liability for taxes or other charges which might ordinarily be assessed against the property or the transfer thereof.

15. The Italian Government agrees that it will not permit the export into the United States or to any other country of the surplus property in the same or substantially the same form, without the approval of the United States Government.

When delivery has been accepted by the Italian Government, the United States Government shall have no responsibility with respect to transportation, storage or security of the property.

12. The Italian Government will make payment, in collars or lire as the case may be, within sixty days after date of invoice. Specific arrangements for making payments will be agreed upon between the two governments.

13. The United States Government reserves the right to cancel any sale prior to final delivery of the property.

14. The Italian Government will agree that no duties or import duties shall be assessable against property sold under this agreement, and will hold the United States Government harmless from any liability for taxes or other charges which might ordinarily be assessed against the property or the transfer thereof.

15. The Italian Government agrees that it will not permit the export into the United States or to any other country of the surplus property in the same or substantially the same form, without the approval of the United States Government.

CONFIDENTIALDraft

10 April 1945

AIDE MEMOIRE

1. Large amounts of property belonging to the United States Government and located in Italy will become available in the near future for disposition as surplus. This aide memoire applies only to supplies and movable equipment having civilian utility. It does not apply to fixed installations or real property of any kind, nor to weapons, ammunition or tactical equipment.

2. It is believed that such items of surplus property would be of great value in the economic rehabilitation of Italy. Accordingly, the United States Government, acting through the Office of the Army-Navy Liquidation Commissioner, proposes that such items as are not needed or desired by other United States Government agencies or by such other persons or organizations as may be given a priority or preference by the Office of the Army-Navy Liquidation Commissioner, shall be disposed of to the Italian Government for use in the restoration of the Italian economy.

3. It is believed that an outright sale of such surplus property to the Italian Government would make for a more orderly disposition and would more directly assist the restoration of the Italian economy than would sales to individuals.

4. It is the policy of the United States Government to dispose of its surplus property for dollars. The United States will, therefore, expect the Italian Government, in the purchase of such surplus, to use dollars whenever they are available. The Office of the Army-Navy Liquidation Commissioner recognizes that

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property would be of great value in the rehabilitation of Italy. Accordingly, the United States Government, acting through the Office of the Army-Navy Liquidation Commissioner, proposes that such items as are not needed or desired by other persons or organizations as may be given a priority or preference by the Office of the Army-Navy Liquidation Commissioner, shall be disposed of to the Italian Government for use in the restoration of the Italian economy.

3. It is believed that an outright sale of such surplus property to the Italian Government would make for a more orderly disposition and would more directly assist the restoration of the Italian economy than would sales to individuals.

4. It is the policy of the United States Government to dispose of its surplus property for dollars. The United States will, therefore, expect the Italian Government, in the purchase of such surplus, to use dollars whenever they are available. The Office of the Army-Navy Liquidation Commissioner recognizes that a list of requirements for the rehabilitation of Italy is being prepared at the present time. Such requirements as are finally approved should have first priority on the dollars which have become available to the Italian Government from the dollars deposited by the United States Treasury in Washington to cover net troop pay. The United States Government believes that, whenever items on the above list of requirements are similar to items declared surplus, the requirements should be met from surplus to the extent possible, and the dollars held for the Italian Government in the net troop pay

account  
See 13

File

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Aide Memoire, 10 Apr 45

account should be used for the purchase of such surplus property.

5. To the extent that dollars are not available, the Italian Government will pay lire for all surplus property which it may purchase. The Italian Government will agree that the lire so paid shall constitute a dollar obligation at the official rate of exchange, as determined by the representative of the United States Treasury, in effect at the time of sale. This lire account will be converted into dollars and paid over to the United States Government as dollars become available to the Italian Government. The Italian Government, within two years after the execution of the initial agreement, will execute a definitive agreement with the United States Government for the payment of the unpaid balance of the lire account in dollars in accordance with a fixed schedule.

6. The United States Government, in order to aid the Italian Government in placing Italy on a sound financial basis and to assist in meeting the problem of inflationary prices, will sell its surplus property on the basis of landed cost less depreciation rather than on the basis of the current inflated market prices. The United States Government will expect the Italian Government, on the other hand, to regulate the resale of the surpluses in such manner as to avoid hoarding, speculation and inflation, and to promote production, reemployment, and mutually advantageous economic relations with the United States.

7. The Italian Government will be given the right to inspect the surpluses prior to taking delivery and may question the price established by the

Treasury, in effect at the time of sale. This lire account will be converted into dollars and paid over to the United States Government as dollars become available to the Italian Government. The Italian Government, within two years after the execution of the initial agreement, will execute a definitive agreement with the United States Government for the payment of the unpaid balance of the lire account in dollars in accordance with a fixed schedule.

6. The United States Government, in order to aid the Italian Government in placing Italy on a sound financial basis and to assist in meeting the problem of inflationary prices, will sell its surplus property on the basis of landed cost less depreciation rather than on the basis of the current inflated market prices. The United States Government will expect the Italian Government, on the other hand, to regulate the resale of the surpluses in such manner as to avoid hoarding, speculation and inflation, and to promote production, reemployment, and mutually advantageous economic relations with the United States.

7. The Italian Government will be given the right to inspect the surpluses prior to taking delivery and may question the price established by the Office of the Army-Navy Liquidation Commissioner. Since the prices are to be established at landed cost less depreciation, the final decision as to price will rest with the United States Government. It is agreed that the Italian Government will purchase at prices so established, all surpluses tendered by the United States.

8. Some of the surpluses to be disposed of in Italy will consist of trademarked goods of United States manufacture. The United States reserves the right to sell any such goods directly to Italian

branch

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(17)

- 3 -

Aide Memoire, 10 Apr 45

branch offices or representatives of the manufacturers, subject to general price policies of the Italian Government. The Italian Government will also agree to resell any such goods which are not sold directly by the United States, to such branch offices or representatives as the United States Government may designate, at prices comparable to the prices at which the Italian Government resells similar goods to other wholesale buyers.

9. All surpluses will be sold without warranty, and no claims based on defects of quality or quantity of whatever nature will be entertained.

10. The Italian Government will accept delivery at such places as may be designated by the Office of the Army-Navy Liquidation Commissioner. Unless the premises upon which the property is stored are turned over to the Italian Government, the United States may request the removal of any property from the point of delivery, in which event the Italian Government agrees to remove such property within 30 days of date of sale. Where such removal has not taken place, the United States Government reserves the right to dispose of the property for the account of the Italian Government in any manner and on such terms as the United States Government may determine. When delivery has been accepted by the Italian Government, the United States Government shall have no responsibility with respect to transportation, storage or security of the property.

11. The Italian Government will make payment, in

9. All surpluses will be sold without warranty, and no claims based on defects of quality or quantity of whatever nature will be entertained.

10. The Italian Government will accept delivery at such places as may be designated by the Office of the Army-Navy Liquidation Commissioner. Unless the premises upon which the property is stored are turned over to the Italian Government, the United States may request the removal of any property from the point of delivery, in which event the Italian Government agrees to remove such property within 30 days of date of sale. Where such removal has not taken place, the United States Government reserves the right to dispose of the property for the account of the Italian Government in any manner and on such terms as the United States Government may determine. When delivery has been accepted by the Italian Government, the United States Government shall have no responsibility with respect to transportation, storage or security of the property.

11. The Italian Government will make payment, in dollars or lire as the case may be, within thirty days after date of invoice.

12. Pending ultimate conversion into dollars of any lire received by the United States Government for surplus property, any portion of such lire shall be available for the following purposes:

- e. Non-military expenditures in Italy (other than the purchase of goods for export) by United States Government agencies.
- b. Transfers for charitable, educational and scientific purposes.
- c.

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19 Apr 45

Mr. Antolini:

Herewith Aide-Memoire on disposal of  
US surplus property to Italian Govt., for  
your info and return.

E.W.S.

P.T.O

- 4 -

- c. Transfers to American financial institutions to be used for personal remittances to Italy from the United States.
- d. Transfers to travelers for traveling expenses in Italy.
- e. Transfers to meet the Italian currency requirements of American ships.
- f. Transfers for other purposes which may be agreed upon from time to time.
- g. Transfers for the settlement of claims of the Italian Government and Italian nationals against the United States Government.
13. The United States Government reserves the right to cancel any sale prior to final delivery of the property.
14. The Italian Government will agree that no customs or import duties shall be assessable against the surpluses, and will hold the United States Government harmless from any liability for excise taxes or other charges which might ordinarily be assessed against the property on the transfer thereof.
15. The Italian Government agrees that it will not permit the reimportation into the United States or the exportation to any other country of the surplus property in the same or substantially the same form.
16. The United States Government reserves the

1712

g. Transfers for the settlement of the Italian Government and Italian nationals against the United States Government.

13. The United States Government reserves the right to cancel any sale prior to final delivery of the property.

14. The Italian Government will agree that no customs or import duties shall be assessable against the surpluses, and will hold the United States Government harmless from any liability for excise taxes or other charges which might ordinarily be assessed against the property on the transfer thereof.

15. The Italian Government agrees that it will not permit the reimportation into the United States or the exportation to any other country of the surplus property in the same or substantially the same form.

16. The United States Government reserves the right to withdraw from this agreement at any time by giving three months' notice to the Italian Government.

12

*Ch. of Commissions*

MAR 31 RECD

CONFIDENTIAL

HEADQUARTERS ALLIED COMMISSION  
AC PRIORITIES BOARD

Minute No. 5

23 March 1945

FIFTH MEETING OF AC PRIORITIES BOARD - 23 March 1945

Present :

- Mr. A.G. Antolini, Chairman, Economic Section
- Col. R.R. Cripps, Civil Affairs Section
- Maj. E. Talbot, Chief of Staff Office
- Mr. L. White, Commerce Sub-Commission

Subject:

Salvage Clothing.

1. Previous directives of the Board have provided that 40% of salvage clothing and shoes available would be allocated to AC Sub-Commissions who would file claims for their respective segments of the civilian economy and who would distribute to the various civilian activities on the basis most helpful to the Allied war effort and most essential under the disease and unrest formula. Commerce Sub-Commission now proposes that the 40% of supplies for civilian organizations be allocated directly to the Ministry of Industry Commerce & Labor for re-allocation in accordance with the wishes of the Government. It was pointed out that the proposed action would relieve AC of accounting and administrative detail and would be in accordance with numerous other actions aimed at shifting the responsibility for the civilian economy to the Italian Government.

2. It was pointed out that many of the civilian activities in the Italian Government areas were vital to the war effort. Agriculture, mining and the hemp industry were mentioned in this connection. However, it was the opinion of the Board that the Government would cooperate in providing a high priority on clothing for civilian activities of this nature.

3. The representative of the Civil Affairs Section reported that it would be impossible for the Italian Government to function with respect to allocations for Patriots and Displaced Persons, and recommended that a portion of the 40% be allotted directly to the Civil Affairs Section for re-allocation to these two categories. It was agreed that 15% of total availability be allocated for this purpose leaving 25% to be allocated to the Italian Government.

Salvage clothing allocations now are as follows:

- a) Allied Military organizations for distribution to civilian employees in proportion to the number of such employees doing heavy labor in exposed places - 60%.

4052/CC

11



-2-

d) To the Ministry of Industry, Commerce and Labor-25%.

e) To Civil Affairs Section, AG. -15%.

4. The Allocating Sub-Commission reported availability of a very small amount of U.S. Army WAC equipment which was surplus to the War Department requirements. Board approved the recommendation of the Allocating Sub-Commission that this be allotted to the Ministry of Industry, Commerce and Labor for civilian use.

5. The Allocating Sub-Commission reported immediate availability of 320,000 blankets with demands as follows :

Public Health S/C	200,000
Displaced Persons S/C	106,000
Public Safety S/C	46,200
Patriots Branch	<u>20,900</u>
	372,200.-
In addition blankets borrowed by Devastated Areas on 6 Dec. to be repaid.	<u>3,880</u>
	376,080.-

The Sub-Commission recommended payment of the blankets borrowed by Devastated Areas S/C; disallowance of the request by Patriots Branch because the blankets were not for immediate use; and the allocations to other remaining claimants should be in proportion to their individual requirements to the total requirements.

6. The Board approved the above proposals and the following allocations resulted :

	<u>Percent of total</u>	<u>No of Blankets to be received.</u>
Public Health S/C	57.8	182,717
Displaced Persons S/C	28.9	91,359
Public Safety S/C	<u>13.3</u>	<u>42,044</u>
	100.0	320,000

7. The Allocating Sub-Commission reported that 40,000 blankets for Devastated Areas Branch had been obtained directly from the Prato Mills the output of which had not been considered in availability figures. The Sub-Commission was instructed to report on the possibility of including the output of all mills operating in Army areas in the total availability from which allocations are made. It was pointed out that if more than one source of supply exists there also exists a parallel possibility of duplicated allocations to persons or organizations who apply to alternative sources of supply.

DISTRIBUTION:

"B" except Serials 30 thru 48, 78 and 79; plus serials 62 and 63.

*K.E. Stauffer*  
K.E. Stauffer  
Secretary

THE PERSONAL REPRESENTATIVE OF THE  
PRESIDENT OF THE UNITED STATES OF AMERICA  
TO HIS HOLINESS THE POPE  
2 Via Boncompagni

MAR 29 RECD  
CC 823

R o m e  
March 28, 1945.

6

Dear Admiral Stone:

Referring to my note of March 16, I am sending you herewith copy of letter dated March 25 which I have received from Allied Force Headquarters in reply to my letter to Field Marshal Alexander relative to surplus war materials.

Sincerely yours,



Myron C. Taylor  
Personal Representative of the  
President of the United States  
to His Holiness the pope

Enclosure:

From Allied Force Headquarters  
March 25, 1945

755 Rear Admiral Ellery W. Stone, USNR  
Chief Commission, Allied Commission  
R o m e .

4052/CC

10

copy

ALLIED FORCE HEADQUARTERS  
APO 512

118/CAO

To: Mr. Myron C. Taylor  
Personal Representative of the  
President of the United States of America  
to His Holiness the Pope

Dear Mr. Taylor:

The Field Marshal has requested that I answer your letter of 16 March, in which you raise the question of the acquisition of certain excess stocks of supplies and materials by E. N. D. S. I. and the Italian Red Cross, upon the termination of hostilities in Europe.

As you no doubt are aware, the disposition of surplus property is covered by rather detailed instructions from the War Department and the War Office. To insure as far as practicable uniform action by the two governments, to assure the continued maximum use of the maximum amount of these materials for the war effort, and to assure that the economy of the country is not upset by unwise release and for other purposes, organizations for disposal are being set up at AFHQ forthwith. The present indications from higher authority are that the maximum amount of materials will be transferred for the war in the Far East.

A copy of your letter is being furnished those Sections of the United States and British Services whose primary function it is to dispose of surplus property. You may rest assured that, within the limitations of higher directives, full and kindly consideration will be given to the relief organizations sponsored by you.

Sincerely yours,

(sgd) A. H. HAMBLEN  
Brigadier General  
Assistant Chief Administrative Officer

25 March 1945  
ALH/emb

75'

40521 ac

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HEADQUARTERS ALLIED COMMISSION  
Office of the President  
APO 394

4

MAR 27 RECD  
CC 797

To: Chief Commissioner.  
From: Mr. Macmillan.

At Mr. Myron Taylor's conference yesterday morning the question arose of the disposal of salvage. Brigadier Parkinson undertook to make certain enquiries regarding stores in which he was interested. I would be grateful if you could let me know whether you are satisfied about the arrangements now being made to deal with the disposal of salvage and scrap war materials from American and British sources. I should have thought that there was not much to be gained by selling these, or at any rate that there ought to be a priority distribution to approved charitable organizations. It is wonderful what these can do with apparently waste materials. If they are sold they become the raw material for speculation.

I enclose a cutting from the "Stars and Stripes" of March 26th. Perhaps you would return it in due course.

HM

Returned to  
A/Pres. 9/4/45  
D.F.C.

27th March, 1945.

753

Col Campbell

1st Ind

Would you please furnish material  
for a reply

9a

J.A. 283

40552/cv

HEADQUARTERS ALLIED COMMISSION

A P O 394

War Materials Disposal and Italian  
Prisoners of War Sub-Commission

2nd Ind

To: Chief Commissioner.

Reference attached letter from Mr. MacMillan.

A

REF HQ All salvage and scrap material is disposed off in terms of regulations laid down. It was decided after considerable discussion at this Headquarters that the best way to handle the disposal of all salvage and surplus material was through the Italian Government. In every instance the Italian Government have first refusal of any material which is available - in very few instances, and only when the Italian Government refuse material offered, is the material sold on the open market.

B

If the Acting President has in mind material such as clothing, rags and canvas, this is at present being remade and issued:-

- 60% to Italian workers, working for Allied Forces.
- 25% to Italian Ministry of Industry and Commerce for such distribution as they think fit.
- 15% to Civil Affairs Section for Displaced Persons and Patriots.

Material actually reduced to rags and beyond repair is passed to I.C.E. who dispose of woolen rags to textile manufacturers and cotton rags to paper manufacturers.

The price of all scrap is fixed by PBS and British Salvage and payments are made by the buyers to the Italian Government in Lire who make credits to the British or American Governments in Sterling or Dollars.

751

"5"

*J.A. Campbell*

J.A. CAMPBELL  
Lieut.-Colonel  
Director  
WMD & IPCW Sub-Com.

4052/c-

9a

Book Index

4052/CC

To: A/President  
From: Chief Commissioner

With reference to your query as to the disposal of salvage and scrap, Colonel Campbell's explanation seems to be quite straightforward. Also, of further interest on this subject are Mr. Taylor's letter of 15 March to Field Marshal Alexander and the reply of 25 March from Brigadier General Hamblen, which are flagged at 1 and 2.

EW  
E.H.S.

4th  
June

30 March 1945

C.C.

Yes. But the question which arose was whether Mr. Morgan Taylor's response was checked in the voluntary organization was known to anyone before any search was made. It is possible that such a search would have been made. It is not clear.

etc.

30/3

6

6  
1944

10  
1944

10/30/3

salvage and some, quite straightforward. Also, of further interest on this subject are Mr. Taylor's letter of 15 March to Field Marshal Alexander and the reply of 25 March from Brigadier General Hamblen, which are flagged at 1 and 2.

*WJ*  
E.T.S.

30 March 1945

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10/3

7

4th June

C.C.

Yes. But the question which arose was

Mr Myron Taylor's conference was held in the voluntary organization was held in

Chicago 2 days before any general sales

of such nature to be held in such sales, (WJ)

before any general sales of auctions to the public. But is this so?

Mr.

30/3

4052/CC

C.C.

Yes. But the question which arose at Mr. Myron Taylor's conference was whether the voluntary organization would have a chance of bidding before any general sales of auctions to the public. If, of course, there are to be no such sales, this settles the matter. But is this so?

/s/ H.M.

30/3

9a

5th June

APR 3 1945  
out  
cc 0955

TO: Brigadier Parkinson, Public Health Sub-Commission

Re telephone conversation Parkinson-Stearns, concerning disposal of salvage material.

Please see folios 1 and 2 which summarize the position as it was originally brought up, and folio 4 - Mr. Macmillan's note regarding this question.

Will you kindly state whether or not it would be possible for Mr. Myron Taylor to pass through the Public Health Sub-Commission bids for the purchase of salvage material for use of his agencies and accordingly get proper representation before the Allied Commission Priorities Board. In this way Public Health Sub-Commission could inform Mr. Myron Taylor of any material which would be of possible interest to the Italian Red Cross, E.N.D.S.I., and other similar agencies, and who would in turn inform the Sub-Commission of that which they wished to bid on.

*L. W. Stearns*  
L. W. STEARNS  
Major, A.G.D.

A/Staff Officer to CC

2 April 1945

6th June

2

TO: Chief Commissioner, A.C.  
Through VP, CA Sec.

*1/3/45*

cc 0952

4052/CC

Ref. folios 1, 2 and 4 and inter-office minute No.8, I have discussed this whole matter with the Director of the Commerce Sub-Commission and there appears to be no reason whatsoever why the procedure suggested in inter-office minute No.8 should not be followed. Through its Welfare Branch this Sub-Commission will inform Mr. Myron Taylor from time to time of any material which might be of interest to E.N.D.S.I., the Italian Red Cross or other agencies and should they care to bid they will get a proper representation before the Allied Commission Priority Board.

*G. S. Parkinson*  
G.S. PARKINSON, Brigadier,  
Director,  
Public Health Sub-Commission.

3 April 1945

750

9a



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*7th June*

To: A/President  
From: Chief Commissioner

1. All material in which Mr. Myron Taylor would be interested (and which is marked "B" on folio 5) is allocated by the Allied Commission Priorities Board in the percentages indicated roughly in folio 5, and no general sale or auction to the public takes place.

2. I am taking steps to insure that Mr. Myron Taylor is kept informed through the Welfare Branch of the Public Health Subcommittee as to the availability of any material that might be of use to E.N.D.S.I., the Italian Red Cross and other similar agencies. The Welfare Branch will see to it that Mr. Taylor's bids get proper representation before the Allied Commission Priorities Board.

3. The salvage and surplus material marked "A" consists of damaged tanks, etc., which would not interest a relief organization.

4 April 1945

E.W.S.

APR 7 RECD  
CC 1638

*Many thanks*

*6/4*

749

4052/cc

*9a*

C.C.

Ref. BS/5.10

21 March 1945

SUBJECT: Procedure for Handling Disposal of Salvage,  
Scrap and Surplus Property

TO : AFHQ, G-5 Section

1. During the past few weeks there have been a good many discussions and letters on the subject of disposal of salvage, scrap and surplus property in Italy. It is generally agreed, both on the American and British sides, that the main channel for disposal will be through the Allied Commission to the Italian Government, but the detailed working of this procedure has yet to be definitely laid down.
2. The following basic references are pertinent:
  - a. On the U.S. side: MTOUSA Circular #14, of 25 January 1945.
  - b. On the British side: AFHQ letter AFHQ/23/SAL/222 of 27 November 1944.
3. In an attempt to secure a general clarification of the procedures involved, the Allied Commission has drafted the attached memorandum "Procedure for Handling Disposal of Salvage, Scrap and Surplus Property", dated 12 March 1945. Attached to this memorandum is a document specifying in detail the accounting mechanism which it is proposed be adopted by the Services responsible for reporting such property to the Allied Commission.
4. For your further information, we are sending you herewith (a) AC Priorities Board Procedural Bulletin No. 2, referred to in the attached memorandum of 12 March 1945; and (b) copy of a letter which has just been dispatched to PES in answer to their AG 400.93-BPSUP of 14 February 1945 (also included in the attached file).
5. In view of the reduction in AC personnel in that part of Italy which has been handed back to the Italian Government, and the probable great increase in the

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(9)

21 March

405-2/ce

A/C

availabilities of salvage, scrap and surplus property within the next few months, it is felt that centralization of the handling of and accounting for these supplies is the only practicable way of arranging the disposal procedures.

6. It is therefore requested that the attached procedure be circulated to the appropriate sections and services in order to secure general agreement on the procedures to be adopted. If it is desired to have a meeting with the sections and services involved, appropriate representation from the Allied Commission will of course be arranged.

ELLERY, W. STONE

ELLERY W. STONE  
Rear Admiral, USNR  
Chief Commissioner

5

Attachments:

- 1. "Procedure for Handling Disposal of Salvage, Scrap and Surplus Property", dated 12 March 1945; and Appendix "A" on Accounting Procedure.
- 2. AC Priorities Board Bulletin No. 2, dated 10 Feb 45.
- 3. AC letter ES/5.10 dated 21 March 1945 to PBS and PBS letter AG 409. 93-EPSUP of 14 Feb 45.

8

SEE  
4055/cc  
2

DISTRIBUTION:

- PBS
- AFERS, RAAC
- Finance S/C
- Finance S/C (Attn. Chief Accountant)
- Industry S/C
- WMD S/C
- Secy. -AC Priorities Board
- Exec. Commissioner
- Chief Commissioner's Files ✓
- Econ Sec files (2)
- Exec Dir. E/S (1)

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9

HU:lrw

Ref. 4/9.10

21 March 1945

SUBJECT: Disposal of Salvage and Scrap Materials

To : Headquarters, Peninsular Base Section

1. Reference is made to your AG 490.93-5000P of 14 February 1945.
2. The reference letter indicates that your understanding of the procedure under which salvage and scrap materials will be disposed of by the Italian Government through Allied Commission is not quite the same as ours. In order to clarify our understanding of the procedure, the attached memorandum is forwarded for your concurrence. This memorandum represents the procedure by which the AG is now operating with respect to the disposal of salvage and scrap materials reported to AG by either U.S. or British supplying services.
3. Certain specific comments on your reference letter follow:
  - A. It is not agreed that, as stated in your para 1., "material must be sold on the open market." Under the arrangements set up in the attached memorandum, which are within the terms of AFMVA Circular No. 14 of 25 January 1945, it is contemplated that material will not be sold on the open market by the Peninsular Base Section except in cases where the material in question is not accepted by the Italian Government through the AG. When the AG notifies you of the acceptance by the Italian Government of particular materials, we will also inform you as to the identity of the approved contractor who will have the responsibility for removing the material, acting as agent of the Italian Government.
  - B. No question of this approved contractor having "sufficient capital" for "purchasing" the material need arise as far as U.S.S. is concerned. U.S.S. will not be collecting any money from such approved contractors. U.S.S. will only secure priced shipping tickets as set out in para VI-2-4 of AFMVA

746

21 March

4052/10

- 2 -

Circular No. 14 of 25 Jan 45, and transmit the original and one copy of such shipping tickets to the Chief Accountant of the AG. This will enable the Chief Accountant to raise a charge in dollars against the Italian Government. Any lire transactions will take place between the Italian Government and the approved contractor.

- C. In view of the procedure in the attached memorandum, by which A.S.A. will be dealing with approved contractors, it is not considered necessary to have a permanent AG representative at your Headquarters to work on these matters. The War Materials Disposal Sub-Commission and the Economic Section of AG will, of course, be glad to discuss these matters with you whenever the procedure is not working as it should.
- D. The AG and the Italian Government are making every effort to accomplish the promptest disposal of the materials referred to in para 3 of your reference letter, and with this end in view, it is essential that when you advise AG of the salvage available for disposal, you also notify the price to be charged to the Italian Government. This will enable the latter, in turn, to fix the price with the contractor for the ultimate disposal of the salvage.
4. In order that there may be no confusion about the position of the Foreign Economic Administration in the picture, the following remarks are pertinent:
  - a. Para Vi-2-c of AUSA Circular No. 14 of 25 Jan 45 lays down the principle that "installations, salvage and scrap material will be offered by the Base Section Commander to SNA and if declined, then to the Italian Government through the Allied Commission."
  - b. Paraphrase of Cable #1667 of 10 January 1945, AUSA to AUSA, made the following statement: "First priority for U.S. Army surplus property is required by law to be given to other U.S. Government Agencies. SNA as a procuring agency for USMA, not as a disposal agency, is expected to be an important customer for United States Army surpluses in consumer type items."

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(J)

- C. The AC in Italy consists of a group of civilians with assimilated officer status who hold positions as an integral part of the Economic Section, Allied Commission. Because of the nature of these positions, you are assured that availability reports to AC regarding U.S. Army surplus property come automatically to the attention of the ranking officials of FSA assigned to the Allied Commission.
- D. The Allied Commission is making internal arrangements to ensure that the FSA claim on U.S. salvage and surplus property receives first consideration, in order to adhere to the terms of the references in paras 4A and 4B above.
- E. You can therefore assume that in reporting availabilities of such materials to the Allied Commission in line with the attached procedure, you are complying with the provisions of WFOUSA Circular No. 14.

ELLSYAW

5

WILBERT W. STONE  
Rear Admiral, U.S.N.R.  
Chief Commissioner

Attachment  
(Memo: Procedure for Handling  
Disposal of Salvage & Scrap.)

DISTRIBUTION:  
WHD S/C  
Commerce S/C  
Industry S/C  
Finance S/C (Attn: Chief Accountant)  
Economic Section (2)  
Ex Dir Econ Sec ✓

74

8

JAJ/dfc

CC 950

17 March 1945

My dear Mr. Ambassador:

6

I am directed by Admiral Stone to thank you for your letter of 16 March enclosing a copy of your letter to Field Marshal Alexander, which the Admiral has read with interest.

Sincerely yours,

*J. A. Quayle*

J. A. QUAYLE  
Major, R. A.  
Staff Officer to CC

The Honorable Myron C. Taylor  
Personal Representative of the  
President of the United States  
To His Holiness the Pope  
2 Via Boncompagni  
Rome

950/CC

743

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17 Mar

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MAR 16 RECD  
CC 716

THE PERSONAL REPRESENTATIVE OF THE  
PRESIDENT OF THE UNITED STATES OF AMERICA  
TO HIS HOLINESS THE POPE  
2 Via Boncompagni

Rome, March 16, 1945.

Dear Admiral Stone:

I am sending you for your information copy of a  
letter which I am today addressing to field marshal  
Alexander.

sincerely yours,

*Myron C. Taylor*  
Myron C. Taylor

Enclosure:

To Field Marshal Alexander  
March 16, 1945

Rear Admiral Ellery W. Stone, USNR  
Chief Commissioner  
Allied Commission  
Rome.

See (7)

950/ce

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(6)

16 Mar.



COPY

Rome, Italy, March 16, 1945.

Dear Field Marshal Alexander:

In the interest of the National Committee for the distribution of Relief in Italy (E.N.D.S.I.) and the Italian Red Cross, one of its components, supported as they are by American Relief for Italy, Inc., and other benefactors, I would like at this moment to bring to your attention the thought that upon the cessation of hostilities in Italy there will undoubtedly be large stocks of materials and supplies of all sorts, and I bespeak in their interest the first opportunity of acquiring adequate quantities of the same which would be of great benefit to the welfare of the nation and to the promotion of its reconstruction.

As you are aware, the National Committee for the distribution of Relief in Italy comprises the activities of the National Government, the Vatican, the Italian Red Cross and the Italian General Confederation of Labor. I am sure you are already acquainted with the success of its activities. There is probably no other civilian medium through which the distribution of a large quantity of materials and supplies can be as effectively accomplished as through this organization.

There is of course, apart from the need for the usual materials and supplies, a great need for vehicles of all sorts, including passenger cars, trucks and ambulances. There is also a most crying need for tires, tubes and replacements for both Italian and foreign made vehicles. Obviously, the regeneration of rail transportation in Italy is a matter which will extend over a considerable period of time and in the interim nothing can so helpfully bring about greater self-help and sufficiency in Italy than a sizeable distribution of transportation equipment which must necessarily follow the end of the war in this country.

I am basing this statement on the assumption that used equipment will not be to any great extent transported elsewhere, nor should it be, in the light of the necessitous destruction that has followed the use of this country as the first and an important battle ground between the Allies and the Germans, with the resultant destruction that has come to Italy in consequence.

Your consideration and I hope your friendly approach to this matter along the lines which I have indicated in behalf of the organizations I have named will be very greatly appreciated.

Sincerely yours,

(signed) Myron C. Taylor  
Personal Representative of the  
President of the United States  
to His Holiness the Pope

Field Marshal Sir Harold R.L.G. Alexander  
Supreme Allied Commander in Chief  
Caserta.

6 11/10/45

## HEADQUARTERS ALLIED COMMISSION

APO 794

## ECONOMIC SECTION

10 March 1946

PROCEDURE FOR HANDLING DISPOSAL OF SALVAGE,  
SCRAP AND SURPLUS PROPERTY

The following is a summary of procedure proposed by the Allied Commission for dealing with the disposal of salvaged scrap and surplus property reported to the Allied Commission by either British or American Services:

1. Definitions.

- A. "Salvaging Service" refers to a British Salvage Director of a British District or equivalent command, or to a United States Base Section or equivalent command.
- B. "Approved Contractor" means a contractor approved by the Ministry of Industry, Commerce and Labor in the Italian Government for handling the disposal of scrap or salvage reported to and accepted by the Italian Government through AC.
2. The salvaging service reports to the AC availability of scrap and salvage, when reporting such availability it is essential to include the price, or approximate price, at which the goods will be ultimately billed. It is assumed that when AC receives such an availability report, it has already been determined by the salvaging Service that the scrap or salvage in question is not needed to fulfill any military commitments. Therefore, all scrap or salvage reported to AC will be considered by AC as being uncontrolled materials, as far as the Allied Force Local Resources (Italian) Board control is concerned.

3. Within the Allied Commission, the availability report first sent to the War Materials Disposal Sub-Commission. The "AC

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405-2/CC

A. "Supplying Service" refers to a Director of a British District or equivalent or to a United States Base Section or equivalent command.

B. "Approved Contractor" means a contractor approved by the Ministry of Industry, Commerce and Labor in the Italian Government for handling the disposal of scrap or salvage reported to and accepted by the Italian Government through AC.

2. The supplying service reports to the AC availability of scrap and salvage. When reporting such availability it is essential to include the price, or approximate price, at which the goods will be ultimately billed. It is assumed that when AC receives such an availability report, it has already been determined by the supplying service that the scrap or salvage in question is not needed to fulfill any military commitments. Therefore, all scrap or salvage reported to AC will be considered by AC as being uncontrolled materials, as far as the Allied Force Local Resources (Italian) Board control is concerned.

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3. Within the Allied Commission, the availability report first comes to the War Materials Disposal Sub-Commission. The War Materials Disposal Sub-Commission is responsible for circulating the appropriate allocating Sub-Commission and other interested Sub-Commissions in accordance with the terms of Allied Commission Priorities Board Procedural Bulletin No. 9.

4. In the case of each commodity, the allocating Sub-Commission is responsible for checking with its opposite number in the Italian Government (generally the Ministry of Industry, Commerce and Labour) and getting that Ministry to make the determination

A. Whether the material in question is needed for the Italian civil economy; and

B. If it is, what approved contractor will be instructed by the Italian Government to dispose of it.

(5)

12/1/50

The allocating Sub-Commission will at the same time notify the Italian Government of the price so that the selling price to the public may be fixed.

5. The allocating Sub-Commission will notify War Materials Disposal Sub-Commission of determinations in 4A, and 4F, above. War Materials Disposal Sub-Commission will be responsible for notifying the supplying Service. In all cases an appropriate notification should be sent to the supplying Service within fifteen (15) days after the availability report reaches the Allied Commission.

6. The approved contractor, acting as an agent of the Government, then makes contact with the supplying Service and assumes responsibility for taking and transporting away the material which has been reported as available and has been accepted by the Italian Government through the Allied Commission. The approved contractor will dispose of such material according to instructions he will receive from the Italian Government.

7. The supplying Service will obtain from the approved contractor signed shipping tickets for the property transferred to such contractor (who will be acting as agent of the Italian Government). Selling prices inserted on shipping tickets should be in terms of dollars or sterling. The original and one copy of such shipping tickets should be transmitted to the Chief Accountant, AC, to enable the AC to raise a charge against the Italian Government for the dollar or sterling cost of the material. The Chief Accountant will send one copy of shipping ticket to the Italian Government so that they may know the accountability of the contractor. The Italian Government is responsible for settling with the approved contractor in lire. Prices of salvage and scrap will in every case be determined by the supplying service and not by the AC.

8. It is understood that property not accepted by the AC under the above procedure can be sold by the supplying Service either by negotiation or on the open market. The amount of such sales in lire should be reported to the Chief Accountant, Allied

ment, then makes contact with the supplying Service and assumes responsibility for taking and transporting away the material which has been reported as available and has been accepted by the Italian Government through the Allied Commission. The approved contractor will dispose of such material according to instructions he will receive from the Italian Government.

7. The supplying Service will obtain from the approved contractor signed shipping tickets for the property transferred to such contractor (who will be acting as agent of the Italian Government). Sailing prices inserted on shipping tickets should be in terms of dollars or sterling. The original and one copy of such shipping tickets should be transmitted to the Chief Accountant, AC, to enable the AC to raise a charge against the Italian Government for the dollar or sterling cost of the material. The Chief Accountant will send one copy of shipping ticket to the Italian Government so that they may know the accountability of the contractor. The Italian Government is responsible for settling with the approved contractor in lire. Prices of salvage and scrap will in every case be determined by the supplying service and not by the AC.

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8. It is understood that property not accepted by the AC under the above procedure can be sold by the supplying Service either by negotiation or on the open market. The amount of such sales in lire should be reported to the Chief Accountant, Allied Commission.

9. Attached as Appendix "A", is a detailed statement of the accounting implications of the above procedure, as drafted by the Chief Accountant, AC.

Attachment:  
Appendix "A"

(5)

18 March 1945

APPENDIX "A"

MEMORANDUM ON THE PROCEDURE TO BE DEVELOPED FOR THE ACCOUNTING FOR SALVAGE, SCRAP AND SURPLUS MATERIALS AND PROPERTY DISPOSED OF BY THE ARMED FORCES

1. The Allied Commission is somewhat apprehensive at the possibility of an enormous increase in the release of Army property to civilian users when hostilities cease or when Army equipment requirements diminish. It would appear likely that such increases will coincide with a reduction in AC personnel and AC functions with the result that any system of accounting for such issues which throws a large burden of detail work on AC may prove unworkable.

2. One of the difficulties in establishing any system in the British and American Army procedures differ considerably, some consideration is therefore given to each in this memorandum. The American system provides for copies of all shipping tickets to be sent direct to the Chief Accountant AC by the issuing unit for subsequent accounting and raising of charges against the Italian Government. If issues from the American Army increase materially it would be impossible for AC to cope with a flood of individual shipping tickets and some form of consolidation of individual shipping tickets before submission of the documents by American Army authorities. It is our opinion that very slight to AC will be essential. It is our opinion that very slight amendments to WGOUSA Circular Number 14 of 25 January, which governs the U.S. Army procedure for the disposal of surplus and surplus property, would enable a procedure to be developed which would be suitable both to the Army and to AC and which could easily be adapted to fit the circumstances should AC cases to exist or be greatly reduced before such issues cease. With regard to the British procedure this throws less work on the Chief Accountant AC because all records are consolidated by the Financial Adviser before submission to AC. In view, however, of the changed procedure for dealing with salvaged material, as set out below, the present British procedure will call for some adjustment.

In the past salvaged and surplus material had either been disposed of on the open market or else released to AC.

which throws a large burden of detail work on AC and moves unworkable.

2. One of the difficulties in establishing any system is that British and American Army procedures differ considerably; some consideration is therefore given to each in this report. American system provides for copies of all shipping tickets to be sent direct to the Chief Accountant AC by the issuing unit, for subsequent accounting and raising of charges against the Italian Government. If issues from the American Army invoices materially it would be impossible for AC to cope with a flood of individual shipping tickets and some form of centralization by American Army authorities before submission of the documents to AC will be essential. It is our opinion that very slight amendments to WFOUSA Circular Number 14 of 25 January, which governs the U.S. Army procedure for the disposal of stores and surplus property, would enable a procedure to be developed which would be suitable both to the Army and to AC and which could easily be adapted to fit the circumstances should AC regard to exist or be greatly reduced before such issues cease. With regard to the British procedure this throws less work on the Chief Accountant AC because all records are consolidated by the Financial Adviser before submission to AC. In view, however, of the changed procedure for dealing with salvaged material, as set out below, the present British procedure will call for some adjustment.

3. In the past salvaged and surplus material has either been sold by the Armies on the open market or else released to AC Regions who have disposed of it to civilian agencies. Procedure has now been developed whereby the availability of salvaged and surplus material should be notified to the War Materials Disposal Sub-Commission of AC who will offer it, through certain designated Sub-Commissions, to the Italian Government, who, if they accept it, will request its disposal to certain authorized contractors to be appointed by them. No cash will be collected by the Armies when delivery is made to the contractors; instead the proceeds realized by them on sale to the Italian Government for the contractors will be accountable to the Italian Government for the for overheads and profit. The charge against the Italian Government will be raised in the normal way by the Chief Accountant, AC. This proposed procedure is in line with the accepted policy of turning over supplies to the Italian Government rather than having

then distributed direct by AC and is essential to permit a progressive reduction in AC's functions. It should also, by rationalizing the requisitioning and the documentation, considerably improve the existing organization for the release of Army salvage and surplus stocks to the civilian population, the accounting for which is becoming increasingly complicated.

4. The fact that distribution is to be done through approved contractors who will account for the sale proceeds to the Italian Government introduces two new factors into previous procedures-

- (a) The Italian Government must be notified, prior to delivery to the contractor, of the price which will be charged, so that the price to the consumer can be fixed.
- (b) The Italian Government must be notified of the quantities and values of all materials actually delivered to the contractors so that they may be able to monitor the contractors' accounts and to see that all proceeds are duly collected and paid over by them. These points should be borne in mind when considering the suggestions below.

5. The proposed procedure for the handling of the disposal of salvaged and surplus materials and property, as between the forces, AC and the Italian Government is set out in the memorandum which should be studied before considering the following proposals.

6. The following suggestions are made with a view to coordinating the Army procedures and the proposed AC and Italian Government procedures:

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- 7. American Army Salvage and Surplus Material Property
  - (a) The disposal and accounting for American Army Salvage and Surplus Property is governed by WDOSY Circular No. 14 of 1945. This circular provides for such property and



- be changed, so that one piece be fixed.
- (b) The Italian Government must be notified of the quantities and values of all materials actually delivered to the contractors so that they may be able to compare the contractors' accounts and to see that all arrears are duly collected and paid over by them. Their points should be borne in mind when considering the suggestions below.
5. The proposed procedure for the disposal of salvaged and surplus materials and property, as between the forces, AC and the Italian Government is set out in the memorandum which should be studied before considering the following proposals.
6. The following suggestions are made with a view to coordinating the Army procedures and the proposed AC and Italian Government procedures:
- 737
7. American Army Salvage and Surplus Material Procedure
- (a) The disposal and accounting for American Army Salvage and Surplus Property is governed by WFOUSA Circular No. 14 of 25 January 1945. This circular provides for such property and salvage to be offered to AC and prescribes that the issuing Base Section shall send two copies of such shipping ticket to the Chief Accountant AC. It further instructs all Base Sections to submit to WFOUSA Headquarters a monthly detailed list of all sales and disposals of salvage whether disposed of to AC for the Italian Government or sold on the open market.
- (b) As already pointed out it will not be possible for AC to receive, summarize and assemble a great quantity of shipping tickets, particularly as experience in dealing with shipping tickets for release to the Italian Army has shown that queries and correspondence arise only too frequently in connection with these shipping tickets. Furthermore, under the instructions as they stand, the Chief Accountant AC would not know whether or not all shipping tickets had been received by him; it will be essential for him to be sure of this as he must pass the information on to the Italian Government in order that they (the Italian Government) may complete their accounting with the contractors.

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- 3 -

(c) The first essential is that AC should be supplied each month with a copy of the monthly Reports of Sale of Salvage and Surplus Property submitted to WFOUSA by the Base Sections. It would be of great help to AC if the Base Sections could submit these reports to AC not direct but via HQ, WFOUSA, who would send them on to AC monthly, all together. In this way HQ, WFOUSA would be in a position to see that all reports are correctly forwarded to AC. It is further requested that the procedure in Circular 14 be amended as follows: one copy of the monthly ticket will be sent by the Base Section to the Chief Accountant who will transmit same to the Italian Government; each Base Section will prepare an extra copy of their monthly Report of Sale of Salvage and Surplus Property to which they will attach the second copy of the shipping ticket and which they will send to HQ, WFOUSA together with the original; HQ, WFOUSA will call these duplicate reports and send them monthly to the Chief Accountant AC (together with copy shipping tickets) after such audit or scrutiny as they may consider necessary. The Chief Accountant AC would analyze these reports as between sales or open market and releases to the Italian Government, thereby dealing with the necessity for a separate reporting to him of sales on the open market as provided for in Section VI para. 9(d) of circular 14. It is suggested that if this procedure were followed work could be avoided by preparing the Base Sections' monthly reports in two parts, one for sales on the open market and one for deliveries to AC for the Italian Government.

(d) In conclusion it must be emphasized that the name of the contractor be always clearly shown on the shipping ticket.

8. British Army Salvage and Surplus Material and Property

(a) Disposal of British salvage is governed by AFHQ letter AFHQ/93/SAL/922 of 27 November 1944. This provides for sales to be offered first to WIA, then to AC for the Italian Government, and then, if not required by the Italian Government, to be sold on the open market. Issues made to AC are made against receipts and are reported in value, in one total, each month to the Chief Accountant AC by the Financial Advisor.

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Sale of Salvage and Surplus to Italy by the second copy of the shipping ticket and which they will send to HQ, WFOUSA together with the original; HQ, WFOUSA will not these duplicate reports and send them monthly to the Chief Accountant AC (together with copy shipping tickets) after such audit or scrutiny as they may consider necessary. The Chief Accountant AC would analyze these reports as between sales on open market and releases to the Italian Government, thereby doing away with the necessity for a separate reporting to him of value on the open market as provided for in Section VI para. 6(d) of circular 14. It is suggested that if this procedure were fully worked could be avoided by increasing the Base Sections' monthly reports in two parts, one for sales on the open market and one for deliveries to AC for the Italian Government.

(d) In conclusion it must be emphasized that the basis of the contractor be always clearly shown on the shipping ticket.

#### 6. British Army Salvage and Surplus Material and Priority

(a) Disposal of British salvage is governed by AFHQ Letter AFHQ 203/SAL/599 of 27 November 1944. This provides for salvage to be offered first to WIA, then to AC for the Italian Government, and then, if not required by the Italian Government, to be sold on the open market. Issues made to AC are made against receipts and are reported in value, in one total, each month to the Chief Accountant AC by the Financial Adviser.

(b) It is understood that the attached procedure has not yet been agreed by the British Salvage Services and that issues made under past procedure have been made on a Regional basis and not centralized as is suggested in the new system.

(c) If it is agreed, certain alterations must be made in the existing system whereby the British Army report such issues to AC. In the first place the value must be notified when receiving the availability. In the second place procedure must be developed whereby the Italian Government can be informed of the nature and value of the stores actually delivered to the contractor so that they may raise a charge against them. On delivery by the Salvage Depot to the contractor, that copy of the receipt which under existing procedure would be delivered to AC or their representative would be delivered to the contractor who would retain same in his own records. It will therefore be necessary when issues are made to contractors in accordance with

- 4 -

the proposed procedure for an extra copy of the receipt to be obtained and forwarded to the Chief Accountant for transmission to the Italian Government. Thereafter the procedure would be much the same as that for issues by the American Army. The Chief Accountant AC must verify that the totals of the individual receipts (which he will have passed on to the Italian Government) agree with the total charges submitted to him by the Financial Adviser. It would therefore be of great assistance if the Financial Adviser could submit a monthly report showing individual issues rather than a single total.

9. It is felt that if the above procedures were to be adopted would enable a large volume of work to be handled in a manner satisfactory to the Armies, AC and the Italian Government and would also provide a basis for any large scale turning over of Army stocks which the Allied Governments may decide to leave in Italy after the cessation of hostilities and the withdrawing of the Armies.

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satisfactory to the Armies, AC and the Italian Government and would also provide a basis for any large scale turning over of Army stocks which the Allied Governments may decide to leave in Italy after the cessation of hostilities and the withdrawing of the Armies.

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*to [unclear]*  
DCK/jcm

R E S T R I C T E D

ALLIED FORCE HEADQUARTERS  
APO 512

ADMINISTRATIVE MEMORANDUM )  
NUMBER 8 )

14 February 1945

DISPOSAL OF SURPLUS PROPERTY

1. AFHQ Administrative Memorandum Number 19 and Section II, AFHQ Administrative Memorandum Number 35, both 1944, are rescinded.
2. The Allied Force Surplus Property Committee is hereby dissolved.
3. The Joint Disposal Committee, previously constituted at this headquarters will continue to function at AFHQ. The committee will be composed as follows:

- Joint Chairmen: Assistant Chief of Staff, G-4  
                  DQMG, G-4 (B)
- Secretariat : Will be provided by the Allied Force  
                  Local Resources Section, AFHQ
- Members : Representatives of:  
                  QM  
                  Chief Engineer  
                  Q(Maint)  
                  Q(AF)  
                  Fiscal Director  
                  Financial Advisor  
                  and such other persons as the committee  
                  shall require to attend for any purpose  
                  from time to time.

4. The function of this committee will be to formulate a general program and coordinate policies on disposals consistent with current regulations prescribed by the War Department for United States Property and by the War Office or other Ministry concerned for British property.

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5. The committee will confine itself to:

- a. Recommending the best means for the disposition of material or salvage in the interest of maintaining the economic balance of the country concerned, to avoid creation of inflationary tendencies and to avoid the material falling into the hands of speculators.
- b. Providing data and other information pertinent to disposals that may be useful and appropriate.

*(X-47/ee) cc*  
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(4) ✓  
14 Feb

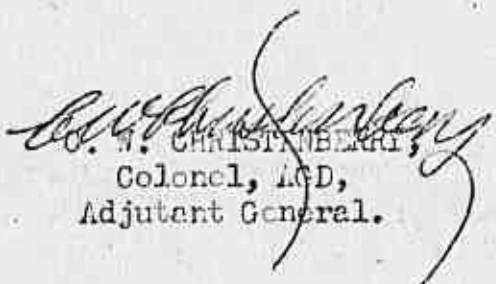
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AFHQ Adm Memo # 8 (cont'd)

6. This committee will not assume the functions of negotiation, accountability or physical transfer of any property involved. These functions will in all cases remain with the responsible military authorities in accordance with the laws, regulations, or customs of the two nations concerned.

7. The secretariat will keep formal records of all meetings held to decide on disposals.

BY COMMAND OF FIELD MARSHAL ALEXANDER:



C. W. CHRISTENSEN,  
Colonel, LCD,  
Adjutant General.

DISTRIBUTION:

"C"

HEADQUARTERS ALLIED COMMISSION  
AC PRIORITIES BOARD  
APO 794

10 February 1945

SUBJECT: AC Priorities Board Procedural Bulletin No. 9.

TO : Distribution Below

a. Salvage, Scrap and Other War Materials

1. Basis for Procedure

A chief of Staff memo dated 9 January 1945, designates War Materials Disposal Sub-Commission as the AC agency to receive from military Services reports on availability of salvage, scrap and other war materials, to collate such reports and distribute them to the appropriate Sub-Commissions of AC. The AC Priorities Board has, in Procedural Bulletin No. 1, divided all materials into four categories and has designated an Allocating Sub-Commission for each category. It is the purpose of this Procedure to coordinate the activities of the Allocating Sub-Commissions and War Materials Disposal Sub-Commission.

2. Availabilities Statements to AC Sub-Commissions and Sections

a. The War Materials Disposal Sub-Commission will prepare lists of available salvage, scrap and other war materials according to the established categories and transmit to each Allocating Sub-Commission the list appropriate to that Sub-Commission's allocating function. Such lists will include relevant information as to location of materials; time limit for claiming; condition and specifications of materials; procedure for inspection, claiming and taking delivery.

b. Each Section will file with the War Materials Disposal Sub Commission a list of its Sub-Commissions or Divisions requiring copies of availability lists and

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signates war materials to be disposed of by the War Materials Disposal Sub-Commission. The War Materials Disposal Sub-Commission will prepare lists of available salvages, scrap and other war materials to be disposed of according to the established categories and transmit to each Allocating Sub-Commission the list appropriate to that Sub-Commission's allocating function. Such lists will include relevant information as to location of materials; time limit for claiming; condition and specifications of materials; procedure for inspection, claiming and taking delivery.

2. Availability Statements to AC Sub-Commissions and Sections

a. The War Materials Disposal Sub-Commission will prepare lists of available salvages, scrap and other war materials according to the established categories and transmit to each Allocating Sub-Commission the list appropriate to that Sub-Commission's allocating function. Such lists will include relevant information as to location of materials; time limit for claiming; condition and specifications of materials; procedure for inspection, claiming and taking delivery.

b. Each Section will file with the War Materials Disposal Sub-Commission a list of its Sub-Commissions or Divisions requiring copies of availability lists and the number required by each. The War Materials Disposal Sub-Commission will distribute the required copies at the same time originals are transmitted to Allocating Sub-Commissions.

3. Availability Statements to Italian Government

Each Sub-Commission or Section receiving an availability list will determine if it is necessary or advisable to notify their opposite organization in the Italian Government and will transmit any notifications demand necessary or advisable.

4. Amendments to Par. 9 - Procedural Bulletin No. 1

a. Par. 9-A (1) - Add the following (1), I: With respect to salvage, scrap, and other war materials this inventory statement will cover only materials which have passed into control of the Allocating Sub-Commissions.

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10 Jul

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*to [unclear]*  
DCK/jcm

RESTRICTED

ALLIED FORCE HEADQUARTERS  
APO 512

ADMINISTRATIVE MEMORANDUM )  
NUMBER 8 )

14 February 1945

DISPOSAL OF SURPLUS PROPERTY

1. AFHQ Administrative Memorandum Number 19 and Section II, AFHQ Administrative Memorandum Number 35, both 1944, are rescinded.
2. The Allied Force Surplus Property Committee is hereby dissolved.
3. The Joint Disposal Committee, previously constituted at this headquarters will continue to function at AFHQ. The committee will be composed as follows:

Joint Chairmen: Assistant Chief of Staff, G-4  
DQMG, G-4 (E)

Secretariat : Will be provided by the Allied Force  
Local Resources Section, AFHQ

Members : Representatives of:  
QM  
Chief Engineer  
Q(Maint)  
Q(AF)  
Fiscal Director  
Financial Adviser  
And such other persons as the committee  
shall require to attend for any purpose  
from time to time.

4. The function of this committee will be to formulate a general program and coordinate policies on disposals consistent with current regulations prescribed by the War Department for United States Property and by the War Office or other Ministry concerned for British property.

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5. The committee will confine itself to:

- a. Recommending the best means for the disposition of material or salvage in the interest of maintaining the economic balance of the country concerned, to avoid creation of inflationary tendencies and to avoid the material falling into the hands of speculators.
- b. Providing data and other information pertinent to disposals that may be useful and appropriate.

*(X-17/60) [unclear]*  
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14 Feb

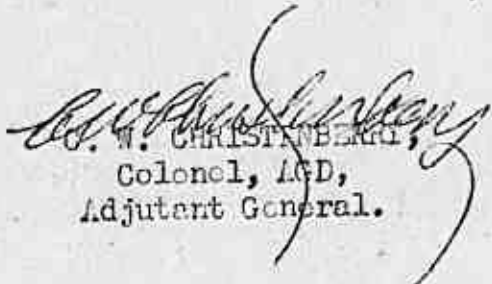
RESTRICTED

AFHQ Adm Memo # 8 (cont'd)

6. This committee will not assume the functions of negotiation, accountability or physical transfer of any property involved. These functions will in all cases remain with the responsible military authorities in accordance with the laws, regulations, or customs of the two nations concerned.

7. The secretariat will keep formal records of all meetings held to decide on disposals.

BY COMMAND OF FIELD MARSHAL ALEXANDER:



G. W. CHRISTOBERY,  
Colonel, AGD,  
Adjutant General.

DISTRIBUTION:

"C"

HEADQUARTERS ALLIED COMMISSION  
AC PRIORITIES BOARD  
APO 794

10 February 1945

SUBJECT: AC Priorities Board Procedural Bulletin No. 2.

TO : Distribution Below

a. Salvage, Scrap and Other War Materials

1. Basis for Procedure

A chief of Staff memo dated 9 January 1945, designates War Materials Disposal Sub-Commission as the AC agency to receive from military Services reports on availability of salvage, scrap and other war material, to collate such reports and distribute them to the appropriate Sub-Commissions of AC. The AC Priorities Board has, in Procedural Bulletin No. 1, divided all materials into four categories and has designated an Allocating Sub-Commission for each category. It is the purpose of this Procedure to coordinate the activities of the Allocating Sub-Commissions and War Materials Disposal Sub-Commission.

2. Availabilities Statements to AC Sub-Commissions and Sections

a. The War Materials Disposal Sub-Commission will prepare lists of available salvage, scrap and other war materials according to the established categories and transmit to each Allocating Sub-Commission the list appropriate to that Sub-Commission's locating function. Such lists will include relevant information as to location of materials; time limit for claiming; condition and specifications of materials; procedure for inspection, claiming and taking delivery.

b. Each Section will file with the War Materials Disposal Sub-Commission a list of its Sub-Commissions or Divisions requiring copies of availability lists and the number required by each. The War Materials Disposal Sub-Commission will distribute the required

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availability of salvage, scrap and other materials to collate such reports and distribute them to the appropriate Sub-Commissions of AC. The AC Priorities Board has, in Procedural Bulletin No. 1, divided all materials into four categories and has designated an Allocating Sub-Commission for each category. It is the purpose of this Procedure to coordinate the activities of the Allocating Sub-Commissions and War Materials Disposal Sub-Commission.

2. Availability Statements to AC Sub-Commissions and Sections

a. The War Materials Disposal Sub-Commission will prepare lists of available salvages, scrap and other war materials according to the established categories and transmit to each Allocating Sub-Commission the list appropriate to that Sub-Commission's allocating function. Such lists will include relevant information as to location of materials; time limit for claiming; condition and specifications of materials; procedure for inspection, claiming and taking delivery.

b. Each Section will file with the War Materials Disposal Sub-Commission a list of its Sub-Commissions or Divisions requiring copies of availability lists and the number required by each. The War Materials Disposal Sub-Commission will distribute the required copies at the same time originals are transmitted to Allocating Sub-Commissions.

3. Availability Statements to Italian Government

Each Sub-Commission or Section receiving an availability list will determine if it is necessary or advisable to notify their composite organization in the Italian Government and will transmit any notifications demand necessary or advisable.

4. Amendments to Par. 9 - Procedural Bulletin No. 1

a. Par. 9-A (1) - Add the following (1), I: With respect to salvage, scrap, and other war materials this inventory statement will cover only materials which have passed into control of the Allocating Sub-Commissions.

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10 Feb

b. Par. 9-A(8) - Add the following (8) I: With respect to salvage, scrap and other war materials, War Materials Disposal Sub-Commission will prepare estimates of the quantity of each category of materials expected to become available through the current month. These estimates will be transmitted to the appropriate Allocating Sub-Commission for consolidation into the consumption and production forecast.

c. Par. 9-A (7) - Add the following (7) I: With respect to salvage, scrap and other war materials, War Materials Disposal Sub-Commission will prepare the forecast of availability and forward to the Allocating Sub-Commission for consolidation in the demand and availability forecast.

D. Salvage Clothing

1. Amendment to P. r. 4 - Procedural Bulletin No. 1

a. Strike out par. 4-a and substitute the following:

Salvage Clothing - Any organization applying for salvage clothing for distribution to patriots, refugees, displaced persons, public safety personnel or for Public Health or Welfare requirements, must file their applications with the Civil Affairs Section which will collate all such applications and substantiating data and present them to the Allocating Sub-Commission (Commerce) for consideration along with applications from other sources and for other user categories.

/s/ L. D. Densmore  
 L. D. DENSMORE  
 Colonel, FA  
 Chairman  
 AC Priorities Board

E. Salvage Clothing

1. Amendment to P. R. 4 - Procedural Bulletin No. 1

a. Strike out par. 4-3 and substitute the following:

Salvage Clothing - Any organization applying for salvage clothing for distribution to patriots, refugees, displaced persons, public safety personnel or for public Health or Welfare requirements, must file their applications with the Civil Affairs Section which will collect all such applications and substantiating data and present them to the Allotting Sub-Commission (Commerce) for consideration along with applications from other sources and for other user categories.

/s/ L. D. Densmore  
L. D. DENSMORE  
Colonel, FA  
Chairman  
AC Priorities Board

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copy

JAN 25 1945

Chief Counsel

SECRET

January 18, 5 P.M., 1945

Circular

Brown

January 19, 3 P.M., 1945

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

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

In accordance with the foregoing Army sent following cable to all theater commanders under date of January 13. "It is contemplated that a joint Army Navy liquidation commission will act as disposal agency for all surplus property of War and Navy Departments overseas in place of FEA but until further notice aircraft and items peculiar to aircraft will continue to be reported to local FEA representative under AAF regulation 65-35. All such surplus property except aircraft and items peculiar to aircraft will be disposed of directly by theater commanders pursuant to WD Cir. No. 379 dated September 17, 1944 and other applicable instructions until local theater representatives of the liquidation Commission have established organizations for disposal of surplus property. However, property previously reported to FEA on which they are about to complete negotiations for disposal should be handled by them and FEA representatives when available should be consulted on disposal policies."

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

19 Jan



- 2 -

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

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

STREPLINUS.

hh  
cc: FEA.

Attached is submitted  
by Colonel Densmore for  
your information .

DISTRIBUTION A.C 25 Jan

Chief Connor  
Capt S.  
Original Economic Sec

Q.

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'A' FILE

Office of the Chief of Staff.

War Surplus Property Disposal.

205/2/003.

DCOS Est Sec.  
DCOS Econ Sec.

27 November 1944.

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

M. S. LUSH

Brigadier,  
Chief of Staff.

MSL/JC.

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FILES A

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27 Nov

→ Brig. Gen. Fiske  
Col. Fiske

23 Nov 44.

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MEMORANDUM ON WAR SURPLUS PROPERTY DISPOSAL.

FEA has been designated as the Federal agency for all surplus disposal of property outside the United States.

Gen. O'Dwyer has, to date, been designated as Special Representative of FEA to handle SURPLUS in this theater. Mr. Antolimi has been acting for him in his absence.

The War Dept - thru AFHQ - has informed the Army Services Forces and the Army Air Forces to refer surplus matters to the "LOCAL" FEA office. These military agencies have been pressing this office as to what organization and procedures have been established for the disposal of their surplus property.

FEA surplus disposal activities will also include the Navy and all other U.S. agencies that have property to dispose of in this theater.

Within FEA (Washington), surplus activities are handled entirely separate from other economic matters, and hence function thru independent administrative machinery. They, in no sense, are connected with "COMBINED OPERATIONS" like the matters which pertain to AC. A separate set-up of FEA personnel will be required here to work as a counterpart of the Washington Surplus office. Surplus activities and AC operations are too different and far apart to be handled by the same personnel.

FEA surplus activities will be conducted primarily with the Army, Navy, U.S. Embassy (Diplomatic Representative) Italian and other Foreign Governments and private business interests. Also dealings will be had with UNRRA. (Latest advices from Washington FEA indicate that UNRRA is to participate on the receiving end of surplus disposals). These activities require closest alignment with AC.

Col. Murphy has been in sole charge of surplus matters and is the only one who has a knowledge of current and proposed operations. He has been in consultation with FEA representatives who have visited this theater. He has sent a proposed (initial) organization to FEA Washington to be considered in connection with Washington's plans for operations in this theater. FEA Washington indicates that the plans and procedures are under study, and that Col. Murphy's presence is desired in order to consummate the action under which permanent and routine activities will be conducted.

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# LIST OF PAPERS

File under No. \_\_\_\_\_

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
726				

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