DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

400.38 SUPPLIES - MISCELLANEOUS

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LIST OF PAPERS

DECIMAL FILE NO. 400.38 SUPPLIES MISCELLANEOUS

SANACC _____ Series. Part ____ From SANACC _____ thru SANACC _____

_____
(title)

Serial No.	From	Date	To	SYNOPSIS
11	Sec. of the Army	6 Apr 48	Sec. of State	Ltr re: Supplies - Chinese requirements as set forth in memo. Incl. Status rpt. of surplus material.
12	Sec. of the Army	14 May 48	Sec. of State	Ltr re: requests by chinese Govt. for munitions under the surplus property act and S 1/3 Group Program.
13	Sec. of Army	12 Jun 48	Sec. of State	Ltr re: proposed sale of machine guns to the Belgian Govt. Encl. For the Record action taken and a ltr. fm Mr. Saltzman.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Q. M. C. Form 353 (Old No. 490)
Revised July 26, 1918

LIST OF PAPERS

File under No. 400.38 - Supplies ~~for Liberated Areas~~

U. S. GOVERNMENT PRINTING OFFICE 3—6788

SERIAL NUMBER	FROM—	DATE	TO—	SYNOPSIS
1	Mr.Stettinius	1/2/45	Mr. McCloy	Memo advising Mr. McCloy he asked Mr. Dunn to give him a copy of note to the President re shipping needs for liberated areas.
2	Civ. Affairs Div.	7/17/45	Sec of War	Letter and correspondence re Philippine Civilian Requirements.
3	Sec. of War.	10/3/45	Sec. of State	Letter re: W.D. responisbility for imports into Germany, anss similar existence of circumstance in regard to Austria and Japan.
4	ADM. William D. Leahy	11/12/45	Dept of State	Memo re: termination of military responsibility for the provision c civilian supplies to Germany and Austria, including Berlin and Vienna.
5	Capt. Prevost USN	14 Jan. 46	CIRCULAR NO. 4 Army and Navy Mun. Board	Re: Current List of Strategic and Critical Materials List .
6	Sec. Royall	23 Jan 48	Sec. of State	Re: Supplies and equipment urgently needed by the Chinese Government.
7	Sec. of Army	24 Feb 48	Sec. of State	Ltr re: Need for ammunition by the Chinese Government.
8	Sec. of Army	1 Mar 48	S/S	Ltr re: NSC recmd's envisages transfer of certain limited quantities of mil. supplies and equipment to Italy
9	Sec of the Army	15 Mar 48	S/S	Ltr re: Req. Dept. of Army determine what extent Chinese requirements can be met fm stocks surplus to the Army's needs and where surplus material is located.
10	Sec. Army	26 Mar 48	Sec. of State	Netherland's requirement list - doubtful if any items were available as surplus fm Dept of Army stocks in the Far East.

INSTRUCTIONS.—When papers on a subject become numerous they will be numbered serially and brief entries made on this form.

1

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

12 JUN 1948

400.38 Supplies Conf Misc

The Honorable

The Secretary of State

Dear Mr. Secretary:

Reference is made to your 26 May 1948 letter concerning the proposed sale of machine guns to the Belgian Government.

The two types of machine guns, .30 and .50 caliber, needed to fulfill this request are required for return to the Zone of Interior in accordance with the recently released Department of the Army policy on the return of supplies and equipment by overseas theater commanders.

It does not appear this action will compromise any U. S. Governmental commitment to the Belgian Government. To my knowledge no commitment is in existence as of this date. This statement is based on your Cable No. 330 dated 5 March 1948 and the contents of your present letter. It would appear more suitable for the Belgian Government to obtain its military requirements through that government's acceptance of the over-all European Military Aid Program as proposed by the State Army Navy Armaments Coordinating Committee. In this instance, such action would seem highly desirable as the need for the continued acceptance of specific requirements from individual European countries would thereby be eliminated.

Sincerely yours,

(Signed) KENNETH C. ROYALL

Kenneth C. Royall
Secretary of the Army

SANACC SECRETARIAT

State Member
Army Member
Navy Member
Air Force Member
Ass't State Member
Ass't Army Member
Ass't Navy Member
Ass't Air Force Member

File

SANACC

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

CSGSP/D3-24373 Major Naylor/71047/vs

The Honorable

The Secretary of State

Dear Mr. Secretary:

Reference is made to your 28 May 1948 letter concerning the proposed sale of machine guns to the Belgian Government.

The two types of machine guns, .30 and .50 caliber, needed to fulfill this request are required for return to the Zone of Interior in accordance with the recently released Department of the Army policy on the return of supplies and equipment by overseas theater commanders.

It does not appear this action will compromise any U. S. Governmental commitment to the Belgian Government. To my knowledge no commitment is in existence as of this date. This statement is based on your Cable No. 330 dated 5 March 1948 and the contents of your present letter. It further appears the effect of such a notification on the Belgian Government would be their acceptance of the over-all European Military Aid Program, commonly referred to as "Western Union". In this instance, such action would seem highly desirable as the need for the continued acceptance of specific requirements from individual European countries would thereby be eliminated.

Sincerely yours,

Kenneth C. Royall
Secretary of the Army

SANACC

4102/HSA
2881/EM
2413/CID
74220/LFG
71857/HPG
71047/MEN

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

FOR THE RECORD:

The M/A, Brussels, Belgium, by cable dated 9 Oct 47 indicated the Belgian Army desired to make fully combat serviceable 160 M-4 Tanks to be purchased from an Antwerp scrap dealer. Equipment required included 300 Cal. .30 Browning Machine Guns and 150 Cal. .50 Machine Guns. Since this whole question of serviceable tanks in the hands of this Belgian scrap dealer has been under investigation by Dept. of State and Intelligence Division, no action was taken at that time. On 5 Nov 47 the M/A was advised the only possible means of making this equipment available to the Belfian Army was under the provisions of the Surplus Property Act. The equipment was not surplus to known Army requirements. Despite this information the M/A on his own has contacted EUCOM and that Hq. indicates the equipment is available as surplus. This action is contrary to the provisions of Circular Letter 87-47, file MID 400.318. Further the M/A has requested EUCOM be instructed to release the guns to FLC, Paris.

As a result of this request on 25 Feb 48 EUCOM earmarked 305 machine guns and requested dispcsition instructions. Inasmuch as the State Department decision to furnish this equipment to the Belgian Government had not been received by the Dept. of Army, no further action was taken. On 16 April EUCOM again queried the Dept. of Army on disposition instructions. On 20 April EUCOM was advised to hold the earmarked guns only 30 more days. On the 18th of May State Dept. by telephone indicated machine guns held for Belgium could be released to OFLC, Paris. Meanwhile Dept. of Army letter dated 22 April 48, file reference AGAO-S 400.703 (16 Apr 48)CSGSP/El, indicating the new policy on return of excess theater items to the ZI was published. The detailed list of Ordnance items was contained in 7 May 48 letter, file O. O. OCO 400.703/8225. Both .30 and .50 caliber machine guns were on the list of items for return to the ZI. Copies of these letters were furnished the Dept. of State. Verbally State was informed it appeared these items were no longer available for sale to the Belgian Government under the present priority of surplus. The present letter from State Dept. requests this policy be reviewed and a statement be made as to the present availability of the machine guns for the Belgian Government.

COORDINATION: P&O (*Lt. Col. Muir/3465*)

DATE WRITTEN: 2 June 1948.

AUTHOR: Major Naylor/71047.

The State Dept. letter refers to a total of 335 machine guns described in telegram SX-2048, 25 Feb. 48. This is a misinterpretation of the cable and the true figure should read a total of 305 machine guns.

(13)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

COPY

DEPARTMENT OF STATE
WASHINGTON

May 26, 1948

My dear Mr. Secretary:

I am writing about a proposed sale of 335 machine guns to the Belgian Government.

The guns are .30 and .50 calibre Browning machine guns located in Germany, and described in telegram SX-2048, 25 February 1948, CM IN 4462, from HQ EUCOM, Frankfurt. The Belgians asked to purchase them last winter, but approval was deferred until the status of certain tanks in Belgium should have been finally settled. I believe that the Army has since been holding the guns for eventual transfer to Belgium. Although the tank question has not yet been resolved, the Department is now ready to approve the sale, but it appears that this might conflict with a new policy of the Department of the Army, expressed in a letter dated 22 April 1948 (AGAO-S 400.703 (16 Apr 48) CSGSP/B1). The policy is applied to ordnance items in a letter from the Office of the Chief of Ordnance, subject: Ordnance Items Required in the Zone of the Interior, O.O. 400.703/ 4225 Misc, 7 May 1948. I understand that the policy requires the return to the Zone of the Interior of all supplies not needed by the theater commanders.

I hope this policy need not mean that the sale to Belgium cannot be made. The Belgians have been expecting to use the guns to equip some tanks acquired this winter by their Army. I do not know whether the guns can still be made available to them, but if anything could be done in the matter, I should much appreciate it.

Sincerely yours,

For the Secretary of State:

/s/

Charles E. Saltzman
Assistant Secretary

The Honorable
Kenneth C. Royall,
Secretary of the Army.

13

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

400 3 Dist Aff

Lt Col Lawson/GSUSA/72796/ehh

P&O 400 China (30 Apr 48)

14 MAY 1948

The Honorable

The Secretary of State

Dear Mr. Secretary:

In reply to your two letters of 30 April 1948 concerning certain requests by the Chinese Government for munitions under the Surplus Property Act and the $ 1/3 Group Program, your attention is invited to my previous letter (CSGSP/D3) to you dated 6 April 1948 on this same subject.

I have no new information to add to that contained in the letter mentioned above. I suggest, therefore, that that letter form the basis for your reply to the Chinese Government.

Sincerely yours,

(Signed) KENNETH C. ROYALL

KENNETH C. ROYALL
Secretary of the Army

RHL:ehh

RECEIVED
MAY 17 1948
State Army Navy Air Force
Coordinating Committee

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File

12

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

RESTRICTED

CSGSP/D3 14575

Maj. Hughes/5301/vs

400.38
Supplies
Cons

6 APR 1948

The Honorable

The Secretary of State

Dear Mr. Secretary:

The study referred to in my letter dated 15 March 1948 has been completed. The amount of supplies transferred may vary from the quantity reported due to the fact that all surpluses available for transfer are subject to the terms of either Foreign Liquidation Commissioner or the Field Commissioner for Military Programs contracts and Chinese acceptance. The computation, Tab "A", compares the Chinese requirements as set forth in the memorandum inclosed in Mr. Lovett's letter dated 31 December 1947 with the availability of materiel.

Particular emphasis has been placed on ammunition requirements by listing them in detail. Transfer of these items has been expedited.

Due to the nature of this transaction and the widespread location of the supplies, the Department of the Army is unable to maintain an up-to-the-minute status report on all items. These figures will, however, indicate the approximate magnitude of this assistance.

Quantities greater than indicated in the tabulations are not surplus to the Department of the Army needs and cannot, therefore, be made available under the Surplus Property Act. Only by statutory authority and appropriation can they be fulfilled.

Sincerely yours,

(Signed) KENNETH C. ROYALL
SANACC SECRETARIAT

1 Incl
Status Rpt. of
Surplus Materiel
(Tab "A").

APR 7 1948

SANACC

State Member	Kenneth C. Royall Secretary of the Army	4102/HSA
Army Member		2461/EM
Navy Member		2412/CID
Air Force Member		74220/LPG
Ass't State Member		71857/HPC
Ass't Army Member		71047/MEN
Ass't Navy Member		5301/HLH
Ass't Air Force Member		
File		

11

RESTRICTED

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

FOR THE RECORD:

The Secretary of State by letter dated 1 March 1948 requested that the Department of the Army determine to what extent Chinese requirements, as set forth in a memorandum attached to Mr. Lovett's letter of 31 December 1947, can be met from stocks surplus to the Army's needs and where such surplus materiel is located.

Secretary of the Army letter dated 15 March 1948 to the Department of State indicated a study was being prepared by the Department of the Army to show the types, quantities, location, and status of the turnover of surplus ammunition to the Chinese Government as compared with Chinese requirements listed in a memorandum attached to Mr. Lovett's letter.

By this action the study as indicated in above paragraph is being forwarded to the Department of State. This is the latest data at this time. This study covers ammunition in detail, other items generally.

To date it is not known what materiel is to be air lifted out of Hawaii. However, a boat did sail on or about 22 March 1948 with some surplus materiel. It is believed to be engine overhaul equipment.

CONCURRENCES: Air Force (Mr. Merrell/71594).
P&O (Lt. Col. Sterner/5505).

DATE WRITTEN: 31 March 1948.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

RESTRICTED

Status of Surplus Materiel in Pacific Area as Pertains to Chinese Government

As of 31 March 1948

Types of Materiel as requested in Memo attached to Mr. Lovett's letter of 31 December 1947	Declared as Surplus				Quantity moved by Chinese	Applicable against requests for assistance
	Type	Quantity	Tons (long)	Location		
Cartridges Cal.30, ball, in clips and bandoleers	Cartridge, ball cal.30 M2 for MG	1,994,000 Rds	74.9	Saipan	0	8-1/3 Air Gp.
	Cartridge, ball, cal.30 M2 5 rd clips	52,500 "	-	Hawaii	0	Unprogrammed
	Cartridge, ball & tracer Cal 30, web belt	11,200 "	-	"	0	"
	Clips, Cartridge Cal.30 M1 8 Rd	650,600 "	-	"	0	"
	Clips, Cartridge Cal.30 US Rifle M1903 5 Rd	43,200 "	-	"	0	"
Cartridges Cal.30, ball, in carton	Cartridge, armor piercing, Cal 30 M2	12,783,000 "	481.4	Saipan	13,513,440	"
	Cartridge, tracer Cal.30 M1	8,742,000 "	320.4	"	0	"
	Cartridge, AP, Cal.30 M2 for MG	995,000 "	36.7	"	514,000	8-1/3 Air Gp.
	Cartridge, AP-T Cal.30 bltd (4-1) M1 link	315,200 "	-	Hawaii	0	"

RESTRICTED

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

RESTRICTED

As of 31 March 1948

Status of Surplus Materiel in Pacific Area as Pertains to Chinese Government

Types of Materiel as requested in Memo attached to Mr. Lovett's letter of 31 December 1947	Declared as Surplus				Quantity moved by Chinese	Applicable against requests for assistance
	Type	Quantity	Tons (long)	Location		
Cartridges Cal.30, ball, in clips and bandoleers	Cartridge, ball cal.30 M2 for MG	1,994,000 Rds	74.9	Saipan	0	8-1/3 Air Gp.
	Cartridge, ball, cal.30 M2 5 rd clips	52,500 "	-	Hawaii	0	Unprogramed
	Cartridge, ball & tracer Cal 30, web belt	11,200 "	-	"	0	"
	Clips, Cartridge Cal.30 M1 8 Rd	650,600 "	-	"	0	"
	Clips, Cartridge Cal.30 US Rifle M1903 5 Rd	43,200 "	-	"	0	"
Cartridges Cal.30, ball, in carton	Cartridge, armor piercing, Cal 30 M2	12,783,000 "	481.4	Saipan	13,513,440	"
	Cartridge, tracer Cal.30 M1	8,742,000 "	320.4	"	0	"
	Cartridge, AP, Cal.30 M2 for MG	995,000 "	36.7	"	514,000	8-1/3 Air Gp.
	Cartridge, AP-T Cal.30 bltd (4-1) M1 link	315,200 "	-	Hawaii	0	"

RESTRICTED

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

A

RESTRICTED

As of 31

Status of Surplus Materiel in Pacific Area as Pertains to Chinese Government

Types of Materiel as requested in Memo attached to Mr. Lovett's letter of 31 December 1947	Declared as Surplus				Quantity moved by Chinese	Appl req ass
	Type	Quantity	Tons (long)	Location		
Cartridges Cal.30, ball, in clips and bandoleers	Cartridge, ball cal.30 M2 for MG	1,994,000 Rds	74.9	Saipan	0	8
	Cartridge, ball, cal.30 M2 5 rd clips	52,500 "	-	Hawaii	0	U
	Cartridge, ball & tracer Cal 30, web belt	11,200 "	-	"	0	
	Clips, Cartridge Cal.30 M1 8 Rd	650,600 "	-	"	0	
	Clips, Cartridge Cal.30 US Rifle M1903 5 Rd	43,200 "	-	"	0	
Cartridges Cal.30, ball, in carton	Cartridge, armor piercing, Cal 30 M2	12,783,000 "	481.4	Saipan	13,513,440	
	Cartridge, tracer Cal.30 M1	8,742,000 "	320.4	"	0	
	Cartridge, AP, Cal.30 M2 for MG	995,000 "	36.7	"	514,000	8
	Cartridge, AP-T Cal.30 bltd (4-1) M1 link	315,200 "	-	Hawaii	0	

RESTRICTED

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

A

RESTRICTED

Status of Surplus Materiel in Pacific Area as Pertains to Chinese Government

As of 31 March 1948

Materiel as in Memo attached Pott's letter ember 1947	Declared as Surplus						
	Type	Quantity	Tons (long)	Location	Quantity moved by Chinese	Applicable against requests for assistance
Cal.30, ball, d bandoleers	Cartridge, ball cal.30 M2 for MG	1,994,000 Rds	74.9	Saipan	0	8-1/3 Air Gp.
	Cartridge, ball, cal.30 M2 5 rd clips	52,500 "	-	Hawaii	0	Unprogramed
	Cartridge, ball & tracer Cal 30, web belt	11,200 "	-	"	0	"
	Clips, Cartridge Cal.30 M1 8 Rd	650,600 "	-	"	0	"
	Clips, Cartridge Cal.30 US Rifle M1903 5 Rd	43,200 "	-	"	0	"
Cal.30, ball,	Cartridge, armor piercing, Cal 30 M2	12,783,000 "	481.4	Saipan	13,513,440	"
	Cartridge, tracer Cal.30 M1	8,742,000 "	320.4	"	0	"
	Cartridge, AP, Cal.30 M2 for MG	995,000 "	36.7	"	514,000	8-1/3 Air Gp.
	Cartridge, AP-T Cal.30 bltd (4-1) M1 link	315,200 "	-	Hawaii	0	"

RESTRICTED

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Cartridges Cal.30, ball in cartons	Cartridge, Incendiary Cal.30 Ml cartons	495,000 Rds	-	Hawaii	0
	Cartridge, tracer Cal.30 Ml AC cartons	68,000 "	-	"	0
Cartridges Cal.45, ball	Cartridges, ball, Cal.45 Ml911	1,000,000 "	-	"	0
	Cartridges, AP, Cal.50 M2	1,990,800 "	377.7	Saipan	2,106,650
	Cartridges, AP Cal.50 MLB MG	3,900 "	-	Hawaii	0
	Cartridges, AP Cal.50 M2 MG cartons	1,063,900 "	-	"	0
	Cartridges, AP-I Cal.50 bltd (9-1)	5,000 "	-	"	0
	Cartridges, Incendiary,Cal.50 Ml cartons	11,500 "	-	"	0
	Cartridges, Tracer, Cal.50 Ml MLB (MG)	465,500 "	-	"	0
Shells 60mm (for Mortar)	Shells, HE M49 A2 w/fuze PD M52-M 52 Bl-M52 B2 for 60mm mortar	100,000 "	226	Saipan	13,086
	Shells, HE M43 Al,w/fuze PD M52 Al Bl for 81mm mortar	13,456 "	87.5	"	13,508

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

l.30, ball	Cartridge, Incendiary Cal.30 Ml cartons	495,800 Rds	-	Hawaii	0	Unprogrammed
	Cartridge, tracer Cal.30 Ml AC cartons	68,000 "	-	"	0	"
l.45, ball	Cartridges, ball, Cal.45 M1911	1,000,000 "	-	"	0	8-1/3 Air Gp.
	Cartridges, AP, Cal.50 M2	1,990,800 "	377.7	Saipan	2,106,650	"
	Cartridges, AP Cal.50 MLB MG	3,900 "	-	Hawaii	0	"
	Cartridges, AP Cal.50 M2 MG cartons	1,063,900 "	-	"	0	Unprogrammed
	Cartridges, AP-I Cal.50 bltd (9-1)	5,000 "	-	"	0	8-1/3 Air Gp.
	Cartridges, Incendiary, Cal.50 Ml cartons	11,500 "	-	"	0	Unprogrammed
	Cartridges, Tracer, Cal.50 Ml MLB (MG)	465,500 "	-	"	0	8-1/3 Air Gp.
	Shells, HE M49 A2 w/fuze PD M52-M 52 Bl-M52 B2 for 60mm mortar	100,000 "	226	Saipan	13,086	Unprogrammed
	Shells, HE M43 Al,w/fuze PD M52 Al Bl for 81mm mortar	13,456 "	87.5	"	13,508	"

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Shells 60mm (for Mortar)	Shells, HE, M49A2 w/PDF M52, 60mm Mortar	900 Rds	-	Hawaii	0
	Shells, HE, M43A1 w/PDF M52, 81mm Mortar	100 "	-	"	0
	Shells, 4.2 Mortar w/fuzes	34,100 "	-	"	0
Shells 75mm	Shells, fixed, HE, M48 super charged w/fuze TSQ M54, for 75mm guns	3,306 "	51.57	Saipan	0
	Projectile, fixed, APC-T M61 w/fuze BD,M66 A1 for 75mm guns	3,441 "	54.02	"	0
	Projectile, fixed, APC-T M61, steel case,w/fuze BD M66 for 75mm guns	24,946 "	391.65	"	0
	Schrapnel, fixed, MK1,flashless for 75mm guns	5,976 "	95.01	"	0
	Cannister, fixed, T30 for 75mm How.	4,334 "	59.80	"	0
	Shells, HE, M48 w/TSQF M54, 75mm How.	52,300 "	-	Hawaii	0
	Shells, smoke, WP, M64,w/PDF,M57 for 75mm How.	5,900 "	-	"	0

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Shells, HE, M49A2 w/PDF M52, 60mm Mortar	900 Rds	-	Hawaii	0	Unprogrammed
Shells, HE, M43A1 w/PDF M52, 81mm Mortar	100 "	-	"	0	"
Shells, 4.2 Mortar w/fuzes	34,100 "	-	"	0	"
Shells, fixed, HE, M48 super charged w/fuze TSQ M54, for 75mm guns	3,306 "	51.57	Saipan	0	"
Projectile, fixed, APC-T M61 w/fuze BD,M66 A1 for 75mm guns	3,441 "	54.02	"	0	"
Projectile, fixed, APC-T M61, steel case,w/fuze BD M66 for 75mm guns	24,946 "	391.65	"	0	"
Schrapnel, fixed, MK1,flashless for 75mm guns	5,976 "	95.01	"	0	"
Cannister, fixed, T30 for 75mm How.	4,334 "	59.80	"	0	"
Shells, HE, M48 w/TSQF M54, 75mm How.	52,300 "	-	Hawaii	0	"
Shells, smoke, WP, M64,w/PDF,M57 for 75mm How.	5,900 "	-	"	0	"

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Shells 75mm	Shells, semi fixed, HE, M1 w/fuze 2 PD M51 A4,15 sec delay for 105mm How. M2 A1 and M4	52,083 Rds	1848.9	Saipan	Note: These two combined --
	Shells, semi fixed HE, M1 w/suppl chg and fuze PD M51 A4 (M48 A2) 15 sec delay for 105 How.	75,906 "	267.8	"	78,875
	Shells, semi fixed HE, AT M67 for 105mm How. M2 A1 & M4	4,151 "	142.7	"	5,158
	Booster, M20	100 "	-	Hawaii	0
	Booster, M22	100 "	-	"	0
	Shells, HE, M48 w/? M48	75,000 "	-	"	0
	Canister, T18 105mm How. M2	4,700 "	-	"	0
	Shells, HE, w/PDF M48 105mm How. M2	50,400 "	-	"	0
	Shells, HE, w/PDF M48 A1 105mm How.M3	73,500 "	-	"	0
	Shells, HE, M67 105mm How. M3	22,800 "	-	"	0
	Shells, HE, M1 w/TSQF 105mm How.M3	2,400 "	-	"	0
	Shells, HE, M1 w/PDF M48,105mm How.M3	16,000 "	-	"	0

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Shells, semi fixed, HE, M1 w/fuze 2 PD M51 A4,15 sec delay for 105mm How. M2 A1 and M4	52,083 Rds	1848.9	Saipan		Unprogrammed	
			Note: These two combined --			
Shells, semi fixed HE, M1 w/suppl chg and fuze PD M51 A4 (M48 A2) 15 sec delay for 105 How.	75,906 "	267.8	"	78,875		"
Shells, semi fixed HE, AT M67 for 105mm How. M2 A1 & M4	4,151 "	142.7	"	5,158		"
Booster, M20	100 "	-	Hawaii	0		"
Booster, M22	100 "	-	"	0		"
Shells, HE, ~~M48~~ w/F M48	75,000 "	-	"	0		"
Canister, T18 105mm How. M2	4,700 "	-	"	0		"
Shells, HE, w/PDF M48 105mm How. M2	50,400 "	-	"	0		"
Shells, HE, w/PDF M48 A1 105mm How.M3	73,500 "	-	"	0		"
Shells, HE, M67 105mm How. M3	22,800 "	-	"	0		"
Shells, HE, M1 w/TSQF 105mm How.M3	2,400 "	-	"	0		"
Shells, HE, M1 w/PDF M48,105mm How.M3	16,000 "	-	"	0		"

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Shells 75mm	Shells, smoke, WP, M60, w/PDF 105mm How. M5	900 Rds	-	Hawaii	0
	Shells, HE, M1 w/PDF, M48A2 105mm How. M5	19,000 "	-	"	0
	Shells, HE, M102 unfuzed, 155mm How.	45,500 "	-	"	0
	Shells, HE, M107 unfuzed, 155mm How.	10,300 "	-	"	0
	Shells, smoke, HCHE M116 unfuzed, 155mm How.	100 "	-	"	0
	Fuze, PD, M46	38,900 "	-	"	0
	Fuze, PD, M47	30,700 "	-	"	0
	Fuze, PD, M48 A1	800 "	-	"	0
	Fuze, PD, M57	100 "	-	"	0
	Fuze, time, mechanical w/booster M21A1	11,300 "	-	"	0
	Fuze, time, mechanical w/booster M21A1	3,800 "	-	"	0
	Primer, percussion 18-grain, MK 2A3	98,900 "	-	"	0
	Primer, percussion 21-grain, MK 2A	700 "	-	"	0
	Primer, percussion 21-grain, MK 2A1	3,000 "	-	"	0

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Shells,smoke,WP, M60,w/PDF 105mm How. M3	900 Eds	-	Hawaii	0	Unprogrammed
Shells, HE, M1 w/PDF, M48A2 105mm How. M3	19,000 "	-	"	0	"
Shells, HE, M102 unfuzed,155mm How.	45,500 "	-	"	0	"
Shells, HE, M107 unfuzed,155mm How.	10,300 "	-	"	0	"
Shells, smoke, HCHE M116 unfuzed,155mm How.	100 "	-	"	0	"
Fuze, PD, M46	38,900 "	-	"	0	"
Fuze, PD, M47	30,700 "	-	"	0	"
Fuze, PD, M48 A1	800 "	-	"	0	"
Fuze, PD, M57	100 "	-	"	0	"
Fuze,time, mechanical w/booster M21A1	11,300 "	-	"	0	"
Fuze,time, mechanical w/booster M21A1	3,800 "	-	"	0	"
Primer, percussion 18-grain, MK 2A3	98,900 "	-	"	0	"
Primer, percussion 21-grain, MK 2A	700 "	-	"	0	"
Primer, percussion 21-grain, MK 2A1	3,000 "	-	"	0	"

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Shells 75mm	Fuze, M51A4	150,000 Rds	-	Hawaii	0	U
	Fuze, TSQ, M65A3	10,000 "	-	"	0	
Rockets, 2.35 - Shells		0				
Grenades & Rifles	Grenades, AT, Model MM A1	200,000 "	-	Hawaii	0	U
	Grenades, Hand, offensive, MK 3A1	29,400 "	-	"	0	
	Fuze, detonating hand grenade, M6A3	10,800 "	-	"	0	

Launcher Grenades
Mortars 60mm
Howitzer Packs 75mm
Fire Control Equipment
Model CCKW 353 6x6 2½ ton trucks (w/o/w)
Model CCKW 352 6x6 2½ ton trucks (w/w)
Model WC51 4x4 3/4 ton weapon carriers (w/w)
7.50 x 20,8 plies w/tubes
6.00 x 16,6 plies w/tubes and TR 15 valves
General Mechanic's equip. (whole set)
First echelon maintenance tools (to go with trucks)

In process of being declared, types, quantities and location are unkn

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

	Fuze, M51A4	150,000 Rds	-	Hawaii	0	Unprogrammed
	Fuze, TSQ, M55A3	10,000 "	-	"	0	"
- Shells		0				
rles	Grenades, AT, Model MM A1	200,000 "	-	Hawaii	0	Unprogrammed
	Grenades, Hand, offensive, MK 3A1	29,400 "	-	"	0	"
	Fuze, detonating hand grenade, M6A3	10,800 "	-	"	0	"

ades

75mm

Equipment

6x6 2½ (o/w)

6x6 2½ (w/w)

3/4 ton s (w/w)

lies w/tubes

lies w/tubes es

nic's equip.

maintenance ith trucks)

In process of being declared, types, quantities and location are unknown.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Engine Assembly:				
P-51 V-1650-7 (-3-9)165 sets	**P-51 V-1650-7**	**148 Ea.**	**FEAF**	**In Possession**
	P-47 R-2800 59/63	**227 "**	**"**	**"**
B-25 R-2600 (-13) 71 sets	**B-25 R-2600 (-13)**	**30 "**	**"**	**"**
C-47 R-1830-92(90c) 80 sets	**C-47 R-1830-92**	**50 "**	**"**	**"**
	C-47 R-1830-90c	**40 "**	**"**	**"**
	R-1830-43/65	**11 "**	**"**	**"**
	C-46 R-2800-51/75	**278 "**	**"**	**"**
	C-46 R-2800 51/75	**220 "**	**ZI**	**0**
	C-46 R-2800 51/75	**103 "**	**FEAF**	**0**

Tires and Tubes for Landing Gears:

P-51 400 Sets

C-46 400 "

B-25 200 "

C-47 200 "

In process of being declared, types, quantities and location are unkno

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

ly:						
-7 (-3-9)165 sets	P-51 V-1650-7	148 Ea.	FEAF	In Possession		8-1/3 Air Gp.
	P-47 R-2800 59/63	227 "	"	"		"
-13) 71 sets	B-25 R-2600 (-13)	30 "	"	"		"
2(90c) 80 sets	C-47 R-1830-92	50 "	"	"		"
	C-47 R-1830-90c	40 "	"	"		"
	R-1830-43/65	11 "	"	"		"
	C-46 R-2800-51/75	278 "	"	"		"
	C-46 R-2800 51/75	220 "	ZI	0		"
	C-46 R-2800 51/75	103 "	FEAF	0		"

es for Landing)
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In process of being declared, types, quantities and location are unknown.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Bomb, GP, 100 lb AN-M30	2,500 Rds	125	Saipan	0	
Bomb, GP, 100 lb AN-M30	12,000 "	600	Tinian	0	
Bomb, GP, 250 lb AN-M57 S 1 MSA	4,000 "	500	Saipan	0	
Bomb, GP, 250 lb AN-M57 S 1 MSA	1,200 "	150	"	0	
Bomb, demo, 300 lb M 31	1,600 "	200	"	0	
Bomb, demo, 500 lb M 43	4,000 "	1000	Tinian	0	
Bomb, GP, 500 lb AN-M 64	4,000 "	1000	Saipan	0	
Bomb, GP, 500 lb AN-M 64	6,500 "	1625	Tinian	0	
Bomb, GP, 500 lb AN-M 64 Al Comp B	6,000 "	1500	Saipan	0	
Bomb, GP, 500 lb AN-M 64 Al Comp B	16,000 "	4000	Tinian	0	
Bomb, GP, 500 lb AN-M 64 Al tritonal	10,000 "	2500	Saipan	0	
Bomb, GP, 500 lb AN-M 64 Al tritonal	2,400 "	600	Tinian	0	
Charge propelling M3 (green bag) for 155mm How. M 1	22,970 "	244.36	Saipan	0	

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Bomb, GP, 100 lb AN-M30	2,500 Rds	125	Saipan	0	8-1/3 Air Gp.
Bomb, GP, 100 lb AN-M30	12,000 "	600	Tinian	0	"
Bomb, GP, 250 lb AN-M57 S 1 MEA	4,000 "	500	Saipan	0	"
Bomb, GP, 250 lb AN-M57 S 1 MEA	1,200 "	150	"	0	"
Bomb, demo, 300 lb M 31	1,600 "	200	"	0	"
Bomb, demo, 500 lb M 43	4,000 "	1000	Tinian	0	"
Bomb, GP, 500 lb AN-M 64	4,000 "	1000	Saipan	0	"
Bomb, GP, 500 lb AN-M 64	6,500 "	1625	Tinian	0	"
Bomb, GP, 500 lb AN-M 64 Al Comp B	6,000 "	1500	Saipan	0	"
Bomb, GP, 500 lb AN-M 64 Al Comp B	16,000 "	4000	Tinian	0	"
Bomb, GP, 500 lb AN-M 64 Al tritonal	10,000 "	2500	Saipan	0	"
Bomb, GP, 500 lb AN-M 64 Al tritonal	2,400 "	600	Tinian	0	"
Charge propelling M3 (green bag) for 155mm How. M 1	22,970 "	244.36	Saipan	0	Unprogrammed

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Charge propelling M4 (white bag) for 155mm how. M1	1,804 Rds	48.90	Saipan	0	Unprogrammed
Charge propelling M4 R1 (white bag) for 155 How. M 1	54,640 "	787.88	"	0	"
Propellent charges 155 How.	10,000 "	-	Hawaii	0	"
Cartridges, AP-T M75 20mm guns	72,900 "	-	"	0	"
Canister, M2, for 37mm guns M5	61,500 "	-	"	0	"
Canister, fixed, M2 37mm guns T32	35,900 "	-	"	0	"
Shell, HE, M63 37mm guns M5	190,900 "	-	"	0	"
Shell, HE, M63 37mm guns T32	80,000 "	-	"	0	"
Shot, AP-T, M51 37mm guns M5	600 "	-	"	0	"
Shot, APC-T M 51 37mm guns M5	3,200 "	-	"	0	"
Shot, TP, M51 37mm guns M5	600 "	-	"	0	"
Shot, APC-T M51 37mm guns M5	6,700 "	-	"	0	"
Shot, APC-T M51 37mm guns M5	412,100 "	-	"	0	"

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Shot, APC-T, M59 37mm Auto Guns M1 A2	2,000 Rds	-	Hawaii	0	Unprogrammed
Shot, AP-T, M74 37mm Guns M5	51,200 "	-	"	0	"
Cap, percussion, smoke puff	139,000 "	-	"	0	"
Mine, AP, M2 w/f M2	43,900 "	-	"	0	"
Mine, AP, M2A1 w/f M2	16,200 "	-	"	0	"
Cartridge, TI 11 J Cal 50	6,000,000 "	-	Japan	0	8-1/3 Air Gp.
Approximately 27,500 tons of ammo. available. Types and quantity unknown.		-	Okinawa	0	Unprogrammed - to be separate bulk sale.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 740132

SANACC SECRETARIAT

State Member
Army Member
Navy Member
Air Force Member
Ass't State Member
Ass't Army Member
Ass't Navy Member
Ass't Air Force Member

25 MAR 1948

Maj. Naylor/71047/ext

File

CSGSP/D1 9798

The Honorable

The Secretary of State

Dear Mr. Secretary:

400.35 Supplies

The substance of your letter dated 4 March 1948 and the inclosed Netherlands' requirements list were brought to the attention of the Department of the Army during December 1947 by a Far Eastern representative of the Netherlands Armed Forces. At that time an indication was given that it was doubtful if any items were available as surplus from Department of Army stocks in the Far East. None are available in that area.

Items of the type required already declared to the Area Foreign Liquidation Commissioners have been transferred to either the Chinese or the Philippine Governments under the terms of the respective bulk sales or the Philippine Assistance Act. The Zone of Interior stocks of these items have been or are being committed to authorized foreign aid programs.

The Department of the Army will be able to furnish these supplies only under legislative authority providing for new procurement.

Sincerely yours,

(Signed) KENNETH C. ROYALL

MAR 26 1948

Kenneth C. Royall
Secretary of the Army

SECRETARY OF THE ARMY OFFICE
COORDINATION & RECORD DIVISION
DISPATCHED

4102/HSA
2461/EM
4146/RMB
71812/CDB
2412/CID
71857/HPC
71047/MEN

SANACC

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 740132

FOR THE RECORD:

On 8 December 47 Major General Mojet of the Netherlands Army called on Lt. General Lutes, D/BS&P, with a requirements list of chiefly automotive items.

General Mojet was of the opinion the Dept. of Army had retained in CINCFE stocks sufficient to fully equip 10 divisions. Reference in this case is made to the extinct 10 division Chinese Peace Time Army Program. This program was dropped during 1946, and stocks disposed of in accordance with existing instructions. It is also to be pointed out that the list of requirements is largely vehicular, all of which type supplies were transferred to China or the Philippines via the Bulk Sales dated 30 August and 3 September 1946 respectively or the Philippine Assistance Act. Therefore, at this late date none are available for transfer to the Dutch Government. General Mojet was informed the Dept. of the Army was unable to act on this request until the State Dept. approval was secured. This officer indicated it was not his desire to handle this matter directly with the Dept. of State. At that time this desire was easily understood as the Dutch situation was under the surveillance of the U. N. He assured representatives of the Dept. of the Army this matter would be communicated to the Dutch Ambassador. The present letter from the Dept. of State dated 4 March 1948 represents the results of this action.

A representative of the Dutch Mission to the Combined Chiefs of Staff, Major Melville, ext. 71188, was aware of this matter being transmitted through diplomatic channels, and, therefore, called this office to determine if this request had been received. It was his desire to arrange a meeting between General Van Tricht of the Netherlands Armed Forces and General Bradley of the U. S. Army in order that their requirements be recognized as of the highest priority. If necessary, it could then be presented to Mr Royall for the necessary action.

Major Melville came to this office on 12 March 48 in an effort to determine the availability of this equipment from surplus in the Far East. He was informally advised that none was available. He requested that action on this paper be held pending a meeting between the Dutch General and the U.S. Chief of Staff. So far as is known this meeting has not been arranged. Therefore, reply to this letter is being made at this time.

CONCURRENCE: P&O (Col. Mayo/4629 and Lt. Col. Iseley/71932).

DATE WRITTEN: 19 March 48.

(1)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

DEPARTMENT OF STATE
WASHINGTON

COPY

March 4, 1948

My dear Mr. Secretary:

The Ambassador of the Netherlands has asked the Department of State "to issue to the competent authorities the necessary authorization in order that the Netherlands Government may be allowed to purchase" certain equipment for the use of the Netherlands Indies Army in Indonesia. A list of this materiel is attached. This equipment is mostly for transportation and engineering purposes and is located outside the territory of the United States.

The Department of State has advised the Ambassador of the Netherlands that it is considered doubtful that available surplus materiel in the quantity and categories desired by the Netherlands Government can in fact be found, and that, moreover, there may be outstanding against supplies of such materiel requests from other governments, the relative merits of which would have to be considered in relation to the needs of the Netherlands Government. The Department advised the Ambassador of the Netherlands, however, that it had no objection to the Netherlands Government's pursuing this matter with the Office of the Foreign Liquidation Commissioner, and, if the Netherlands Government so desires, with the Department of the Army.

The Department would appreciate an early expression from the Department of the Army concerning the availability of the items identified in the attached list. Furthermore, if the Department of the Army perceives no objection, the Department would appreciate receipt of notification that such materiel as is available in Japan or elsewhere in the Far East has been declared surplus to the Office of the Foreign Liquidation Commissioner for sale or transfer in accordance with such priorities as the Foreign Liquidation Commissioner may assign.

Sincerely yours,

For the Secretary of State:

/s/ Robert A. Lovett

Under Secretary

Enclosure:
List of materiel.

The Honorable
Kenneth C. Royall,
Secretary of the Army.

(10)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

COPY

REQUIREMENTS OF AUTOMOTIVE EQUIPMENT

Quantity	Description
2,400	Motorcycles (preferably HD)
1,300	Jeeps
1,800	15 CWT's, General Service
1,200	Trucks, 3-ton, General Service
200	Trucks, 3-ton (Store, office, tipping)
200	Trucks, 15 CWT, Armored
100	Trucks, 5-ton, General Service
300	Tractors, Artillery
200	Ambulances, 3-ton, 4 stretchers
50	Idem, Armored
500	Carriers, Universal
50	Special 15 CWT's (Compressor, Mach. 9 KW Generator, etc.)
150	Special 3-ton Trucks (Mach. Type's, Instrument Repair, etc.)
100	Armored Cars (6 x 6)
75	Kitchen Units for 250 men
50	" " " 300 "
2	Military Bakeries complete
	Engineering Materiel
50	Rollers of different weights
10	Stone Crushers
20	Tractors, 25 HP
	General Tools

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

TOP SECRET

CSGSP/D1 1191

Maj. Hughes/5301/vs

15 MAR 1948

400 38
Security
Chet
091 China

The Honorable

The Secretary of State

Dear Mr. Secretary:

Reference is made to your letter dated 1 March 1948 in which you request that the Department of the Army determine to what extent Chinese requirements, as set forth in the lists mentioned in Mr. Lovett's letter of 31 December 1947, can be met from stocks surplus to the Army's needs and where such surplus material is located.

Subsequent to my letter dated 23 January 1948 in which is enumerated the Department of the Army's ability to meet this Chinese requirement certain types and quantities of surplus ammunition in the Pacific Area have been declared to the Chinese Government.

A study is being prepared showing types, quantities, location, and status of turnover of surplus ammunition declared to Chinese Government as compared with Chinese requirements as listed in the attached memorandum to Mr. Lovett's letter dated 31 December 1947. It is estimated that this study will be completed by 31 March. A copy will be furnished to the State Department upon completion.

Sincerely yours,

SANACC SECRETARIAT

State Member
Army Member
Navy Member
Air Force Member
Ass't State Member
Ass't Army Member
Ass't Navy Member
Ass't Air Force Member

(Signed) KENNETH C. ROYALL

Kenneth C. Royall
Secretary of the Army

MAR 17 1948

4399

SANACC

File

4102/HSA
2461/EM
4146/RMB
71812/CDB
2412/CID
71857/HPC
5301/MEN
5301/HLH

(9)

TOP SECRET

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

FOR THE RECORD:

The data which is requested in General Marshall's letter of 1 March 1948 was given to the Department of State in Department of Army letter dated 23 Jan. 1948. Upon querying the Department of State (Office of Far Eastern Affairs) as to the intent of General Marshall's letter, Mr. McAfee stated that the Office of Far Eastern Affairs indicated it would be sufficient to make reference to our 23 Jan. 1948 letter and the study which is being prepared for Mr. McAfee. This study will show by types, quantities, and location of the ammunition declared surplus to the Chinese as compared to the Chinese requirements listed in Mr. Lovett's letter of 31 December 1947. It is estimated this study will be completed by 31 March 1948.

CONCURRENCES: State Dept. (Mr. McAfee, 191, ext. 2666).
P&O (Lt. Col. Sterner/5505).

FOLLOW-UP: Forward to State Dept. a copy of the study listed in the last paragraph of our letter.

DATE WRITTEN: 9 March 1948.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

COPY

TOP SECRET

DEPARTMENT OF STATE
WASHINGTON

March 1, 1948

Dear Mr. Secretary:

I have received your letter of February 24, 1948, and welcome the information contained therein to the effect that further substantial tonnages of ammunition have been located which can be made available for sale through OFLC to the Chinese Government. I am taking steps to facilitate the consummation of these sales.

I appreciate the difficulties under which the Department of the Army is operating in determining the surpluses which can appropriately be made available to the Chinese Government. At the same time I believe that every effort should be made to make these determinations and to make surplus disposal of such supplies and equipment as may be useful to the Chinese. I have particularly in mind the desirability of determining to what extent Chinese requirements, as set forth in the lists mentioned in Mr. Lovett's letter of December 31, 1947, can be met from stocks surplus to the Army's needs and where such surplus material is located.

With reference to your question whether the Chinese Government should be supplied with bombs larger than 100 pounds, this Department has been informally advised by the Chinese Embassy that it is the intention of the Chinese Government to utilize such large bombs for salvage purposes.

Faithfully yours,

/s/ G. C. MARSHALL

The Honorable
Kenneth C. Royall,
Secretary of the Army.

TOP SECRET

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

COPY

DEPARTMENT OF STATE
Washington

March 2, 1948

My dear General Wedemeyer:

Reference is made to my letter of December 16, 1947 in regard to arrangements for the transfer to China of surplus ammunition located in the Marianas, and to the Secretary of the Army's top secret letter of February 24, 1948 in regard to additional stocks of surplus ammunition located in various bases in the Pacific. As indicated in the Secretary of State's letter of March 1, 1948 the Department of State is taking steps to facilitate the sale of this ammunition to China. Arrangements should now be consummated by the Department of the Army to effect the transfer to China of the stocks referred to in Secretary Royall's letter of February 24, 1948.

This authorization should likewise be considered as covering any additional stocks which may be declared surplus in these bases or other bases in the Pacific.

The OFLC on December 16, 1947 was authorized to accept for transfer to China surplus stocks in foreign areas and the Zone of the Interior, including Hawaii.

Sincerely yours,

/s/ W. Walton Butterworth
Director for Far Eastern Affairs

Lieutenant General A. C. Wedemeyer, USA,
Director, Plans and Operations,
Department of the Army,
Washington, D. C.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

TOP SECRET

SANACC SECRETARIAT

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Army Member
Navy Member
Air Force Member
Ass't State Member
Ass't Army Member
Ass't Navy Member
Ass't Air Force Member

March 1, 1948.

400.38 Supplies Misc

Dear Mr. Secretary:

The Department of the Army has initiated the carrying out of the recommendations of the National Security Council in its memorandum for the President dated February 12, 1948 (JCS 553/17), approved by the President on February 13, 1948, which envisages the transfer of certain limited quantities of military supplies and equipment to Italy.

Steps have been taken to recover from the British, through recapture of lend lease equipment located in Egypt, some 20,000 ready for issue caliber .45 Thompson submachine guns. In addition, it is expected to obtain from the same source a certain amount of unserviceable submachine guns which may be disassembled to provide spare parts or be repaired by the Italians. These guns will be transferred to the Italian Government under existing credits.

Separate action has been initiated to transfer to the Foreign Liquidation Commission for sale to the Italian Government under existing credits, certain excess equipment located in Germany. This equipment consists of 12,000 caliber .30 carbines, 10,000 caliber .45 pistols, 180 caliber .30 machine guns, 80 caliber .50 machine guns, 150 M8 armored cars and 120 light tanks. The foregoing equipment must be accepted by the Italian Government at the German border in an "as is" condition, inasmuch as the European Command is totally unable to repair this equipment due to lack of spare parts and repair facilities. The Italian Government has indicated willingness to accept this equipment under these conditions.

With respect to that portion of the property which must be obtained from stocks of the U. S. Armed Forces, the proceeds of reimbursement for such property cannot under present law be made available to and used by the Armed Forces to purchase replacement property, but must be deposited in the Treasury.

The recommendation of the National Security Council, approved by the President, directed "the transfer to Italy from stocks now held or to be procured by the United States Armed Forces, subject to reimbursement to the forces concerned, ...". Since it has now been determined that any funds received from Italy for the sale of non-surplus property must be deposited in the Treasury, such funds cannot go to the Armed Forces for reimbursement.

TOP SECRET

cc/ Source (8)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

However, in view of recent developments in Europe and the menace to our troops there, the immediate shipment of the required non-surplus supplies has been initiated. It is requested that the President send the Secretary of the Army an authorization, proposed letter enclosed, in the form of a validation of the action already taken and a directive to proceed with the shipments.

Sincerely yours,

(Signed) KENNETH C. ROYALL

Kenneth C. Royall
Secretary of the Army

The Honorable

The Secretary of State

Incl.
Proposed letter from the President
to the Secretary of the Army

cc Secretary of Defense

MAR 1 1948

4377

TOP SECRET

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

My dear Mr. Secretary:

Conditions in various localities in Europe have become such as to constitute a real menace to our troops and a threat to the primary security interests of the United States. Accordingly, I have determined that the immediate acquisition by Italy of the munitions and materiel covered in the memorandum from the National Security Council which I approved on February 13, 1948, is in our national interest.

Consequently, I direct that immediate steps be taken to expedite the assistance to Italy covered in that memorandum, even though whatever proceeds of reimbursement may be received for the munitions and materiel cannot, under present law, be made available to and used by the Armed Forces to replace certain portions of the equipment and to defray the cost of packing, crating, and shipping, but must be deposited with the Treasury.

I hereby validate the steps you already have taken to comply with these instructions.

Sincerely yours,

The Honorable

The Secretary of the Army

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

TOP SECRET

SANACC SECRETARIAT

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Army Member
Navy Member
Air Force Member
Ass't State Member
Ass't Army Member
Ass't Navy Member
Ass't Air Force Member

24 FEB 1948

File 400.38 Supplies

The Honorable

The Secretary of State

Dear Mr. Secretary:

Events of the past few weeks affecting China, especially in Manchuria, have again highlighted the need for ammunition by the Chinese Government. Little can be done by the Department of the Army to improve the situation quickly. As you know, the Surplus Property Act, which is time consuming in its application, is the only real authority now existing to permit the transfer of munitions to China in any quantity.

The status of the transfer, since the lifting of restriction on military items, of ammunition to the Chinese under the Surplus Property Act is summarized below:

a. In the Marianas there are 3,864 tons of ammunition transferred to the Chinese Government which have been available for movement to China from Saipan since 7 January 1948.

b. There are an additional 59,462 tons of ammunition, at the following locations, available for sale through OFLC to the Chinese Government:

Marianas (Saipan and Tinian)	14,696 tons
Hawaii	17,266 tons
Okinawa	27,500 tons (estimated)

It appears that the problem now, in the main, is that of transporting the ammunition to China. The Chinese Government apparently is without the means to effect early movement of the above tonnage. The Department of the Army, in order to assist the Chinese Government in moving this ammunition to China, has neither the authority to participate, nor the funds required to defray handling and transportation costs.

cy for Sanacc

TOP SECRET

(7)

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

TOP SECRET

I trust that the above will serve to clarify the position of the Department of the Army in this matter.

Sincerely yours,

(Signed) KENNETH C. ROYALL

Incl
Memo to C/S frm D/PO with
4 Incls (listed hereon)

Kenneth C. Royall
Secretary of the Army

#1-Surplus ammo in Marianas transferred by contract 7 Jan 48
#2-Surplus ammo (Bomb 100-500 pound)
#3-Surplus ammo in Marianas ordered declared on 3 Feb 48
#4-Surplus ammo in Hawaii

MAR 1 1949
4377
SECRETARY OF THE ARMY OFFICE
1948 FEB 24 PM 5 38
DIVISION
COORDINATION & RECORD
DISPATCHED

TOP SECRET

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

STATE SECRETARIAT
Secretary
Asst. Secretary
Asst.
Asst.
State Adm. Assistant
Army Adm. Assistant
Navy Adm. Assistant
File

CSGSP/D1 550

Maj. Naylor/71047/vs

23 JAN 1948

The Honorable

The Secretary of State

Dear Mr. Secretary:

It is noted your 31 December 1947 letter attaching a memorandum from the Chinese Embassy includes three detailed lists of supplies and equipment urgently needed by the Chinese Government. These requirements have been considered in the light of your instructions that all statements with respect to availability are predicated on the material being surplus to the needs of the Department of the Army. Since the Chinese memorandum extracts items from the detailed lists of equipment, this matter can be most expeditiously disposed of by confining my reply to the requirements of the memorandum and not indicating the supply position by individual item. However, the supply position indicated on this basis will apply equally well to the detailed lists.

Currently the Departments of the Army and Air Force are declaring surplus for China approximately 6,500 tons of excess ammunition located in the Marianas. These declarations include some of the items enumerated in the attached list but not in the quantities desired. An additional quantity of 13,000 tons of bombs of all types are available in the Pacific. The propriety of furnishing the Chinese Government bombs larger than 100 pound is questionable. The tonnage of 100 pound bombs is approximately 600 tons. If it is your desire to supply the Chinese Air Force with bombs larger than 100 pound, this indication would be appreciated, otherwise declarations will be limited to only the 100 pound bombs. When the declarations are completed, in line with your directives, and the Office of the Foreign Liquidation Commissioner has made the transfer to China, no other Pacific Army stocks will be available for transfer to China. All surplus ammunition existing in the Zone of Interior has been committed to other programs.

The enumerated vehicles, tires, and tool replacement items are not available as surplus either in the Pacific or the Zone of Interior. All excess items of this type in the Pacific were disposed of to the Chinese Government under the 30 August 1946 Bulk Sale to China. As you will recall, this contract covered all items in China and seventeen Pacific Islands surplus at that time or subsequently declared.

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The aircraft items of engine assemblies, tires, and tubes are being fulfilled to the extent available from surpluses in the Pacific and the Zone of Interior for application against the requirements of the 8-1/3 Group Program. Those items declared in the Pacific are covered by the open-end surplus sales contract dated 6 November 1947. The total valuation of this contract is unknown as declarations are uncompleted to date. Approximately $26,000,000 worth of Air Force supplies have already been declared to the Foreign Liquidation Commissioner, Washington, D. C. In addition, the Department of the Air Force has 135 aircraft available for transfer. Application of these aircraft against total 8-1/3 Group requirement of 1,071 would complete this phase of the program as 936 were transferred prior to August 1946. It is to be noted 37 of the aircraft are Medium Bombers. It appears the transfer of this type equipment would only further complicate the Chinese supply problem.

The list of communications equipment and accessories is greatly in excess of known Army surpluses. Some of the requirements such as wire, radio tubes, etc., can be met, but in any event, the amount which could be supplied is small since the same type of equipment is being used in support of the Greek and Turkish Aid Programs.

In summing up the supply situation with respect to China, it can be stated the Department of the Army is now making maximum surplus declarations for approved programs. The introduction of a greatly diversified list of military equipment for study at this time can only delay the present transfer of surpluses to China. Surplus equipment not within presently approved Chinese programs but included in the list submitted would be so small as to be insignificant. The most desirable means of meeting future Chinese requirements of this type would be by legislative authority similar to Public Law 75 of the 80th Congress. Under this authority items not found surplus may be procured.

Sincerely yours,

(Sgd) KENNETH C. ROYALL

Kenneth C. Royall
Secretary of the Army

CHIEF OF STAFF
OFFICE OF THE
DISPATCHED

ORC/4102
CFT/2461
RMB/4146
CDB/5301
CID/2412
HPC/71857
MEN/71047

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

FOR THE RECORD:

ADDITIONAL DATA: The Department of State letter dated 31 December 1947 attaching a memorandum from the Chinese Embassy with detailed list of military supplies and equipment needed by the Chinese Army and Air Forces is above and beyond the requirements of approved Chinese programs. Currently the Departments of Army and Air Force are having difficulty meeting from surplus the requirements of even the approved programs. It is anticipated that 50% of the material needed to fulfill these requirements will require procurement. The necessary legislation is lacking to accomplish this action. It is, therefore, apparent that the Departments of the Army and Air Force will be unable to meet the present voluminous request for military type items from the Chinese Government. It is being recommended to the Department of State that enabling legislation similar to Public Law 75 of the 80th Congress be obtained if further assistance is to be rendered the Chinese Government. Only under these circumstances could any future appreciable assistance be rendered that Government.

CONCURRENCES:

P&O (Brig. Gen. Timberman/3310 and Colonel Mayo/4629).
Requirements Sec. (Lt. Col. Troy/3225).

FOLLOW-UP: None required unless the Department of State desires to pursue this matter further.

DATE WRITTEN: 9 January 1948.

FOR OFFICIAL STATEMENT: Lt. Col. Hurlbut/71812.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

C
O
P
Y

DEPARTMENT OF STATE
WASHINGTON

In reply refer to
CA

December 31, 1947

My dear Mr. Secretary:

Reference is made to a memorandum, dated November 4, 1947, from the Chinese Embassy at Washington, a copy of which was transmitted informally to the Department of the Army on November 13, 1947, enclosing a list of equipment said to be urgently required by the Chinese Air Force.

There is now transmitted herewith a copy of a memorandum, dated December 23, 1947, from the Chinese Embassy, enclosing a list of equipment and supplies said to be urgently required by the Chinese ground forces.

In order that I may be able to take appropriate action in regard to the above memoranda, I should appreciate it if you would inform me to what extent these Chinese requirements can be met from material surplus to the needs of the United States armed forces and where any such surplus material is located. It would also be very helpful if you could tell me to what extent the Chinese Army could be supplied other types of war material surplus to the needs of the United States armed forces which would be in keeping with and supplement the war material already supplied the Chinese Government under the 39 Division Program and in which areas such material is now located.

Sincerely yours,

/s/

Acting Secretary

Enclosure:
As stated.

The Honorable
Kenneth C. Royall,
Secretary of the Army,
Washington, D. C.

Incl 2

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

COPY

MEMORANDUM

(1) In the Memorandum of the Chinese Embassy to the Department of State dated November 4, 1947, it was stated among other things that the Chinese Government was in great need of certain items of military equipment and supplies and that it would be highly appreciated if the United States Government could supply China with such items by declaring them surplus or declassified and to effect deliveries from available stocks in the Pacific depots.

(2) As it will be recalled, there was attached to the said Memorandum a List of Items of Equipment which were urgently required by the Chinese Air Force. It was indicated therein that a list for the ground forces would be submitted as soon as it was ready.

(3) There is enclosed herewith the List of Equipment and Supplies urgently required by the Ground Forces of China. This list is substantially identical with that which was compiled with the assistance of the United States Army Advisory Group in Nanking, a copy of which was given to General Alvin Gillem in April 1947 for transmittal to the United States authorities.

(4) It will be noticed that there are many items which are vitally needed to meet immediate requirements, which are enumerated as follows:

a. Ammunition and Weapons:

i. Cartridges Cal. 30, ball, in clips and bandoleers (Table I-U)

ii. Cartridges Cal. 30, ball in carton (" ")

Incl 1 to Incl 2

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

iii. Cartridges Cal. 45, ball (Table 1-U)

iv. Shells 60 mm (for mortar) (" ")

v. Shells 75 mm. (" ")

vi. Rockets 2.36 - shells - (" ")

vii. Grenades & rifles (" ")

viii. Launcher grenades (" 1-B)

ix. Mortars, 60 mm (" 1-F)

x. Howitzer Packs 75 mm (" 1-I)

xi. Fire Control Equipment (" 1-Q)

b. Vehicles, Tire and Tool Replacements:

i. Model CCKW 353 6x6 2½ ton trucks (without winch)

ii. Model CCKW 352 6x6 2½ ton trucks (with winch)

iii. Model WC51 4x4 3/4 ton weapon carriers (with winch)

iv. 7.50 x 20, 8 plies with tubes

v. 6.00 x 16, 6 plies with tubes and TR 15 valves

vi. General Mechanic's equipment (whole set)

vii. First Echelon Maintenance tools (to go with trucks)

(5) The Chinese Government desires to take this opportunity to invite the attention of the United States Government that the following items, which appear in the List for the Air Force attached to the Memorandum of November 4th, are pressingly needed due to short supply in China:

a. Engine Assembly

i. P-51 V-1650-7 (-3-9) 165 sets

ii. B-25 R-2600 (-13) 71 sets

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

iii. C-47 R-1830-92 (90c.) 80 sets

b. Tires and Tubes for Landing Gears

i. P-51 400 sets

ii. C-46 400 sets

iii. B-25 200 sets

iv. C-47 200 sets

c. Tires and Tubes for Tail Wheels

i. P-51 500 sets

ii. C-46 500 sets

iii. C-47 200 sets

(6) On account of the military exigency in China and for reasons expressed in the Memorandum of November 4th, the Chinese Government earnestly hopes that the United States Government will see its way to making arrangements to supply China with these items of equipment and supplies at its earliest convenience.

* * *

JAN 27 1948

December 23, 1947

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

400.3E
Applies to AAA
Col Finkel

ARMY AND NAVY MUNITIONS BOARD

Washington 25, D.C.

CIRCULAR NO. 4 14 January 1946

CURRENT LIST OF STRATEGIC AND CRITICAL MATERIALS

(The following forms an inseparable part of the Strategic and Critical Materials List.)

1. The definition of strategic and critical materials is as follows: "Strategic and critical materials are those materials required for essential uses in a war emergency, the procurement of which in adequate quantities, quality and time is sufficiently uncertain for any reason to require prior provision for the supply thereof."

2. Within the above definition, materials are listed either in Group "A", Group "B", or Group "C", according to the following provisions:

(a) Group "A" comprises those strategic and critical materials for which stockpiling is deemed the only satisfactory means of insuring an adequate supply for a future emergency.

(b) Group "B" comprises additional strategic and critical materials, the stockpiling of which is practicable. The Army and Navy Munitions Board recommends their acquisition only to the extent they may be made available for transfer from Government agencies because adequacy of supply can be insured either by stimulation of existing North American production or by partial or complete use of available substitutes.

(c) Group "C" comprises those strategic and critical materials which are not now recommended for permanent stockpiling because in each case difficulties of storage are sufficient to outweigh the advantages to be gained by this means of insuring adequate future supply.

3. Materials in Group "A" may be acquired in the manner prescribed for Group "B". Materials in all three Groups are subject to constant surveillance and review. Additions to or deletions from the list, or movement of materials between groups, may be made, based upon future changes in their strategic and critical status.

4. The conduct of a war requires the use of an encyclopedic list of semiprocessed and processed materials, such as aviation gasoline, synthetic rubber, chemicals, drugs, ferroalloys, steel, light metals, et cetera. Elevation from peace-time production to a war-time footing will necessitate constant review of the facilities available to meet anticipated requirements.

5

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GROUP "A"

Materials for which stockpiling is deemed the only satisfactory means of insuring an adequate supply for a future emergency.

- -

Agar
Antimony
#Asbestos
  Rhodesian Chrysotile
  South African Amosite
Bauxite
Beryl
Bismuth
Cadmium
*Castor Oil
Celestite
Chromite
  Metallurgical Grade
  Refractory Grade
    Rhodesian Origin
    Other Origin
Cobalt
*Coconut Oil
Columbite
Copper
*Cordage Fibers
  Manila
  Sisal
Corundum
Diamonds, Industrial
Emetine
Graphite
  Amorphous Lump
  Flake
Hyoscine
#Iodine
Jewel Bearings
  Instrument Jewels, Except Vee Jewels
  Sapphire and Ruby Vee Jewels
  Watch and Time-Keeping Device Jewels
[redacted]
Kyanite, Indian
Lead
Manganese Ore
  Battery Grade
  Metallurgical Grade
Mercury
Mica
  Muscovite Block and Film, Good Stained and Better
  Muscovite Splittings
  Phlogopite Splittings
Monazite
Nickel
#oOpium
*Palm Oil
Pepper
Platinum Group Metals
  Iridium
  Platinum
*Pyrethrum
Quartz Crystals
Quebracho
Quinidine
#Quinine
*Rapeseed Oil
#*Rubber
  Crude Rubber
  Natural Rubber Latex
Rutile
Sapphire and Ruby
*Shellac
*Sperm Oil
Talc, Steatite, Block or Lava
Tantalite
Tin
*Tung Oil
Tungsten
Vanadium
Zinc
Zirconium Ores
  Baddeleyite
  Zircon

\# Require special storage conditions
* Require rotation of stocks
o Stocks to be held by Treasury Department, Bureau of Narcotics

THIS LIST IS NOT COMPLETE WITHOUT PAGES 1, 3 and 4

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GROUP "B"

Materials practicable for stockpiling, but recommended for acquisition only to the extent available for transfer from Government Agencies because adequacy of supply can be insured either by stimulation of existing North American production or by partial or complete use of available substitutes.

- -

Aluminum
Barite
Chalk, English
Chromite
  Chemical Grade
Cryolite, Natural
Diamond Dies
Emery
Fluorspar
  Acid Grade
  Metallurgical Grade
Graphite
  Crystalline Fines
#Magnesium
Mica
  Muscovite Block, Stained and Lower
  Phlogopite Block
Molybdenum
Platinum Group Metals
  Osmium
  Palladium
  Rhodium
  Ruthenium
Selenium
Talc, Steatite, Ground
#*Wool

* Require rotation of stocks
\# Require special storage conditions

THIS LIST IS NOT COMPLETE WITHOUT PAGES 1,2, and 4

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GROUP "C"

Materials which are not now recommended for stockpiling.

- -

#Asbestos
  Canadian Chrysotile
*Bristles, Pig and Hog
*Burlap, Jute
*Cordage Fibers
  Hemp, True American
  Henequen
  Jute
*Cork
Glass, Optical
Iron Ore
#*Leather
  Cattle Hides
    Heavy
    Light
  Calf and Kip Skins
#Loofa Sponges
Lumber
  Balsa
  Mahogany
#*Petroleum and Petroleum Products
#*Radium
Scrap, Iron and Steel
*Sesame Oil
Uranium (Uranium has been omitted previously from the List of Strategic and Critical Materials for reasons of security. It is added to Group C rather than Group A for the reason that the U. S. Government has not determined yet the agency to have control and cognizance of Uranium, together with the responsibility for stockpiling.)

Require special storage conditions.
* Require rotation of stocks.

For the Army and Navy Munitions Board:

/s/
WILLIAM H. HUTCHINSON
Colonel, Q.M.C.
Executive Secretary

/s/
G. M. PREVOST
Captain, U.S.N.R.
Acting Executive Secretary

THIS LIST IS NOT COMPLETE WITHOUT PAGES 1,2, and 3

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 740132

SAVE WASTE CONSERVATION PAYS

D

CS6996

THE JOINT CHIEFS OF STAFF
WASHINGTON 25, D. C.

400.38 Misc
Supplies to Liberated Areas.

FOR VICTORY BUY UNITED STATES WAR BONDS AND STAMPS

CONFIDENTIAL

12 November 1945

MEMORANDUM FOR THE DEPARTMENT OF STATE:

Combined U.S./U.K. military responsibility for the provision of civilian supplies to Germany and Austria, including Berlin and Vienna, will terminate as follows:

a. For wheat/flour in the U.S./U.K./French zones of occupation in Germany and the U.S./French zones in Austria upon completion of shipments necessary to carry out the agreement made by the U.S. and U.K. zone commanders for apportionment of available combined supplies and credits.

b. For items other than wheat/flour in U.S./U.K. zones, Germany, and U.S. zones, Austria, and for all supplies (including wheat/flour) in the U.K. zone, Austria, upon completion of October 1945 loadings.

c. For items other than wheat/flour in French zones, Germany and Austria, upon delivery of supplies to meet issue requirements to 30 November 1945 and supplies required to establish a reasonable working reserve, as determined by the U.S. and U.K. zone commanders.

After termination of combined military responsibility, the responsibility for obtaining any necessary supply allocation, procurement, shipment, and financing of civilian supplies, including those for displaced persons, for Germany and Austria, including Berlin and Vienna, irrespective of their source, will rest with the government for whose zone of occupation the supplies are required.

It is requested that the French Provisional Government be notified promptly of the termination of combined U.S./U.K. military responsibility for the provision of civilian supplies, including those for displaced persons, in the French zones of Germany and Austria, including Berlin and Vienna; that prior to such termination the U.S. and U.K. zone commanders in Germany and Austria, respectively, will provide supplies sufficient, in their judgment, to meet issue requirements in the French zones to 30 November 1945 and to establish a reasonable

Copy for State-War-Navy Coordinating Committee

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1341

CONFIDENTIAL

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CONFIDENTIAL

working reserve; that after such termination, the United States and United Kingdom Governments will not be responsible for procurement and financing of civilian supplies, including those for displaced persons, for the French zones of Germany and Austria, including Berlin and Vienna; and that the French Provisional Government will be expected to reimburse the United States, United Kingdom, and Canadian Governments for all civilian supplies procured under combined military responsibility and provided to the French zones of Germany and Austria, including Berlin and Vienna.

It is further requested that instructions be given immediately to the appropriate allocating and procurement agencies of the United States Government, including their representatives on the combined boards, that, so far as practicable, civilian supply programs for the several zones of Germany and Austria, respectively, be considered simultaneously and equality of treatment be accorded to the several zonal programs by such allocating and procurement agencies. These instructions should provide that consideration of the requirements of one zone should not, however, be unreasonably delayed because the requirements for another zone or zones have not been received.

For the Joint Chiefs of Staff:

(SIGNED)

WILLIAM D. LEAHY,
Flett Admiral, U.S. Navy,
Chief of Staff to the
Commander in Chief of the Army and Navy.

CONFIDENTIAL

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 740132

171 War Claims
) (Restitution)
204 Series
Austria
Japan -

31 OCT 1945

Relief
400.38

The Honorable

The Secretary of State

Dear Mr. Secretary:

In conformity with the President's decision, expressed in his letter of 29 July 1945, to the Secretary of War, with regard to the War Department responsibility for imports into Germany, and in view of the existence of similar circumstances as regards Austria and Japan, the War Department accepts the responsibility for procurement and initial financing of those imports into Austria and Japan for which the United States Government accepts responsibility, as requested in a letter of 3 October 1945, from Mr. Acheson, Acting Secretary of State.

Funds obtained for the present fiscal year were requested on the assumption that the War Department's responsibility would be restricted to the prevention of disease and unrest. Carrying out the responsibility for initial financing of a more extensive program will therefore be contingent upon availability of necessary funds. The War Department will, of course, expect the assistance of the State Department in defending before Congress the need for such funds.

It is understood by the War Department that it is the policy of the United States Government to require the Austrian and Japanese Governments to pay for all imports into their respective countries and that advances for imports into each country shall be a first charge against the proceeds of exports from the respective countries.

Sincerely yours,

SWNCC
COLLIN MCARTHY
CARLTON RICHARDSON
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

RDR
ASM

(Signed) ROBERT P. PATTERSON

Secretary of War

3

1290

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND # 740132

40.38 (a) 3 of

SUMMARY SHEET

SHJ/fmb

CAF

JCD

1
2 Approval
Signature

WDSCA

Major Johnson/4301

1
2 Chief of Staff
Secretary of War

WDSCA 091 Philippines Philippine Civilian Requirements

17 July 1945

SUMMARY:

1. By letter, dated 12 July 1945, Mr. Leo T. Crowley, Administrator, Foreign Economic Administration, advises the Secretary of War of certain problems involved in the assumption of its responsibility for supplying essential civilian requirements to the Philippine Islands after the termination of military responsibility therefor and states that he will arrange a meeting of interested government agencies to consider these problems within the next few days. The principal problem concerns distribution facilities in the Islands as to which the letter states FEA is not able to create an organization "to effect or supervise the actual physical distribution of such goods as it or private trade may procure and deliver there." A letter, dated the following day, from Mr. Crowley to the Secretary of War suggests the possibility of meeting the distribution problem involved through the liberalization of existing travel regulations to permit more business interests to enter the Islands and requests the designation of a War Department representative to meet with other interested agencies in implementing this proposal.

2. The implication that FEA's ability to meet Philippine requirements is contingent upon the opening of private trade channels is inconsistent with responsibilities assumed by it. The Director, War Mobilization and Reconversion (then Mr. Byrnes) on 22 December 1944, designated FEA as the civilian agency responsible for supplying civilian requirements of the Philippines upon termination of the military responsibility. Thereafter, as a result of FEA inquiries, the Philippine Ad Hoc Committee appointed a working group, under the chairmanship of FEA, composed of representatives of the State, Navy, War and Interior Departments to develop a coordinated program for the transfer of responsibility. It was stated by the chairman of this group and clearly understood by its members that FEA's undertaking extended to distribution as well as to importation of necessary civilian supplies until normal trade channels could be restored. The report of the working group was adopted by the Philippine Ad Hoc Committee on 24 May 1945. It provided that military responsibility for the provision of civilian supplies would terminate with August landings and that FEA would promptly take "action necessary to perform its responsibility for restoring civilian economy and trade upon the withdrawal of the Army from responsibility for civilian supply in the Philippines."

3. CM-IN cable 13981, dated 14 July 1945, from the Commander-in-Chief, Army Forces, Pacific Command, indicates another problem in connection with FEA's assumption of civilian supply responsibility in the Philippines. It states FEA representatives in Manila can give no information on quantity or type of supplies that will be shipped after 1 September and that "lack of authority and information from FEA, Washington" prevents them from assuming responsibilities involved.

RECOMMENDATION:

4. It is recommended that the attached draft letter for the signature of the Under Secretary of War be signed and dispatched.

COORDINATION:

5. ASF-ID(Lt Col Whitfield) concurs.

600

WM. C. CHANLER
Colonel, GSC
Acting Director, Civil Affairs Div

Information Copy For Secretariat, SWNCC

2

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

Honorable Leo T. Crowley
Administrator, Foreign
Economic Administration
Washington, D. C.

JUL 20 1945

Dear Mr. Crowley:

This will acknowledge receipt of your letters of July 12, 1945 and July 13, 1945 with respect to the problems which confront the Foreign Economic Administration in discharging the responsibility imposed upon it for supplying essential civilian requirements to the Philippine Islands, after the termination of military responsibility therefor, by the Director of the Office of War Mobilization on December 22, 1944.

In compliance with your request, I have designated Colonel James C. Davis, Chief, Economics and Supply Branch, Civil Affairs Division, War Department Special Staff to represent the War Department in any meeting which you may call to consider this situation.

I am disturbed by the conclusion which I draw from your letters that, at this comparatively late date, the Foreign Economic Administration has not progressed further in implementing the supply responsibility for the Philippine Islands which it undertook at the meeting of the Philippine Ad Hoc Committee, held on May 21, 1945. A review of the past consideration of the Philippine supply problem makes it difficult for us to understand how the situation which you indicate now exists could have come about.

On February 27, 1945 Mr. Kurt Lowenstein, Acting Executive Director of the Bureau of Supplies, Foreign Economic Administration, wrote to Major General Hilldring, Director, Civil Affairs Division, War Department Special Staff calling attention to Mr. Justice Byrnes directive of December 22, 1944 and stated that the Foreign Economic Administration was undertaking the responsibility for the provision of civilian supplies to the Philippine Islands after the military period. Mr. Lowenstein requested information concerning the date of termination of Army responsibility. In reply, the Acting Director of the Civil Affairs Division suggested that the problem should be considered by the Philippine Ad Hoc Committee and its Working Subcommittee, under the chairmanship of Mr. Whiting Willauer, Director of the Far Eastern Branch of the Foreign Economic Administration.

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

On March 31, 1945 you wrote to the Secretary of War stressing the fact that the Foreign Economic Administration was responsible for the civilian supply program for the Philippines as soon as military responsibility therefor could be terminated and urged that a tentative date for the termination of military responsibility be set. On April 6, 1945 Mr. Stimson replied, stating that adequate notice of the termination of military responsibility for civilian supplies in the Philippines would be provided to the Foreign Economic Administration and that in the meantime there should be no impediment to the development by the Foreign Economic Administration of its plans to assume the responsibility for Philippine civilian supplies.

After the above exchange of letters, several meetings were held by representatives of the Foreign Economic Administration, the War and Navy Departments and the Departments of State, Treasury and the Interior to arrange for the assumption by the Foreign Economic Administration of full responsibility for the provision of civilian supplies to the Philippine Islands. As a result, on April 28, 1945, Mr. Willauer presented to the Working Subcommittee of the Philippine Ad Hoc Committee a proposal recommending, among other things, that "distribution of all 'trade goods' (such being defined as all goods that entered the Islands for sale except goods to be distributed free of charge for relief purposes) should be handled through the Foreign Economic Administration." Mr. Willauer further recommended that the Foreign Economic Administration should make arrangements to take over from the Army and distribute any unexpended portion of the Army's civilian relief program. In order to carry out its distribution responsibility, Mr. Willauer recommended that the Foreign Economic Administration establish a field mission and "develop handling and warehousing for orderly distribution of trade goods and also of relief goods in cooperation with the Commonwealth Government if it so desires." In addition to the statement that the Foreign Economic Administration would undertake distribution responsibility, it was also proposed that it would finance the supplies and procure and ship them.

After consideration by the interested agencies of Mr. Willauer's recommendations, the Philippine Ad Hoc Committee, on May 24, 1945, approved a report of its Working Subcommittee which provided that military responsibility for the provision of civilian supplies in the Philippines would terminate with August 1945 loadings, and that the Foreign Economic Administration would "take immediate steps" to institute the necessary procurement to obtain allocations of shipping and to "take any other action necessary to perform its responsibility for restoring civilian economy and trade upon the withdrawal of the Army from responsibility for civilian supply in the Philippines."

I am somewhat puzzled by the implication contained in your letter of July 13 that implementation of the Foreign Economic Administration Philippine civilian supply program is dependent upon the opening of normal private trade channels to the Philippines. In the negotiations which preceded the agreement of the Philippine Ad Hoc Committee of May 24, 1945 it was understood that the purpose of the Foreign Economic administration program was to bridge the transition period from the termination

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

of military responsibility until the time when normal private trade could meet the Philippine requirements. This concept was clearly stated in Mr. Willauer's recommendations of April 28, 1945 as follows: "It was conceived that during a primary period when private firms were unable or unwilling to take risks of procurement, shipping and distribution, USCC (FEA) would handle matters but that trade would revert to private channels as quickly as possible."

In the light of the above record I was very much surprised to receive your letter indicating the present situation in regard to the Foreign Economic Administration's Philippine supply program.

In your consideration of the Philippine supply problem, you should know that the War Department has just received a cable from General MacArthur which states that the Foreign Economic Administration Mission in Manila is unable to give any information as to the quantity or type of supplies which will be shipped after September 1st, nor any assurance that the minimum essential quantities of food, medical supplies and textiles will be provided. General MacArthur's message further advises that the Foreign Economic Administration Mission in Manila states that lack of authority and information from FEA, Washington prevents it from assuming the responsibilities which the Army has relinquished. In order that we may advise General MacArthur, I will appreciate your providing the War Department with a statement of proposed loadings of civilian supplies for the months of September, October and November.

As you stated in your letter of July 12 that you were sending similar letters to the Secretary of State and the Secretary of the Interior, I am furnishing each of them with a copy of this reply.

Sincerely yours,

(Signed) ROBERT P. PATTERSON

ROBERT P. PATTERSON
Under Secretary of War

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

COPY

FOREIGN ECONOMIC ADMINISTRATION
Office of the Administrator
WASHINGTON 25, D.C.

Jul 13 1945

The Honorable
The Secretary of War
Washington, D. C.

Dear Mr. Secretary:

This letter supplements the letter which I sent to you yesterday with a copy of the statement of the FEA position regarding the furnishing of essential civilian requirements to the Philippine Islands and the problems created thereby.

Following termination of the U.S. Army's supply responsibility as of September 1, 1945, I am reasonably confident that FEA and private trade can furnish to the Philippines materials for civilian supply up to the limit of available shipping facilities.

However, the physical distribution of such goods in the Islands presents an insoluble problem from an FEA standpoint. FEA has neither the authority nor personnel to effect such distribution.

Indications from private businessmen here and in the Islands lead me to believe that the problem can be solved and equitable distribution be attained most quickly through private trade, provided normal channels of trade are allowed to reopen.

At present, commercial travel to and from the Islands is not permitted. Consequently, the trade here cannot participate to any large extent in the opening of distribution channels in the Islands.

I therefore recommend that immediate steps be taken to liberalize existing travel regulations to allow a minimum number of bona fide businessmen to set up businesses disrupted by four years' occupation of the Islands.

In the meantime, distribution channels now utilized by the Army in civilian supply may have to be retained after September 1, 1945, for such time during the transition period as is necessary to prevent hardship and suffering in the Islands. It is my belief that negotiations for this purpose can best be carried out in the Islands and instructions will be conveyed to FEA's mission to conduct such negotiation there following your approval of such a plan.

I shall appreciate your nominating some member of your staff to meet with members of this and other agencies for formulation of a workable plan of the type outlined above.

Sincerely yours,

(sgd) Leo T. Crowley
Administrator

DECLASSIFIED E.O. 11652, Sec 3(E) and 5(D) or (E) NND# 740132

FOREIGN ECONOMIC ADMINISTRATION
Office of the Administrator
Washington 25, D.C.

Jul 12 1945

The Honorable
The Secretary of War
Washington, D. C.

Dear Mr. Secretary:

On December 22, 1944, Mr. Byrnes, Director of the Office of War Mobilization, imposed on the Foreign Economic Administration the responsibility for supplying essential civilian requirements to the Philippine Islands after the termination of military responsibility therefor and pending the restoration of private trade. We understand that the Army intends to terminate its responsibility for furnishing such supplies to the Islands on September 1, 1945.

I am enclosing a copy of a memorandum which sets forth the position of this Agency with respect to the supplying of essential civilian requirements to the Islands. I think it should be pointed out, in connection with Paragraph 2 of this memorandum, that the Foreign Economic Administration is not able to create an organization in the Philippine Islands to effect or supervise the actual physical distribution of such goods as it or private trade may procure and deliver there.

With respect to point number 5 of the enclosed memorandum it is felt that the matter is of sufficient urgency that a meeting should be arranged immediately to work out the problems therein set forth, and I shall be in touch with you to arrange such a meeting within the next few days. A similar letter is being sent to the Secretary of State and the Secretary of the Interior.

Sincerely yours,

/s/
Leo T. Crowley
Administrator

Enclosure

copy

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July 12, 1945

MEMORANDUM FOR LEO T. CROWLEY

SUBJECT: Philippine Civilian Supply Program

As a result of discussion of the Philippine situation at your staff meeting on Wednesday, July 4, the following principles and propositions evolved:

1. The FEA has the responsibility, in accordance with Mr. Byrnes' letter of December 22, 1944, of furnishing civilian essential requirements to the Philippine Islands after the termination of Army responsibility therefor on September 1, 1945, to the extent that private trade is unable to do so.

2. This responsibility cannot extend to actual physical distribution of the goods in the Islands. It contemplates procurement, delivery and sale. The distribution of goods in the Islands remains the most pressing unsolved problem and the recommendations on this point in paragraph 5 below should be put into effect immediately.

3. Such procurement and delivery by USCC shall be made even if a risk of financial loss is entailed. Procurement should be undertaken immediately to the extent of the USCC ability to do so in order to avoid any interruption in the flow of goods after September 1.

4. The FEA shall make every effort to restore trade between the U. S. and the Islands to commercial channels as quickly as possible.

5. Pending complete return of such commerce to private trade, the FEA shall cooperate with the Commonwealth Government and with other U. S. Government agencies:

(a) To obtain the continuance of existing distribution channels or the establishment of temporary distribution mechanisms.

(b) To assist in removing existing obstacles to the restoration of such private trade.

(c) To work out long range programs for the rehabilitation and reconstruction of Philippine economy.

We are attaching for your signature letters to the Secretary of State, Secretary of War, and Secretary of the Interior, apprising them of the

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position of this Agency with respect to the Philippine supply program and requesting that meetings be arranged to implement paragraph 5 of this memorandum.

Attachments

/s/ Arthur Paul

Arthur Paul
Executive Director
Bureau of Areas

/s/ Murray H. Marker

Murray H. Marker
Assistant Executive Director
Bureau of Supplies

APPROVED:

/s/ Leo T. Crowley

Leo T. Crowley, Administrator

cc: J. Angoll
D. Brooks
O. Cox
A. Davidson
W. Freedman
A. Z. Gardiner
M. Marker
R. Monical
A. Paul
H. Parisius
B. Reese
H. Riley
S. Roberts
H. Salisbury
S. H. Schauer
R. Tubby

copy

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~~Col. White~~
~~Mr. McCloy~~

THE SECRETARY OF STATE
WASHINGTON

January 2, 1945

Dear Jack,

I have asked Jimmy Dunn to give you at your next committee meeting with him a copy of our note to the President on shipping needs for liberated areas.

WARDEPT
1 JAN 1945
ASST SEC

Sincerely yours,

The Honorable

John J. McCloy,

Assistant Secretary of War,

Washington.

(1)