AWM52
Australian Military Forces, Army headquarters,
formation and unit diaries, 1939-1945

1/1/32
HEADQUARTER UNITS

Office of Co-ordination

October 1944 - August 1945



1/1/32-001

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Army Form C.2118.

WAR DIARY or INTELLIGENCE SUMMARY.

(Erase heading not required.)

Unit Office of Co-ord LHQ *Date and Time.—From* 21 Oct 44 *To* Aug 45

Place.	Date.	Hour.	Summary of Events and Information.	Remarks and references to Appendices, Diaries, &c.
			Summary of Events leading to establishment of Office of	
			Co-ordination LHQ	
	21 Oct 44			
			With the impending retirement of LGA, the late Lt-Gen H.D.	Serial 1
			WYNTER CB, CMG, DSO the C-in-C stated that Major-General John	C-in-C's Conference
			A CHAPMAN DSO would take up the appointment of DCGS at LHQ,	Min No 433/44
			with the duties, inter alia, as set out in Conference Min	
			No. 433. Full details to be worked out by Major-General	
			CHAPMAN and PSO's.	
	23 Oct 44		Notification of appointment as DCGS of VX13844 Major-General	Serial 2
			John A. CHAPMAN DSO.	
			C-in-C's memo to Minister for Army advising appointment	Serial 3
			of Major-General CHAPMAN as DCGS in Office of Co-ord.	
	27 Oct 44		Control of Army Policy - Recommendations & Decisions	Serial 4 C-in-C Conf Min 447/44

(11)

Army Form C.2118.

WAR DIARY or INTELLIGENCE SUMMARY.

(Erase heading not required.)

Unit Office of Co-ord *Date and Time.--From* 21 Oct 45 *To* Aug 45

Place.	Date.	Hour.	Summary of Events and Information.	Remarks and references to Appendices, Diaries, &c.
	21 Nov 44		CGS Instn re DCGS - Taking over Activities	Serial 5 CGS Min 21 Nov 44
	7 Feb 45		Notification to Formations etc of Deletion of LGA from WE of LHQ and re-designation as "Office of Co-ord". Similar notification to PSO's.	Serial 6 LHQ Memo 17342 of 7 Feb 45
				Serial 7
	2 Mar 45		Application to AG for amendment of AMR's consequent upon deletion of appointment of LGA from WE of LHQ.	Serial 8 DCGS Min 2 Mar to AG
	1 Jun 45		Notice of reversion from temporary arrangement where DCGS supervised certain duties of DSD Equipment Section. These revert to control of DSD as from 28 May 45.	Serial 9 Staff Conference - Extract 1 Jun 45
	6 Jun 45		Holdings of Food (Army) - Submission to Minister by QMG	Serial 10 QMG/Minister 6 Jun 45
	30 Jun 45		Death and other Sentences imposed on Natives in NG.	Serial 11 CGS Min 285 of 30 Jun & attachments.
	17 Jul 45		AFV's - Division of Responsibilities.	Serial 12 LHQ Adm Inst 25 17 Jul 45
	3 Aug 45		Returned Stores Depot - Notice to Formations	Serial 13 LHQ Memo 10257 of 3 Aug 45

(11)

Army Form C.2118.
(Adapted.)

WAR DIARY or INTELLIGENCE SUMMARY.

(Erase heading not required.)

Unit Office of Co-ord LHQ *Date and Time.—From* 21 Oct 44 *To* Aug 45

Place.	Date.	Hour.	Summary of Events and Information.	Remarks and references to Appendices. Diaries, &c.
			Civil Affairs	Serial 14
			Obsolete Stores	Serial 15
			Bases of Provision	Serial 16
			Disposals Matters	Serial 17
			Army Establishments Investigating Committee and Disposals	Serial 18
			Retention & Release of Army Stocks	Serial 19
			Appointment of Disposals Co-ordination	Serial 20
			Kit Stoppages	Serial 21
			Report of Board of Inquiry - Army Watercraft	Serial. 22
			Staff O O C	Serial 23
			Army Standardization Committee	Serial 24
			Return of Stores to & Technical Assistance at RSD's	Serial 25
			Proposal to send 2 Officers abroad to study Railway Transport Problems.	Serial 26
			Adm Instructions	Serial 27

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Army Form C.2118.
(Adapted)

WAR DIARY or INTELLIGENCE SUMMARY.

(Erase heading not required.)

Unit Office of Co-ord *Date and Time.—From* 21 Oct 44 *To* Aug 45

Place.	Date.	Hour.	Summary of Events and Information.	Remarks and references to Appendices, Diaries, &c.
			Termination of War Contracts	Serial 28
			Minutes of Conference held at Adv LHQ, Morotai on Wed 5 Sep	Serial 29
			Reciprocal Lend Lease	Serial 30
			Other Administrations Recoverable Expenditure - French Forces	Serial 31
			Accounting for Ordnance Stores at Base Hospitals	Serial 32
			Surplus Reciprocal Lend Lease Stores and Eqpt ex USA Forces	Serial 33
			Scale of Reserves - Stores and Supplies, New Guinea	Serial 34
			Packing and Casing Costs	Serial 35
			Retention and Release of "Surplus" Goods	Serial 36
			Delegation of Authority to Approve Expenditure - Engr Stores	Serial 37
			Accounting for Stores and Supplies - Adjustment of Unit Losses and Deficiencies	Serial 38
			Availability of War Material from Overseas	Serial 39
			Re-organization of Q'land L of C Area	Serial 40
			Review of Direct War Effort - Weekly Progress Report	Serial 41

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Army Form C.2118.
(Adapted)

WAR DIARY or INTELLIGENCE SUMMARY.

(Erase heading not required.)

Unit Office of Co-ord LHQ *Date and Time.—From* 21 Oct 44 *To* Aug 45

Place.	Date.	Hour.	Summary of Events and Information.	Remarks and references to Appendices, Diaries, &c.
			Disposal of Surplus Stores, Particularly Those Obsolete and Unserviceable.	Serial 42
			Expenditure on behalf of the United States Forces in Aust.	Serial 43
		29 Aug 45	Review of the Direct War Effort - Progress Reports	Serial 44
			Transfer of Surplus RLL Stores, Supplies, Eqpt and Installations from US Authorities to AMF	Serial 45
			Use of RN Ships in connection with Repatriation of Aust Prisoners of War	Serial 46
			Token Money - PW & I Camps	Serial 47

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EXTRACT FROM MINUTES OF C IN C's CONFERENCE 21 OCT 44

"433. OFFICE OF THE LGA - APPOINTMENT, D.C.G.S.

(Previous references - Minutes 344 and 372)

1. The C in C referred to the impending retirement of the LGA, and stated that Maj-Gen John A. CHAPMAN will take up the appointment of DCGS at LHQ, in the near future, with the duties, inter alia, of :-

(a) Co-ordinating and issuing Routine Orders submitted by branches (as was the practice during the period of the LGA's appointment).

(b) Co-ordinating administrative action between Branches at LHQ.

(c) Relieving the CGS of Post War plans and Post Hostilities planning, thereby enabling the CGS to concentrate on his important policy responsibilities.

2. The C in C also stated that Major-General Chapman and the PSOs will work out the full details."

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THE ARMY

45.

AUSTRALIAN MILITARY FORCES

APPOINTMENT

the following change be made in connexion with the Australian Military Forces, to date 23rd October, 1944 :

GENERAL LIST

VX13844 Colonel (temporary Maj-Gen.) J.A. Chapman, D.S.C., General List, from Deputy Adjutant and Quartermaster-General, Advanced Land Headquarters, be appointed Deputy Chief of the General Staff, Land Headquarters.

MINISTER OF STATE FOR THE ARMY

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VX13844 Col. (T/Maj.-Gen) J.A. CHAPMAN, D.S.O. :
APPOINTMENT AS DCGS.

Minister for the Army,

Forwarded herewith is a Draft Order-in-Council to give effect to the appointment of VX13844 Col. (T/Maj-Gen) J.A. CHAPMAN, D.S.O., as Deputy Chief of the General Staff in the office of Co-ordination, L.H.Q.

This appointment has become necessary as it is not intended to retain the appointment of Lieutenant-General, Administration, previously held by Maj-Gen. (T/Lt-Gen) H.D. WYNTER, C.B., C.M.G., D.S.O.

General,
COMMANDER-IN-CHIEF,
AUSTRALIAN MILITARY FORCES.

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Extract from C in C's Conference Minutes - 27 Oct 44.

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447. CONTROL OF ARMY POLICY - RECOMMENDATIONS AND DECISIONS.

(Previous reference - Minute 308)

1. The C in C referred to a recent case in which a Director at LHQ submitted a recommendation on an important matter of policy, to the Secretary of the Department of the Army, without submitting the proposal for prior consideration by the PSO concerned or by the C-in-C. The C in C also described the very unsatisfactory result of this incorrect action.

2. The C in C directed attention to his previous instructions on the system of control, that he intends is to be followed in matters of policy, and emphasised the necessity for referring all such matters for his consideration before submission to the Minister.

Decision -

3. The C in C directed that :-

(a) The PSOs will refer ALL policy recommendations that involve Ministerial consideration to the DCGS for prior examination and endorsement.

(b) The DCGS will be responsible for that examination and endorsement, and his statement of duties will be amended accordingly.

CGS No.550

COPY

5.

SECRET

D.C.G.S. - TAKING OVER OF ACTIVITIES.

LGA
AG
QMG
MGO
CFO
MS

Copy to:- D. Research.

The following activities will be taken over by the D.C.G.S. (Co-Ordination) (Short title D.C.G.S.):-

(a) Co-ordination of administrative policy but NOT detailed Administrative matters which are the functions of a particular PSO.

(b) Co-ordination of administrative plans except such as are within the province of a particular PSO.

(c) General Routine Orders and General Orders. The present machinery for the issue and distribution of GROs and GOs will be continued.

(d) Co-ordination of Supply and Equipment policy. In this regard D.D.S.D. (Equipment) will work directly under D.C.G.S.

(e) Post War Plans and Post Hostilities Planning. Further particulars will be issued at a later date.

(f) Research Directorate in regard to Army matters requiring co-ordination of branches.

(g) Co-operation with Allied Forces in Australia, U.S. and N.E.I.

2. No change will be made in the procedure by which administrative matters are referred or copies of instructions, circulars, etc. have been sent to L.G.A. Any required change will be notified at a later date.

(Sgd) J. NORTHCOTT

Lieutenant-General,
Chief of the General Staff.

21 Nov 44.

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LGA/EC

AUSTRALIAN MILITARY FORCES

Memo No. 17342

HEADQUARTERS
Victoria Barracks
Melbourne.

7 Feb 45

Fwd Ech LHQ
Adv LHQ
Brisbane Sec LHQ
HQ First Aust Army
HQ Second Aust Army
HQ 1 Aust Corps
HQ NT Force
HQ Western Command
HQ 11 Aust Div
HQ 4 Aust Armd Bde
HQ Qld L of C Area
HQ NSW L of C Area
HQ Vic L of C Area
HQ SA L of C Area
HQ Tas L of C Area
RMC
SS (Aust)

OFFICE OF CO-ORDINATION

1. Action is being taken to delete the appointment of LGA from the WE of LHQ and the office formerly controlled by the LGA has accordingly been re-designated "Office of Co-ordination".

2. The Office of Co-ordination will be controlled by the DCGS.

3. DCGS will sign administrative GROs.

Lieutenant-General
Chief of the General Staff.

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4.

SECRET

M I N U T E

AG
QMG
MGO
CFO
MS

Copies to : Secretary, PA to C in C; JAG; DGPR; D Research; HQ AWAS; Camp; BA; WE Investigating Committee; PW Army Planning Committee; "G" SD1 (Liaison)

OFFICE OF CO-ORDINATION

1. Action is being taken to delete the appointment of LGA from the WE of LHQ and the office formerly controlled by the LGA has accordingly been re-designated "Office of Co-ordination".

2. The Office of Co-ordination will be controlled by the DCGS.

3. To accord with rulings of the C in C, the following matters will be sent to or routed through DCGS :-

(a) All War Cabinet agenda originating in administrative branches in draft form together with the appropriate files.

(b) All major administrative policy recommendations which involve ministerial consideration.

(c) (i) Applications for conferences, other than those for which the General Staff is responsible, attendance at which involves inter-state travel;

(ii) Notification of other important administrative conferences.

4. DCGS will sign administrative GROs.

5. The following matters which were formerly sent to LGA will now be sent to DCGS :-

Inward correspondence, draft GROs and GOs, formation routine orders, formation administrative instructions, publications and amendments, War Cabinet Agenda and minutes, Defence Committee agenda and minutes, applications for financial approvals under War Cabinet Minute (3579) and for approval to write off losses of stores, deficiencies etc (vide GRO F311/1944), and copies of circulars.

6. Arrangements have been made with Registry for all correspondence, publications etc for the DCGS to be sent through the former LGA channel and not through the ordinary General Staff channel. Similar arrangements will apply to "direct transit" correspondence.

(Sgd.) John A. Chapman, Maj-Gen.,
for Lieutenant-General,
Chief of the General Staff.

7 Feb 45.

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AMENDMENT OF AMRs CONSEQUENT UPON THE DELETION OF APPOINTMENT OF LGA FROM WE GF LHQ.

A.G.

1. The deletion of the appointment of LGA from the WE of LHQ renders the wording of certain AMRs inappropriate.

2. May action be taken please.

(a) to amend AMR 30A (3) (b) by deleting the words "the Lieutenant-General in Charge of Administration" and by inserting the words "the Chief of the General Staff" in their stead; and

(b) to amend AMR 32(2) by deleting the words "the Lieutenant-General in Charge of Administration" and inserting the words "the Deputy Chief of the General Staff" in their stead.

(Sgd.) C.K.L. Elliott, Brig.,
for Major-General,
Deputy Chief of the General Staff.

2 Mar 45.

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Extract from Weekly Notes of Staff Conference - 1st June, 1945

x x x x

LHQ - GENERAL STAFF BRANCH

2. Further to para.2 (a) of the Weekly Notes of Staff Conference of 24 Nov 44, the temporary arrangement whereby the duties of the equipment sections of the Directorate of Staff Duties were supervised by DCGS has now ceased, these duties having reverted to the control of DSD as from 28 May 45.

[redacted] [redacted]

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10

HOLDINGS OF FOODS

THE MINISTER

OBJECT OF MINUTE

1. In accordance with your wishes of 24 May and further to the C-in-C's remarks in para 11 of his memo of 1 Jun 45 concerning "Retention and Release of Army Stocks, Including Reserves" I submit herewith -

(a) the reasons which make it essential to hold stocks of foodstuffs;

(b) why for protection reasons stock almost invariably exceeds the minimum holding required, and -

(c) the size of the minimum holdings required.

BASIS REASONS FOR HOLDING STOCKS

2. In regard to supplies the army is a huge wholesale and retail grocer with stores not only in many places on the mainland but also in many islands where fighting is in progress. Each store, wholesale and retail, must of necessity carry its store margin as well as the stock in uses daily. Foodstuffs must be available in time for consumption; and consumption, except for changes in numbers, is regular from day to day, thus differing from most other army requirements. A store margin in supplies is often (perhaps misleadingly) termed a reserve or local reserve; it must not, however, be confused with the LHQ reserve held or collected to meet a planned operation whether it be a new operation or whether it be merely a move of a large body of troops from one area to another. When large troop moves are made it is usually quite impracticable, because of the lack of means of transportation and personnel strengths in the depots, to move at the same time the food stocks (reserve, store margins and maintenance) and the other items, including ordnance, held in the area from which the move is made. The term "reserve" is loosely used to cover two essential commitments - store margins and true or LHQ reserves. In view of paras 5 and 6 of your Minute of 24th May 45 I wish to stress the vital necessity of holding stocks to meet these two requirements. In operational areas GHQ, or other controlling body, lays down the size of the reserves to be held; in these cases the practice of all the Allies is to include both maintenance and store margins in the "reserve" ordered for an operation. It is also, of course, necessary to hold daily maintenance stocks.

REASONS FOR STORE MARGINS

3. Store Margins are vital and are held by every store in civil or service practice, though civil practice often uses the term "reserve stock". This stock is to meet -

(a) the immediate replacement of (i) losses due to deterioration, (ii) enemy action especially at sea or in forward areas, and (iii) hazards by sea and land etc. (You will remember that recently we "lost", at least to forward areas, the rations in two allied ships (one containing ½ million rations: the other luckily containing only a small quantity) and also a food dump in a forward area; this danger increases as fighting recedes from Australia;

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(b) failure in deliveries from sources of supply. This may be due to industrial troubles in the manufacturing processes concerned, to breakdown of machinery, plant, or transportation, to transportation strikes, to the non-arrival of supplies expected from overseas because of loss at sea or failure to sail etc. This factor increases as fighting receded from Australia;

(c) immediate impact of sudden influxes of troops, such as the recent order from GHQ to feed RNIAF squadrons in the Islands;

(d) the number of days rations needed to fill the pipe line. This factor increases as the length of the pipe line increases; and covers waiting for berths as well as loading time;

(e) the need to load ships as they are made available by the control agency. US authorities, because of the lack of shipping, sometimes present two monthly maintenance ships for loading close on top of each other, e.g. 25 May and 5 Jun;

(f) delays at transhipment points, especially in the islands where the time taken for transhipment, allowing for waiting, unloading and reloading, takes up to 20 days or more.

REASONS FOR LHQ RESERVE

4. True reserves (LHQ reserves) are to meet -

(a) initial maintenance and daily maintenance stocks for new operations;

(b) the ultimate impact of losses as in 3(a) above and increases as in 3(c) above;

(c) maintenance and store margins for troops moved from one area to another when it is not possible, owing to lack of transportation facilities, to move the maintenance stocks with the troops. Shipping difficulties increase the frequency of such inability;

(d) failure of crops etc. resulting in an absence of supplies of rationing of supplies, e.g., the failure by 80% of canned tomato production for 1948.

SIZE OF STORE MARGINS

5. The store margin in forward areas is largely dependent on the assessment placed on local risks and on the period that elapses between arrivals of stock from the base (though it is operated upon only in the latter case when a shipment fails to arrive or to be unloaded). It is clear that if supply ships reach a base sub-area once a month the store margin must, in case of the loss of a ship, be at least one month's supply for those who draw from that base sub-area. Actually there should also be some margin to cover the other losses set out in para 3. Store margins must also be held in the home base area. The stock for the pipe line must be added to the store margin. As the distance to the forward troops increases so the stock to fill the pipe line increases. It is this increase that forces upon us holdings, when measured in days, which increase as the fighting receded from Australia. The pipe line is a large factor in determining the number of days stock for troops overseas.

The number of days for LHQ reserve is laid down by LHQ. The assessment of its size is difficult to make. It is partly dependent on whether the product is seasonal or not, the rate of production it is possible in emergency to direct to Service needs, the distance from the source of supply, and new operations, or large moves, foreseen. In Appendix A an assessment is made for each overseas area.

REASON FOR AND SIZE OF DAILY MAINTENANCE STOCKS

7. The size of the daily maintenance stock is dependent on the "pulse rate". For reasons of manpower, of economy, and of transport, etc., the delivery of stock from manufacturer to service store, and from store to more forward store takes place in "pulses" - supply every fortnight, or every month, or so on. The size of the maintenance stocks is thus determined by the "pulse rate". If every month one month's stock is delivered (called "daily maintenance stock") the amount of this stock on hand will vary from 30 days just after a shipment arrives, or delivery is made, to nil days, when the next month's supply should arrive. The average is about 15 days. Should this supply fail to arrive on time it will be necessary to draw on the store margin, which is refilled later from the LHQ reserve.

8. The greatest misconception about army stocks occurs over daily maintenance stocks. Under forward ordering a requisition may be placed for 6 or 12 months maintenance; normally these deliveries are spread, monthly, over the whole 6 months or 12 months, so that at any time the number of days maintenance stock on hand will be, not 6 or 12 months, but some figure between 30 days and nil days, as explained in para 7 above. This method of delivery is the most economical from the service point of view, but it cannot always, in fact cannot usually, be secured in war time for reasons explained hereunder.

SIZE OF ENFORCED HOLDINGS

9. In times of peace manufacturers and wholesalers have large bulk stores well stocked. In these are stored seasonal packs as they are manufactured and from there these seasonal goods are issued relatively evenly during the year. In war two factors normally prevent this evening-out of the flow of both purely seasonal and peak season goods. The first factor is that the bulk stores have often been requisitioned by Government departments for essential needs: the second factor is that there is such a huge demand for goods that the manufacturer for many reasons (including shortage of manpower) cannot produce enough, and therefore sells the goods quickly so as to get his money, gain interest on it, and avoid losses from deterioration, fire, etc.

10. Each month or so Food Control notifies the allocation made from production to the various user bodies. Such allocations are made on estimated production for the period concerned. Actual production frequently fails to reach the estimated quantity. Any user which fails to take up its quota until the end of the period is liable to find that its share consists of its allocation minus the quantity by which the estimate fell short of reality. The army is now deficient in fruit juices needed for the health of the soldiers because the anticipated quantity of such juice was, in fact, not produced. Allocations for the year must be based on anticipated production, but no national reserve is held to meet Service requirements if there is a shortage in actual production.

11. It is the proclaimed policy of the Australian Government, as of the other nations, that the necessities of the fighting services come first. Food is an absolute necessity to any Service. A lack of proper supplies strikes at the very roots of morale and fighting efficiency. For these reasons it is the army's duty to accept promptly the allocations offered by Food Control, always provided that the total stock is not in excess of the necessary total of its reserves plus its store margin plus its daily maintenance and plus also the quantity required to last till the next assured maintenance can be made available. In a seasonal or peak-period item it is clear

that this enforced maintenance holding may be very large and yet be less than the necessary holding as just shown. The result is that for all such types of goods the actual holdings must exceed, probably considerably, the approved minimum number of days holdings.

USE OF TERM "LEVELS OF SUPPLY".

12. Close association with the US Army has lead to the introduction of a term in lieu of store margin plus maintenance stocks for forward areas. The term is "level of supply", and it is usually expressed either as a minimum, or as a maximum - minimum when it is desired to fix also the normal maximum. Thus the level of supply may be 60-30 days (meaning that the stocks must not fall below 30 days supply and that the pulse should be 30 days extra supply every month) or again it may be just 30 days, meaning that the stock must not fall below 30 days and leaving the upper limit unspecified. The use of an average level is discounted as being misleading and indefinite; this system should never be used to indicate the maximum level in the home base area; in wartime it cannot meet the fluctuations caused by seasonal or peak goods, and enforced holdings.

RESERVES, STORE MARGINS, MAINTENANCE AND ENFORCED HOLDINGS.

13. It will be clear that it is vital for an army to hold these various types of holdings, and I intend to discuss next the size of these holdings. I would, however, wish first to stress that the names used are immaterial - the fact remains that a certain minimum stock level is absolutely essential to secure the proper feeding of the services. It is no more practicable to abolish this stock level for troops south of any given line, or in any given area, than it is to abolish a stock level for the troops in NEW GUINEA or further NORTH. The size of the stock varies for each area. The requirements for these areas vary from month to month; to avoid multiplicity of stock-approvals it is customary, and certainly wise, to compound all types of stocks for all areas and to present them for approval as one figure (in days) for the whole force rationed. It is then the responsibility of the technical experts concerned, and for them alone, to distribute the approved stocks as situations alter so as to serve best the interest of the Services concerned.

VARIATIONS IN THE STRENGTH OF THE FORCES AUTOMATICALLY BRING ADJUSTMENTS IN PROVISIONING.

14. It should be definitely understood that the Government does not commit itself to a total stock to be held by fixing a minimum basis of supply. The stock held is the product of two factors, each independently controlled and independently authorized by the Government. I refer to reserves-plus-maintenance AND to the size of the force. It is for this reason that stocks must be approved in terms of days. By so approving the Government ensures that with every reduction in strength of the forces there is an automatic reduction in provisioning. One factor (stock/days) is increasing; the other factor (strength of the forces) is decreasing. As shown in Appendix "B" the product of the two (ration holdings) is falling.

SIZE OF MINIMUM STOCKS REQUIRED.

15. Having decided that a sound system, in fact the only workable system, demands the fixing of a minimum stock level I wish to stress that this minimum level is the danger mark to which attention should be directed to see that individual stock levels do not fall below it in any case. When stock levels are below it there is a clear danger that supply to the forces in the field may fail should there occur any of the contingencies against which provision is supposed to be made. The fact that the minimum stock is held does NOT indicate, however, that the stock held is adequate or safe; but a holding of less than the minimum stock does indicate great potential danger.

16. I can most clearly illustrate the warning just given by taking an imaginary imported item which is also seasonal. However, the illustration is applicable to all imported goods, all seasonal

goods and all goods which have a peak or flush season - in fact all goods the supply of which is not regular throughout the year and these groups cover about 90% of all foods used by the Service.

17. (a) Take, therefore, an imaginary seasonal imported item - say dates. Assume that this item is produced in the Levant over a period of about (say) 3 months and that it is shipped to Australia in one shipment. If the minimum stock to be held is 100 days, then when the shipment arrives there should be on hand 100 days supply. The shipment will bring 365 days maintenance, so the total stock should now rise to 100 plus 365 = 465 days supply. It is obvious that at any stocktaking prior to the arrival of the following year's supply there should be in store not only the minimum stock of 100 days, but also sufficient daily maintenance stock to last till the next shipment. How many days daily maintenance there should be for any real item depends therefore on the period that will elapse till the next delivery, on the size of that delivery, and on the number and size of further deliveries during the year. No sound system of provisioning in wartime can avoid the absolute necessity for such holdings over and above the minimum stocks. To any examining authority the absence of such higher holdings should be a warning signal that the system is understocked and a breakdown likely unless the small reserve held can bridge the gap - and that can be done only if there occurs none of the real dangers for which the reserve has in fact been established.

(b) Some factual illustrations of imported items are now presented. Tinned fish, tea, coffee, etc., are produced overseas on a seasonal basis. The world supplies available are allocated pro rata to all claimants and forwarded as shipping is available. There is not a regular flow to coincide with consumption requirements; consequently the stock holdings will always be dictated by uncontrollable circumstances and will exceed the minimum holding by some unspecified number of day's supply.

(c) The strength component of the quantity of food required for a period of 12 months is based on the estimated average number of persons to be supplied during that period. But it is not correct to arrive at the stock which should be held at the time of a stock-taking (or at any other time) on that same average figure. At any given time the strength component of the stock that should be held is the actual strength at that given time. Theoretically a reducing figure should be used in calculating the number of days represented by stock held, but in practice there are so many other uncertain, or ill defined, factors involved that it is normally absurd to use such a delicate refinement on the only-approximate figures involved.

EFFECT OF RETURNING NORMAL CONDITIONS ON STOCK LEVELS NECESSARY.

18. Everything I have set out herein shows the vital necessity of fixing high enough the permissible minimum number of days stock holding. Such minimum is the danger level below which stocks cannot fall without running, in fact the risks which it was desired to avoid. As wartime conditions recede and civilian grocery businesses return to stock level required, until with the disappearance of the wartime factors set out in paras 9 to 11 above the two levels will normally coincide. Sound buying, however, may even in peace require heavy buying during peak production periods.

normal so this minimum stock level should approximate to the maximum.

DETERMINATION OF STOCK LEVELS

19. In Appendix "A" attached and previously referred to, there are set out the components that must be added together in arriving at stock levels for Supply Depots (overseas and on the mainland) and main supply depots (Supply Reserve Depots) on the mainland. In the appendix it is shown that, excluding the essential LHQ reserve, the minimum stock levels vary for each main geographical area. To arrive at the overall average number of days it is necessary (as is done in the appendix) to multiply the number of days stock required for each area by the number of persons there rationed, to add the area totals together, and to divide by the total persons rationed: the answer (100 days) is the minimum stock level permissible. The assessed requirements for LHQ reserve in each area is shown in Appendix A: it varies from 30 days overseas to nil days on the mainland.

20.(a) The total stock holding of any particular commodity is partly dependent on the factors set out in paras 9-11. It will be seen, therefore, that while every reduction in the minimum stock level reduces the total stock that must be held (such total being the minimum stock level plus enforced holdings) such reduction does NOT fix the upper level of stock that must be held.

(b) Owing to cost and transport difficulties it is sometimes unwise or impracticable to move stock from one area to another. As the Minister suggests, such local surpluses have been or will be declared for disposal whenever suitable. Such surplus "unmovable" assets are of no value for army purposes, therefore all foods declared to the Disposal Commiwwion will be struck off army accounts and transferred to the account covering holdings for the Disposal Commission.

NATIONAL FOOD RESERVE

21.(a) Owing to its relatively small size army is not holding stocks for a "National food reserve" covering the Australian public. But as there is not an adequate National food reserve army is forced to hold, for its own use, stocks (seasonal etc.) which would otherwise be held in war times by a National Food Reserve and in peace by the wholesale dealers. I wish to emphasize that a quantity of some food item, which may appear relatively large, is in fact small when compared with the total quantity required (though not always available at present) by civilian consumers and by other bodies such as UNRRA and Eastern Group. There is no real danger of any army food stocks required in civil life being a drug on the market when it comes to disposing of them, so long as the army policy of releasing goods before their warranty expiry date is continued. Such goods must normally be replaced.

(b) Every now and again civil needs in some areas become acute. The army is invariably asked to meet their needs, and does so; e.g. during the recent flooding of the BURDEKIN RIVER and in meeting civil needs in LONGREACH, HUGHENDEN and MT. ISA districts. Wherever possible army meets the requests of Food Control for assistance, always provided that first priority is given to the needs of the fighting forces.

RECOMMENDATIONS

22.(a) In view of the facts set out you will realize that, while there will be a decrease in the total quantity of any item held, according to the reduced numbers to be fed, I cannot recommend a decrease in the number of DAYS for which provision must be held.

RECOMMENDATIONS (Contd.)

Such action would entail running those very risks against which we have sought to provide.

(b) In appendix "C" attached is a list of commodities showing the present holdings, why they are held, and my recommendations as to their disposal or holding. I understand that you will deal with these recommendations in accordance with the approved charter attached to the C-in-C's minute of 1 Jun 45.

(c) In appendix "B", expressed in numbers of rations, is shown the gradual fall in ration holdings from Jan 44 to Apr 45. I would mention that the US Forces are understood to have reduced their provisioning for troops in United States itself to a total of 120 days (60 reserve 60 maintenance): for overseas including pipeline, their total is believed to be 240 days.

(d) In appendix "D" is shown the approximate ration strength and distribution of personnel rationed by army in May 1945.

(e) Appendix "E" shows the ration items declared for disposal or accepted by authorised departments prior to disposal.

(f) Appendix "F" shows the approximate distribution by States of stocks held in excess of the minimum 90 days stock level. As shown in Appendix "C" very few of the items reached the required level of supply.

23 In spite of the preceding paras, uppermost in your mind there will be the query as to why the number of days holdings now proved necessary should be greater than when the enemy was closer to Australia. The answer is entirely due to the lengthened lines of communication, scarcity of shipping and the slowness of loading. These are clearly shown in Appendix "A". The increase is not one of theory, but of practical demonstrable facts set out plainly for your consideration. I would draw attention to the fact that for a slightly shorter pipe line the Business Board, the Defence Committee and War Cabinet have approved of a 9 months store margin for ordnance stores. However, I do not infer that food, which is a regular requirement, can be fairly compared with ordnance stores, the demands for which are irregular in size and necessitate this increased holding.

DISCUSSION OF ADDITIONAL QUERIES

24. I regret the length of this minute. Realizing fully the pressure upon you, and your desire both to give the Services first priority and at the same time meet to the best of your ability the needs of other claimants I have felt it my duty to set out fully, but as concisely as possible, the factors which enter into this difficult question of food stocks. I realise that it is impossible for you adequately to represent the army's view unless the army provides you with all the information you need. If there is any question you wish to ask or any point on which more information is required I would appreciate it if you would discuss the matter with me and/or my staff.

25. In addition to this reply covering all items of food there is being prepared for you, in accordance with paras 3 and 4 of the C-in-C's minute of 1 Mar 45 on DISPOSALS, a detailed review of milk holdings. That reply will illustrate in detail many of the points raised in general in this minute, and, while dealing with only one item, will contain many points common to all items. Discussion with you should clear up any questions not answered completely in that detailed review.

EFFECT OF WAR CABINET MINUTE (4221) OF 31 MAY 45.

26. It will be noted that Appendix "C" anticipated the decision given in War Cabinet Minute (4221) by including all food items and not only those asked for in your minute. The reduction to take place in the strength of the forces has no appreciable influence on the minimum number of days stocks that have been shown to be necessary in this minute to you. Such progressive reductions in strengths will, of course, have progressive effects on the total stocks to be held and/or ordered, as set out in para 14 of this minute.

(sgd) J. H. CANNAN, Maj-Gen.
for/ General,
Commander-in-Chief.

6/6/45.

CGC/EA/2

SECRET 85/1/671.

CCS 285

DEATH AND OTHER SENTENCES IMPOSED ON NATIVES IN NEW GUINEA

SECRETARY

1. The following advice and comments are submitted with respect to your minute dated 25 Jun 45 :

(a) Letter from Minister of External Territories, dated 6 Jun 45:

There is no record of any advice being received at LHQ prior to the executions taking place in 1943;

(b) Letter from Minister for External Territories, dated 14 Jun45

An instruction, a copy of which is attached, has been sent to GOC First Aust Army to take the action recommended by Mr. Ward.

2. It would be appreciated if the following aspects of this matter were to be placed before the Acting Minister :

(a) Full Cabinet Agendum No. 859

(i) Para 3 features the views of the General Secretary, Methodist Overseas Mission and, in particular, his fears that "as the supreme authority in New Guinea was the military authority" recommendations that certain death sentences be commuted to imprisonment "might be ignored".

Great exception is taken to this unjustifiable assertion which now stands unchallenged in the records of Full Cabinet.

(ii) Para 4 distorts a report of the Deputy Chief of the General Staff who is said to have disclosed that he had confirmed sentences of death. The report concerned is DCGS minute dated 18 May 45 in which it is clearly stated that the confirmation was by the GOC First Aust Army. It will of course be realised that the powers exercised by the GOC in this matter were in his capacity of Administrator of the civil laws of the Territory and not as a military officer.

(b) Press report, Melbourne "Herald" of 25 Jun 45

The Army authorities concerned in this matter first learned of the decision of Full Cabinet through the Melbourne "Herald" of 25 Jun 45. A copy of the report is attached.

It is not known who was responsible for releasing this information but concern is felt at the manner in which the matter has been misrepresented.

[redacted]

There is a particularly objectionable misrepresentation of facts in the following extract :-

> "Captured by the army, the natives were tried under military law and all sentenced to death.
>
> Officers who had been dealing with the natives for years, and who understood them ethnologically then intervened."

Even a cursory examination of the file will show that -

(a) the natives were not tried under military law but under the civil law and by officers who had been dealing with natives for years;

(b) the death sentence was passed in only a small proportion of the cases tried;

(c) the Military Commander who exercises the powers of administrator confirmed the death sentence in about one quarter of the cases in which that sentence had been imposed;

(d) there has been no intervention by any ethnologists.

(Sgd.) J. NORTHCOTT

Chief of the General Staff
30 Jan 45

Sent 2 Jul 45 - D.T.

COPY/OOC/EC/2

SECRET

AUSTRALIAN MILITARY FORCES

(Office of Co-ordination)

(85/1/671)

86659

MEMORANDUM for -

FIRST AUST ARMY

DEATH AND OTHER SENTENCES IMPOSED ON NATIVES IN NEW GUINEA

1. With reference to your A18421 of - May 45 and previous correspondence, it is advised that the proceedings of native trials submitted under cover of your A 17341 of 13 May 45 have been considered by Full Cabinet, which has directed -

(a) that appropriate action be taken -

(i) to commute the death sentence in each of the cases in question to imprisonment for the term of his natural life without benefit of good conduct remissions; and

(ii) to remit so much of the sentences imposed in those cases as relates to whipping;

(b) that the law be amended to enable the confirming authority, if he thinks fit, to impose, in the cases other than those in which the death penalty was imposed, a term, or an additional term, of imprisonment, with or without hard labour, in lieu of the penalty of whipping;

(c) that instructions be given that the death penalty or whippings in respect of natives within the Territories of New Guinea and Papua are not to be carried out in future without the approval in each case of the Commonwealth Government.

2. The Minister for External Territories desires the directions of Cabinet be implemented in the following manner :-
(a) GOC First Aust Army, in his capacity as Administrator under civil laws -
(i) to commute the death sentence in each case in which that sentence was imposed to a sentence of imprisonment for the term of the native's natural life without benefit of good conduct remission; and

(ii) to remit so much of the sentences imposed in those cases as relates to whipping;

(b) GOC First Aust Army, by the issue of an order under regulation 5 of the National Security (Emergency Control) Regulations, to give effect to Cabinet's decision as set out in (b) of para 1 above.

3. It is desired that the necessary instructions be issued to give effect to Cabinet's decision as set out in (c) of para 1 above.

4. The proceedings of native trials forwarded with your above-mentioned memoranda are returned herewith.

J. A. C.

Major-General
Deputy Chief of the General Staff

29 Jun 45

OOC/EC

SECRET

COPY OF CUTTING TAKEN FROM MELBOURNE "HERALD" - 25 JUN 45

REPRIEVED BECAUSE THEY ARE PRIMITIVE

CANBERRA. - Twenty-six New Guinea natives, some of whom betrayed Australians to the Japanese, have escaped death by hanging only because ethnologically, they are considered to be primitive people.

Instead they have been sentenced to imprisonment for the term of their natural lives.

The natives are reported to have taken part in an orgy of looting and betrayal when the Japanese first landed in New Guinea.

They betrayed Australians and their fellow natives who remained loyal to the administration.

Captured by the army, the natives were tried under military law and all sentenced to death.

Officers who had been dealing with the natives for years, and who understood them ethnologically, then intervened.

They pointed out that these natives had no conception of the gravity of the crimes they had committed.

JAP PERSUASION

When the Japanese landed in New Guinea, they brought with them their own anthropologists who, playing upon the superstition of the natives, persuaded them to throw in their lot with them.

The Australian anthropologists told the Government that the natives were not aware of what they had done and that they were not able to realise the enormity of their offences.

COPY/OOC/EC

Agendum No. 859

Copy No. .....

FOR FULL CABINET

ATTORNEY-GENERAL'S DEPARTMENT

DEATH AND OTHER SENTENCES IMPOSED ON NATIVES IN NEW GUINEA TERRITORY

1. On the 24th May, 1945, Full Cabinet approved that the Minister for External Territories and the Acting Attorney-General look into the matter of the imposition of death penalties on New Guinea natives and make a recommendation to Cabinet. It was also decided that, in the meantime, no executions were to be carried into effect.

2. Suitable action has already been taken with regard to the lastmentioned matter and the Acting Minister for the Army has been advised by the Deputy Chief of the General Staff that sentences of death on New Guinea natives will not be carried out until the views of the Government are made known to the General Officer Commanding, First Australian Army.

3. Representations in regard to the matter had been received from the General Secretary, Methodist Overseas Mission, following on reports alleging that 40 to 60 natives were under sentence of death. The General Secretary stated that, in a large number of these cases where the natives were not directly responsible for the murders, recommendations had been made that the sentences be commuted to imprisonment. He feared that, as the supreme authority in New Guinea was the military authority, those recommendations might be ignored and he expressed the view that it was highly desirable that no execution of any native of the Territories should take place unless specifically sanctioned by Cabinet.

4. A report from the Deputy Chief of the General Staff discloses that he has confirmed the sentence of death in seven out of a total of twenty-six cases in which that sentence had been imposed in accordance with the civil law. The proceedings in these trials reveal that certain natives now under sentence of death for murder had in addition been convicted of other crimes of a serious and revolting nature. In respect of these other crimes, whipping had been imposed in several cases.

5. Notwithstanding the gravity of the offences in these cases, the sentences raised important questions of policy as to whether natives who are convicted of serious crimes should, in the present circumstances of the Territories, be required to suffer the extreme penalty or undergo whipping or caning. The Scullin Government considered the matter of the death penalty in 1930, and the then Attorney-General suggested that the Administrations of Papua, New Guinea and Nauru should be informed that the Government regarded it as of grave importance that the Administration should communicate with it regarding any conviction for a capital offence immediately the conviction was recorded and in ample time to enable the Administration to receive representations from the Government.

6. After very careful consideration of the whole matter, we think that, as a general rule, the death penalty and whipping are undesirable punishments in the case of natives of New Guinea and Papua, and that early action should be taken to prevent such penalties being carried out.

7. Accordingly it is recommended -

/(a) ....

(a) that appropriate action be taken -

(i) to commute the death sentence in each of the cases in question to imprisonment for the term of his natural life without benefit of good conduct remissions; and

(ii) to remit so much of the sentences imposed in those cases as relates to whipping;

(b) that the law be amended to enable the confirming authority, if he thinks fit, to impose, in the cases other than those in which the death penalty was imposed, a term, or an additional term, of imprisonment, with or without hard labour, in lieu of the penalty of whipping;

(c) that instructions be given that the death penalty or whippings in respect of natives within the Territories of New Guinea and Papua are not to be carried out in future without the approval in each case of the Commonwealth Government.

.....
Acting Attorney-General

.....
Minister for External Territories .

/6/45

5/1/383

SECRET

OOC/EC

AUSTRALIAN MILITARY FORCES
(Office of Co-ordination)

Memo No. 93787

Headquarters
Victoria Barracks
Melbourne. S.C.1.

17th July, 1945.

LHQ ADMINISTRATIVE INSTRUCTION No. 25

AFVs - DIVISION OF RESPONSIBILITIES

1. AFVs special attachments and associated equipment are classified as ordnance stores and the following division of responsibilities will apply.

2. Manning

(i) AVsRE will be issued to RAE armoured units and manned by RAE personnel;

(ii) ARVs will be issued to AEME units and manned by AEME personnel;

(iii) All other AFVs will be manned by Armd Corps personnel.

3. User Requirements

The responsibility for advising General Staff on user requirements will be as follows :-

(a) E in C for AVsRE and their associated equipments;
(b) DME for ARVs and their associated equipments;
(c) "G" Armd Corps for all other AFVs and their associated equipments.

4. Provision etc

The functions of design, provision, storage and issue will be the responsibility of MGO Branch and will be carried out in accordance with established procedure.

5. Maintenance and Repair

Unit maintenance will be the responsibility of the units to which the equipment has been issued.

All echelons of repair will be the responsibility of AEME.

Major-General
Deputy Chief of the General Staff

DISTRIBUTION -

HQ First Aust Army	(10)	HQ 4 Aust Armd Bde	(2)
HQ Second Aust Army	(6)	HQ Qld L of C Area	(6)
HQ 1 Aust Corps	(4)	HQ NSW L of C Area	(6)
HQ NT Force	(4)	HQ Vic L of C Area	(6)
HQ Western Command	(6)	HQ SA L of C Area	(4)
HQ 11 Div	(5)	HQ Tas L of C Area	(2)

Copies to -
MA to C in C; CGS (10); AG (5); QMG (6); MGO (10); CEO (2); Adv LHQ (2); [illegible] (2) War Diary (2), LHQ AFV School (2)

SECRET

QMC/EC

AUSTRALIAN MILITARY FORCES

Memo No. 102377

HEADQUARTERS
Victoria Barracks,
Melbourne.

3 Aug 45

Fwd Ech LHQ	(3)		
Adv LHQ	(14)	HQ 4 Aust Armd Bde	(2)
Brisbane Sec LHQ	(2)	HQ Qld L of C Area	(6)
HQ First Aust Army	(21)	HQ NSW L of C Area	(8)
HQ Second Aust Army	(10)	HQ Vic L of C Area	(6)
HQ 1 Aust Corps	(9)	HQ SA L of C Area	(4)
HQ NT Force	(6)	HQ Tas L of C Area	(4)
HQ W Comd	(8)	RMC	(1)
HQ 5 Aust Div	(4)		

Copies to: BA, MA to C in C, CGS (8), AG (6), QMG (8), MGO (8), CEO (2), Chief Inspector AMF, Camp, War Diary (2)

RETURNED STORES DEPOTS

1. For some considerable time, Returned Stores Depots have not been able to handle efficiently the large volume of stores being returned. This situation will deteriorate further with the probable disbandment of a large number of units in the future, unless more assistance is given to RSDs. The most valuable assistance which can be given is by units ensuring that stores and equipment are returned in a fit state for rapid onward movement, thus assisting RSDs to function properly as "transit" depots, not "storage" depots.

2. Some of the difficulties arise from the following causes :-

(a) return by units to RSDs of equipment not correctly cleaned, identified and labelled;

(b) shortage of personnel in RSDs, particularly specialists who are required for identification and classification of stores;

(c) insufficient detail in specification of certain trade categories in WEs of RSDs;

(d) type of B Class personnel allotted to RSDs.

3. Action is being taken to check the WEs of RSDs and to make certain adjustments in classification of personnel and priority allotment.

4. L of C areas will ensure that any assistance which can be given by RR & GDDs to RSDs is made available. This is particularly applicable to specialist OR personnel. It is realised that the employment of personnel awaiting disposal in RR & GDDs is subject to certain restrictions, e.g. postings by 2nd Echelon, medical categories etc.

5. Revised instructions regarding the disbandment of units are being issued. These instructions will include the retention of an administrative party until all units matters are finalised. One of the important responsibilities of this administrative party will be to ensure that unit stores equipment etc are properly cleaned, packed and identified before return and that all components are included with major components or assemblies. Where a unit returns unit equipment in one area and the personnel are disbanded in another, the cadre will be divided into advance and rear parties. Formation

/Commanders

commanders will arrange for inspection of stores, equipment etc prior to return to RSDs. It is suggested that Service personnel under staff arrangements could be used to assist units.

Major-General
Deputy Chief of the General Staff

COPY/DOC/EC

14

M261/1944

S E C R E T

CIVIL ADMINISTRATION IN THE TERRITORIES OF PAPUA AND NEW GUINEA : AREAS REQUIRED FOR DEFENCE PURPOSE

(D. of R. and CA
Serial No.6213)

JOINT PLANNING STAFF (5)

Copy to: DCGS
HQ First Aust Army

1. It is anticipated that the Civil Administration will be returned in PAPUA and the Territory of NEW GUINEA south of the MARKHAM River on 15 Oct 45.

2. A conference was convened by HQ ANGAU at MORESBY on 28 Jul 45 with representatives of ANGAU, Department of External Territories, the local commanders of RAN, AMF and RAAF, and Lt-Col C.W.T. Kyngdon of the Directorate of Research and Civil Affairs, to examine the civil implications of the proposals of GOC First Aust Army, NOIC NEW GUINEA and AGC Northern Area in reply to Chief's of Staff SM6469 of 18 Jul 45. As a result of this conference the following information is forwarded.

MORESBY

3. Neither the representatives of the Civil Administration nor the local service commanders had maps showing accurately the pre-war defence reserves. It is essential for the re-planning of MORESBY, already commenced, that the Department of External Territories be given accurate definitions both of the pre-war boundaries and the proposed new areas.

4. RAN

(a) Moresby is a separate Naval command at the present time and is not a responsibility of NOIC NEW GUINEA. In response to a direct request from Navy Board, NOIC MORESBY is submitting fresh proposals for that area.

(b) Under the present proposals HMAS "BASILISK" occupies a former residential area which the town planning authority is desirous of retaining. As an alternative it was suggested that a compact Naval Station could be established on PAGA Hill contiguous to the Naval workshop area.

(c) In peace time TORRES STRAITS pilots are not a Naval responsibility.

5. AMF

(a) Complete resumption of the "Army Barracks Training Area" beyond the former limits of the MURRAY BARRACKS area will involve displacement of natives and their gardens. Resumption of native lands involves lengthy negotiations and investigations into actual ownership. These difficulties might be avoided by declaring the area a manoeuvre area and controlling the activities of the natives within it in accordance with service requirements.

(b) The AA gun site on TUAGUBA takes up a very large part of the only area remaining for civilian expansion of the township. In the event of war the majority of civilians would probably be evacuated, in which case obstacles to AA gun sites could be demolished. It is strongly desired by the town planning authority that Army demands on this particular area be reduced to a minimum.

(c) The MURRAY BARRACKS area is shut off from the sea. For the health of women and children in this climate a sea view and breeze is considered essential. Furthermore, MURRAY BARRACKS are distant from the township's amenities and schools. Commander 6 Aust Base Sub Area, in collaboration with the civil authorities, is seeking a more suitable and convenient area for married quarters and for HQ officers and will make recommendations through First Aust Army accordingly.

(d) Practically all the buildings in MURRAY BARRACKS are to wartime standards and have a prospective life of less than two years. If they are retained, maintenance of them will be very heavy. It is recommended that they be disposed of now and a new barracks designed and built for its actual post war purpose.

(e) GEMO is native owned land which the natives agreed could be used for the present infectious diseases hospital. The future of this hospital is uncertain, but to avoid the difficulties of acquiring native lands it is recommended that the area demanded for military purposes be kept to a minimum.

(f) In the event of the AMF providing the service hospital in the area it is recommended that a site on the coast be selected. MURRAY BARRACKS are considered unsuitable. RAAF has a good hospital site at KONEDORE, with permanent buildings, and it might be preferable for that service to hospitalise RAN and AMF as well.

(g) The whole of the suggested 5-chain road reserve is native owned and is used as gardens. An agreement with civil administration to control development so as not to conflict with service requirements is considered preferable to resumption.

(h) The northern portion of the Army Rest etc area at DONADABO encroaches on a valuable rubber plantation and includes a main civilian road. Its re-delineation to exclude the plantation and EILOSO Road is recommended.

6. <u>RAAF</u>

(a) The pre-war boundaries of the KONEDONO area are thought not to have included the coast road and retaining wall. The local RAAF commander does not consider it necessary to include these now.

(b) It is recommended that the golf links in the middle of the KONEDOBO area be resumed. The town planning authority offered no objection to this.

(c) The aerodrome etc area involves considerable native villages and garden areas, with all the attendant problems of displacement of natives and acquisition of native lands. It also embraces main civilian roads, and the future civilian airport. From the point of view of the civil authorities it would be preferable to resume only those areas actually needed for installations, quarters, strips etc, and subject the intervening areas to control of development in accordance with service requirements.

(d) If RAAF will be using the civil telephone and telegraph service an early statement of the number and route of lines required would be appreciated.

(e) Civilian aircraft will use the RAAF strips and will need sites for hangars etc.

(f) If RAAF is not supplying its own power for workshops etc, an early statement of its probable demands on the civil supply would be appreciated.

/7. ...

7. GENERAL IMPLICATIONS

(a) Where main civilian roads pass through service areas it is desirable that these be subject to the minimum restrictions and that they be maintained by the civil authority to ensure uniformity and economy of plant.

(b) The number of service personnel and their families will affect the civil economy and town planning, especially in relation to schools, transport services, shops and amenities. An early indication of numbers and the service policy on canteens, amenities and schools would be appreciated.

MILNE BAY

8. The plantations are an economic asset and are again in production. The cost of acquisition of the areas at presgnt delineated for the post war services would not be less than £150,000.

9. A number of missions is involved.

10. It is recommended that only the minimum needs be resumed and that any further areas be subject to control in accordance with service requirements.

AREAS NORTH OF MARKHAM RIVER

11. These were not discussed in detail at the conference but the same problems of acquisition of native lands, displacement of natives, missions and plantations are involved.

(Sgd) F. B. GAMBLE, Col
for Lt-Col
DR & CA

4 Sep 45

COPY/OOC/EC

M i n u t e

ESTABLISHMENT OF PROVISIONAL ADMINISTRATION - PAPUA - NEW GUINEA : RELEASE OF ARMY PERSONNEL

ADJUTANT-GENERAL

Your attention is invited to the attached memorandum from the Dept of External Territories which raises the question of release from the Army of former members of the Papuan and New Guinea Public Services.

2. Army representatives, in conjunction with representatives of the Dept of External Territories, are now conducting a survey of Army installations in Papua and Southern New Guinea, with a view to the early restoration of civil administration in those areas. Army policy in this matter requires all possible co-operation with the Dept of External Territories, in order that the Army may be relieved at an early date of its responsibilities for the administration of Papua and that portion of New Guinea south of the Markham River.

3. It would therefore be appreciated if urgent consideration could be given to the requests of the Dept of External Territories.

4. The Directorate of Research & Civil Affairs is concerned in the formation of Army policy in respect of Papua and New Guinea, and maintains a close liaison with the Dept of External Territories. It is suggested that the appropriate officer of your Branch should consult that Directorate in order to settle the most expeditious manner of meeting the Dept's requirements.

(Sgd) A.W.WARDELL,Brig
for Deputy Chief of the General Staff

20 Aug 45

COPY/OOC/EC

M i n u t e

RESUMPTION OF CIVIL ADMINISTRATION IN PAPUA AND NEW GUINEA :
TRANSFER OF PHYSICAL ASSETS OF ADMINISTRATION

QMG
MGO
AG
Mil Sec
CFO
DR & CA
PWAPC

On 17 Jul 45, a conference was held at LHQ to settle general Army policy on matters related to the transfer of physical assets of administration in Papua and southern New Guinea to the Department of External Territories.

2. Pursuant to the general discussions which took place at the conference an officer is to be attached to DR & CA who will maintain liaison with QMG, MGO and CFO Branches, will prepare and co-ordinate information from formations and LHQ to enable the necessary decisions to be taken by the appropriate authorities. He will also maintain liaison with Navy and Air in respect of the same matters.

3. Lt-Col C.W.T. Kyngdon will be attached to DR & CA to carry out the above duties in addition to his duties on Post War for QIII.

(Sgd) A.W. WARDELL, Brig
for Major-General
Deputy Chief of the General Staff

19 Jul 45

COPY/OOC/EC

Secretary,
Department of External Territories,
CANBERRA. A.C.T.

RESTORATION OF CIVIL ADMINISTRATION IN PAPUA AND NEW GUINEA

In reference to previous negotiations on the above-mentioned subject, and following upon a conference of Defence Services held 17th July, it is anticipated that by 14th August 1945, all of these three Services (viz. Navy, Army, Air) will be able to indicate what they themselves require for present and post war requirements in areas of New Guinea and Papua south of Markham River.

Therefore soon after, say about 21st August, lists of camps, depots, installations, stores etc., will be declared as surplus to the Commonwealth Disposals Commission for disposal.

By Government policy direction, it is pointed out that Defence Services must release to Disposals Commission and not to your Department direct. Action by the Commission to appoint a representative in New Guinea is understood to be in course.

It is therefore requested that, as soon as possible, and not later than 14th August 1945, your Department make contact with CDC and GOC First Aust Army to inspect such items as may be released as surplus for disposal. The Army will be unable to accept responsibility for such installations, stores, etc., for any appreciable period when once declared for disposal.

(Sgd) F. R. Sinclair
S e c r e t a r y.

OCC/EC/COPY

15

SECRET

MINUTE

OBSOLETE STORES

AG
QMG
MGO

Copy to CFO

1. Reference is made to CFO's minute of 4 Sep 45 and the draft GRO attached thereto.

2. In view of the urgency of this matter it is requested that your comments upon the draft be forwarded in time to reach this office not later than 11 Sep 45.

(Sgd) E.M.ELLIOTT, Brig
for Major-General
Deputy Chief of the General Staff

4 SEP 1945

COPY/OOC/EC

94/1/1314

M i n u t e

OBSOLETE STORES

AG
QMG
MGO
CFO
DSD

Copies to BA (1), Brig Elliott(1), Mr.Thorpe (1), DGAD(3)

1. Further to the conference held in Room 88 at 1600 hrs on 21 Aug 45, the following decisions have been made. Their main object is to facilitate the decentralised disposal of obsolete stores :-

METHOD OF DECLARING A STORE OBSOLETE

(a) The PSO responsible for the distribution of a store to the user will take action to have that store declared obsolete immediately circumstances so warrant. In a case where more than one branch is responsible for the distribution to users of the same type of store, the branches concerned will confer with the object of arranging a simultaneous declaration.

(b) The prior concurrence of the CFO will be a condition precedent to every classification of a store as obsolete. The prior concurrence of the CGS will be an additional condition precedent in the case of major equipments, weapons and such special items as are selected for decision by the General Staff.

METHOD OF PUBLISHING THE FACT THAT A STORE IS OBSOLETE

(c) MGO Branch will integrate and publish, as required, for all branches an "Australian List of Changes in War Materiel".

(d) The PSO responsible for having a store declared obsolete will send to MGO Branch, in accordance with a memo to be circulated at an early date by MGO Branch, statements of stores which he has, with the necessary concurrence or concurrences, classified as obsolete.

(e) Each "Australian List of Changes in War Materiel" will contain a summary by branches of those stores declared obsolete. Where in the case of an item of store declared obsolete it is desired to retain certain easily removed components, parts, or accessories, which are a requirement or in short supply the main item of store less the specified components or parts referred to above will be declared obsolete in "Australian List of Changes in War Materiel". Such removals are, of course, subject to policy directions concerning disposals.

(f) The "Australian List of Changes in War Materiel" will be distributed on a wide scale down to units and to the HQ of other Services, etc. The issue to a Service, etc, of such a list of obsolete stores is a warning to that Service that the Army is immediately getting rid of such stores wherever held in depots for disposal. If any other Service wants such items it must at once apply for them as Army will be taking immediate action to dispose of them in the manner shown in the List (e.g. "destroy", "to salvage", "to CDC"etc).

/(g) ...

ACTION BY HOLDERS OF STORES DECLARED OBSOLETE

(g) The holder of any store declared obsolete will, if not a depot for such store, return it to the nearest holding depot for that type of store. Each depot holding such a store will quickly dispose of the store as directed in the "Australian List of Changes in War Materiel".

RESPONSIBILITY OF HOLDERS OF OBSOLETE STORES

(h) It will be noted that this quick decentralized action is the responsibility of the holders of obsolete stores. There is no limit on the number or value of the stores to be disposed of. No boards of survey are required.

STORES ALREADY CLASSIFIED AS OBSOLETE

(i) Where stocks of a store classified as obsolete prior to the introduction of this procedure are still held, action will be taken by the appropriate PSO to obtain the CFO's concurrence to the listing of such store in a separate section of the "Australian List of Changes of War Materiel". Following such listing disposals action as set out above will ensue.

OTHER CHANGES IN WAR MATERIEL

(j) In addition to declarations as to stores classified as obsolete, the "Australian List of Changes in War Materiel" will be the medium of promulgating all other changes in war materiel including declarations that stores are obsolescent. Branches will arrange, in accordance with the provision of the MGO Branch memo referred to in (d) above, to forward statements of changes to that Branch. It is stressed that the prior concurrence of the CFO is NOT required in the case of the listing of obsolescence, or other changes.

(Sgd) J. A. CHAPMAN
Major-General
Deputy Chief of the General Staff
27 Aug 45

COPY/OOC/EC

94/1/1314

Minute

OBSOLETE AND/OR OBSOLESCENT STORES

AG
QMG
MGO
CFO
DSD

Reference my minutes of 30 Jul 45 and 1 Aug 45 :

1. In an attempt to reconcile divergent views expressed in replies to my abovementioned minutes, a conference will be held in Room 88 "A" Block on 21 Aug 45 at 1600 hrs. It will be appreciated if you will arrange to be represented.

2. The following proposals will be put forward as a basis for discussion :-

(a) The PSO responsible for the provision of a store will take action to have that store classed as obsolete immediately circumstances so warrant.

(b) The prior concurrence of the CFO will be a condition precedent to every classification of a store as obsolete. The prior concurrence of the CGS will be an additional condition precedent in the case of major equipments, weapons and such special items as are selected for decision by the General Staff.

(c) After obtaining the concurrence or concurrences referred to in (b), the PSO concerned will include the item in a list of obsolete stores to be submitted by him not later than the day of each month to the Central Publishing Section for promulgation in "Australian Changes in War Materiel". When appropriate nil returns will be forwarded to the Central Publishing Section.

(d) A store having been listed as obsolete in "Australian Changes in War Materiel", action will be taken forthwith by all store depot commanders to declare every item of that store then held to the Commonwealth Disposals Commission as being no longer required. The existing procedure in relation to disposals will apply. Unit commanders will send items listed as obsolete to the appropriate depot.

(Sgd) J. A. CHAPMAN
Major-General
Deputy Chief of the General Staff
15 Aug 45

COPY/OOC/EC

16

SECRET

BASES OF PROVISION

AG (for Medical & Dental Stores)
QMG (for Engineer Stores, ASC and Stationery Items)
MGO (for MGO supply items)

Copies to: DSD, CFO, BA

1. In view of the rapidly changing conditions, it has been decided to submit the bases of provision separately, each one being sent on as soon as it is ready.

2. Would you please bring up to date the proposed bases of provision required and, after agreement with the CFO, send it to this office as early as practicable.

3. In order to retain uniformity, a basis of provision will consist of :-

(a) Initial equipment.

(b) Reserves, if any, approved by General Staff or by the Minister.

(c) Store margins including allowances for transit or store margins and transit allowances.

(d) Maintenance to provide :-

(i) for usage during the interval between reviews, usually 6 months; goods for this period are normally spread and delivered to the Army as required for use;

(ii) for anticipated maintenance requirements for the balance of the forward ordering period. This requirement is provided for programming purposes. Except in exceptional circumstances, contracts are not let by the procurement department till within 6 months or less of delivery date.

4. When forwarding the bases of provision, please say whether you require any alterations to be made in the proposed covering memorandum attached to this office memo of 31 Jul 45.

(Sgd) C.M.ELLIOTT, Brig
for Major-General
Deputy Chief of the General Staff

27 Aug 45

COPY/ABC

17.

RESTRICTED

SECRET

Department of the Army

M i n u t e

Subject : ARMY ESTABLISHMENTS INVESTIGATING COMMITTEE AND DISPOSALS

AG
QMG
MGO
CFO

Copy to DCGS, DSD, BA.

CGS 354

Hereunder is copy of signal forwarded to C in C on receipt of instructions from the Minister relative to AEIC and disposals :

"GS 65175 (.) RESTRICTED. for C in C from CGS. Government has decided following regarding CONDE Committee and members. BEGINS. Committee will continue to function for purpose of investigating and reporting upon such army activities as may be referred to it by government or minister. CONDE chairman in part time capacity. CLOWES part time member of committee and to be appointed to control and co-ordinate army disposals activities. THORPE part time member and continue as assistant secretary supplies. ARMSTRONG remains secretary committee and available to CLOWES concerning disposals. ENDS. Am taking action to give effect to decision re CLOWES. Consider SPECKMAN and small staff required by CLOWES."

(Sgd.) JOHN A. CHAPMAN, Maj-General,
for Lieutenant-General,
Chief of the General Staff.

21 Aug 45.

COPY/ABC

SECRET

BOARD OF BUSINESS ADMINISTRATION

Extract from Minutes of Meeting held at 9.30 a.m. on Thursday, 12 Jul 45
SECRET SERIES

(S.495) REVIEW OF THE DIRECT WAR EFFORT AND RETENTION AND RELEASE OF SERVICE STOCKS (REFERENCE AGENDA NOS.114/1945 AND 142/1945) (B)

There appears to be some confusion of thought on the policy and procedure which should be followed in Service Departments in declaring goods as surplus to requirements and as regards their disposal through the Disposals Commission.

2. Correspondence between the Commander-in-Chief and the Minister for the Army and the charter approved by the Acting Minister appear to be based on the earlier conception that Army would thoroughly examine its stores and provisioning, and from that point would declare goods which, in their opinion, were surplus to Service requirements.

3. War Cabinet has, however, issued the following direction (Minute No.4221) regarding surplus stocks :-

"It is a matter of paramount importance that surplus stores should be cleared while a demand for them exists in the civil economy, rather than that they should be released later and cause a glut when civilian production has overtaken arrears.

The Services are to submit immediately for review by War Cabinet, statements of all stocks held by them and not only what they consider to be surpluses.

These statements will be subjected to a priority scrutiny as to the classes of items which can and should be released for urgent civil purposes without prejudicing the essential operational needs of the Services. The selection of categories will be laid down by the Production Executive for the guidance of the Services in submitting their statements".

4. The procedure shown in paragraph 3 above indicates that it is the responsibility of the Services to make examination of categories in the priority indicated by Production Executive and to submit the results of such examinations to War Cabinet for review.

5. It is necessary, under present procedure, for the Services to refer to the Board for advice, all recommendations for disposal of surplus and obsolescent stock and other assets, the original value of which exceeded £10000 and which, from the point of view of provision-ion, are dealt with by the Business Board.

The Board suggests that this procedure should also be followed in respect of the results of reviews carried out under the procedure laid down in War Cabinet Minute No.4221 as referred to in paragraph 3 above, and the Board could then indicate to the Treasurer for the information of War Cabinet, its comments on the conclusions reached by the Services.

6. In War Cabinet Agendum No.208/1945, which was a submission from the Minister for Supply and Shipping, a recommendation was made that all Departments should, as a matter of urgency, if not already done, establish a Departmental organisation which would link with the Disposals Commission and be interested in disposal of surpluses and presumably responsible within the Service concerned, for ensuring that action was taken to facilitate disposal of surpluses. War Cabinet has approved this recommendation.

7. It appears to be essential that, following the various policy decisions which have been made, a plain statement of procedure should be formulated, from which action should immediately be taken.

8. The position seems to require -

(1) That there should be a declaration by the Services of -

/2 ..

(a) Existing surplus stocks and other surpluses as revealed from time to time.

(b) Stocks and requirements in short supply on the civilian market (in categories as selected by Production Executive (see paragraph 3 above).

(2) That the Service Departments should establish a Disposals Organisation whose responsibilities broadly should be -

(a) To keep closely in touch with all matters in relation to stores for disposal and the reviews made by Branches within the Service Departments.

(b) To maintain close contact with the Disposals Commission on disposal action and policy.

9. The functions of the disposal agency in the Service Departments should be to facilitate declaration of surpluses and to maintain contact with the Disposals Commission.

9A. In view of the importance from the point of view of the Government and of the Disposals Commission that the Disposals Organisation in the various Departments should function effectively. It is suggested that the Officer-in-Charge should be required to furnish a monthly report of his activities, copy of which would be transmitted to the Minister of the Department concerned - copy also to the Board of Business Administration and the Disposals Commission.

COPY/ABC

93/1/259

7 Aug 45.

104132

MEMORANDUM for :-

General Manager,
Commonwealth Disposals Commission,
125 Swanston Street,
Melbourne.

REPRESENTATION OF THE COMMONWEALTH DISPOSALS COMMISSION IN NEW GUINEA

With reference to your memorandum CDC 484 of 21 Jul 45, it is desired to advise concerning the various matters raised therein as follows :-

Transport :

As it appears that Major Lyons will be travelling extensively in different areas it is thought that the most convenient arrangement would be if First Aust Army, upon request, provides a jeep, or other suitable transport, as and when required by this officer in the areas in which he is operating.

Movement within the Territory:

It will be necessary for Major Lyons to make application to First Aust Army for movement facilities in connection with his duties. While the facilities which can be given will be subject to operational requirements and priorities it is not anticipated that any difficulties will be encountered.

Rationing :

It is agreed that, until such time as the civil organisation is restored, rationing and mess facilities should be provided by the Army.

Communications :

(i) The use of Army postal facilities is agreed to pending restoration of civil services;

(ii) At present AWA facilities exist from Moresby and Lae to Melbourne. It is considered that use should be made of these facilities for messages to and from Major Lyons whilst he is in the Moresby and Lae areas. Arrangements could be made by the Commonwealth Disposals Commission with AWA for the charges incurred to be submitted to your office;

(iii) No objection is raised to use of Army communication for messages to and from Major Lyons whilst he is in areas other than Moresby and Lae provided the following procedure is adopted :-

(a) All messages to be lodged with an Army Signal Office and to be prepared on AF C2136.

(b) Messages from Major Lyons to the Commonwealth Disposals Commission will be addressed to Landforces from the Formation to which he is attached. The originator will insert the words "for Commonwealth Disposals Commission" at the beginning of the text immediately after the classification group.

(c) Messages from the Commonwealth Disposals Commission to Major Lyons will be addressed to the Formation from Landforces and the originator will insert the words "for Major Lyons Commonwealth Disposals Commission" at the beginning of the text immediately after the classification group.

(d) Messages will be classified in accordance with GRO 219/44, of which two copies are attached.

(e) Originators will use their own block of originator's numbers.

(F. R. Sinclair.)
S e c r e t a r y.

COPY/ABC

93/1/259

COMMONWEALTH OF AUSTRALIA

Department of Supply & Shipping

Please quote CDC 484

Commonwealth Disposals Commission,
125 Swanston Street,
Melbourne, C.1
21st July, 1945.

The Secretary,
DEPARTMENT OF ARMY

REPRESENTATION OF THE COMMONWEALTH DISPOSALS COMMISSION IN NEW GUINEA

Following certain conferences which were held on this matter at which representatives of the Army attended, I would advise that action has been taken to appoint a representative in New Guinea and for this purpose Major A.P. Lyons, of A.N.G.A.U. has been selected. A separate communication is being addressed to your Department on the question of Major Lyons' release.

2. Anticipating the release of Major Lyons there are certain matters in connection with his organization in Port Moresby in regard to which I would be grateful for your assistance. They are as follows :

(i) Transport. A suitable vehicle will be necessary and Major Lyons has up to date been using a jeep in covering the country. He considers a jeep to be the most satisfactory vehicle for the purpose and I would be grateful for advice as to whether a jeep could be issued to the Commission on loan for use of Major Lyons.

(ii) Movement within the Territory. Major Lyons will when released by the Army be in Civilian clothes and it will be necessary for him to obtain a permit to freely travel within that area of the Territory in which his duties will take him. He will presumably require to use Army facilities such as planes and boats.

(iii) Rationing. For the time being at least Major Lyons will have to look to the Army for rationing and other mess facilities.

(iv) Communications. Presumably Army Signals for telegraphic advice and Army Postal channels for ordinary mail will be the best means of Major Lyons' contacting this Office. Permission to use these facilities will be necessary.

3. I would be particularly grateful for your urgent advice as to what steps can be taken to make the above facilities available to Major Lyons.

(Sgd.) G.A. DAVIS,
General Manager.

COPY/ABC

DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

DSD

Copy to : A Branch
Q Branch
MGO Branch
Business Adviser

1. Reference is made to the C-in-C's minute of 1 Jun 45, to the Minister and to the minutes of the QMG and MGO dated 29 May 45 and 31 May 45 respectively which were attached thereto. Copies of these minutes have been forwarded to you. Although the minute of the Minister to the C-in-C dated 8 Jun 45 (copy attached) does not expressly refer to the C-in-C's minute of 1 Jun 45, it is thought that it should be regarded as being a reply to it.

2. The estimated requirements set out in the QMG's minute and in paras 3(a) and 6 of the MGOs minute may be regarded as firm. The extent to which the MGO's requirements under para 3(b) will need to be met will of course be dependent upon the number of special reviews that the Army is called upon to make and can only be determined by future events.

3. Will you please arrange for the inclusion of the above requirements in the Order of Battle and for the provision of suitable personnel as early as possible.

(Sgd.) J.A. CHAPMAN,
Major-General,
Deputy Chief of the General Staff.

14 Jun 45.

COPY/ABC 251/1/1601

Department of the Army

MINUTE

DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

COMMANDER-IN-CHIEF

Recent War Cabinet decisions which have been brought to your notice will indicate to you the importance with which the Government regards this question of disposal of surplus stores, and it is desired that you will ensure that all essential steps are taken to make surplus stores available to the Disposals authorities without any undue delay.

2. The Government has placed the responsibility for this service on you as Commander-in-Chief, and you should ensure that all necessary steps are taken, both in the way of the creation of machinery and the provision of staff, to this end.

3. If, in your view, it is necessary for additional personnel to be allotted to these duties, it should therefore be done by you by a re-adjustment of Army Establishments and the allocation of personnel to meet such essential requirements. I am aware that this may result in the cessation or reduction of certain activities which are at present being carried out by Army personnel, but the time has arrived when only necessary and essential services shall be continued, and for staffs to be combed to the maximum extent so that any excess personnel judged by this measuring stick can be re-allocated elsewhere.

(Sgd.) J.M. FRASER
Acting Minister.
8/6/45

CANBERRA :

DCGS 11/6
12/6/45

COPY/AEC

93/1/125

The Acting Minister

Disposal of Stores Surplus to Army Requirements

Following receipt of your minute of 11th May, 1945, the PSOs who, under me, control the two "Disposals Departments" within the Army made assessments of the additional manpower needed to enable the efficient discharge of the disposals functions for which the Army has been made responsible. These assessments ... are set out in the attached minutes of the QMG and MGO.

2. In a gradual "change over" period there is an inevitable lag in the allocation of material to disposals from the Forces unless a temporary increase in personnel is made available. It is impossible for Army to provide the additional manpower from within its present resources. If the Army is to carry out the abovementioned functions at the same time as it carries out essential provision for the fighting troops, then personnel must be made available to it for this purpose. The increased tempo required for disposals can now be met by the provision of extra personnel from outside the Army or later by the retention by Army of personnel who would otherwise be released under Government direction.

3. It will be recalled that the inadequacy of the Army's manpower resources to deal with disposals was brought to the Minister's notice by my minute of 24th October, 1944. Again, in my minute of 31st January, 1945, I stressed the inevitableness of an allocation of additional personnel to this new activity.

4. Whilst dealing with the manpower aspect of disposals it is appropriate to point out with reference to para.17 of your minute of 24th May, 1945, that, when there is urgent concentration on issuing stores from depots for operational requirements, other work such as stocktaking, internal checking of account recording, check and taking on charge of stores is held up. There is no lull in overall activities associated with receipt, accountancy and issue of stores but a constant reallocation of personnel and effort to endeavour to overtake arrears in the different activities.

(Sgd.) T.A. BLAMEY,
General,
Commander-in-Chief,
Australian Military Forces.

1 Jun 45.

COPY/ABC

MINUTE

Ref : QL/845

DISPOSAL OF PROPERTY SURPLUS TO ARMY REQUIREMENTS

D.C.G.S.

The following estimate of the additional personnel required in Australia to handle the task of the disposal of property surplus to Army requirements is submitted -

Adjutant-General's Branch

DGMS (10 officers 40 O/Rs)	50
DDS (O/Rs - Storeman)	2

Quartermaster-General's Branch

DQMG III (additions to staff 10 offrs 10 O/Rs)	20
DST (all ranks)	100
D. Sal (all ranks)	137
DPSS	-
E in C (2 officers 258 O/Rs)	260
Total	569

2. This estimate is based on an average flow of surplus property. If the flow increases materially an increase in the figure stated would be required. It must also be borne in mind that USASOS has disclosed neither its stocks on hand nor the condition of those stocks and it has so far been impossible to make any appreciation of the volume of surplus RLL Stores which will be handed over to Aust Army for disposal.

(Sgd.) J.H. CANNAN,
Major-General,
Quartermaster-General.

29 May 45.

COPY/ABC

AUSTRALIAN MILITARY FORCES

(Master-General of the Ordnance)

Headquarters,
Victoria Barracks,
Melbourne, SC1.

Quote in reply : (93/01/12) B37907

DCGS

Copy to : AG

DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

With reference to your minute COC/EC/3 of 17 May 45, relative to the Acting Minister's request for details of additional manpower required in connection with the above.

2. You are advised that this matter has, as already stated in our B15347 of 1 Mar 45, received very careful consideration, resulting in the following submission to cover MGO additional requirements.

3. To enable the physical checking and handling, together with extra clerical work entailed in connection with disposals, to be efficiently carried out without detriment to the normal operational supply, additional trained personnel will be required as under :-

(a) Without conduction Special Stocks Reviews :

65 officers and 1,100 other ranks. An approximate distribution would be as follows :-

Base Ord Depots	(9)	..	22	Offrs,	500 ORs
Adv Ord Depots	(8)	..	17	Offrs,	300 "
Vehicle Parks	(12)	..	12	"	130 "
RSDs	(4)	..	8	"	140 "
HQ L of C Staffs	(6)	..	6	"	30 "
			65	"	1,100 "

(b) Conducting Special Reviews :

A further increase would be required as follows :

CPO	2	Offrs	100 ORs
Base and Adv Depots	2	Offrs	70 ORs

making a total of 73 officers and 1,270 other ranks.

4. The increased staff required by CPO is difficult to determine accurately, as it would depend upon frequency of special reviews, nature and scope of reviews, and space of time allowed CPO to conduct each review. However, a large proportion of the estimated figure will require to be highly skilled in provision work and there would be delays whilst personnel are being trained.

5. The following are the important additional duties which would be handled by this extra manpower :-

Physical -

(i) Physical checking of stocks.
(ii) Identifying and binning stores returned from Ord Fd. Pks, Wkshop Cells etc.
(iii) Selecting and packing stores.

/(iv)

(iv) Servicing of vehicles in parks.
(v) Movement of vehicles between parks and "Disposal" parks and rail where necessary.

Clerical -

(i) Provision Reviews.
(ii) Consoldiation at Base Ord Depots of returns from AODs.
(iii) Preparation of account cards at all depots.
(iv) Account card posting at all depots.
(v) Records of stocktaking at all depots.
(vi) Preparation of transfer vouchers.
(vii) Preparation of issue vouchers
(viii) Preparation of F34s (debit notes)
(ix) Adjustment of census records.

6. In making this submission, it is considered that the attention of the Acting Minister should be invited to the fact that the above requirements only cover such additional personnel as are required to carry out the internal procedure up to and including the stage of release to the Commonwealth Disposals Commission, but does not include any dealings direct with purchasers which are undertaken by the Commission. Also they do not include deficiencies in personnel to keep abreast of current activities in maintenance and accounting.

If the Department of the Army is to be responsible also for the physical holding and maintenance of "Stores declared for disposal" onbehalf of the Commission until such time as the C.D.C. have arranged the sale of declared goods, then additional manpower will be required for manning the storehouses necessary.

It is estimated that the additional such manpower required would be :

6 officers, 130 other ranks.

7. In conclusion, it is considered that the Acting Minister should be informed of the fact that at the present juncture approximately 2,000 reviews covering types of stores urgently required by the trade and civil population are being held up owing to our inability to provide the necessary manpower to handle such items without detriment to our first responsibility, namely, the maintenance of the troops.

8. An installment of personnel would enable action to be accelerated.

(Sgd.) L.E. BEAVIS,
Major-General,
Master-General of the Ordnance.

31 May 45.

--1/ABC

18

RESTRICTED

Department of the Army

SECRET

Minute

Subject : ARMY ESTABLISHMENTS INVESTIGATING COMMITTEE AND DISPOSALS

AG
QMG
MGO
CFO

CGS 354

Copy to DCGS, DSD, BA.

Hereunder is copy of signal forwarded to C in C on receipt of instructions from the Minister relative to AEIC and disposals :

"GS 65175 (.) RESTRICTED. for C in C from CGS. Government has decided following regarding CONDE Committee and members. BEGINS. Committee will continue to function for purpose of investigating and reporting upon such army activities as may be referred to it by government or minister. CONDE chairman in part time capacity. CLOWES part time member of committee and to be appointed to control and co-ordinate army disposals activities. THORPE part time member and continue as assistant secretary supplies. ARMSTRONG remains secretary committee and available to CLOWES concerning disposals. ENDS. Am taking action to give effect to decision re CLOWES. Consider SPECKMAN and small staff required by CLOWES."

(Sgd.) JOHN A. CHAPMAN, Maj-General,
for Lieutenant-General,
Chief of the General Staff.

21 Aug 45.

COPY/ABC

SECRET

BOARD OF BUSINESS ADMINISTRATION

Extract from Minutes of Meeting held at 9.30 a.m. on Thursday, 12 Jul 45
SECRET SERIES

(S.495) REVIEW OF THE DIRECT WAR EFFORT AND RETENTION AND RELEASE OF SERVICE STOCKS (REFERENCE AGENDA NOS.114/1945 AND 142/1945) (B)

There appears to be some confusion of thought on the policy and procedure which should be followed in Service Departments in declaring goods as surplus to requirements and as regards their disposal through the Disposals Commission.

2. Correspondence between the Commander-in-Chief and the Minister for the Army and the charter approved by the Acting Minister appear to be based on the earlier conception that Army would thoroughly examine its stores and provisioning, and from that point would declare goods which, in their opinion, were surplus to Service requirements.

3. War Cabinet has, however, issued the following direction (Minute No.4221) regarding surplus stocks :-

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These statements will be subjected to a priority scrutiny as to the classes of items which can and should be released for urgent civil purposes without prejudicing the essential operational needs of the Services. The selection of categories will be laid down by the Production Executive for the guidance of the Services in submitting their statements".

4. The procedure shown in paragraph 3 above indicates that it is the responsibility of the Services to make examination of categories in the priority indicated by Production Executive and to submit the results of such examinations to War Cabinet for review.

5. It is necessary, under present procedure, for the Services to refer to the Board for advice, all recommendations for disposal of surplus and obsolescent stock and other assets, the original value of which exceeded £10000 and which, from the point of view of provision-ion, are dealt with by the Business Board.

The Board suggests that this procedure should also be followed in respect of the results of reviews carried out under the procedure laid down in War Cabinet Minute No.4221 as referred to in paragraph 3 above, and the Board could then indicate to the Treasurer for the information of War Cabinet, its comments on the conclusions reached by the Services.

6. In War Cabinet Agendum No.208/1945, which was a submission from the Minister for Supply and Shipping, a recommendation was made that all Departments should, as a matter of urgency, if not already done, establish a Departmental organisation which would link with the Disposals Commission and be interested in disposal of surpluses and presumably responsible within the Service concerned, for ensuring that action was taken to facilitate disposal of surpluses. War Cabinet has approved this recommendation.

7. It appears to be essential that, following the various policy decisions which have been made, a plain statement of procedure should be formulated, from which action should immediately be taken.

8. The position seems to require -

(1) That there should be a declaration by the Services of -

/2 ..

(a) Existing surplus stocks and other surpluses as revealed from time to time.

(b) Stocks and requirements in short supply on the civilian market (in categories as selected by Production Executive (see paragraph 3 above).

(2) That the Service Departments should establish a Disposals Organisation whose responsibilities broadly should be -

(a) To keep closely in touch with all matters in relation to stores for disposal and the reviews made by Branches within the Service Departments.

(b) To maintain close contact with the Disposals Commission on disposal action and policy.

9. The functions of the disposal agency in the Service Departments should be to facilitate declaration of surpluses and to maintain contact with the Disposals Commission.

9A. In view of the importance from the point of view of the Government and of the Disposals Commission that the Disposals Organisation in the various Departments should function effectively. It is suggested that the Officer-in-Charge should be required to furnish a monthly report of his activities, copy of which would be transmitted to the Minister of the Department concerned - copy also to the Board of Business Administration and the Disposals Commission.

COPY/ABC

93/1/259

7 Aug 45.

104132

MEMORANDUM for :-

General Manager,
Commonwealth Disposals Commission,
125 Swanston Street,
Melbourne.

REPRESENTATION OF THE COMMONWEALTH DISPOSALS COMMISSION IN NEW GUINEA

With reference to your memorandum CDC 484 of 21 Jul 45, it is desire to advise concerning the various matters raised therein as follows :-

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As it appears that Major Lyons will be travelling extensively in different areas it is thought that the most convenient arrangement would be if First Aust Army, upon request, provides a jeep, or other suitable transport, as and when required by this officer in the areas in which he is operating.

Movement within the Territory:

It will be necessary for Major Lyons to make application to First Aust Army for movement facilities in connection with his duties. While the facilities which can be given will be subject to operational requirements and priorities it is not anticipated that any difficulties will be encountered.

Rationing :

It is agreed that, until such time as the civil organisation is restored, rationing and mess facilities should be provided by the Army.

Communications :

(i) The use of Army postal facilities is agreed to pending restoration of civil services;

(ii) At present AWA facilities exist from Moresby and Lae to Melbourne It is considered that use should be made of these facilities for messages to and from Major Lyons whilst he is in the Moresby and Lae areas. Arrangements could be made by the Commonwealth Disposals Commission with AWA for the charges incurred to be submitted to your office;

(iii) No objection is raised to use of Army communication for messages to and from Major Lyons whilst he is in areas other than Moresby and Lae provided the following procedure is adopted :-

(a) All messages to be lodged with an Army Signal Office and to be prepared on AF C2136.

(b) Messages from Major Lyons to the Commonwealth Disposals Commission will be addressed to Landforces from the Formation to which he is attached. The originator will insert the words "for Commonwealth Disposals Commission" at the beginning of the text immediately after the classification group.

(c) Messages from the Commonwealth Disposals Commission to Major Lyons will be addressed to the Formation from Landforces and the originator will insert the words "for Major Lyons Commonwealth Disposals Commission" at the beginning of the text immediately after the classification group.

(d) Messages will be classified in accordance with GRO 219/44, of which two copies are attached.

(e) Originators will use their own block of originator's numbers.

(F. R. Sinclair.)
S e c r e t a r y.

COPY/ABC

93/1/259

COMMONWEALTH OF AUSTRALIA

Department of Supply & Shipping

Please quote CDC 484

Commonwealth Disposals Commission,
125 Swanston Street,
Melbourne, C.1
21st July, 1945.

The Secretary,
DEPARTMENT OF ARMY

REPRESENTATION OF THE COMMONWEALTH DISPOSALS COMMISSION IN NEW GUINEA

Following certain conferences which were held on this matter at which representatives of the Army attended, I would advise that action has been taken to appoint a representative in New Guinea and for this purpose Major A.P. Lyons, of A.N.G.A.U. has been selected. A separate communication is being addressed to your Department on the question of Major Lyons' release.

2. Anticipating the release of Major Lyons there are certain matters in connection with his organization in Port Moresby in regard to which I would be grateful for your assistance. They are as follows :

(i) Transport. A suitable vehicle will be necessary and Major Lyons has up to date been using a jeep in covering the country. He considers a jeep to be the most satisfactory vehicle for the purpose and I would be grateful for advice as to whether a jeep could be issued to the Commission on loan for use of Major Lyons.

(ii) Movement within the Territory. Major Lyons will when released by the Army be in Civilian clothes and it will be necessary for him to obtain a permit to freely travel within that area of the Territory in which his duties will take him. He will presumably require to use Army facilities such as planes and boats.

(iii) Rationing. For the time being at least Major Lyons will have to look to the Army for rationing and other mess facilities.

(iv) Communications. Presumably Army Signals for telegraphic advice and Army Postal channels for ordinary mail will be the best means of Major Lyons' contacting this Office. Permission to use these facilities will be necessary.

3. I would be particularly grateful for your urgent advice as to what steps can be taken to make the above facilities available to Major Lyons.

(Sgd.) G.A. DAVIS,
General Manager.

COPY/ABC

DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

DSD

Copy to : A Branch
Q Branch
MGO Branch
Business Adviser

1. Reference is made to the C-in-C's minute of 1 Jun 45, to the Minister and to the minutes of the QMG and MGO dated 29 May 45 and 31 May 45 respectively which were attached thereto. Copies of these minutes have been forwarded to you. Although the minute of the Minister to the C-in-C dated 8 Jun 45 (copy attached) does not expressly refer to the C-in-C's minute of 1 Jun 45, it is thought that it should be regarded as being a reply to it.

2. The estimated requirements set out in the QMG's minute and in paras 3(a) and 6 of the MGOs minute may be regarded as firm. The extent to which the MGO's requirements under para 3(b) will need to be met will of course be dependent upon the number of special reviews that the Army is called upon to make and can only be determined by future events.

3. Will you please arrange for the inclusion of the above requirements in the Order of Battle and for the provision of suitable personnel as early as possible.

(Sgd.) J.A. CHAPMAN,
Major-General,
Deputy Chief of the General Staff.

14 Jun 45.

COPY/ABC 251/1/1601

Department of the Army

MINUTE

DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

COMMANDER-IN-CHIEF

Recent War Cabinet decisions which have been brought to your notice will indicate to you the importance with which the Government regards this question of disposal of surplus stores, and it is desired that you will ensure that all essential steps are taken to make surplus stores available to the Disposals authorities without any undue delay.

2. The Government has placed the responsibility for this service on you as Commander-in-Chief, and you should ensure that all necessary steps are taken, both in the way of the creation of machinery and the provision of staff, to this end.

3. If, in your view, it is necessary for additional personnel to be allotted to these duties, it should therefore be done by you by a re-adjustment of Army Establishments and the allocation of personnel to meet such essential requirements. I am aware that this may result in the cessation or reduction of certain activities which are at present being carried out by Army personnel, but the time has arrived when only necessary and essential services shall be continued, and for staffs to be combed to the maximum extent so that any excess personnel judged by this measuring stick can be re-allocated elsewhere.

(Sgd.) J.M. FRASER
Acting Minister.
8/6/45

CANBERRA :

DCGS 11/6
12/6/45

COPY/ABC

93/1/125

The Acting Minister

Disposal of Stores Surplus to Army Requirements

Following receipt of your minute of 11th May, 1945, the PSOs who, under me, control the two "Disposals Departments" within the Army made assessments of the additional manpower needed to enable the efficient discharge of the disposals functions for which the Army has been made responsible. These assessments ... are set out in the attached minutes of the QMG and MGO.

2. In a gradual "change over" period there is an inevitable lag in the allocation of material to disposals from the Forces unless a temporary increase in personnel is made available. It is impossible for Army to provide the additional manpower from within its present resources. If the Army is to carry out the abovementioned functions at the same time as it carries out essential provision for the fighting troops, then personnel must be made available to it for this purpose. The increased tempo required for disposals can now be met by the provision of extra personnel from outside the Army or later by the retention by Army of personnel who would otherwise be released under Government direction.

3. It will be recalled that the inadequacy of the Army's manpower resources to deal with disposals was brought to the Minister's notice by my minute of 24th October, 1944. Again, in my minute of 31st January, 1945, I stressed the inevitableness of an allocation of additional personnel to this new activity.

4. Whilst dealing with the manpower aspect of disposals it is appropriate to point out with reference to para.17 of your minute of 24th May, 1945, that, when there is urgent concentration on issuing stores from depots for operational requirements, other work such as stocktaking, internal checking of account recording, check and taking on charge of stores is held up. There is no lull in overall activities associated with receipt, accountancy and issue of stores but a constant reallocation of personnel and effort to endeavour to overtake arrears in the different activities.

(Sgd.) T.A. BLAMEY,
General,
Commander-in-Chief,
Australian Military Forces.

1 Jun 45.

COPY/AEC

MINUTE

Ref : QL/845

DISPOSAL OF PROPERTY SURPLUS TO ARMY REQUIREMENTS

D.C.G.S.

The following estimate of the additional personnel required in Australia to handle the task of the disposal of property surplus to Army requirements is submitted -

Adjutant-General's Branch

DGMS (10 officers 40 O/Rs)	50
DDS (O/Rs - Storeman)	2

Quartermaster-General's Branch

DQMG III (additions to staff 10 offrs 10 O/Rs)	20
DST (all ranks)	100
D. Sal (all ranks)	137
DPSS	-
E in C (2 officers 258 O/Rs)	260
Total	569

2. This estimate is based on an average flow of surplus property. If the flow increases materially an increase in the figure stated would be required. It must also be borne in mind that USASOS has disclosed neither its stocks on hand nor the condition of those stocks and it has so far been impossible to make any appreciation of the volume of surplus RLL Stores which will be handed over to Aust Army for disposal.

(Sgd.) J.H. CANNAN,
Major-General,
Quartermaster-General.

29 May 45.

COPY/ABC

AUSTRALIAN MILITARY FORCES

(Master-General of the Ordnance)

Headquarters,
Victoria Barracks,
Melbourne, SC1.

Quote in reply : (93/01/12) B37907

DCGS

Copy to : AG

DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

With reference to your minute OOC/EC/3 of 17 May 45, relative to the Acting Minister's request for details of additional manpower required in connection with the above.

2. You are advised that this matter has, as already stated in our B15347 of 1 Mar 45, received very careful consideration, resulting in the following submission to cover MGO additional requirements.

3. To enable the physical checking and handling, together with extra clerical work entailed in connection with disposals, to be efficiently carried out without detriment to the normal operational supply, additional trained personnel will be required as under :-

(a) Without conduction Special Stocks Reviews :

65 officers and 1,100 other ranks. An approximate distribution would be as follows :-

Base Ord Depots	(9) ..	22	Offrs,	500 ORs
Adv Ord Depots	(8) ..	17	Offrs,	300 "
Vehicle Parks	(12) ..	12	"	130 "
RSDs	(4) ..	8	"	140 "
HQ L of C Staffs	(6) ..	6	"	30 "
		65	"	1,100 "

(b) Conducting Special Reviews :

A further increase would be required as follows :

CPO	2	Offrs	100 ORs
Base and Adv Depots	2	Offrs	70 ORs

making a total of 73 officers and 1,270 other ranks.

4. The increased staff required by CPO is difficult to determine accurately, as it would depend upon frequency of special reviews, nature and scope of reviews, and space of time allowed CPO to conduct each review. However, a large proportion of the estimated figure will require to be highly skilled in provision work and there would be delays whilst personnel are being trained.

5. The following are the important additional duties which would be handled by this extra manpower :-

Physical -

(i) Physical checking of stocks.
(ii) Identifying and binning stores returned from Ord Fd. Pks, Wkshop Cells etc.
(iii) Selecting and packing stores.

/(iv)

(iv) Servicing of vehicles in parks.
(v) Movement of vehicles between parks and "Disposal" parks and rail where necessary.

Clerical -

(i) Provision Reviews.
(ii) Consoldiation at Base Ord Depots of returns from AODs.
(iii) Preparation of account cards at all depots.
(iv) Account card posting at all depots.
(v) Records of stocktaking at all depots.
(vi) Preparation of transfer vouchers.
(vii) Preparation of issue vouchers
(viii) Preparation of F34s (debit notes)
(ix) Adjustment of census records.

6. In making this submission, it is considered that the attention of the Acting Minister should be invited to the fact that the above requirements only cover such additional personnel as are required to carry out the internal procedure up to and including the stage of release to the Commonwealth Disposals Commission, but does not include any dealings direct with purchasers which are undertaken by the Commission. Also they do not include deficiencies in personnel to keep abreast of current activities in maintenance and accounting.

If the Department of the Army is to be responsible also for the physical holding and maintenance of "Stores declared for disposal" onbehalf of the Commission until such time as the C.D.C. have arranged the sale of declared goods, then additional manpower will be required for manning the storehouses necessary.

It is estimated that the additional such manpower required would be :

6 officers, 130 other ranks.

7. In conclusion, it is considered that the Acting Minister should be informed of the fact that at the present juncture approximately 2,000 reviews covering types of stores urgently required by the trade and civil population are being held up owing to our inability to provide the necessary manpower to handle such items without detriment to our first responsibility, namely, the maintenance of the troops.

8. An installment of personnel would enable action to be accelerated.

(Sgd.) L.E. BEAVIS,
Major-General,
Master-General of the Ordnance.

31 May 45.

COPY/ABC

DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

AG
QMG
MGO
---

1. Forwarded herewith are copies of the C in C's minute of 3 May 45 to the Minister and the Acting Minister's reply thereto dated 11 May 45.

2. It is requested that QMG and MGO, after such consultation with AG as may be necessary, submit a composite draft reply supplying the information requested in para 3 of the Acting Minister's minute.

3. The C in C's minutes to the Minister dated 24 Oct 44 and 31 Jan 45 respectively contain estimates that the strength of the Branches and Services concerned will need to be increased by at least 1000 unless the Disposals Commission is allotted personnel to handle the bulk of additional and special work occasioned by its activities. The estimates appearing in the QMG's minute of 24 Feb 45 and the MGO's memo B15347 of 1 Mar 45 have not as yet been brought to the Minister's notice. They were withheld in the hope that the proposed conference would dispel uncertainty as to Army's role and make the submission of firmer estimates possible. This uncertainty still exists. Nevertheless it is thought that the opportunity now presented of winning support for our manpower requests warrants a most comprehensive submission as to the inadequacy of the Army's present resources to discharge the disposals tasks imposed upon it under existing Government instructions.

(Sgd.) JOHN A. CHAPMAN, Maj-Gen.,
Deputy Chief of the General Staff.

17 May 45.

COPY/ABC

Department of the Army

Minute Paper

Subject : DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

SECRETARY :

The D.O.S. Instruction No.97 of 19th March, 1945, dealing with the above subject, together with the Commander-in-Chief's submission of 3rd May, 1945, has been read by me with much interest.

2. It is needless for me to state how concerned I am at the desirability of the expeditious disposal of surplus stores of all descriptions immediately a determination is given of their availability for disposal.

3. For this reason I am concerned at the position disclosed in paragraph 3 of the Commander-in-Chief's minute and desire that the fullest possible information be furnished to me showing the details of the additional staff that would be required, efficiently and effectively to handle this important service.

(Sgd.) J.M. FRASER
Acting Minister.

11/5/45.

CANBERRA :

COPY/ABC

Department of the Army

Minute Paper

Subject : DISPOSAL OF STORES SURPLUS TO ARMY REQUIREMENTS

The Minister

1. Further to my previous correspondence on the above subject and with special reference to my two minutes of 24 Oct and 3 Nov 44, respectively, I am enclosing a copy of an instruction issued to Ordnance installations and representatives to cover disposals procedure.

2. This instruction has been published with a view to attempting to hasten the release of ordnance items known to be surplus to Army requirements to the various trade interests and civil population.

3. At the same time it is considered that you should be again informed that with the existing manpower available, the Ordnance Service and other Army services cannot undertake efficiently the duties assigned to it in connection with disposal activities, and at the same time maintain the AMF efficiently (complying with financial and accounting requirements.

4. The manpower position is such that the Army services and installations are physically unable to handle this additional major activity consistently with their primary responsibility to maintain the troops, mainly in operational areas.

(Sgd.) L.E. BEAVIS,
Major-General,
for General,
Commander-in-Chief,
Australian Military Forces.

3 May 45.

COPY/ABC

AUSTRALIAN MILITARY FORCES
(Office of Co-ordination)

MGO

DISPOSAL OF SURPLUS ORDNANCE STORES

Reference your memo B21166 of 22 Mar 45 :

1. When the Government's disposals plans were being formulated, representations were made concerning the inadequacy of Army manpower to meet the tasks then proposed to be allotted to it. Notwithstanding these representations , the decisions of the Government, which were made known in Sep 44, imposed practically the whole manpower burden of disposals upon the Army. Since then the dangers and difficulties with which these decisions are fraught have been brought to the Minister's attention by the C in C upon a number of occasions. In his minute of 24 Oct 44 the C in C expressed the view that, if the Disposals Commission is not allotted personnel to handle the bulk of the additional and special work occasioned by its activities, the strengths of the Branches and Services of the Army concerned should be increased by a number estimated to total at least 1000. (This was an estimate prepared by MGO). In his minute of 3 Nov 44 the C in C stated that "any attempt by the Army, handicapped as it is by depleted and ever-diminishing manpower resources to bear this heavy burden, would gravely interfere with the conduct of military operations without producing efficiency in disposals." Yet further reference is made to this matter and to the estimated manpower requirements in the C in C's minute of 31 Jan 43.

2. It is thought that, upon a review of all the relevant correspondence of which complete copies have been supplied to you, you will agree that, notwithstanding the Minister's request to the Treasurer that a conference be convened, such correspondence -

(a) contains no evidence that the Government is disposed to modify any of its basic decisions except, perhaps in relation to the matter of "special" reviews of stocks: and

(b) provides no grounds for believing that the mere reiteration of arguments and warnings - already forcefully presented - would have any profitable result.

3. On 4 Jan 43 the Acting Minister wrote to the C in C as follows :-

> "Meanwhile the Government has determined its policy in regard to disposals of surplus equipment and until War Cabinet gives further consideration to the original proposals, I desire you to arrange for the fullest co-operation to be extended to the Disposals Commission on the basis of the existing governmental directions".

Since that date there has been no retraction of this explicit instruction except that, as stated above, an alternative course to special reviews is being permitted (vide C in C's minute of 1 Mar 45 and the Minister's reply thereto dated 8 Mar 45).

4. My view is that it would be premature and perhaps unwise to revive this question with the Acting Minister until -

(a) the Army has taken all practicable steps, including the promulgation of such instructions as may be necessary, to conform with the Minister's direction given almost three months ago; and

(b) the attempted implementation of the instruction has demonstrated the deficiency of manpower to achieve the desired end; or

(c) until the proposed conference has resulted in joint recommendations which may add fresh force to the arguments already advanced.

Provided the Army endeavours to make the Government's disposals machinery work, the fault for any breakdown in expeditious disposals resulting from manpower shortage cannot, having regard to the tenor of the C in C's advice be properly attributed to it. It is obvious however that the Army will be held blameworthy if a breakdown occurs through its failure to even set the machinery in motion by the promulgation of necessary instructions.

..

5. The question as to when demands for manpower for disposals purposes are to be made is, in my opinion, one which should await the C in C's determination, and it will be raised on his return.

(Sgd.) JOHN A. CHAPMAN,
Major-General,
Deputy Chief of the General Staff.

27 Mar 45.

COPY/ABC

CONFIDENTIAL

Australian Military Forces
(Master-General of the Ordnance)

Headquarters,
Victoria Barracks,
Melbourne .. SC1.

B21166

D.C.G.S.

DISPOSAL OF SURPLUS ORDNANCE STORES

The attached copy of a D.O.S. Instruction on the above subject is now ready for promulgation, but before doing so, the following points are brought to your notice.

2. It is considered that before the instruction is promulgated the attention of the Minister should again be drawn to the fact that unless the Ordnance Service is either -

(a) Relieved of the responsibility of the physical work associated with disposals, or
(b) Given the necessary manpower to do the work (see this office B.15347 of 1 Mar 45, copy attached),

it is felt that there will be a breakdown of the whole disposals machinery as regards disposal of Ordnance Stores, resulting in great public criticism

3. It is considered impracticable for Ordnance representatives and depots with existing staffs to implement to any satisfactory degree the instructions contained in the attached document, and it is felt that it is the duty of this Branch to so inform the Minister in order that the Government may make appropriate decisions with regard to making manpower available if, as appears to be the case it is still the Government's intention that existing departmental machinery will be used for disposals, except as regards the actual effecting of sales.

4. Once the attached instruction is issued, the Ordnance Service will be irrevocably committed to a major activity, which its present personnel resources are, in the opinion of this Branch, unable to handle consistently with its first responsibility to maintain the troops, mainly in operational areas.

5. These considerations have already been pointed out by the C in C to the Minister but before the attached instruction is issued, it is considered to be proper that the Minister should be informed as to the probable implications thereof.

6. Alternatively, you are advised that the time taken in organising the necessary disposals machinery and the subsequent preparation of this instruction has necessitated the holding up of declarations to the Commonwealth Disposals Commission of approximately 600 store items urgently required by the Trade and civil population. This in itself is considered a national and serious matter, and one which is sure to call down severe criticism on the Department if it became generally known.

7. Summarising the above, it would appear that :-

(a) The publication of the attached instruction be delayed pending a final direction from the Minister as to future policy vide 2(A) and (B) above.

(b) The instruction to be issued thereby allowing action to be taken to declare known surpluses to the C.D.C., whilst in the meantime the facts be placed before the Minister and a decision obtained.

8. For your decision please.

(Sgd.)

Major-General,
Master-General of the Ordnance.

22/3/45.

COPY/ABC 93/1/30

1 Mar 45

DISPOSALS PROCEDURE

THE MINISTER :

I have given careful consideration to your minute of 13th February 1945 and note with satisfaction your recommendation to the Treasurer that a conference on disposals be called. I hope this can be arranged at an early date.

2. With reference to para 2 and following paras of your minute of 13th February, I have decided upon a plan which can be implemented within Army and which substantially will provide yourself and the Government with the information required. Such plan is subject to your concurrence.

3. I propose to appoint a senior officer to the Office of Co-ordination to investigate the position of selected stock lines: primarily these will ones which are in short supply and of interest to the Government. In carrying out the work, this officer will base investigations on the last stock-taking, obtain information from branches concerned, consider shipping, and other factors, and submit a report giving a comprehensive review of each case. Due regard will be paid to the distribution of stock, the repair facilities available, assignments to other areas, alterations in production rates and other important factors. Arrangements can be made to deal with any specific item at an early stage after the staff has been appointed and methods decided upon.

4. Until such time as another suitable officer has been found, it is proposed to nominate Brig Elliott (Office of Co-ordination) for the above duty and to provide an additional officer of field rank to assist him.

5. The appointment will not alter the arrangements made at your request whereby the Army is treated for purposes of disposals as two separate departments (QMG and MGO) as set out in para 5 of my minute of 3rd November, 1944. Each such department will continue to deal with the disposal of stores within its own responsibility.

6. My Principal Staff Officers will continue to deal specially with any excess assets beyond the approved ordering period and will arrange either to cancel parts of existing but unfulfilled orders, or to take such other action as is necessary.

7. Conferences have been held with the Business Adviser in regard to the problems associated with disposals and such consultations will be continued.

(Sgd.) T.A. BLAMEY, General,
Commander-in-Chief, A.M.F.

COPY/ABC

S E C R E T

93/1/30

Subject : DISPOSALS PROCEDURE

COMMANDER-IN-CHIEF

Your minute of 31st January has been read by me with considerable interest, together with the earlier exchange of memoranda on the file between my colleague, the Acting Minister, and yourself and the correspondence which has been forwarded to the Prime Minister, Treasurer, and Minister for Supply and Shipping.

2. If it is accepted, as stated in para.5 of your minute, that the review requested by War Cabinet is impracticable because of the interference with current work, then perhaps some alternative proposals could be implemented within the Army without impeding the flow of work which would provide the Government with substantially the same result.

3. It is agreed that a full special review of all items without some continuing review machinery would be of little avail so far as progressive location and disposal of surpluses is concerned; moreover, the necessity of assuring that an effective balanced stock is held at all stores appears to require continuous and more positive action.

4. In the absence of any further directions which may be issued by the War Cabinet, you might meanwhile arrange that, when current reviews are made which indicate excess assets beyond the approved ordering period, these should be specially dealt with. A periodical list of stores in which excesses are indicated should be submitted for information to the other Services, Supply Department, the Board of Business Administration, and the Disposals Commission.

5. In cases where the excess assets are partly accounted for by dues-in, immediate action should be taken with the Department of Supply and Shipping t to cancel, wherever practicable, such excess dues-in, for in many cases these may represent authority requisitions held by the Department of Supply and Shipping which have not been converted into firm orders upon a supplier.

6. You mention in para.10, "more recently shortages of supplies for the American Forces on the German frontier have become common knowledge and it is reasonable assumption that this has been largely due to a slowing down of production together with inadequacy of holdings." Apparently you are not aware that this is not in fact the true situation, which has been clarified officially in Washington by the Secretary of War (Mr. Stimson). (See extracts from U.S. Publications attached).

7. To emphasise the realistic attitude adopted in USA in regard to working stocks and reserve holdings, your attention is invited to my minute of .. minute of 31st January, 1945, addressed to the Secretary (copy attached).

8. For your information I am enclosing a copy of a Secret document dealing with U.S.A. Joint Supply Survey Board in Australia. This indicates the action which was taken in Australia by USA Service Authorities in an endeavour to deal with current excess stocks and theproblem of preventing future excesses here.

9. In addition to the USA Policy decision which dealt with the size and nature of reserves and working stocks, the US Government attitude in regard to the necessity for vigorous action to locate and deal with surplus and/or excess stocks during the continuance of hostilities has been carefully considered in Government circles in Australia. I amy say that my colleagues are in agreement with the adoption of a similar policy for the Australian Armed Services in so far as reserves and working stocks and also surplus and/or excess stocks are concerned,and your co-operation in this objective would be appreciated.

10. As submitted in your para.15 I have suggested to the Treasurer that an Inter-Service Conference be called to discuss Disposals,Procedure and asked that he nominate its Chairman.

(Sgd.) F.M. FORDE
Minister.

13/2/45

COPY/ABC

PLANT, MACHINERY AND EQUIPMENT - MAINTENANCE RATES

SECRETARY

Since Senator Fraser's minute of 17th December was written, directing that further information should be furnished in regard to the organisation of Engineer Stores Dumps and of the calculations of reserve holdings of rations and expense stores, I have read the report of Mr. J.F. Byrnes on demobilization of US Wartime Controls, with particular reference to the plans that are under consideration for a return to civil production when Germany surrenders.

The attached extract from this report shows that so far as American Army reserve requirements on the mainland of USA are concerned, definite steps are being taken to ensure such reserves are not being maintained to too high a level. Particular attention is drawn to the reduction of supply depot stocks from 90 days to 60 days of expected issues for items vital to combat and 45 days for expected issues of other items, and I would like to have information as to how this basis of calculation compares with the basis followed in calculating Australian requirements.

The attention that is being given to this subject by the United States authorities confirms the views expressed previously, both in the Ministerial minute of 17th December, 1944, and in the Ministerial correspondence with the Prime Minister and the Treasurer on this subject.

(Sgd.) F.M. Forde
Minister.

31/1/45.

COPY/OOC/EC

19

94/1/1206

SECRET

Department of the Army

M i n u t e

Subject: RETENTION AND RELEASE OF ARMY STOCKS INCLUDING RESERVES

SECRETARY

The attached papers dealing with the above subject were referred to me by Senator Fraser, whose approval to Appendix "A" to the Commander-in-Chief's minute of 1st June, 1945, has been endorsed thereon on 2nd June, 1945.

It is regretted that this paper has been inadvertently held by me, but it is desired that action be now taken in accordance with Senator Fraser's approval, with which I fully concur.

(Sgd) F. M. FORDE
M i n i s t e r
9/ 8/45.

(Itd) JAC 15 Aug

DCGS
13/8

(Itd) C.H.E.

COPY/OOC/EC

COMMANDER IN CHIEF
AUSTRALIAN MILITARY FORCES

HEADQUARTERS
Allied Land Forces
S W P A

1 Jun 45

THE MINISTER

RETENTION & RELEASE OF ARMY STOCKS, INCLUDING RESERVES

1. As requested by your minute of 24 May 45 I submit my views on the matters therein raised. I am most anxious to keep to the simplest practicable procedure and to avoid having several different charters on which to work - I therefore attach to this minute a new appendix "A" (embodying your wishes) to be used in place of that attached to my minute of 21 May 45.

2. (your paras 3 - 6) In these paragraphs you have expressed entire agreement with the charter attached as appendix "A" to my minute of 21 May 45, so no alteration has been made in the new charter attached hereto.

3. I note that you have indicated the ways in which you will in general exercise your judgment as to whether goods held beyond those normally authorized are to be disposed of or held by the army. This will prove helpful in submitting my recommendations which will be made in accordance with the provisions of the charter attached for your consideration. As you indicate, I am sure you will find individual cases requiring different treatment.

4. In your para 4 there appears to be some misconception concerning forward ordering, engendered, perhaps, by the lack of a definition of this term in my original minute. "Forward ordering is a system of ordering in which orders are placed a considerable period before delivery is required." This will make it clear that forward ordering, while it should ensure that goods are manufactured by the time required and that latitude is allowed within that time limit for cushioning the impact on industry, has little or no bearing on the scale or size of reserves and the maintenance stocks required. I would stress this point to prevent any misunderstanding in the future. The production department especially the Department of Supply pressed strongly for the introduction of the present forward ordering period in order to plan production efficiently. I agree, however, that the bases of provision now authorized, together with forward ordering, are adequate to ensure the army's needs without the holding of goods in excess of approved authorities. The retention of such excess goods will normally be recommended only when it is considered that their retention is justified on other grounds than the mere holding an extra reserve. Owing to the time lag inseparable from offering goods to other service departments, to Eastern Supply Group, and to the time taken in passing through the necessary machinery of disposals there is a danger of goods being/placed to cover the next ordering period (6 months later). Such a happening would be unjustifiable except to meet the immediate urgent needs of civil requirements or, of course, where Army has approval to change the type or design of the goods concerned.

5. It is apparent that, while the basis of provision for ordnance stores is clearly defined and understood, there is misapprehension at least concerning food supplies. Whilst this subject of food supplies has been raised in your separate minute of 24 May I would urge that the attached charter, which covers ALL goods used by the army be not changed or made subject to exceptions. Such action on your part will in no way tie your hand or prevent you exercising any discretion you may wish to exercise under either of its main divisions, A or B. Nor does the charter decide the basis of provisioning - it merely deals with the disposal of goods within or in

/disposed of at the same time as orders for exactly similar goods are being

excess of such provision as is elsewhere authorised by proper authority.

6. In regard to local goods used in civilian life I note that you will normally require assets beyond those authorized to be liquidated either by physical release or by the cancellation of dues in. It is often better to defer 'dues in' to the next ordering period rather than to cancel them: an adjustment is then made in the next order. Cancellation involves considerable extra work in obtaining fresh approval for the order; deferment avoids such unnecessary work but frees the manufacturer's capacity until it is required again to meet stocks within the authorized provision allowed.

7. (your para 7) I agree entirely, and, within the limited resources of staff available, my staff are already carrying out such releases, e.g. motor vehicles in WA. I note your exclusion of exceptional items: it will also be necessary to exclude the disposal of local surpluses which are nevertheless required for forward operational areas. In relevant reports submitted the distribution of stock will be included. You will remember that this point was specifically covered in para 3 of my minute of 1 Mar, headed "Disposals Procedure".

8. (your paras 8 and 9) I agree, and in the attached charter the necessary alterations have been made in accordance with your wishes.

9. (your paras 10-12) So far the Government has not defined a postwar policy on which army's postwar requirements of goods can be based. You are aware, however, that the Defence Committee was not able to recommend the fixing of a date for the end of the war nor a date beyond which provision should not be made. I concur in the Defence Committee's recommendation.

10. In my reply of 31 Jan 45 I dealt at length with attachment "A" of your letter of 16 Dec 44 to the Prime Minister. The Business Adviser was also opposed to the attachment "A" concerned. On the other hand in minute No 108/45, para 19, the Defence Committee has agreed with the Business Board that "surplus stocks are supplies over and above those permitted to be held by Service Depts under the basis of provisioning endorsed by Defence Committee and approved by War Cabinet". I do not like the use of the words "surplus goods" in this sense, and prefer "goods in excess of those authorized" or even "excess goods". At the Conference between the Disposals Commission and the Services held on 21 May 45 the use of the term "surplus" for goods in excess of authorized holding was discussed on the grounds that it was misleading. Although the Conference appeared to be in agreement a decision on the subject was postponed until next meeting.

11. (your para 13) I appreciate fully the necessity for keeping army stocks including reserves to the smallest safety margin practicable. Unless the Government is able to fix a date for the end of the war against Japan I cannot agree with any general statement that the present bases of provisioning are excessive or that stocks from which maintenance requirements of the forces are drawn are so great as to enable a considerable reduction to be made in them without taking unreasonable risks. Reference is made to my minute of 17 May 45 to the Secretary (for the Minister) on War Cabinet Agendum 196/45. The whole question of the bases of provisioning is so complex and differs so materially for different classes of stores (such as ordnance stores, foodstuffs, engineer stores, medical stores, etc) that I would most strongly urge that they be dealt with separately and one by one. This latter request is made especially in view of shortage of higher trained staff to deal with these high level problems at the same time as they carry out their other functions. I am satisfied that ordnance provisioning should be left till last. You have already raised foodstuffs in another minute: and this is being dealt with now separately. It will be noted that while these bases of provisioning remain alterations in the Order of Battle automatically lead to decreases in quantity.

12. I am considerably perturbed at the amount of misconception that exists in Australia about the size of and the necessity for reserves and/or maintenance stocks. I am sure that precipitate action to reduce stocks will lead to failure of supply to the forces. In the end it is not a question of terms but one of fact. The fact is that we must have available (under some name or other) the goods necessary to meet our commitments to the forces.

13. (your paras 15-18) The question of manpower to enable the Army to deal concurrently with its primary duty to the forces and its secondary duty to release excess stocks (where any exist) is being dealt with separately. I wish here to urge only that the relative importance of these two requirements be kept constantly before all concerned, otherwise our duty to carry out the former will be sacrificed to the desire to carry out some task of lesser priority. There are no lulls in the overall activities associated with receipt accountancy and issue of stores, but there is a constant reallocation of personnel and effort in an endeavour to overtake arreas in these different activities.

14. I would be glad if the new appendix "A" attached could receive your urgent attention so that it may be promulgated to all concerned both in this and other Government departments.

(Sgd) T. A. BLAMEY
General
Commander-in-Chief

COPY/OOC/EC

APPENDIX "A"

RETENTION & RELEASE OF ARMY STOCKS, INCLUDING RESERVES

In order that the Minister may be kept fully informed of the extent of army stocks including reserves and to provide a practical method of meeting the Minister's requirements of keeping such stocks to the lowest sound level while ensuring that army and civil needs are met in the required priority the following procedures will be adopted forthwith. In these instructions the word "committee" shall mean the Services Equipment Committee, the Medical Equipment Control Committee or the Principal Administrative Officers Committee (maintenance and material) respectively for munition items for medical and dental equipment, and for all other goods.

A. Specific goods notified to the army by the Committee as being short supply or specific goods named by the Minister.

i. The normal reviews of these goods, whether showing a holding in excess of that authorized or not will be sent to the Minister with a recommendation by the Principal Staff Officer concerned (acting for the C in C) as to any release or retention of stock.

ii. Subject to any instruction issued by the Minister the PSO, after 18 days from the date of the submission (or earlier, if advice of the Minister's wishes has been received) may deal with the stock in the manner recommended.

iii. In those cases where the review shows a deficit the Principal Staff Officer concerned will proceed through the normal channels to obtain the necessary stock.

iv. The Minister, should he disagree with the C in C's recommendation mentioned in sub-para A i above, will, before giving his decision, have the matter reviewed by a representative or representatives appointed by the Minister and the C in C respectively.

v. In every case in which the Minister orders or approves of the release of stock which is not in excess of that authorized for the period under review he will simultaneously approve of the replacement of the goods to be released. Requisitions for such replacements will be passed through the normal channels.

B. Goods not specifically notified to the army by the Committee as being in short supply or goods not specifically named to the army by the Minister

i. Goods shown by a review to be held in excess of those authorized for the period under review will be authorized by the Principal Staff Officer concerned either for holding or for disposal. In every case in which goods in excess of those authorized for the period under review are retained under the authority of the Principal Staff Officer concerned the Minister will be informed monthly of the reasons for such action, the amount of stock concerned, and the approximate number of month's usage it represents. Subject to the Minister's veto the approval by the Principal Staff Officer will stand.

ii. Any stock held in excess of that authorized for the period under review will be offset against requirements for the next ordering period.

COPY/OOC/EC 94/1/1206

Department of the Army

Minute

Subject: RETENTION AND RELEASE OF ARMY STOCKS INCLUDING RESERVES

File DCGS 23.5.45

THE COMMANDER-IN-CHIEF

Your minute of 21st May, 1945, has been read by me with considerable interest, and I feel that it represents an excellent contribution towards this somewhat vexed and urgent problem.

2. I agree with the spirit of your document and, in the main, with the practical steps for its implementation. However, there are a few matters which I suggest might have your further consideration and, subject to your agreement on those phases, I give my approval to the principles contained in your paper.

STOCKS OF COMMON CIVIL USE.

3. Referring especially to paragraph 3 of your minute, I agree that in relation to munition items and technical stores peculiar to the Army it is normally better for such classes of stock to be held by Army, after efforts to dispose of such surpluses through the Australian Assignments Committee.

4. However, so far as stores of common civilian usage are concerned - particularly those of Australian production - I am of the opinion that the forward ordering methods now used by the Army are sufficient to ensure the Army's needs at the time required without the necessity for holding surplus stock.

5. Therefore, as a general rule for Australian produced goods of common civil usage, I desire that assets beyond the authorised ordering period should be released as soon as possible to the public (either by cancellation of "dues in" or by the release of physical stock through the Commonwealth Disposals Commission).

6. If this action is followed it will alleviate immediate and post-war economic problems without in any way prejudicing the essential needs of the Services.

LOCAL SURPLUS OF STORES:

7. Again referring to para 3 which covers the total needs of the Army, I suggest that there is another phase which could quite well be considered at this juncture. I refer specifically to those cases where an overall Army deficiency exists for stores of common civil use although a local surplus exists in perhaps several States. I have in mind particularly Western Australia, South Australia and Tasmania. Excluding of course any exceptional items where movement interstate can be fully justified, it is my belief that all other stores of civilian usage now held surplus to local authorised stock holding should be declared to the Commonwealth Disposals Commission for their action, after of course, having first explored the usual aspects of inter-Service needs.

SUFFICIENT TO HOLD STORES WITHIN ARMY :

8. Regarding paragraph 4, I am of opinion that where practicable, a decision should be reached within Army, without the necessity of referring our difficulties to some committee outside my department. I would prefer that where, in my view, some decision of a P.S.O. (acting on your behalf) justifies

member, the subject be discussed between the Assistant Secretary, Supplies ((acting on my behalf)) and some officer nominated by you in order to ascertain whether unanimity can be readily reached.

9. My present inclination would be to retain the right to determine the matter on my own responsibility after obtaining your final views thereon.

DISPOSITION OF "EXCESS AND/OR SURPLUS" STORES ::

10. On 20th December, 1944, I forwarded to you a copy of a communication dated 18th December, 1944, addressed by me to the Prime Minister raising in Attachment "A" the latter the necessity for defining "excess and/or surplus" stores.

11. To my knowledge such a definition has not yet been reached, and until some decision in general keeping with Attachment"A" and its annexure has been decided as Government policy, it seems to me inevitable that many items which would then be considered as surplus stores will not, under the present proposals, be disclosed.

12. I refer particularly to those items of Army stores which are not suitable for general usage in tropical warfare but would be needed should the Army ever find it necessary to fight under cold climatic conditions.

FORWARD CONSIDERATION OF A.M.F. REQUIREMENTS AND RESERVES REQUIRED ::

13. In addition to the foregoing, you will be aware that on War Cabinet Agendum 196//1945, para.6, I considered it desirable to bring the following before the notice of War Cabinet ::

> "In view of the fact that the war in Europe has now ended I consider that the time has arrived to review the whole basis of provisioning for the war in the pacific. The existing stocks reserves are so great that it should be possible for the Government to determine, within reasonable limits, the demands that are likely to be made on them, for the remainder of the war in the Pacific, and if in my view that considerable reductions can now be made in these reserves without taking any unreasonable risks, particularly as sources of supply which were previously not available can now be called upon to meet an emergency which does not appear to me to be likely to arise."

14. This aspect, I contend, also needs early determination in order that the statement made in para.11 of your minute --

> "..... realising the necessity to keep Army stocks including reserves to the smallest safety margin practicable."

will be fully realised.

DISPOSAL "PROCEDURE" ::

15. I understand that at present the release of unwanted surplus or obsolete stores to the Commonwealth Disposals Commission is seriously delayed because of lack of sufficient personnel in certain sections to complete the necessary disposal action. I am concerned at this situation which appears to create a "bottleneck" so far as the early release of stores is concerned, and I would like you to take early action to remedy this situation.

16. At present I am as much concerned about the release of unwanted stores as I am about the release of personnel generally from Army for industrial purposes.

17. In the main, it would appear that the depot staffs which now exist throughout Australia are adequate to handle the physical problems of disposal on a non-urgent basis when lulls occur between the more urgent needs of issuing stores in compliance with some operational requirements.

18. It may appear, however, that the delay referred to in para.15 is not occasioned at the points where the stock is physically held, but rather that this occurs at some more central point. If such is the case, then the numbers required to deal exclusively with items which can be declared for disposal may not be considerable. On a recent file I asked that an indication of the numbers of additional personnel now required to meet the present demands of disposal procedure be advised to me.

(Sgd.) J.M. FRASER,
Acting Minister.

24/5/45.

CANBERRA :

COPY/ABC

94/1/1206

Headquarters,
Allied Land Forces,
South West Pacific Area.
21 May 45.

THE MINISTER

RETENTION AND RELEASE OF ARMY STOCKS, INCLUDING RESERVES

1. Realizing the necessity to keep army stocks, including reserves, to the smallest safety margin practicable I have had the field surveyed thoroughly and now submit attached proposals for your consideration. These proposals are contained in the attached Appendix A. You will note that these proposals, while keeping to the simplest practicable procedure, are designed to provide you with up-to-date information and advice on all stocks especially those in short supply or required by the civil community.

2. I consider these matters to be of considerable importance and, subsequent to your approval, I hope you will advise War Cabinet of your decision and of the procedures you have approved. I feel sure these sound proposals, while safe-guarding the interest and the lives of fighting men, will meet the understandable wish of the Government, that there be kept no reserves or stocks in excess of those dictated by prudence and experience, and duly authorized by the proper authority. These proposals have been concurred in by the Business Adviser and the Assistant Secretary (Supplies).

3. It is normally better for all concerned for the army to hold all stock in its possession, than for any of this stock to be released and similar stock bought later; such a release, even when the goods are in excess of authorized holdings for the period under review, means that army at any earlier date than otherwise would be necessary will have to buy goods which could have been made available direct from industry to other users. In certain cases, however, it may be desirable for the Minister to approve a release of stock which is not even in excess of the required holdings under forward ordering: such cases arise when army wishes to replace its stock by newer stock, or by a modified or newer type of stock, or when it is necessary to make available at once to some other user stock which can temporarily be spared by army by virtue of its forward ordering policy. The replacement of such a release of stock which is not in excess of authorized holdings must be guaranteed at the required place and by the required time, otherwise supply to the fighting troops will fail. Provision for such replacement has therefore been made in the proposed instructions attached.

4. Should the Minister consider issuing an order contrary to my recommendations it is strongly urged that he should first obtain the advice of a Committee concerned with such procurements.

The Committees suggested are -

(a) for Munitions items - the Services Equipment Committee;

(b) for Medical & Dental items - the Medical Equipment Control Committee;

(c) for all other items - the Principal Administrative Officer Committee (Maintenance & Material).

I am aware that these committees are instrumentalities outside the Department of the Army, but suggest that the Minister for Defence, and War Cabinet, would be willing for you to consult these committees direct on such matters. I am confirmed in such a view by the decisions and recommendations recorded in War Cabinet Minute (3183) of Nov 43, and Defence Committee Minute 108/45, para 20, wherein it is stated that it is for the service itself alone to decide whether or not its goods will be declared to the Disposal Commission.

/2 ..

MINISTER :

5. I would stress the fact that the Principal Administrative Officers Committee and the Services Equipment Committee will have available the advice of representatives of the civil departments concerned with the particular item under consideration - Munitions, Supply & Shipping, Food Control, Allied Works Council, Manpower etc. The advice of these departments is considered essential in order that all material factors of supply and replacement may be considered before a decision is given contrary to the expert advice tendered by one of my Principal Staff Officers on my behalf.

6. I would be glad if this matter could receive your urgent attention.

(Sgd.) T.A. BLAMEY,
General,
Commander-in-Chief.

COPY/ABC

APPENDIX A

RETENTION AND RELEASE OF ARMY STOCKS, INCLUDING RESERVES

In order that the Minister may be kept fully informed of the extent of army stocks including reserves and to provide a practical method of meeting the Minister's requirements of keeping such stocks to the lowest sound level while ensuring that army and civil needs are met in the required priority the following procedures will be adopted forthwith. In these instructions the word "committee" shall mean the Services Equipment Committee, the Medical Equipment Control Committee or the Principal Administrative Officers Committee (maintenance and material) respectively for munition items for medical and dental equipment and for all other goods.

A. Specific goods notified to the army by the Committee as being short supply or specific goods named by the Minister

i. The normal reviews of these goods, whether showing a holding in excess of that authorized or not will be sent to the Minister with a recommendation by the Principal Staff Officer concerned (acting for the C in C) as to any release or retention of stock.

ii. Subject to any instruction issued by the Minister the PSO, after 18 days from the date of the submission (or earlier, if advice of the Minister's wishes has been received) may deal with the stock in the manner recommended.

iii. In those cases where the review shows a deficit the Principal Staff Officer concerned will proceed through the normal channels to obtain the necessary stock.

iv. The Minister, should he disagree with the C in C's recommendation mentioned in sub-para 4i above, will have the matter reviewed by the Committee before giving his decision.

v. In every case in which the Minister orders or approves of the release of stock which is not in excess of that authorized for the period under review he will simultaneously approve of the replacement of the goods to be released. Requisitions for such replacements will be passed through the normal channels.

B. Goods not specifically notified to the army by the Committee as being in short supply or goods not specifically named to the army by the Minister.

i. Goods shown by a review to be held in excess of those authorized for the period under review will be authorized by the Principal Staff Officer concerned either for holding or for disposal. In every case in which goods in excess of those authorized for the period under review are retained under the authority of the Principal Staff Officer concerned the Minister will be informed monthly of the reasons for such action, the amount of stock concerned, and the approximate number of month's usage it represents. Subject to the Minister's veto the approval by the Principal Staff Officer will stand.

ii. Any stock held in excess of that authorized for the period under review will be offset against requirements for the next ordering period.

20

SECRET

COPY/OOC/EC

66009

LAINDFORCES 240930K

LANDOPS

GS 66009 (.) restricted (.) for C in C from CGS (.) further to GS 65175 (.) after full discussion and some difficulties request your concurrence disposal directorate directly under C in C initially to consist director-general army disposals one colonel one lt-col one lt one sgt total five (.) clerical staff co-ordination to assist (.) detailed charter for directorate will be prepared by Clowes after examination of problems.

Brig Co-ord
24/8/45

Incl wireless.
(Sgd) C.H.L.Elliott

Signal Z 1945 from C in C 25/8/45
approves of above

OOC/ABC

DISPOSALS - CO-ORDINATION

DSD

Forwarded herewith are copies of Signals relative to a Co-ordinator for Disposals.

2. It is anticipated that the initial staff will be -

Colonel	1
Major or Captain	1
Stenographer - Typiste	1

3. An amendment to the WE will be submitted as soon as details are fixed.

(Sgd) J A Chapman.
Major-General,
Deputy Chief of the General Staff.

17 Aug 45.

COPY/ABC

XO/8875

Australian Military Forces

CIPHER MESSAGE

From : LANDOPS 151130I

TO: LANDFORCES

IMPORTANT

Z1857 RESTD

FOR MS FROM DWYER

YOUR MS63745. C IN C APPROVES APPOINTMENT SPECKMAN

Distribution -

Mil Sec (Action)

DCGS

15 Aug 45

COPY/ABC

63745

LANDFORCES 1416315K

LANDOPS

MS63745 (.) Secret (.) For C in C from Mil Sec (.)
In view of urgent demands for action regarding disposals and importance of establishing co-ordination CGS strongly recommends appointment of Col C.R. Speckman DDOS LHQ as Co-ordinator (.) MGO Concurs and will recommend replacement for Speckman (.) Speckmans duties at present include disposals for MGO (.) Another officer Major or Capt will be required to assist co-ordinator (.) Your decision would be appreciated.

UNPARAPHRASED

(Sgd.) A.R. BAXTER COX, Brig.,
M S
14 Aug 45

OOC/ABC

DCGS CONFERENCE - DISPOSALS

Room 71 "A" Block - 3 Aug 45

PRESENT :	Maj-Gen L.E. BEAVIS	(MGO)
	Maj-Gen J.A. CHAPMAN	(DCGS)
	Brig B.W. PULVER)	Representing
	Lt-Col H. L. MAUDE)	QMG
	Brig C.M.L. ELLIOTT	(Co-ord)
	Brig J. STEIGRAD	(DDGMS)
	Col C.R. SPECKMAN	(DDOS)

PROCEEDINGS

DCGS referring to C-in-C Conference Min No.738 stated that it was necessary first of all for the conference to reach agreement as to how the C-in-C's intention might best be implemented. Was there to be a Central Liaison Section or Committee? Or should there be instead a Co-ordinating officer who would act merely as a point of contact (in a sense, an LO) with a limited charter to facilitate the whole process of disposals.

It was likely that some difference of opinion existed among representatives and this could be resolved only if the question were fully debated.

Representatives were invited to give their views.

2. DCGS then asked the Conference to consider suggestions contained in para 4 of DCGS' convening minute of 1 Aug 45.

Decision :

It was agreed after discussion that -

(a) An officer of the rank of Col or Lt-Col with co-ordinating authority shall be appointed to the Office of Co-ordination LHQ, for disposal activities; he shall have no executive powers.

(b) The duties of this officer will be :

(i) To assist other Services and Civil departments to understand how Army functions in regard to disposals to ensure smooth working;

(ii) To assist and co-operate in disposals by maintaining liaison with Commonwealth Disposals Commission and the two Branches of Army (QMG&MGO) involved;

(iii) With the representatives of these two Branches (QMG & MGO) to co-ordinate disposals activities, and when any questions affecting disposals arise which cannot be adjusted on that level, to co-ordinate with QMG and MGO, or their deputies dealing with disposals;

(iv) To obtain a general overall picture of the disposal activities of each Branch, and maintain a broad general summary of disposal activities.

(c) To assist in the above activities the co-ordinating officer requires one officer assistant, Major or Captain, and one stenographer clerk.

3. Three names were submitted for consideration.

Conference finishes.

(Sgd.) JOHN A CHAPMAN
Major-General,
Chairman.
10 Aug 45.

OOC/ABC

EXTRACT FROM THE C-IN-Cs CONFERENCE MINUTES - 27 JUL 45

738. DISPOSALS - MATERIAL - COMMITTEES - STAFF
(Previous reference - Minute No.680B)

1. The DCGS referred to part of the contents of a letter from the Assistant Secretary (Supplies), Dept. of the Army on the subject of co-ordination between Branches, for the disposal of surplus equipment and stores, in which the Assistant Secretary advocated special action for co-ordination.

2. After general discussion, the C in C directed attention to the corresponding organisation of commercial firms and stated that the Army should have a small committee consisting of those members of branches of the staff who are responsible for the disposal of surplus equipment and stores, with a senior staff officer in addition, to provide a link with and for the benefit of the Disposals Commission. The C in C also stated that such a nucleus should :-

(a) not restrict direct branch action in relation to "disposals".

(b) not preclude other responsible members of the staff from dealing direct with the Disposals Commission.

(c) be in the charge of an officer of sufficiently high rank for collaboration with the Commission, but not of the rank of brigadier.

Decision

3. After discussion, the C-in-C directed the DCGS, QMG, MGO and DDGMS to confer and recommend :-

(a) Arrangements for forming a nucleus organisation to form a point of contact between the Army and the Disposals Commission, but not to control Army action in "disposals".

(b) The terms of reference for that organisation.

COPY/ABC 93/1/240

Commonwealth of Australia

3858

Department of the Treasury,
(Defence Division)
Victoria Barracks,
Melbourne, SC1.

4 Jul 45

MEMORANDUM for :-

Secretary,
Department of the Army

REPRESENTATION OF DISPOSALS COMMISSION ON THE BUSINESS BOARD

The Minister for Supply and Shipping has discussed with the Treasurer the arrangements necessary to ensure the closest liaison between the Board of Business Administration and the Disposals Commission in regard to disposals questions with which the Service Departments are concerned.

2. It has now been arranged that Mr. H.F. Richardson, Deputy Chairman of the Commonwealth Disposals Commission, who is also Deputy Chairman of the Business Board, shall have the authority of the Disposals Commission to represent the viewpoint of the Commission at Business Board meetings on any questions affecting disposals.

3. This arrangement will not involve any departure from the normal procedure of submission through departmental channels of any matters of importance which the Disposals Commission desires to refer to the Business Board for consideration or from the channels through which the Board works in its relations with the Service Departments.

(Sgd.) G.P.N. WATT
First Assistant Secretary.

Copies to : Q.M.G.
M.G.O.
C.F.O.

COPY/ABC

21

82/600/235

SECRET

COMMONWEALTH OF AUSTRALIA

214909

7 Dec 43.

Assistant Secretary,
Defence Division,
Department of the Treasury,
VICTORIA BARRACKS

KIT STOPPAGES

In respect of losses of or deficiencies in kit, it has been the practice in the past to debit members' pay ledger accounts and paybooks with amounts appearing on Stoppage Sheets (WF.22). These sheets are compiled by the Unit Quartermaster and do not bear the signature of the individual members. These debits have been made, it is claimed, in good faith under the provisions of A.M.R. & O.489A.

2. The view has subsequently been advanced that "the practice of Commanding Officers or their Quartermasters on their own authority completing a stoppage sheet in respect of the missing kit of a soldier is one which has never had legal justification - vide M.F.R. & I 619".

3. The D.L.S. has stated that in his opinion "stoppages made ... without the consent of a soldier or in pursuance of an award following a charge duly proved are illegal." G.R.O. A28/1943, subsequently cancelled by G.R.O. A727/1943, has the effect of putting the principle expressed by the D.L.S. into operation.

4. This, it will be observed, opens up a very large subject and one which can, if permitted, have very far reaching effects as it may be claimed as operative as far back as the commencement of the war.

5. It is suggested that debits raised prior to 31/12/1942 be regarded as in order, being made under A.M.R. & O.489A and in good faith. Debits raised as from 1st January, 1943 (the date from which G.R.O.A28 commenced to operate) to be written back if objected to by the member. An expression of your view on this suggested procedure is awaited.

6. It may be mentioned that in the meantime D.F.Os and Field Paymasters have been instructed to strictly comply with the requirements of GRO A727, obtaining in every case a signature from the soldier where an award has not been promulgated. Army Form (WF.22) is being suitably amended to make provision for the soldier's signature.

(Sgd.) E.G. Williams
for (F.R.SINCLAIR)
Secretary.

COPY/ABC

QCR.183/1/1283
(Associate file 43/7/625)

247.4.102

AUSTRALIAN MILITARY FORCES

114106

HQ, Q'land L of C Area,
Victoria Barracks,
Brisbane.

Allied Land Forces Headquarters

10 Dec 44.

Copy to : DFO (Your ref : 5/QX4875 dated 12 Oct 44)

KIT DEBITS ARISING PRIOR TO MEMBERS' DEPARTURE FOR OVERSEAS : DELETION FROM PAYBOOKS

Ref : LHQ memo. (247/4/102) 167593 dated 2 Dec 44.

1. A further search has resulted in the original papers in this matter having been found. It transpires that on 1/8/41 CRA, HQ, Artillery, Northern Command, submitted particulars of clothing and equipment outstanding against members of the A.I.F., formerly members of 11 Fd Regt and requested that the amount shown be debited against the personnel concerned.

2. The subject was referred to CLO in the following terms :

"The attached file is referred for your opinion please, as to the equity of debiting soldiers' accounts for deficiencies of this nature after embarkation. N. Comd. Instruction 116/41 makes provision for stoppages for clothing etc. through A.D.C.S. on the D.F.O. Such stoppages should be made prior to embarkation and it is never contemplated that stoppages would be made several months after embarkation.

In this case, deceased A.I.F. members' estates will be affected. Forfeitures of this nature are refunded on finalisation of soldiers' accounts and no advantage will accrue by debiting their accounts in such cases.

Records of some militia unit store accounts are not authentic and, in many cases, have not been brought up to date. Returns by individuals in some cases have not been credited through various reasons beyond the control of the unit staff, or soldier concerned.

It is requested that opinion also be given as to whether a C.O., A.M.F. Unit, may authorise a stoppage against an account of a soldier after his transfer to A.I.F. unit without the concurrence of the C.O., A.I.F. unit and after embarkation when beyond jurisdiction of G.C.C., N. Comd.

In this case, stoppages were recommended by the C.R.A. prior to embarkation but action was not taken. This is practically a duplicate of the stoppages lists previously submitted to clear the Militia units accounts".

A copy of CLO's reply is attached.

3. As a result of the very definite opinion expressed by CLO, CRA was advised that action in the particular case had been deferred and authority given for the missing articles to be included with other deficiencies under review in connection with an A.C.E. This action was followed by the following Order being promulgated in Northern Command Instructions, dated 12 Dec 41.

"With reference to NCI Q.116/41, para.2, it is directed that once a member has sailed overseas with the A.I.F., no debit will be raised against his pay in respect to shortages arising in a militia unit prior to his enlistment in the A.I.F. without first obtaining the approval of HQ, Northern Command."

4. NCI Q.116/41, para.2 details the procedure for the raising of debits against A.I.F. pay by militia units.

5. As all such debits have apparently been improperly raised, it is requested that the necessary instructions be given for cancellation.

(Sgd.) S. Legge, Brig.,
for Major-General,
GOC, Q'land L of C Area.

COPY/ABC

COMMONWEALTH OF AUSTRALIA

Department of the Treasury,
Defence Division,
5 Jan 44.

Memo : 32

Secretary,
Department of the Army

KIT STOPPAGES

Referring to your memorandum of 7th December, 1943, No.214909 there is no objection to the suggested procedure outlined in paragraph 5 thereof so far as this Department is concerned. It would be reasonable to assume that if the member did not object, he acknowledged his indebtedness and accepted the debit.

2. It is considered, however, that the suggested procedure should not be applied to the accounts of deceased members in respect of debits raised on and after 1st January, 1943.

(Sgd.) G.P.N. WATT
Assistant Secretary.

COPY/ABC

M26/1945

Confidential

AUSTRALIAN MILITARY FORCES

(Office of Co-ordination)

(247/4/102)

15 Feb 45.

Headquarters,
Queensland L of C Area

KIT DEBITS ARISING PRIOR TO MEMBERS' DEPARTURE FOR OVERSEAS - DELETION FROM PAYBOOKS

With reference to your memo 114106 of 10/12/44 it is considered by LHQ that the debits raised in respect of kit stoppages which form the subject of your memo may be considered as valid and should not be written back as a matter of course.

However, should a member complain, in accordance with the terms of AMR & O 289 and the evidence produced reveal that such a debit was not justified, it may be expunged.

It is requested that the decisions contained herein be treated as confidential and be given as restricted a distribution as possible. Under no circumstances should they be promulgated as a general instruction.

(Sgd.) C.M. Elliott, Brig.,
for Major-General,
Deputy Chief of the General Staff.

COPY/ABC

QCR.183/1/1283
F247.4.102

AUSTRALIAN MILITARY FORCES

106092

HQ Q'land L of C Area,
Victoria Barracks,
BRISBANE.
14 Nov 44.

Allied Land Forces Headquarters

Copy - DFO (Your ref : 3/QX4875 dated 12 Oct 44)

KIT DEBITS ARISING PRIOR TO MEMBERS' DEPARTURE FOR OVERSEAS - DELETION FROM PAYBOOKS

Sometime after the second AIF had sailed for the Middle East, a number of protests were received from members, or on behalf of members, against the raising of debits in their paybooks in respect to kit shortages which had occurred prior to their departure from Australia but which had not been disclosed until after they had sailed. It is believed that some of these protests gave rise to Ministerial inquiries and as a result, a decision was made that such debits would be deleted from the members' paybooks. In certain cases, the ledger cards in the District Accounts Office were only debited and as the members' paybooks became available, the debits were entered. In one such case, the following direction was given to DFO dated 8 Aug 1942 :

> "In view of the practice that has been adopted whereby no soldier who sails overseas would be debited with kit shortages which occurred prior to his departure it is approved that these debits be deleted from the paybooks of the members concerned."

Similar cases are now arising in respect to these earlier shortages and the point has been raised by the DFO as to the authority for the instruction to delete the debits. A thorough search has been made at this Headquarters but no early correspondence can be found to show the origination of the instruction. It is believed, however, that the direction was given by LHQ as the result of investigation of one particular case subjected to Ministerial inquiry. The decision that was given in this case is considered to have been justly merited and in the absence of the original authority it is requested that a direction be now given for its confirmation in order that the cases that are now arising can be dealt with in a similar manner to the earlier cases and the members concerned be relieved of the long standing debit.

(Sgd.) S. Legge Brig.,
for Major-General,
GOC, Q'land L of C Area.

COPY/ABC

22.

SECRET

299/1/1587.

CANBERRA
13/7/45.

MEMORANDUM for :-

First Assistant Secretary,
Defence Division,
DEPARTMENT OF THE TREASURY

REPORT OF BOARD OF INQUIRY INTO ARMY WATERCRAFT

Reference is made to your memorandum TD.424 of 7th April, and subsequent memoranda TD.509 and TD.664 of 30th April and 21st May respectively, regarding certain comment appearing in paragraph 19 of the above Report.

It is now confirmed that no evidence was tendered at the Inquiry by the Finance and Accountancy Advisory Board, nor was any evidence given by or requested of any officer of the Finance Branch of this Department. On request the Finance Branch did furnish certain written information to the Board relating to debits raised in respect of craft which had been acquired as "ready for sea", but this clearly bears no relation to the question raised in paragraph 19 of the Report.

It would appear that the conclusions reached by the Board of Inquiry as recorded in paragraph 19 of the Report are based on a letter written to the Chairman by the late Lieut.-General H.D. Wynter. In this letter which is included in volume I of the transcript of evidence, the late General Wynter referred to "the advantages possessed by an Army (U.S.A.) in wartime which is not hampered by meticulous and rigid system of financial control". In the same letter he referred to the "inhibitions imposed by the system of financial control".

The Chief Finance Officer and his staff have not recorded any comments upon the paragraph referred to. Neither has the Finance and Accountancy Advisory Board, but the Chairman of the latter has stated that the Board is prepared to examine and furnish its observations upon paragraph 19 if requested to do so.

Please advise if any further action is desired along these lines.

(Sgd.) F. R. Sinclair.
S e c r e t a r y

COPY/ABC

S.766/1/72

Commonwealth of Australia

Department of the Treasury
(Defence Division)
Victoria Barracks,
Melbourne, SC1.

T.D.424

7 Apr 45.

MEMORANDUM for :-

Secretary,
Department of the Army

REPORT OF BOARD OF INQUIRY INTO ARMY WATERCRAFT

Reference is made to the report of the Board of Inquiry under the Chairmanship of Mr. P.D. Phillips on the impressment and refitting of water craft for the Army.

It is noted that the Board in paragraph 19 of its report referred to "repeated adverse experience at the hands of financial and Treasury advisers".

2. It appears from the list of witnesses attached to the report that no Treasury officer was called to give evidence, nor was the Chief Finance Officer (Army) or any member of the Army Accountancy Advisory Panel.

3. Advice would be appreciated as to whether any evidence from the financial aspect was furnished to the Board of Enquiry and if so, the nature of the comment or evidence.

If the Finance representatives of your Department have since furnished any comment on the matter referred to at paragraph 19 of the Board's report, I should be glad to have a copy.

(Sgd.) G.P.N. Watt,
First Assistant Secretary.

COPY/ABC

AUSTRALIAN MILITARY FORCES

Headquarters,
Victoria Barracks,
Melbourne, SC1.

28 Feb 45.

My dear Minister,

I desire to acknowledge receipt of your minute of 23rd February, 1945, and as requested furnish herewith a copy of the statement of service of VX 133123 Major C.S. Waugh.

Yours sincerely,

(Sgd.) T.A. BLAMEY,
Lieut-General,
Commander-in-Chief,
Australian Military Forces.

The Rt Hon F.M. Forde, M.P.,
Minister for the Army

Noted - (Sgd.) F.M. FORDE - 8/3/45.

COPY/ABC

Compiled up to & incl AMF 70
on 27.2.45.

STATEMENT OF SERVICE

VX133123 Maj. C.S. WAUGH (PSL, RAE)

Date of Birth : 28.7.90
Medical Class : 21.2.43 - A II.

9. 3. 42	Lt (Prov) RAE(M) Serv 3 MD	Refrig Engr Wks Base HQ S. Comd. Prov Appt Confirmed.
25. 9. 42	T/Capt	Secd Eng Sup D'rate of WT (Small Craft) "Q" Bch LHQ.
10. 8. 43	T/Maj	
27. 9. 43	RAE Tn Sec (WT)	Tfrd to, and is seconded Superintendent Eng D'rate WT (Small Craft)
30.10.43	RAE Water Tpt	Tfrd to, and remain secd.
24.12.43	Capt (T/Maj)	
17. 4.44		Not approved by MS for Secondment to AIF under GRO 622/43 Gp 29/335.
1. 5.44		AIF HQ 1 Aust WT Gp (Small Craft)
" "	Maj.	(Secd Supt Engr D'rate of WT "Q" Bch LHQ) Remain secd.
12. 7.44		Ceases to be secd.
12. 7.44	PSL (RAE)	Tfrd to, retains posting.

Civil Avocation - Engineer.

299/1/1587

COPY/ABC

Department of the Army

Minute Paper

Subject : Report of the Board of Inquiry - Army Watercraft

Commander-in-Chief :

I have noted the comments in your minute dated 1st February, 1945, and propose to forward a copy for the information of the Minister for Defence and the Treasurer.

I feel that, in general, you have taken a lenient view of the position which, in certain particulars, was by no means satisfactory even after fully allowing for the factors advanced by you. It is noted, further that you propose to retain Major Waugh in an Army appointment. Would you please furnish advice of this officer's record of service.

F.M. FORDE
M i n i s t e r.

23/2/45.

CANBERRA.

COPY/ABC

My dear Minister,

REPORT ON BOARD OF INQUIRY INTO ARMY WATERCRAFT WAR CABINET AGENDUM 578/1944

Your minute of 17 Dec 44 requesting advice on the various matters arising from War Cabinet's approval of the recommendation in para.5 of the above agendum has received my close consideration.

2. Sub-para 5(a) requires that consideration shall be given to the capabilities of certain officers to carry out their present duties in the light of the report of the Board of Inquiry. This can be done justly only against the background of conditions under which the Directorate of Water Transport (Small Craft) grew up.

3. Prior to August, 1942 the acceptedrole of the Army had been the training, equipping and operation of land forces. Training of personnel in the use of water craft had been a matter for the Navy or Mercantile Marine. With the development of a type of island warfare that could not be undertaken by the Navy, the Army was forced back upon its own resources because the alternative of maintenance of operations by the Mercantile Marine would have turned the latter into fighting units. Thus Water Transport (Small Craft) was born of the times.

4. In the latter part of 1942 and continuing for the next 12 to 15 months Australia was engaged in the Huon Peninsula/Finschhafen operations an intensive and vital period of the AMF. Small Craft were an essential adjunct and those concerned with its development were imbued with the urgent need for securing, fitting out and despatching vessels to New Guinea. The NG campaign has reflected nothing but the greatest credit upon Australian Arms and some portion of this must rest upon the administrative capacity and energy of Staff and Service Officers at LHQ who laboured long and untiringly under a degree of stress and strain never before experienced in Australian History.

5. Small Craft were secured and manned under the greatest of difficulties when the RAN and US Forces had prior selection from Australia's limited resources. Personnel were hastily trained and success is due only to the unbounded courage, resourcefulness and capacity of our troops of all ranks and positions to make do with improvisations and other far from perfect tools.

6. The findings of the Board include the statement that there has been no dishonesty or lack of good faith.

7. If any fault is really to be found with Officers of the calibre and gallant front line service of Brigadier Norman (who won his DSO and MC in the last war) and Col Herbertson (who won his DSO in the Middle East this war) it must be of a relatively minor character. Their whole object has been to give service to Australia's front line troops that they may achieve victory, and if this spirit has shone, to some, unduly brightly causing the rejection of a conservative narrow outlook which would have resulted in slow, nebulous and negative action, it has on the other hand contributed in no small degree to the rapid securing of the NG front and the avoidance of a long drawn out campaign expensive both in lives and material.

8. In the sudden creation and growth of an organisation such as Water Transport some faults and weaknesses must become evident but a broad view is essential in considering them and any degree of culpability which may be assessed. The Board's report acknowledges that the system which caused an unsatisfactory state of affairs has been amended and the circumstances leading to the trouble have largely ceased to exist and will not recur.

9. With the foregoing review as a background the cases of the individual officers will now be specifically commented upon and my intention indicated as to the future employment of each.

/2 ..

Brigadier R.H. NORMAN, DSO, MC- DQMG II

10. I suggest that the references to Brig Norman in relation to matters other than those dealt with by this Board of Inquiry, are hardly in keeping with recognised principles of justice under which awards or demerits are determined on the facts of each case and one is NOT influenced by another; particularly such another, to wit lighters, which is at present the subject of a Court of Inquiry.

I feel that Brigadier Norman's services as DQMGII warrant his retention in this position.

Colonel J.F. HERBERTSON, DSO - Director of Water Transport (Small Craft)

11. The adverse remarks about this officer were occasioned by his decision to send BUCRA to sea.

12. It is pointed out that when personnel enlist they undertake risks greater than those normally undertaken by civilians. This is partly recognised by the fact that service pensions are on a more generous scale than workmen's compensation. Although this vessel was not operating in a forward area it was proceeding to a forward area where every vessel was urgently needed, and the services of an extra vessel might well have meant the difference between success and failure of an operation. Soldiers are soldiers wherever they may be and the risks they are called upon to take are not assessed at civilian levels. It is considered that these factors were not given due weight by the Board of Inquiry. Furthermore, it is of interest to note that War Cabinet itself recognised the difficulties of maintaining operational and semi-operational activities by civilians when it approved the transfer of Salvage of vessels from Dept. of Supply and Shipping (Civil) to RAN. (War Cabinet Agendum No.51/44 and Supplement No.1 and War Cabinet Minute 3314 of 4 Feb 44).

13. Col. Herbertson has directed that Water Transport Service with energy, skill and sound judgment, and it is considered most undesirable that his sound administration and knowledge should not be used in his present posting where they are of the utmost value to the Service. He is therefore being retained as Director of Water Transport (Small Craft.)

Major C.S. WAUGH - Engineer Superintendent - DW TN

14. The errors by this officer occurred while he was engaged in unprecedented and urgent duties, the urgency of which precluded adequate supervision. The Board was informed that as the small craft production programme developed, and refitting old craft came to an end, the nature of Major Waugh's duties as Engineer Superintendent would automatically change so that he would spend more of his time visiting the Water Transport Groups and supervising their activities. The nature of his duties has changed, and he is now working under proper supervision which has eliminated the defects in his methods indicated by the Board, and his contacts with the officers of the Directorate of Engineer Equipment have ceased.

15. Major Waugh's present duties are within the normal duties of a marine engineer. The DW Tn has every confidence in his capacity as Engineer Superintendent, and places a high value on his services. Action to repost him or terminate his services therefore would not be in the best interests of the Service.

Lt.-Col. J.F. HOWARD.

16. This officer was placed on the R of O on 1 Nov 44 and his services are therefore no longer being utilised.

Lt.C.C. VIDER

17. This officer was retired on 25 Mar 44 and therefore no further action is necessary in his case either.

Mr. BLATCH

18. The single circumstance for which this officer has been criticized was attendant with many difficulties which will not be recurrent. He has given long and valuable service in the Engineering Group of the Inspection Division, and has always been a most careful Inspector, meticulous in his work. As a result of his experience of Small Craft he has gained a considerable and special knowledge of the Inspection of this class of equipment. It is considered that no further action, arising out of this

Captain LEWIS

~~19~~. This officer has now returned to civil life.

Mr: Mac Kay

20. Mr. MacKay is no longer attached to the Directorate of Engineering Equipment. His technical services are being made use of on a part-time basis, when required by the Inspector-General of Munitions, for consultation on questions of construction and interpretation of navigation requirements. He now has no connection with the preparation of estimates and similar duties.

21. As regards the question raised in sub-para 5(b) of the Agendum of securing future cordial co-operation between the Directorate of Engineering Equipment and Directorate of Water Transport, I feel sure a conference held recently by me with the E in C MGO and QMG will achieve the desired result.

22. Referring to sub para.5(c) of the Agendum, the Dept of the Navy advises that all except fifteen of the claims for the acquisition of second-hand small craft have been settled. The position of these fifteen is as follows :-

AGATHA IDA LLOYD LA GRANGE MARMONT THISTLE ZEPHYR	Awaiting decision of the High Court of Australia on a test case an appeal in which is pending.
EDITHA SWALLOW	Negotiations are being conducted by DARWIN-MORESBY Claims Section (Mr. Alderman KC).
HOONA KEERA TOGO	Awaiting decision of owners on offers which have been made to them.
ALMA DOEPEL	The owners appeal against Navy Valuation has been heard by a Compensation Board whose decision is pending.
CRANWIN	The owners appeal to a Compensation Board is awaiting hearing.
KESTREL	Documents to enable an assessment to be made have not been submitted by the owners.
MAINO	Negotiations with the owners are still proceeding.

Department of the Navy has been requested to forward progress statements from time to time. (See Army file 299/1/1029).

23. Referring to directions to contractors regarding repairs and the need for careful scrutiny of costs dealt with in sub para 5(d) of Agendum; action is being taken to give effect to the recommendation. In this connection Army is now concerned with only a few vessels.

24. Regarding the survey of vessels at present in Army charge etc. (sub-para.5(e) of Agendum) a register of Army small craft was completed in Sep 44 and alterations and amendments are issued as required. The register contains details of all standard and non standard craft held by the Army.

25. All non-standard craft are released for disposal as soon as it is possible to replace them with new vessels. As each new craft becomes available from production theallocation of the new vessel automatically raises the question whether one of the impressed vessels can be released.

26. As a result of the recent re-organisation of Water Transport in the TORRES-MERAUKE area, 18 non-standard craft have become surplus. These craft are to be made available for disposal. Small craft at DARWIN are also under review and as the requirement has decreased, it is expected that a number will be passed for disposal shortly. In NEW GUINEA arrangements are being made to transfer a number of vessels to ANGAU now that standard craft are being received by units in that area.

(Sgd.) T.A. BLAMEY,
General,
Commander-in-Chief,
Australian Military Forces.

1 Feb 45.

COPY/ABC

299/1/1190

17th December, 1944.

My dear General,

REPORT OF BOARD OF INQUIRY INTO ARMY WATERCRAFT - WAR CABINET AGENDUM NO.578/1944

The above Agendum was considered by War Cabinet at its meeting in Canberra on 7th December, 1944, when a decision was recorded in Minute No. (3924) that the recommendations set out in para.5 of the Agendum were approved, and that the Acting Minister for the Army was to follow up the action taken to give effect to the recommendation contained in sub-para 5(a).

Sub-para 5(a) of the Agendum provides that the Heads of the Services in which the officers mentioned in para.2(iv) are situated under Brig. Norman shall be informed that it will be their responsibility to assess the liability of such officers to carry out their present duties in the light of the report of the Board of Inquiry.

When this matter was under consideration by War Cabinet, I expressed the view that, in regard to the responsibility of the officers in question, I had an open mind as to whether the criticisms concerning Major Waugh and Lt-Col Howard in particular did not justify the termination of their appointments. Although it is stated that the former officer is now engaged on other duties, the evidence that was taken by the Board of Inquiry in their report indicates that he appears to be mainly to blame for the state of affairs which brought about the Inquiry, while his evidence before the Board was unreliable. In Lieut.-Colonel Howard's case, it is indicated that he is no longer occupying the position of Director of Water Transport.

The activities of Colonel Herbertson, who is now the Director of Water Transport, came under review by the Investigating Board in relation to the foundering of the "Bucra", which as you are aware resulted in loss of life.

In my recommendation to War Cabinet I excluded Brigadier Norman from criticism, but since this Agendum was written other files have come before me dealing with lighters procured for the Army Docks Operating Company, which indicated that at least 23 lighters or barges purchased at public expense for operational use in New Guinea did not reach their destination, 13 remaining in the Townsville harbour for twelve months where, through neglect, they deteriorated to such an extent that it is doubtful whether they will ever be of any use. The parts of 10 knocked down Symonds barges were sent to Sydney to Moresby, then to Buna, back again to Sydney where they are now lying; they were shipped from Sydney in May and August, 1943 and were lying about at Moresby and Buna for about twelve months. It is now stated that they are a complete write-off.

The files show that Colonel Milne, in a report dated 5 Apr 44, attributed the waste of public money to the neglect of Lieut.-Colonel J. McComb, who, he states, persistently declined to take orders from the Director of Docks, and he states that in this attitude McComb was invariably supported by Brigadier Norman. I am, therefore, at this stage withdrawing from my recommendation the exclusion of Brigadier Norman from para.5(a) of the Agendum above referred to until I have your further comments on this particular transaction.

The other officers who come up for consideration under para.5(a) of the Agendum are Lieut. Vider, Master of the "Gundiah", and Messrs. Blatch and Lewis, Inspectors of the Inspector-General of Munitions Branch, also Mr. McKay of the Directorate of Engineering Equipment. These civilians come under the control of the Master-General of the Ordnance.

It would be appreciated if, in view of the terms of the War Cabinet Agendum, and in the light of this letter, you could let me have advice of your intention in regard to the future employment of these officers.

It is also desired to invite your attention to the terms of para. 5(b) of the War Cabinet approval, directing that special steps to ensure future cordial co-operation between the Directorate of Engineering Equipment and the Directorate of Water Transport, if necessary, by the removal of officers who are the cause of the failure to effect such co-operation, be taken.

/2 ..

Advice of the action taken to give effect to this direction would be appreciated in due course.

In regard to sub-paras.(c), (d) and (e) of para.5 of the Agendum, which has been approved by War Cabinet, I have directed that appropriate action be taken within the Department of the Army to give effect thereto, and would be glad if you could make sure that all necessary action is taken by the Army officers under your command to ensure the early implementation of this decision.

Yours sincerely,

(Sgd.) J.M. FRASER,
Acting Minister for the Army.

General Sir Thomas Blamey, GBE, KCB, CMG, DSO,
Commander-in-Chief,
Allied Land Forces,
SOUTH WEST PACIFIC AREA.

OOC/ABC

23.

2 Mar 45

SECRET

ALLOTMENT OF OFFICERS OF THE OFFICE OF CO-ORDINATION

Military Secretary

... Consequent upon the issue of the war establishment (provisional) for the Office of Co-ordination, I forward herewith a statement setting out the officers' appointments provided for in the W.E. and the allotment of officers recommended to fill such appointments.

Major-General,
Deputy Chief of the General Staff

2 Mar 45

GOC/ABC

OFFICE OF CO-ORDINATION - WAR ESTABLISHMENT

1 Mar 45

D.S.D.
---

1. Reference CGS minute of 7 Feb 45, notifying the deletion of the appointment of LGA from the WE of LHQ and advising that the office formerly controlled by the LGA had been re-designated "Office of Co-crdination" :

2. I forward herewith three copies of the provisional war establishment for the Office of Co-ordination.

3. Attached to the WE are particulars of the variations in the WE as compared with the WE for LGA and Staff.

4. It will be noted that the WE was approved by the C in C on 27 Feb.

Major-General,
Deputy Chief of the General Staff.

Feb 45.

COPY/ABC

APPOINTMENTS - OFFICE OF CO-ORDINATION

1 Mar 45

M.S.

1. On 27 Feb 45, the C in C approved of the war establishment (provisional) for the Office of Co-ordination (copy attached).

2. It will be observed that, amongst other appointments, provision is made for the following appointments additional to or different from those provided for in the WE for the LGA and Staff:-

Brigadier, Post Hostilities Planning
(brigadier)

Brigadier, Co-ordination
(brigadier)

3. It is now recommended that the undermentioned officers be appointed to the positions mentioned in para 2, with effect as from 1 Mar 45 :-

Brigadier, Post Hostilities Planning :	-	Brig A.W. WARDELL, MC (DQMG (Plans) LGA and Staff)
Brigadier, Co-ordination	-	Brig C.M.L. Elliott, OBE. In addition to his duties as Chairman, Joint Adm Planning Sub-Committee, and Chairman Base Planning Committee.

(Attached LGA and Staff)

Major-General,
Deputy Chief of the General Staff.

1 Mar 45.

COPY/ABC

24

M21/44
Ref: STZ/4

ARMY STANDARDIZATION COMMITTEE

SECRET

CGS (2)
AG (2)
QMG (4)
MGO (6)

STANDARDIZATION - INITIAL ACTION

1. Attention is directed to the object and functions of the Army Standardization Committee as set out in para 1 of the attachment to DCGS memo of 24 Feb 45.

2. In order to place the Army Standardization Committee in possession of all information at present available, necessary for the attainment of the objects and performance of the functions in question, it is requested that advice be forwarded :-

(a) Of any minutes of committees and the like, periodicals, reports or similar documents relating to standardization, which are received from abroad or elsewhere.

(b) Of any such documents originated by Branches and their distribution outside the AMF.

(c) Of the existence, constitution and composition of any existing Committees affecting the Army already dealing with standardization of limited classes of goods.

3. In accordance with paras 3 and 4 of the said attachment, it is requested that Branches submit any proposals they may now have for standardization and indicate the order of priority in which they desire them considered. The nature and extent of any such proposals are indicated in para 4(a) of the attachment, and the information to be included is set out in para.5 thereof.

4. It is requested that replies to this memo reach the Secretary not later than 31 Mar 45.

(Sgd.) C.M. Elliott, Brig.,
Chairman.
12 Mar 45.

Copies to :-
DDSD(E)
DMGO(E)
CPO
D of E Stores
Business Adviser.

COPY/ABC

M21/1944
STZ/3

ARMY STANDARDIZATION COMMITTEE

MINUTES OF MEETING HELD IN ROOM 97, "A" BLOCK, VICTORIA BARRACKS, AT 1000 HRS, on 10 MAR 45

Present : Brig C.M.L. ELLIOTT, Brig Co-ord (In the Chair)
Col C.C.F. Spry, DDSD(E)
Brig. J.W. O'BRIEN, DMGO(E)
Col. A.H. HELLSTROM, CPO
Col. S.E. EVANS, D of E Stores
Mr. A.N. Kemsley, Business Adviser.

Secretary : Lt-Col. J.G. NORRIS

DRAFT LETTER ON INITIAL ACTION

1. A draft letter to Branches requesting the action necessary to initiate the functioning of the Committee was before the meeting. The draft was directed to be amended by requesting Branches to supply information of minutes of committees and the like, periodicals, reports or similar documents relating to standardization which Branches were originating and distributing outside the AMF, and by requesting a statement of the priority in which it was desired that any proposals for standardization submitted should be considered.

2. It was also agreed that the Departments of Supply and Shipping and Munitions, and the Allied Works Council should be informed of the formation of the Committee, and that like information should be supplied to the Department of the Navy and the Department of the Air. A copy of the attachment to DCGS memo of 24 Feb 45, should accompnay each letter.

MEMBER-SHIP OF THE COMMITTEE

3. It was decided that the Committee should request the Departments of Supply & Shipping and Munitions and the Allied Works Council to furnish representatives who might be co-opted to the Committee from time to time as required.

SUB-COMMITTEES

4. Some discussion took place as to the subject matters in respect of which sub-committees should be formed. It was ultimately agreed that no decision should be made until a reply had been received from Branches to the letter calling for the necessary initial action. Members, however, were to survey the field and be ready to decide at the next meeting in general how the ground should be covered.

5. Discussion also ensued as to the terms of reference of subjects to the sub-committees. Col Spry emphasised the importance of standardization do far as possible with British equipment. On the other hand, the possibility of difficulty in regard to the supply of such types was recognised. It was considered that any departures from United Kingdom standards should so far as practicable be made in common with the other Australian Services.

APPOINTMENT OF ASSISTANT SECRETARY

6. The selection of an assistant secretary was discussed. One or two names were suggested and Brig. O'Brien and Col Hellstrom stated that by Monday, 12 Mar 45, they would supply others. Therefore no decision was arrived at.

7. It was agreed that replies to the letter on initial action should reach the Secretary not later than 31 Mar, 45.

COPY/ABC

M21/44

(94/1/1090)

ARMY STANDARDIZATION COMMITTEE

SECRETARY (for Minister)

1. I desire to advise that the C in C has appointed the following committee to be known as the ARMY STANDARDIZATION COMMITTEE :-

Chairman : From Office of Co-ordination - Brig C.M.L. Elliott

Members :	DDSD(E)	..	Col C.C.F. Spry
	DMGO(E)	..	Brig. J.W.A. O'Brien
	CPO	..	Col. A.H. Hellstrom
	D of E Stores		Col. S.E. Evans
	Business Adviser		Mr. A.N. Kemsley

Secretary : Lt-Col J.G. Norris (in addition to his other duties)

Asst Secretary to Committee and Secretary to Panels (Officer not yet appointed).

2. Meetings will be held as arranged by the Chairman. The Committee will be empowered to appoint panels and arrange through appropriate channels other Service or civilian representation thereon.

3. The recommendations of the Committee will be sent to the Office of Co-ordination for any action deemed necessary.

4. Attached is a paper setting out the approved objects and methods of working.

(Sgd) John A. Chapman,
Major-General,
Deputy Chief of the General Staff.

28 Feb 45.

SECRETARY

The proposal to appoint an Army Standardization Committee has been noted by me with appreciation. The work which the Committee will perform, as indicated by its objective and functions, will meet what is regarded by myself and my Cabinet colleggues as a very real need in the Australian Military Forces at the present juncture.

(Sgd.) F.M. FORDE,
MINISTER
7/3/45.

CANBERRA.

COPY/ABC

ARMY STANDARDIZATION COMMITTEE

OBJECT AND FUNCTIONS

1. The objects of the Army Standardization Committee and the functions which it is designed to fulfil are as follows :-

(a) To reduce to a minimum the types, classes, grades, sizes and designs of manufactured goods and/or their components obtained, stocked or used by the Army. Such reductions may be effected by the grouping of goods within a generic description, by actual reduction of the types, classes, description, by actual reduction of the types, classes, grades, sizes or designs of goods obtained, stocked or used, and by ensuring that new goods ordered conform to standards adopted or about to be adopted.

(b) To ensure that wherever practicable War Office patterns of equipment and the publications related thereto are adopted.

(c) To ensure that action taken under sub-paras (a) and (b) above conforms to the optimum with goods available from industry.

(d) To keep in touch and co-operate as required with somewhat similar Committees in the United Kingdom and the Eastern supply Group, the Standards Association of Australia, and other like bodies whose work or advice may prove helpful to the Army.

(e) To be the central Army authority for receipt and review of information on standardization and rationalization received from abroad or elsewhere.

(f) Where so directed, to act as the parent body to various ad hoc and other Committees which already deal with standardization of limited classes of goods.

(g) To make recommendations on co-ordination of demands, especially where standardization is being effected.

MACHINERY

2. The machinery involved comprises the Committee itself for policy and review, and a number of technical sub-committees. In this regard, the Committee and sub-committees may ask through appropriate channels, other Services and civil authorities to co-operate wherever requisite or appropriate. It is essential to ensure a balance between the machinery and manpower available and the recommendations of the Committee; accordingly representatives of the Department of Supply and Shipping, the Department of Munitions, etc. will be required on the Committee and Sub-Committees from time to time.

METHOD OF WORKING

3. It is impracticable for the Committee itself to make an original survey of the whole field of supply and to determine in what areas standardization is called for. It appears that the normal procedure in civil practice is for responsible bodies to initiate proposals for standardization, while a Standards Association provides the mechanism for giving any standards determined a proper status. The Army Committee will adopt an analogous procedure proposals for standardization being initiated as a general rule by particular branches. This will not, however, preclude the Committee in any case in which it thinks fit from initiating such a proposal itself. The major providers of a particular item will submit proposals for standardization, but it will be necessary, in the initial stages, for the Committee to initiate a wide survey through its sub-committee. PSOs will be asked for suggestions for the investigation of the standards of particular articles.

The detailed procedure will be as under :-

(a) Branches and services will be invited to submit at any time through normal channels to the Committee proposals for standardization in respect of particular items or classes of item. The standardization proposed may involve any of the matters mentioned in para 1 above. The degree of particularity contained in the proposal may vary from a complete suggested standard or set of standards to a mere proposal for investigation of a particular subject.

(b) If the Committee considers the proposal proper for investigation, it will submit it to an appropriate sub-committee for consideration. The sub-committee will recommend whether or not the proposal should be adopted, and to what extent. If it is recommended to be adopted, in whole or in part, the sub-committee's report will include a recommended standard or set of standards. Where considered desirable the sub-committee will contact the Standards Association of Australia.

(c) On the receipt of a report from the sub-committee, the Committee, if it does not agree with the report, will normally re-submit the proposal to the sub-committee for further consideration.

(d) On receipt of a report recommending the adoption of a standard or set of standards, the Committee, if it agreed with the sub-committee's report, will then submit it to Branches concerned for comment.

(e) On receipt of the comments of the Branches concerned, the committee will finally determine whether or not the standard should be adopted. If it is to be adopted, the decision will be promulgated either through the branch of the staff primarily concerned or through the DCGS.

(f) If the Committee itself initiates a proposal, the same procedure (less that in sub para (a) above) will be followed.

5. A proposal for standardization will include the following information, apart from any arguments in support :-

(a) Other branches affected, whether as providers, distributors or users.

(b) Names or classes of civil suppliers affected.

COMPOSITION OF SUB-COMMITTEES

6. The composition of the sub-committees is a matter of vital importance. It is essential that members should include representatives of branches and services affected by the proposal as providers or users, also a representative of the Business Adviser. In many cases it will be necessary to have as members representatives of civil supply departments and possibly of manufacturers' organisations to advise on the practicability or utility of the proposed standardization from their point of view. Where necessary representatives of the other fighting services may be invited through appropriate channels to attend and give evidence.

7. The submission by the Committee to branches for comment of standards recommended to be adopted is related to the work of sub-committees. While members of sub-committees are chosen as representing branches concerned, it is considered that more expedition will result if, while taking counsel of their branches as they think fit, as work proceeds, they are not to be bound to secure their branches' concurrence at every stage. Branches concerned will be given an opportunity to express their views when the proposed work is submitted to them before final adoption.

(Sgd.) J. A. CHAPMAN,
Major-General,
Deputy Chief of the General Staff.

COPY/ABC

M21/44

ARMY STANDARDIZATION COMMITTEE

G Branch
A Branch
Q Branch
MGO Branch
Business Adviser
CFO (for information)
---

1. Further to this office memo of 19 Jun, the C in C has appointed the following Committee :-

Chairman : From Office of Co-ordination - Brig. C.M.L. Elliott

Members : DDSD(E) - Col C.C.F. Spry
DMGO(E) - Brig. J.W. A. O'Brien
CPO - Col A.H. Hellstrom
D of E Stores - Col S.E. Evans
Business Adviser - Mr. A.N. Kemsley

Secretary : Lt-Col J.G. Norris (in addition to his other duties)

Asst Sec to Committee and Sec to Panels (Officer not yet appointed)

2. Meetings will be held as arranged by the Chairman. The Committee will be empowered to appoint panels and arrange through appropriate channels other service or civilian representation thereon.

3. The recommendations of the Committee will be sent to the Office of Co-ordination for any action deemed necessary.

4. Attached is a paper setting out the approved objects and methods of working.

(Sgd.) John A. Chapman,
Major-General,
Deputy Chief of the General Staff.

24 Feb 45.

COPY/ABC

M21/44

ARMY STANDARDIZATION COMMITTEE

G
A
Q
MGO

Business Adviser)
CFO)
Mil Sec) for infm

1. The C in C has approved of the formation of an Army Standardization Committee composed as under :-

Rep LGA	(in addition to his other duties)					
DDSD (E)	"	"	"	"	"	"
DMGO (E)	"	"	"	"	"	"
CPO	"	"	"	"	"	"
D of Engr Stores	"	"	"	"	"	"

Secretary (Lt-Col J.G. Norris) (in addition to his other duties)

There will also be one officer who will act as assistant secretary to the Committee and as secretary of the various sub-committees. His office will be with that of Lt.-Col. Norris.

2. The attached draft paper sets out the objects and proposed methods of working of the Committee. Would you please send any comments on the draft to reach this office not later than 24 Jan 45.

(Sgd.) C.M.L. Elliott, Brig.,
for Lieutenant-General
i/c Administration.

19 Jan 45.

COPY/ABC

M21/44

ARMY STANDARDIZATION COMMITTEE

AG
QMG
MGO

Copies for Infm to :

CGS
Business Adviser.

1. Whilst each branch has gone to considerable trouble to standardize within its own sphere, there remains and will continue to arise the need for common standards between branches. In UK most of these functions are carried out by the "Committee of Demands and Standardization of Design". Co-ordination of Demands for stores common to more than one branch has already been dealt with in LGA memo of 20 Jun 44.

2. It has been proposed that LHQ should appoint an army "Standardization Committee". Its functions would be similar to those of the UK Committee which are set out in Appendix A to Report No.4 of 27 Apr 44 sent to Australia by Col A.H. Hellstrom, CPO, AMF.

3. It is suggested that the Committee should consist of a representative from each of SD, AG, QMG and two from MGO (one each AAOC and AEME). The Committee would coopt members and appoint sub-committees as required.

4. (a) Have you any comments please? and

(b) do you consider such a committee desirable?

(c) What members would you wish to appoint to such a committee to represent your branch?

(Sgd.) C.M.L. ELLIOTT, Brig.,

for Lieutenant-General,
i/c Administration.

12 Oct 44.

COPY/ABC

25

M41/45
65/1/399

SECRET

Department of the Army
Minute Paper

Subject : DCGS CONFERENCE - RETURN OF STORES TO AND PROVISION OF TECHNICAL ASSISTANCE AT RSDs.

DCGS (Copies to : AG, MGO, E-in-C, SO-in-C, DSD)

Reference your minute of 10th August, 1945, forwarding copy of revised conference proceedings for retention.

2. It is noted that MGO has made certain comments on matters raised by me and which have been circulated as above. I have read those comments very carefully, but find no sound reasons for modifying my previous views on the points raised.

3. In elaboration of the statements made by me at the conference, and with particular reference to the comments made thereon by MGO, the following is submitted.

(a) (i) A GDD for personnel and a R.S.D. for stores have the same basic "raison d'etre". In the former, miscellaneous personnel from disbanded units, from surpluses in rank or trade, or for reposting consequent on medical re-classification, etc., are technically processed so that their employability may be established and their most effective disposal determined.

(ii) In the latter, stores are processed by examination and, where necessary, by repair, so that most effective disposal can be determined.

(iii) In both cases, disposal may be by re-absorption in the forces, often in a lower capacity than the original employment on enlistment or procurement, or by discharge. The processes involve the retention of the member or of the store pending determination as to disposal, but it is not conceded that this makes either unit a holding unit.

(b) Continuing the analogy, the functions of and the nature of the "stores" held by these two depots, necessitate certain departures from normal accounting, but the "stock" holdings still require to be brought to account so that provision action may be sound.

(c) I am aware that all valuable stores and items in short supply held in R.S.D. are subject to a monthly return of stocks held and turnover, and that R.S.D. stocks of certain major items are included in Provision Reviews.

(d) The need for special training of technical storemen is appreciated, but the fundamental object of the conference, as I understood it, was to provide relief to and effect all practicable improvements in R.S.Ds so that they can more effectively discharge their increasing commitment. As a means of achieving this object, I maintain that Signals or Engineer Specialists would be far more susceptible to the specialist training spoken of by MGO than would non-specialists from other arms. I have difficulty in accepting the sweeping statement that specialist personnel are not available from GDDs, as this does not accord with my own first hand knowledge of the position. Admittedly, the GDD may not have the right personnel available at the time a request is received, but the constant turnover must inevitably include a due proportion.

(e) There seems to be some misunderstanding concerning my suggestion that stores should be inspected by an appropriate service officer before despatch to an RSD. My intention is to ensure that within the limits of its resources, a unit in process of disbandment should take all steps necessary to facilitate the work of an RSD--the inspection by a Service officer being designed to ensure compliance with Service requirements.

In conclusion, I am fully appreciative of the fact that RSDs are the responsibility of the MGO, and would point out that my persistent interest in the matter is concerned solely in assisting the MGO in any way within my powers to ensure that RSDs are no longer treated as a "Cinderalla" but that with their growing responsibility, they are fully and efficiently staffed and organized. This is an essential pre-requisite if the existing plans for demobilisation are to proceed in the manner desired.

(Sgd.) A.N. KEMSLEY,
Business Adviser.
16/8/45

COPY/ABC 65/1/399

DCGS' CONFERENCE : RETURN OF STORES TO AND PROVISION OF TECHNICAL ASSISTANCE AT RSDs.

AG
MGO
E-in-C
SO-in-C
DSD
BA

... Attached herewith is copy of revised Conference Proceedings which are forwarded for your retention.

(Sgd.) John A. Chapman,
Major-General,
Deputy Chief of the General Staff.

10 Aug 45.

COPY/ABC

10 Aug 45

DCGS CONFERENCE - 20 JUL 45

1. RETURN OF STORES EX DISBANDED UNITS TO RSDs
2. PROVISION OF TECHNICAL ASSISTANCE AT RSDs.

PROCEEDINGS

PRESENT : DCGS, BA and -

Representing AG	-	Lt-Col A.J. EASTMAN
" MGO	-	Brig A.S. WILSON
" E-in-C	-	Lt-Col R.A. SIMPSON
" SO-in-C	-	Lt-Col E.A. AVERY; Maj FRAZER
" DSD	-	Lt-Col H.K. OXLEY
" DOS	-	Col C.R. SPECKMAN
"		Lt-Col F.B. ROBERTSON
		Lt- K. L. SHEKLETON
" DME	-	Lt-Col H.F. STOKES

GENERAL DISCUSSION

DCGS briefly reviewed underlying reasons for the Conference stating that the matter could be resolved into two main questions which would be dealt with separately.

(i) Problems arising from present system under which stores were returned to RSDs from disbanded units, and,

(ii) As a means of improving efficiency at RSDs, to provide sufficient skilled supervisory personnel.

DCGS invited MGO reps to give brief outline of the principal difficulties met with by Ordnance in this connection.

Lt-Col Robertson stated that firstly stores returned to RSDs were, generally speaking, in very bad condition, improperly cleaned and packed etc.

Secondly, that because of a lack in Specialist Inspectors it was often difficult for a decision to be reached as to whether certain technical stores retain their value or not.

He thought that much more could be done by Units to ensure stores being received in a fit state for rapid onward movement, thus assisting RSDs to function properly instead of becoming clogged.

He drew attention to GR031/43 which seemed to have been forgotten.

Brig. Wilson added that unlabelled miscellaneous parts and technical stores generally were at present the cause of much wasted time at RSDs.

It was realized that in the case of clothing etc where COs had not the means at their disposal for cleaning, the return of such items as collected could not be avoided.

BA urged change of approach to question of RSDs generally which should be regarded as Transit Depots rather than places of storage;

(ii) He stated that there was overmuch material stored in RSDs which cannot be taken into account when stocktaking is carried out. Anything lying in RSDs usually is overlooked, with resultant discrepancies in final accounting of Army Stocks.

(iii) Blankets were cited as a case in point, there being at one stage 600,000 lying in RSDs.

(iv) RSDs must assume increasing importance as end of war approached and therefore some effort must be made to provide for effective staffing as a first measure.

(v) Too often "B" Class men of no particular skill or talent were on strength as Equipment Repairers, without any regard for multiplicity of types of equipment which would be handled for repair. It was clearly a case where some definition must be made to ensure that specialists, such as Sigs and Engineer personnel, were shown on WE of such Units in the interests of getting equipment repaired and not simply laid aside for lack of understanding.

(vi) To assist in obtaining the desired standard of specialist personnel for RSDs, some amendments in the general terms used in the Revised WE are necessary as a guide to 2nd Echelon. It is desirable to indicate that a specified proportion of the equipment repairers,etc., be selected from such Arms as Arty, Engrs, Sigs, etc., and that some elasticity be permitted as between the RSD Commander and the 2nd Echelon authorities in substitution of personnel of corresponding ranks.

(vii) A liaison should be established between GDDs and RSDs in Inserted in appropriate instances, so that extra personnel, when available and suitable, could be drawn upon for temporary assistance.

(viii) Another factor which militated against disbanding Units from taking proper measure of care in return of stores to depots was that brought above when offrs were reposted by Milsec before cessation of activities, thus at times leaving Unit affairs in chaos.

Reposting of offrs by Milsec should be considered in the light of a proper clearance of returned stores to RSDs first being obtained before Unit disbandment is effected.

(ix) Before any stores are returned to RSDs from disbanded Units, a certificate should be required from competent Ordnance or AEME Revised officer to be appointed by the formation effecting the disbandment to the effect that the stores are adequately packed, cleaned, marked etc.

(x) Sufficient personnel retained in Units until clearance given from RSD. This would make a certainty of RSDs getting satisfaction.

SD Col Oxley stated that SD sympathetic toward idea of providing additional personnel if so desired by MGO. Also priority within "B" Class category could be arranged so as to make available suitably trained personnel.

(ii) CGS has ruled that no Units be retained on mainland as reserve units for closing stages of war, as a general principle.

Revised As a result of CGS policy regarding reserve Units the RAE Trg Centre and the Signal Trg Centre would not be holding reserve units in the centres, and therefore these Units would not be available to assist in RSDs.

Disbanding Procedure

(iii) As an example, 20,000 personnel would be released from First Aust Army between Oct/Dec 45.

It is possible that if this rate were continued RSDs may not be able to cope with returned stores with present organization.

Revised DDO made reference to new Disbanding Procedure now being prepared. Future instructions for disbandments of Units where inter L of C movement was involved, would include provision for the retention by Units of a minimum cadre, comprising forward and rear detachments, for the protection and handling of stores.

DDO indicated that the weakness whereby Milsec had in the past reposted officers ex disbanded units, before the necessary attention was given to stores etc., is now being adjusted.

(ii) Expressed view that increased WE might not be necessary at RSDs in view of the activities of these Unit Cadres.

SIGS

Revised Handling of Sig Stores at Ord Depots was supervised by dets of Sig Eqpt Secs allotted to BODs, AODs and RSDs as follows :-

BOD - 8 all ranks
AOD - 4 all ranks
RSD - 2 all ranks

Typical examples for the need of these dets were provided by considering the number of component parts in two items alone, viz :

Radio Set - 200/300 components
Teletypers- 400/800 "

/3 ..

ENGRS

The greatest need at present was authority for writing-off stores in forward areas after pronouncement by Board of Survey.

Otherwise problems much the same as for Signals Org.

DECISIONS REACHED

Return of Stores ex disbanded units :

With reference to DCGS Minute of 18 Jul 45 the following decisions were reached -

Para 3(a) (ii) - Investigation to be made by DCGS to see whether that part of Standing Orders for Demobilization dealing with Disbandment of Units might be promulgated as an attachment to GROs.

(Note) It would be advisable if BA were to see draft beforehand and, - Draft to be issued as soon as possible.

(b) (i) - Formation Comds to arrange for inspection of equipment prior to return to RSDs. Service personnel could be used to assist Units under Staff arrangements.

Technical Assistance

(a) Ordnance to accept necessary action whereby WEs of RSDs might be varied within the categories providing for Technicians and Equipment Repairers as such, so that a finer definition allowing for specific employment of specialists may be made.

(b) Comds L of C Area to be responsible that technical personnel in GDDs should be made available to Depots such as RSDs whilst awaiting disposal.

Major-General,
Deputy Chief of the General Staff.

Aug 45.

OOC/EC

AUSTRALIAN MILITARY FORCES

Memo No. 102377

HEADQUARTERS
Victoria Barracks,
Melbourne.

3 Aug 45

Fwd Ech LHQ	(3)	HQ 4 Aust Armd Bde	(2)
Adv LHQ	(14)	HQ Qld L of C Area	(6)
Brisbane Sec LHQ	(2)	HQ NSW L of C Area	(8)
HQ First Aust Army	(21)	HQ Vic L of C Area	(6)
HQ Second Aust Army	(10)	HQ SA L of C Area	(4)
HQ 1 Aust Corps	(9)	HQ Tas L of C Area	(4)
HQ NT Force	(6)	ADC	(1)
HQ W Comd	(8)		
HQ 5 Aust Div	(4)		

Copies to: BA, BA to C in C, CGS (8), AG (6), QMG (8), MGO (8), CEO (2), Chief Inspector AIF, Camp, War Diary (2)

RETURNED STORES DEPOTS

1. For some considerable time, Returned Stores Depots have not been able to handle efficiently the large volume of stores being returned. This situation will deteriorate further with the probable disbandment of a large number of units in the future, unless more assistance is given to RSDs. The most valuable assistance which can be given is by units ensuring that stores and equipment are returned in a fit state for rapid onward movement, thus assisting RSDs to function properly as "transit" depots, not "storage" depots.

2. Some of the difficulties arise from the following causes :-

(a) return by units to RSDs of equipment not correctly cleaned, identified and labelled;

(b) shortage of personnel in RSDs, particularly specialists who are required for identification and classification of stores;

(c) insufficient detail in specification of certain trade categories in WEs of RSDs;

(d) type of B Class personnel allotted to RSDs.

3. Action is being taken to check the WEs of RSDs and to make certain adjustments in classification of personnel and priority allotment.

4. L of C areas will ensure that any assistance which can be given by RR & GDDs to RSDs is made available. This is particularly applicable to specialist OR personnel. It is realised that the employment of personnel awaiting disposal in RR & GDDs is subject to certain restrictions, e.g. postings by 2nd Echelon, medical categories etc.

5. Revised instructions regarding the disbandment of units are being issued. These instructions will include the retention of an administrative party until all units matters are finalised. One of the important responsibilities of this administrative party will be to ensure that unit stores equipment etc are properly cleaned, packed and identified before return and that all components are included with major components or assemblies. Where a unit returns unit equipment in one area and the personnel are disbanded in another, the cadre will be divided into advance and rear parties. Formation

/Commanders

commanders will arrange for inspection of stores, equipment etc prior to return to RSDs. It is suggested that Service personnel under staff arrangements could be used to assist units.

Major-General
Deputy Chief of the General Staff

003/50

Australian Military Forces

M I N U T E

Subject: CONFERENCE - RETURN OF STORES TO ADs. PROVISION OF TECHNICAL ASSISTANCE TO R.Ds.

AG (for D of O) (3)
MGO(for DOS) 4.
E-in-C (2)
SO-in-C 3.
DSD 4.
BA 5.

Copies - War Diary (2)

A conference will be held at 1415 hrs, 29 Jul '45 at LHQ ("A" Block, Room 28) to discuss suggestions put forward by the Business Adviser relative to Return of Stores to RSDs, and the provision of Technical Assistance at such depots for the purpose of minimising possible wastage occasioned by unskilled handling.

2. It is requested that arrangements be made for suitable representation.

3. To ensure that both questions receive full consideration each will be dealt with separately. In order that those attending the conference may be acquainted beforehand with aspects likely to be raised the following summary, which may be varied in detail as necessary, is provided as a guide only:

RETURN OF STORES TO RSDs BY DISBANDED UNITS.

(a) The need for inclusion in all instructions regarding disbandment of Unit provisions along the following lines;-

This action has been taken.

(i) that equipment, before being returned, must be properly assembled, thoroughly cleaned and efficiently packed; and

are

(ii) that no Stores returned from such Units until a certificate is given by an authorised Ordnance Equipment Examining Officer.

(b) If Ordnance Examining Officers not available could not Rde IADs help in the case of Formations so equipped?

(c) Some doubt exists as to competence of Equipment Examining Officer to classify or sentence Technical Stores, this being the function of AEME.

TECHNICAL ASSISTANCE FOR RSDs:

(a) The need for trained technical assistance in RSDs is recognized, and some means should be found to provide a limited number of personnel trained as specialists in accordance with standards required by Ordnance.

(b) Investigations made have established that with the exception of AEME Workshop Personnel no assistance would be available to RSDs in ordinary way from Units of Technical Arms such as Engineers and Signals.

/(a) ....

(c) Continuity of attachment, as against temporary allotment, of specialist personnel on whatever basis is considered essential if any real benefit is to be derived.

3. Copies of relevant correspondence are attached for the information of representatives.

Major-General
Deputy Chief of the General Staff

18 Jul 45

COPY/ABC

M41/1945

5/1/333

TECHNICAL ASSISTANCE FOR RSDs

BUSINESS ADVISER

Your minute of 23 Feb 45 has been carefully studied.

2. With the exception of workshops personnel no assistance would be available for RSDs as suggested in para 4 of your minute.

RAE units which might become available are used for works and maintenance projects, which are always in excess of availability of labour.

Signal units which might become available are not concentrated in areas in which RSDs are situated, and in any case intensive signal training is not relaxed until sections have received warning orders.

3. The assistance of workshop personnel would be most useful and their employment at RSDs is being further considered. In general AEME personnel assists in AEME Stores.

4. A great need arises for trained technical personnel in RSDs, but it is essential that they be able to identify and give the correct nomenclatures to stores, and be aware of the Standards required by Ordnance. They must be familiar with Ordnance Systems of accountancy and methods of packing stores, otherwise they can only be used as labour resulting in early saturation being reached by virtue of the lack of skilled supervision. Continuity of attachment is essential. A change say each week or so takes men away before they have been taught sufficient to make them anything other than a liability. Furthermore, the knowledge that the attachment is for a short period only is not likely to give the individual the incentive to do his best but rather to cause such attachment to be regarded as another fatigue or a holiday.

(Init.) J.A.C.
Major-General,
Deputy Chief of the General Staff.

19 Mar 45.

B.A. I would like to discuss sometime with you.

(Init) J.A.C. 19 Mar 45.

COPY/ABC 5/1/333

Department of the Army

Minute Paper

Subject : TECHNICAL ASSISTANCE FOR R.S.Ds.

DCGS

As a result of visits to RSDs and discussions with officers interested in the problems of these establishments, I desire to recommend that action be taken on the lines set out hereunder, with a view to :

(a) improving the operation of RSDs,
(b) inculcating in the minds of personnel of technical units a better appreciation of the need for improved maintenance of unit stores and equipment.

2. The function of the RSD is an extremely important one and will become increasingly so as the war progresses to finality, nevertheless, it is something of a "Cinderella" amongst Army installations, without efficient management or adequate staff, the RSD can become a conglomeration of confusion and a morass of waste. The task of the C.O. is unenviable; he is always short of personnel and many of his staff have been posted to him because of their low medical or mental standard. No criticism is offered of this aspect of the matter, the necessity for and difficulties of which, are appreciated. As the reorganisation of Army units and W.E.Ts. proceeds, and as reductions in strength continue, so must the responsibilities of RSDs become heavier, and the present difficulties be accentuated.

3. On another paper I have written to MGO suggesting some ways of easing the problem as it relates to disbanded units, and it is believed that the action suggested therein will do much to relieve the present position.

4. Amongst the major difficulties of an RSD is the problem of technical stores, and particularly the parts and components of these. Frequently, only those who are accustomed to the use of such stores can relate the components to their proper allocations for restocking, etc. It is obvious, therefore, that help is needed in the R.S.D. in this particular direction.

5. As a means of providing skilled assistance of a temporary nature; the following suggestions are offered, as examples of possible further development along similar lines at all RSDs -

(a) That Engineer units, or sub-units, when their allotted period of training or reorganisation has been completed at the RAE Training Centre at Wagga, and pending onward movement, be available wholly or in part as may be mutually arranged, for service at Roseberry (or Moorebank).

(b) That Signal units, or sub-units, when their allotted period of training or reorganisation has been completed at the Signals Training Centre at Balcombe, and pending onward movement, be available wholly or in part, as may be mutually arranged, for service at Fitzroy or Broadmeadows.

(c) That the Q.M. or Workshop personnel, or others whose duties in such units are associated with technical equipment, be allotted temporarily from these Training Centres to the appropriate RSD for such temporary period as can be mutually arranged.

6. Obviously such a scheme will require goodwill and co-operation between the Training Centres and the RSDs. I submit that this should be forthcoming, not only because of the definite advantage to the RSD, but also as a service towards the better future care and maintenance of units' stores. In my view, personnel who are attached, if only for a few days, to an RSD would learn so much from the "awful example" and the experience of RSDs task, that they would become imbued with a better appreciation of the value of their own units' stores. An ounce of experience is worth a ton of theory for educational work of this nature.

7. At present when units complete the allotted period for refitting, etc., some delay frequently occurs for one or more reasons in the onward movement to their new stations. As distinct from units and sub-units the same applies to individuals and small parties. Generally speaking, the additional time is utilized in extended training. It is submitted that such experience as I have outlined could well be regarded as essential training quite apart from the very valuable economical contribution it would provide in -

(a) Assisting the RSD manpower,

(b) assisting the unit itself,

(c) expediting returns of stores ex RSD to proper stock systems,

(d) reducing the need for new provisioning,

(e) economising in manhours and materials for the production of new stores to the extent that such stores are brought on charge ex the RSD,

(f) widening the Army and technical experience of the personnel concerned.

8. No time need be lost to the personnel concerned in their onward movement. It could be clearly laid down that the only difference in this respect should be the altered entraining station, etc., as the case may be.

(Sgd.) A. KEMSLEY,
Business Adviser,
23/2/45

COPY/ABC

26

M31/45
325/45/970

Australian Military Forces

Q2/4523

Minute

SECRET

Subject : INFORMATION REGARDING OPERATION, REPAIR AND MAINTENANCE OF RAILWAYS

THE SECRETARY (for the Minister)
(through DCGS) (Init.) J.A.C. 9 Aug.

1. In November 1944 approval was sought for a proposal to obtain information concerning operation, repair and maintenance of railways under war conditions. It was known that the U.K. and U.S. Armies were obtaining considerable experience of railway transportation and railway engineering problems and their solution under battle conditions. To gather the benefit of this experience for Australian Defence needs the visit to U.K. and the Western Front of two officers was recommended by the C in C.

2. During several months this proposal and various counter proposals were examined and finally on 18 May the Acting Minister suggested that the Military Liaison Staff in London should collect the desired information.

3. In accordance with this suggestion a detailed list of the items on which information is required was prepared and sent to the Australian Army Staff UK on 23 Jun 45. From the point of view of Army transportation the whole of the information as detailed is definitely required; anything less will be of negligible value.

4. In reply to the request a signal was received on 30 Jul 45 stating that the DDTn(Rlys) and Inspector Rlys War Office considered that even by allotting a special officer to the task of answering the points raised this would take approximately three months, that they cannot spare a suitable officer but could arrange necessary interviews for an Australian officer with both UK and Allied representatives in Europe; and suggesting that in view of this and the amount of technical detail involved a senior officer technically qualified in railway transportation matters be despatched from Australia for this purpose.

5. In the light of the War Office suggestion it is requested that the Minister reconsider the previous decision of the 18 May 45 refusing approval to send overseas officers of the Army Road and Rail Transportation Directorate. In order to cover the field adequately it is essential to have two officers, the one specially qualified in railway operation and the other in railway engineering.

6. Accordingly approval is requested to send overseas the officers previously selected for the purpose in view.

(Sgd.) R. Bierwirth, Brig.,
for Major-General,
Quartermaster-General.

8/8/45

COPY/ABC

Gp/37/899

AUSTRALIAN MILITARY FORCES

Minute Paper

Subject : VISIT OVERSEAS OF RAILWAY OFFICERS.

COMMANDER-IN-CHIEF:

The further information contained in your memorandum of 8th April, 1945, in regard to the question of sending abroad officers of the Army Road and Rail Transportation Directorate to undertake investigations of a railway technical character has been considered.

I agree that information of value could be collected on this subject but, while this information would assist in planning for the future defence of Australia, there are other considerations which preclude the Commonwealth from sending abroad specialists to study and improve their knowledge throughout the full range and variety of technical subjects which are enveloped in Army activities. The Government has sent a number of officers abroad already including specialists in medical research, engineering, signals and equipment, as well as operational staff.

The conditions in Australia require that large-scale military movements shall be executed under the control and direction of the Railway Commissioners who for this purpose have been appointed members of the War Railway Council. The Governments of the Commonwealth and the States have entrusted them with the design and maintenance of equipment and organisation of traffic operations to meet all demands in Australia, both civil and military. I have no doubt that with the information which is obtainable through normal service channels in regard to the military demands on which future strategic planning must be based, these high railway executives will be able to supply the answers.

As the time has now passed when military officers with railway training could obtain first-hand information in Europe under battle conditions, it is suggested that the War Railway Council be asked to catalogue the information which could, with advantage, be collected by the military liaison staff in London as a basis for future planning.

(Sgd.) J.M.FRASER,
Acting Minister.
18/5/45.

COPY/ABC GP/37/899

Department of the Army

Minute Paper

Subject : Visit Overseas of Railway Officers

Acting Minister

I have perused the attached papers for the first time since I selected Lt-Col (T/Col)T.R. Collier and Major D.H. Eakins on 20 Nov 44 for the purpose of obtaining first-hand information on the operation, repair and maintenance of railways under battle conditions.

2. The time that has elapsed without decision since this matter was submitted for ministerial concurrence in the movement of the two officers selected has, I fear, very materially prejudiced the opportunities for securing the detailed railway experience under actual battle conditions and the resultant good to the Australian Army that could be reasonably anticipated from such experience. However, all of the desired conditions other than perhaps activity under enemy fire, will still be much in evidence for some considerable time to come.

3. On reading the minutes by the QMG and CGS, I felt that the reasons for the investigation has been adequately covered but that the essential difference between the problems of railway transportation under battle conditions (such as exist today on the Western front where Army is responsible for operation, maintenance and repair) and railway transportation in the civil sphere, had not been fully appreciated. The difficulty arises, I think, from seeking to draw a comparison between operation and maintenance of a transport system under war and peace conditions. In my personal experience I would say the conditions are so, dissimilar as to render comparison, if not impossible, at least of little, if any value.

4. In regard to the aspects raised in your minute of 19 Mar 45, which in the main have previously been raised and answered, I desire to make the following comments :-

(i) The field of inquiry covered by the Quartermaster-General's minute of 10 Nov 44 and appendices is not one which concerns railway management, when the operation, maintenance and repair of railway transportation occur under battle conditions, such as those which exist on the Western Front. It is a field which Railway Administrations have considered, and rightly so, to be the concern of Army which raises, trains and equips various and numerous units to perform the services required.

(ii) As I personally selected Lt-Col (T/Col) T.R. Collier and Major D.H. Eakins for this particular investigation, it follows that I consider the study of the military aspects of the subject to be essential during the progress of the war in Europe or as unavoidably qualified in para.2 above. The unification of railway gauges in Australia and the responsibility of railway technical experts for rollingstock design are matters of civil railway management and have little, if any relation to the proposed investigations.

(iii) There are not, and could not be, by reason of their training Staff Corps officers with the requisite technical knowledge and experience to undertake investigations on these matters, which are strictly of a railway technical nature. It would have been equally illogical to have suggested sending an unqualified Staff Corps officer to investigate the problems recently covered by the SO-in-C. The scope of the inquiries to be made necessitates the sending of two officers, one to deal with traffic operation and one with engineering problems, which are two separate aspects of transportation practice.

5. So that the opportunity to undertake these investigations will not be lost, your early approval to the visit overseas of these two officers is requested please.

(Sgd.) T.A. BLAMEY,
Commander-in-Chief.

8 Apr 45.

COPY/ABC

Gp./37/899

Department of the Army

MINUTE PAPER

Subject : Visit overseas of Railways Officers.

Commander-in-Chief

The attached file dealing with this subject was under my notice when I was formerly acting as Minister for the Army, and the latest recommendation dated 2nd March, 1945, was referred to me by Mr. Forde just prior to his leaving for overseas.

2. You will be aware of my views generally on the subject of officers proceeding overseas, and will therefore understand that all proposals for such visits which come before me are thoroughly examined before my approval is forthcoming.

3. In this case I have perused the observations of the Chief of the General Staff with interest, but the necessity to send the two officers abroad for the purpose mentioned is still not apparent to me. No claim has been made that either the railway or the tramway officer referred to is an expert on uniform gauge or rolling stock design, but it is stated that they have a good general knowledge of railway operation and a military background. The subjects listed in the Quartermaster-General's minute of 10th November, 1944, appear to be matters of railway management which will, no doubt, be covered by the Commonwealth Department of Transport and the Railway Commissioners of the Commonwealth and States.

4. I would like to be able to discuss this matter personally with you in order to ascertain whether you consider that a study of the military aspects of these subjects is essential during the progress of the war in Europe, assuming that the uniform railway gauge scheme is to proceed and that railway technical experts will continue to be responsible for rolling stock design and the other subjects listed.

5. Further, it is not clear to me why one officer would not be sufficient, particularly if he were a Staff Corps officer with the qualifications mentioned by the Chief of the General Staff, namely a general knowledge of all the railway systems of Australia, together with a knowledge of the requirements of defence traffic. As it has been indicated that the subjects envisaged for the proposed inquiry relate to long-range plans for the future defence of Australia it seems to me essential that the officer to be selected should have had experience in planning military movement for the handling of large forces in the field.

6. I note that the Australian Army Staff in the United Kingdom has recently been augmented by Brigadier T. White, and it is suggested, for your consideration, that among the personnel available to Major-General E.K. Smart, there should be an officer with the necessary qualifications to undertake these investigations.

(Sgd.) J.M. FRASER,
Acting Minister.

19/3/1945.

COPY/ABC

AUSTRALIAN MILITARY FORCES

Group/37/899

Minute Paper

Subject : Information required regarding operation and maintenance of Railways under War Conditions Overseas.

MINISTER :

In connection with the proposal to send two officers abroad to obtain information on the operation and maintenance of railways under war conditions you have raised the following points :-

(a) The selection of the two officers is faulty as both of them are not Commonwealth public servants and one of them is not a railway officer.

(b) The scope of the inquiry -

(i) invades the filed of civil-railway administration;

(ii) is not broad enough.

(c) Whether the subjects for inquiry as proposed or as broadened relate to problems of the demobilisation period or to long range plans for the future defence of Australia.

2. In giving consideration to the matter I conclude that the crucial point is that listed as (b). While there is no doubt that the study of transportation of large forces in the field is most important for senior staff officers, such study must be on broad lines and is based on the technical knowledge gathered and disseminated by experts in the several branches of transportation. The proposed enquiry is for the purpose of obtaining technical information on transportation under battle conditions to fill a gap in the technical knowledge available to the AMF and thereby render possible intelligent planning on the broader field by senior staff officers.

3. Under such conditions the operation of railways and the maintenance of track and equipment, locomotives and rollingstock present an extraordinary problem not met with in civilian practice. On the Western Front at present such problems are being solved by UK and US Armies while on the Eastern Front the additional problem of gauge conversion is being tackled by the Russian Army. The information required can be obtained only by technical experts at the scene during operations. To be of use to Australia the technical experts must have an Australian background comprising a wide knowledge of Australian transportation and Australian military practice. An enquiry to cover the broader scope suggested is of a different kind and is not required at present. In both kinds of enquiry the scope would be limited to the field covered by military administration and not invade the province of civil transport.

4. In answer to the point listed (c) the subjects envisaged for the proposed enquiry relate to long range plans for the future defence of Australia and measures will be taken to see that the results of the enquiry are reduced to record form of a permanent nature.

5. In regard to the selection of officers to carry out the enquiry it is correct that Mr. Howse, Colonel Collier and Major Eakins are not permanent Commonwealth Public servants, but no Commonwealth public servants with the requisite qualities are available. The three officers are all State employees and in addition Colonel Collier and Major Eakins can be held by the A.M.F. as long as their services are required.

6. In view of the nature of the enquiry Mr. Howse is entirely unsuitable. While Major Eakins is from the Tramways, his experience has been with the Permanent Way Branch in which the work is of a nature similar to that of the Railways Way and Works Branch. He successfully carried out railway constructions and maintenance work in the U.K. and the MIDDLE EAST during the current war with the AUSTRALIAN RAILWAY CONSTRUCTION AND MAINTENANCE GROUP, R.A.E., A.I.F. Colonel Collier is a senior officer of the Victorian Railways with a good military background and is entirely suitable. It is essential that the officers sent to obtain the information required have a general knowledge of all the railway systems of Australia, together with a knowledge of the requirements of Defence traffic. While officers of the various railway systems have detailed knowledge of their own individual system, officers of the Army Directorate of Railway and Road Transportation have the general knowledge required and are particularly conversant with the needs of defence traffic and the limitations imposed by the various railway systems.

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7. In the light of all that has been brought forward, I confirm the selection of Colonel Collier and Major Eakins as the officers who should make the enquiry.

8. If the Minister for Transport desires to send a representative abroad to study civilian transportation problems, it is his prerogative to do so. His desire to act in this direction should not interfere or be connected with the enquiry, on Army transportation under battle conditions, which is in no way related to those of civil life.

9. I desire to confirm the opinion of the Quartermaster-General that the opportunity to obtain the information required is fleeting and may soon be lost. In my opinion this information is of the highest importance for future defence planning from an Army point of view.

J. NORTHCOTT, Lt-Gen.,
For Commander-in-Chief.

2/3/45

COPY/ABC

M31/1945
Group/37/899

Department of the Army

Minute Paper

Subject : Proposal to Send Two Representatives Abroad to Study Railway Transport Problems

Commander-in-Chief :

I am forwarding for your information the comments of the comments of the Commonwealth Minister for Transport concerning the proposal to send abroad Colonel T.R. Collier and Major D.H. Eakins, of the Army Directorate of Rail and Road Transportation.

You will observe that the Minister for Transport considers that the officers selected to make the inquiries on the subjects listed for investigation should be officers associated with railway operation in civil life. Colonel Collier's civilian appointment is Superintendent of Train Services in the Victorian Railways, and he would come within this category. Major Eakins would not, as his civil calling is in the Melbourne and Metropolitan Tramways Board.

Mr. D.J. Howse, who has been nominated by the Minister for Transport, holds the wartime position of Commonwealth Director of Rail Transport, and his peacetime employment is General Passenger and Freight Agent in the New South Wales Railways. It is assumed that, in the ordinary course of events both Colonel Collier and Major Eakins will return to their civil duties in the Railways and Tramways respectively after the war. The circular which was issued by me as Acting Prime Minister was intended to ensure that, as far as possible, officers of any Commonwealth Department selected to go overseas at the expense of the Commonwealth should be permanently engaged in the Commonwealth Service, so that the experience and knowledge gained will not be lost to the Commonwealth. This excludes the three officers whose names have been mentioned.

Apart from this aspect, it appears to me that the subjects listed for investigation are largely connected with matters which, except in the area of military operations, are within the scope of the Railway Commissioners' control. This being the case, it would appear to be more appropriate for these subjects to be investigated by officers sent abroad by the railway administrations. I refer particularly to such subjects as operation of railways, maintenance of track, conversion or provision of rolling stock and equipment and conversion of gauge.

The important sphere of military responsibility in regard to railways seems to me to be in the administration and organisation for dealing with the handling of large forces in the field, and I think you will agree, calls for a study by trained senior staff officers competent to deal with these questions from the military angle. By such study they could improve their efficiency in preparing plans for execution by the technical railway staff. This planning would include the development of transportation facilities in all aspects of military movement. This is a broader and, I suggest, a more important conception from the military point of view than the investigation envisaged by the Quartermaster-General. I am fortified in this point of view by the list of subjects dealt with by the War Railway Council from 1925 to 1940 which, it appears to me, must have been based on military staff planning and referred to railway officers for technical assistance in the methods of implementation

Briefly stated, it appears to me that planning military movement for handling large forces in the field is a matter for study by senior staff officers and not by officers who have been trained for, and who are destined to return to railway and tramway operation and management.

Before coming to a final conclusion, however, I shall be pleased to have your observations on these aspects, together with your opinion as to whether any of the subjects listed by the Quartermaster-General for inquiry abroad or any matters which might be incorporated in the wider conception which I have indicated have any relation to problems arising during the demobilisation period or whether they relate to long-range plans for the future defence of Australia.

(Sgd.) (F.M. FORDE)
M I N I S T E R.
23/2/45

27.

SECRET

AUSTRALIAN MILITARY FORCES

Headquarters,
Victoria Barracks,
Melbourne.S.C.1.

4536

11th January, 1945.

LHQ ADMINISTRATIVE INSTRUCTION No. 23

V.D.C. - APPOINTMENT AND PROMOTION OF OFFICERS.

1. [illegible] of 19 Jul 43 (LHQ Administrative Instruction No. 7) is cancelled.

2. Except as given in para. 3 below, all recommendations for first appointments and promotions of officers in the Volunteer Defence Corps will, in future, be submitted to LHQ by Commanders of L of C Areas and Western Command.

3. In the case of units remaining under command of Second Aust Army (vide SX.11627 of 4 Nov 44), that formation will be responsible for submitting the desired recommendations to LHQ.

Lieutenant-General
i/c Administration.

DISTRIBUTION -

HQ First Aust Army	(6)
HQ Second Aust Army	(10)
HQ 1 Aust Corps	(4)
Rear HQ First Aust Army	(6)
HQ NT Force	(4)
HQ Western Command	(6)
HQ 4 Aust Armd Bde	(2)
HQ Qld L of C Area	(6)
HQ NSW L of C Area	(6)
HQ Vic L of C Area	(6)
HQ SA L of C Area	(4)
HQ Tas L of C Area	(2)

Copies for information to -

PA to C in C; CGS (6); A.G. (8); QMG (6); MGO (6); CMO (2); M.S. (6); D.V.D.C. (6); Adv LHQ (2); "G" SDL (Liaison) (3); War Diary (2).

OOC/ABC

AUSTRALIAN MILITARY FORCES

(Office of Co-ordination.)

Headquarters,
Victoria Barracks,
Melbourne .. SC1.

32145
5/3/32

8th March, 1945.

ADMINISTRATIVE INSTRUCTION NO.24

CARE AND CONTROL OF CHINESE NATIONALS AND HALF-CASTES OF THE TERRITORY OF NEW GUINEA

1. On 8th September, 1944, the Ministerial Sub-Committee on all matters relating to civil administration in the Territories of Papua and New Guinea considered the question of care and control of all Chinese nationals and half-castes recovered from enemy control who were formerly residents of the Territory of New Guinea

2. Pursuant to the directions of the Sub-Committee, ANGAU

(i) will take all steps necessary for the provision of medical attention, accommodation, sustenance and essential clothing to all Chinese nationals recovered from enemy control who were formerly residents of the Territory of New Guinea, in order to meet their immediate requirements;

(ii) will be charged with the maintenance of order and all internal matters of administration of settlements of such Chinese, and may establish within each settlement from the Chinese nationals themselves a Committee of Management with such functions as ANGAU may assign to it;

(iii) may employ such Chinese or any of them at a wage and under conditions as to hours of work commensurate with those prevailing in the Territory of New Guinea at 31 Dec 41.

3. The Sub-Committee directed that action be taken by the Minister for External Territories, through the agency of the Australian New Guinea Production Control Board, to provide, for sale to Chinese nationals recovered from enemy control in the Territory of New Guinea, supplies of items of clothing and footwear (for men, women and children), other necessities (including infants' requirements) and comforts.

4. The Sub-Committee directed that a half-caste resident of the Territory of New Guinea who, at 31 Dec 41, lived after the

/2 ..

manner of a European or an Asiatic and who is recovered from enemy control in the Territory of New Guinea, should be treated, for the purposes of care and control, on the same basis as a Chinese national.

[signature]
for Major-General
Deputy Chief of the General Staff.

Distribution

HQ, ANGAU (12)

Copies for information to :-

Adv. LHQ	(2)	ORS	(6)
Brisbane Sec LHQ	(2)	AG	(6)
HQ First Aust Army	(8)	QMG	(6)
Sec Defence	(2)	NGO	(6)
Sec Army	(2)	CFO	(4)
PA to C in C	(1)	DGPR	(1)
		D Research	(1)

OOC/EC

AUSTRALIAN MILITARY FORCES
(Office of Co-ordination)

Memo No. 93787

Headquarters
Victoria Barracks
Melbourne. S.C.1.

17th July, 1945.

LHQ ADMINISTRATIVE INSTRUCTION No. 25

AFVs - DIVISION OF RESPONSIBILITIES

1. AFVs special attachments and associated equipment are classified as ordnance stores and the following division of responsibilities will apply.

2. Manning

(i) AVsRE will be issued to RAE armoured units and manned by RAE personnel;

(ii) ARVs will be issued to AEME units and manned by AEME personnel;

(iii) All other AFVs will be manned by Armd Corps personnel.

3. User Requirements

The responsibility for advising General Staff on user requirements will be as follows :-

(a) E in C for AVsRE and their associated equipments;
(b) DME for ARVs and their associated equipments;
(c) "G" Armd Corps for all other AFVs and their associated equipments.

4. Provision etc

The functions of design, provision, storage and issue will be the responsibility of MGO Branch and will be carried out in accordance with established procedure.

5. Maintenance and Repair

Unit maintenance will be the responsibility of the units to which the equipment has been issued.

All echelons of repair will be the responsibility of AEME.

Major-General
Deputy Chief of the General Staff

DISTRIBUTION -

HQ First Aust Army	(10)	HQ 4 Aust Armd Bde	(2)
HQ Second Aust Army	(6)	HQ Qld L of C Area	(6)
HQ 1 Aust Corps	(4)	HQ NSW L of C Area	(8)
HQ NT Force	(4)	HQ Vic L of C Area	(6)
HQ Western Command	(6)	HQ SA L of C Area	(4)
HQ 11 Div	(5)	HQ Tas L of C Area	(2)

Copies to -
MA to C in C; CGS (10); AG (5); QMG (6); MGO (10); CEO (2); Adv LHQ (2); [illegible] (2) War Diary (2), LHQ AFV School (2)

COPY/ABC

28

SECRET

TERMINATION OF WAR CONTRACTS - ITEMS OTHER THAN MUNITION ITEMS

AG
QMG
MGO

Copies to : DSD, BA
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1. Ref to CFO minute dated 23 Aug 45.

2. Please send your comments to reach this office by noon Monday, 27 Aug 45 (as requested at CGS conference, Friday, 24 Aug 45).

(Sgd.) C.M.L.Elliott, Brig.,
for Major-General,
Deputy Chief of the General Staff.

24 Aug 45.

COPY/ABC

Department of the Army

Minute Paper

Subject : TERMINATION OF WAR CONTRACTS - ITEMS OTHER THAN MUNITIONS ITEMS

D.C.G.S. (Copy for information to A.G., Q.M.G., M.G.O.)

With reference to the minute of the Secretary, dated 22nd August, addressed to the CGS on the question of reviews to determine the necessity for continued production under existing contracts, it is submitted for consideration that the following principles should apply in determining the extent of the cancellations that are necessary. -

LIABILITIES:

Reserves - Nil

Store Margins -

A.	Engineer Stores - Six months	
B.	A.S.C. Items - Six months	
C.	Medical & Dental stores	Six months
D.	Printing & Stationery	Six months
E.	Ordnance Stores	Six months

The foregoing store margins to be computed at peace-time usage rates for the forces expected to be on hand at 31st December, 1946.

It is considered that existing stocks in stores or with units plus the early delivery of the balance of any maintenance requirements to December, 1946, revealed by the reviews should provide sufficient depot stocks to enable distribution to proceed during the period when larger forces have to be maintained.

ASSETS : Maintenance to 31st December, 1946, based on the probable maximum average strengths shown hereunder :

Stocks held.
Stock and equipment recoverable by reconditioning and from reductions of units or strengths.
"Dues-In" from outside sources and manufacturers.

STRENGTHS:

31st December, 1945	-	Males	285,000
		Females	18,500
30th June, 1946	-	Males	150,000) As advised by
		Females	10,000) the C.G.S.
Average July, 1945 to June, 1946	-	Males	277,000
		Females	18,000
31st December, 1946	-	Males	50,000
		Females	-
Average July, 1946 to December, 1946	-	Males	100,000
		Females	5,000

DISTRIBUTION OF THE FORCES :

It is to be assumed that 50 per cent of the male strengths will be on duty outside Australia.

USAGE RATES :

To be reduced from those based on war experience to a rate likely to be experienced during the period of demobilisation.

POST WAR ARMY :

In deciding upon the quantities to be cancelled no allowance to be made for the requirements of a Post War Army as any such requirements can be provisioned for as and when this proposal is approved by War Cabinet.

/2 ..

If acceptable to you it is suggested that the Branches concerned be advised of the principles to be followed in making any reviews for items other than Munition Items.

It would be appreciated if this matter could receive early attention.

(Sgd.) J. Fitzgerald
Chief Finance Officer.
23 Aug 45.

DOC/EC/1

29

SECRET

Australian Military Forces

(Office of Co-ordination)

SECRET

MINUTE

ubject: MINUTES OF CONFERENCE HELD AT ADV LHQ, MOROTAI, ON WED 5 SEP

CGS	D Plans
AG	DSD
QMG	DDSD(E)
MGO	DQMG II
CMO	DR & CA
BGS	DPW & I
SO-in-C	DST
	Brig Co-ord

Forwarded herewith is a copy of minutes of a conference held at Adv LHQ on 5 Sep 45 between C-in-C and Maj Gen D HARRISON, head of SEAC Mission to Australia.

2. In forwarding these minutes Adv LHQ noted the following :-

"With reference to para 7 of the minutes Maj Gen HARRISON has informed SEAC of the views of C in C in this regard and has undertaken to advise the calorific value of the ration decided upon by SEAC. On receipt of this advice, C in C will decide on the ration to be issued in the Australian Area."

3. Any further action on these minutes will be taken as follows :-

Minute 3 DSD - DDSD(E)
" 5 DSD (with SC-in-C Sub-para (a), DR&CA, Brig Co-ord, Sub-para(b)
" 6 QMG
" 7 QMG (with A Branch)

Major-General
Deputy Chief of the General Staff
13 Sep 45

COPY/OOC/EC

AUSTRALIAN MILITARY FORCES
SOUTHWEST PACIFIC AREA

SECRET

Adv LHQ
AQ 305.1
Sep 45

Minutes of Conference held at Adv LHQ MOROTAI
on Wednesday, 5 September 45

1. Present

General Sir Thomas BLAMEY, C-in-C AMF
Lieutenant General F. H. BERRYMAN
Brigadiers V. C. SECOMBE, E. W. WOODWARD
Major General D. HARRISON, Head of SACSEA Mission

2. Object

The object of the conference was to seek the approval of the C in C AMF to measures previously agreed upon at a Staff level between SACSEA Mission and LHQ and Adv LHQ.

3. Captured Japanese Arms and Equipment

It was agreed that it would be desirable to destroy captured weapons, ammunition and all war equipment other than that suitable for commercial use. As the NEI Government might desire to obtain captured weapons, it was decided that C in C AMF would refer this question to the Australian Government with the suggestion that agreement should be reached with UK Government.

4. Defence Committee Agendum No 220/1945

Major General HARRISON referred to this Agendum and C in C AMF stated that it was in accordance with the signals he had sent on the subject. This Agendum has received the approval of the Australian Government.

5. Aide Memoire for discussion with Defence Committee

Major General HARRISON referred to this paper and stated that agreement had been reached on a Staff level. C in C AMF approved of this paper subject to the concurrence of his Staff at Adv LHQ. This concurrence was subsequently given.

Major General HARRISON referred to two special subjects in this paper :-

(a) SC-in-C AMF agreed to leave approximately 250 Australian signal personnel, together with the necessary equipment, with the relieving SEAC Forces for an interim period of from two to three months.

C-in-C AMF agreed to this arrangement and to confirm any related arrangements made by SC-in-C.

(b) It is agreed that the SEAC Mission to Australia would include a "Q" Maintenance officer and a "Q" Movements officer, both of 1st Grade standing, for integration with the staff of Adv LHQ.

/Shipping ....

Shipping

(a) Major General HARRISON stated that we would be dependent on the re-allocation of shipping by the Ministry of War Transport. C-in-C AMF pointed out that Australia had practically no shipping. Major General HARRISON said he would inform AMF of any re-allocation of shipping made to SACSEA by the Ministry of War Transport, and undertook to investigate on his return to his HQ the possibility of making available some SEAC shipping for Australian use after the major movements now in progress have been completed.

(b) Major General HARRISON stated that he had already asked Supreme Allied Commander SEAC to impress on the NEI authorities that all shipping at their disposal must be pooled for common use under the joint control of SEAC and AMF. C-in-C AMF agreed that this was correct in principle.

7. Rations for disarmed Japanese troops

Where we have to supply disarmed Japanese troops because the local resources are not sufficient to maintain them in moderate standard of health, it was decided we should determine the calorific value of the ration to be issued. The calorific value so decided is not to be less than 50% of that of disarmed German enemy.

The issue of existing stocks should be so controlled as to conform forthwith to that calorific value. For this purpose the issues of Japanese stocks of rations must be controlled by local Commanders of occupying Forces.

(Sgd) F. H. BERRYMAN
Lieutenant General
Chief of Staff
Australian Military Forces

(Sgd) D. HARRISON
Major General
Head of South East Asia Command Mission

Distribution

LHQ
SEAC Mission to Aust

80

SECRET

AUSTRALIAN MILITARY FORCES

No. 94/4/208.

120720

Headquarters,
Victoria Barracks,
Melbourne.

13th September, 1945.

Fwd Ech LHQ	(3)	HQ Western Command	(6)
Adv LHQ	(14)	HQ Qld L of C Area	(14)
BRISBANE Sec LHQ	(2)	HQ NSW L of C Area	(8)
HQ First Aust Army	(21)	HQ Vic L of C Area	(6)
HQ Second Aust Army	(10)	HQ SA L of C Area	(4)
HQ 1 Aust Corps	(9)	HQ Tas L of C Area	(4)
HQ NT Force	(6)	RMC	(1)

Copies to: First Asst Sec, Dept of Treasury (Def Div); Sec Def (3); Sec Navy (2); Sec Army (2); Business Adviser; Sec Air (2); Mil LO, Security Service, CANBERRA; Chief Auditor Def and Sup (16); MA to C-in-C; CGS (12); DCGS (2); AG (6); QMG (8); MGO (5); CFO (5); MS (3).

- - - - - - - - -

RECIPROCAL LEND LEASE

Advice has been received from the Department of the Treasury that the Commonwealth Government has not yet defined its policy regarding continuance of supply to the U.S. Forces under Reciprocal Lend Lease Aid.

Pending further advice new commitments will not be entered into under Reciprocal Lend Lease arrangements except for small current requirements for local U.S. Forces.

Where specially urgent or emergency items are requested, the matter will be referred to L.H.Q. for Treasury approval before commitment is incurred.

C.M.F. Elliott Bridges Maj.-General
Deputy Chief of the General Staff.

AUSTRALIAN MILITARY FORCES

SECRET

No. (165/7/605)

119049

Headquarters,
Victoria Barracks,
Melbourne, S.C.1.

10th September, 1945.

Fwd Sch HQ	(6)	HQ Western Command	(8)
Adv HQ	(14)	HQ Qld L of C Area	(14)
BRISBANE Sec HQ	(2)	HQ NSW L of C Area	(8)
HQ First Aust Army	(21)	HQ Vic L of C Area	(6)
HQ Second Aust Army	(10)	HQ SA L of C Area	(4)
HQ 1 Aust Corps	(9)	HQ Tas L of C Area	(4)
HQ NT Forces	(6)	RMC	(1)

Copies for information to:-

First Asst Sec, Dept of Treasury (Def Div); Sec Def (6); Sec Navy (2); Sec Army (2); Business Adviser; Sec Air (2); Mil LO, Security Service, CANBERRA; Chief Auditor Def and Sup (16); MA to C-in-C; CGS (12); DCGS (2); AG (6); QMG (8); MGO (5); CFO (5); MS (3).

OTHER ADMINISTRATIONS RECOVERABLE EXPENDITURE - FRENCH FORCES.

The question of outstanding claims for equipment, stores, supplies and services to the French Forces has been taken up by the Commonwealth Treasury with the Department of External Affairs.

The Department of the Treasury has advised that no further commitments in the nature of issues of equipment, stores, supplies and services or purchases are to be made without Treasury authority unless advice is received in writing that the French Authorities will reimburse the Commonwealth for such expenditure.

C.M. Wilkie Brig for Major-General,
Deputy Chief of the General Staff.

AUSTRALIAN MILITARY FORCES
(Office of Co-ordination)

SECRET

(105/2/429) 26958

Headquarters,
Victoria Barracks,
MELBOURNE, S.C.1.
27 February, 1945.

HQ Qld L of C Area (3)
HQ NSW L of C Area (3)
HQ Vic L of C Area (3)
HQ SA L of C Area (3)
HQ Western Command (3)

Copies for information:-

MLO (3)
DGMS (3)
DDOS Qld L of C Area (2)
DDOS NSW L of C Area (2)
DDOS Vic L of C Area (2)
ADOS SA L of C Area (2)
ADOS Western Command (2)
CFO (10)

ACCOUNTING FOR ORDNANCE STORES AT BASE HOSPITALS

1. "Accounting Instructions for Military Hospitals" detail the procedure to be adopted by the Base Hospitals enumerated in para. 3 hereof in accounting for all types of stores, including ordnance stores, and provide, inter alia, for all stores transactions to be recorded on A.A.F. D.81. The provisions of G.R.O's 0.735/1943 and 0.295/1944 in regard to unit accounting for ordnance stores did not and do not apply. In accordance with the above-mentioned accounting instructions supervision of stores accounting in Base Hospitals has been the responsibility of CFO (through DFO's).

2. In future, there will be a change of responsibility in respect of clothing, necessaries and personal equipment. Supervision of accounting for, and stocktaking of, these items will be the responsibility of the MLO and commanders of L of C Areas concerned and Western Command, in accordance with GRO's 0.735/1943 and 0.295/1944. Base Hospitals will therefore account for clothing, necessaries and personal equipment in the manner prescribed by current orders, in particular GRO's 0.735/1943, 0.134/1944, 0.295/1944 and 0.569/1944.

3. To implement this change of responsibility, as at 9 Mar 45, Base Hospitals will open AAF's F7 (obtained from relevant Unit Stores Accounts Section) by transfer from AAF's D81 of stores actually in possession. Any discrepancies remaining on AAF's D81 will be submitted to the appropriate authority for approval to adjust and AAF's D81 will be closed.

4. With the exception of clothing, necessaries and personal equipment, supervision of accounting for ordnance stores after issue from ordnance depots to Base Hospitals will be the responsibility of CFO (through DFO's) in accordance with the provisions of "Accounting Instructions for Military Hospitals", and stock counts of such stores will be the responsibility of official stocktakers appointed under para. 170, Part I of these instructions. Unit Stores Accounts Sections will not be used in connection with accounting for stores other than clothing, necessaries and personal equipment.

5. In order that DFO's may discharge the responsibilities fixed by para. 4 above, representatives of DOS will hand over to DFO's all Base Hospital unit vouchers (other than those relating to clothing, necessaries and personal equipment) when normal action has been completed.

6. AAF's F2, F6 and F22 in respect of ordnance stores other than clothing, necessaries and personal equipment will not be submitted to ADOS/DADOS for approval but will be dealt with by Base Hospitals in the following manner:-

(a) AAF's F2 will be submitted through DDOS to HQ Formation for approval of competent authority.

(b) AAF's F22 in respect of surplus stores revealed at stocktakings will be submitted through DDMS to HQ Formation for approval of competent authority.

(c) AAF's F22 in respect of stores other than those referred to in sub-para (b) hereof will be approved by the Commanding Officer of the Hospital.

(d) AAF's F6 will be approved by the Commanding Officer of the Hospital.

7. Base Hospitals will continue to comply with Ordnance requirements in respect of transactions with Ordnance, e.g. submission of indents, procedure in respect of returns or transfers of ordnance stores, compliance with authorised scales of equipment, inspection by Unit Equipment Inspectors (MGO Branch), etc.

8. This memorandum and "Accounting Instructions for Military Hospitals" apply only to the following:-

105 (Adelaide) Military Hospital
110 (Perth) " "
112 (Brisbane) " "
125 (Concord) " "
115 (Heidelberg) " "

9. The terms of this memorandum will operate as from and including 9 Dec 46. Appropriate amendments to "Accounting Instructions for Military Hospitals" may be anticipated.

Major-General
Deputy Chief of the General Staff

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SECRET

AUSTRALIAN MILITARY FORCES

MINUTE PAPER

291/7 9

Subject: SURPLUS RECIPROCAL LEND LEASE STORES AND EQUIPMENT EX USA FORCES.

AG CFO
WNG E-in-C
MGO ---

1. It is apparent that some misapprehension exists regarding the method employed and the responsibilities of Branches relative to the taking up of surplus RLL Stores and Equipment.

2. Occasions have arisen when Branches of the Army have considered it obligatory to authorise the acceptance of these stores, even though such stores were not required. In some cases these acceptances have constituted an embarrassment, in as much as quantities of the particular item, sufficient to meet demands, were already held by Supply Services of the Branches concerned.

3. Branches of the Army will not authorise the taking up of surplus RLL Stores and Equipment unless they have an actual or probable requirement for them, and the necessary financial approval has been arranged.

4. In order that all Branches of the Departments of Navy, Army and Air, also Supply Authorities of RN and RAF are uniformly advised regarding action necessary to acquire Surplus RLL Stores and Equipment, the following procedure has been adopted.

(a) Lists of RLL Stores and Equipment declared surplus to requirements of the American Forces in this theatre are forwarded in the first instance by the General Purchasing Agent USAFFE to the Quartermaster-General - LHQ.

(b) The Quartermaster-General has delegated to the Director of Army Salvage the responsibility for co-ordinating the work involved in arranging the release of such items as may be required by Branches etc of Commonwealth Departments (and Supply Authorities of RN and RAF), and notifying the balance to the Commonwealth Disposals Commission for disposal to sources outside the Defence Services.

5. In implementing this, the Director of Salvage employs the organisation of the Army Salvage Service, with the important provision that the identity of Surplus RLL Stores and Equipment is maintained as completely distinct from general "salvage" material.

6. Lists of available RLL Stores and Equipment are circulated by the Director of Salvage under a serially numbered circular advice (specimen copy attached) in which, it will be noted, the procedure is clearly defined.

7. Upon receipt of these lists, it is incumbent upon Branches to ensure that they are promptly passed to and dealt with by the appropriate officers of Service Directorates within Branches. Requirements should be notified to the Director of Salvage as soon as possible to enable disposal action to be finalised with a minimum of delay.

8. In the case of parallel demands, priority of operational requirements, to be established with the Director of Salvage by Branches requiring the items, will be the governing factor in deciding allocations.

9. It is essential to the speedy handling of the stores and equipment under review, that strict adherence to procedure be observed. It is desired therefore, that a suitable instruction relating hereto be promulgated by addressees to Directorates under their control.

C M Wright Brig for Major-General,
Deputy Chief of the General Staff.

19 Apr 45.

L.F. 6/4.

AUSTRALIAN MILITARY FORCES

(Quartermaster-General)

Quote in reply:
(Serial No. USA/)

Headquarters,
Victoria Barracks,
Melbourne. S.C.1.

Department of the Navy
D. of Ordnance, Torpedoes & Mines,
D. of Naval Stores,
D. of Engineers,
D. of Victualling,
D. of Medical Services.

Q.M.G's Branch - D.S.T. (3)
D.P.S.S.
D.A.P.S.
D.A.C.S.
D. of Tpn.

Royal Navy Headquarters
Secretary,
D. Director Stores,
" " Victualling, (2)
Sen. Armament Sup. Officer,
A.C.E. in C. (S.W.P.)

M.G.O's Branch - C.P.O. (10)

Department of Air
D. of Equipment,
D. of Supply Services,
D. of Works & Buildings,
Air Supply Liaison Officer(Army)

Department of Army
D. of Army Inventions,
D.S.D. (For S.D.5)
E.in C - D.R.A.E.
D.E.S.
D.F.W.

Royal Air Force
U.K. Army & R.A.A.F. Liaison Staff (2)

S.O. in C.,
A.G. Branch - D.G.M.S.
D. of Amenities,
D. of Education.

For information -
C.F.O. Treasury Division.
C.F.O. D. of F.A.
Mr. W.E. Dunk, D. of. R.L.L. Finance,
Comm. Disposals Commission,
Salvage Control Officer,
L of C Area.

SURPLUS R.L.L. STORES AND EQUIPMENT EX U.S.A.F.F.E. OBTAINABLE THROUGH AUST ARMY SALVAGE DIRECTORATE.

Para 11 of Department of Treasury R.L.L. Circular No. 10 of 4 Sep '44, refers.

2. Attention is invited to the attached list of R.L.L. stores and equipment which have been advised to the Department of Army by U.S.A.F.F.E. as surplus to their requirements. These items may be taken up by Service Departments through the Directorate of Army Salvage.

3. Requisitions for any of the items by services not within the Department of Army should be made through Secretarial channels and a copy of same forwarded direct to Director of Salvage.

4. Services within the Department of Army should forward requisitions direct to the Director of Salvage.

5. The final date for receipt by the Secretary, Department of Army of requisitions for items listed, is . This date is also applicable to branches and services within the Army.

6. Initial inquiries regarding the items should be made to the Utilisation Section, Salvage Directorate, 252 Swanston Street, Melbourne. Phone F. 0211 (War Dial A.A.F.) Extension 416.

7. Transfer of the goods to Defence Services will be arranged by Director of Salvage through Salvage Control Officers of the area in which the stores are located. Inspection of the goods, where desired, may be arranged direct with the Salvage Control Officer of the area concerned, addresses of whom are shown on the back hereof. -/2

L of C Area	H.Q. Salvage Depot	Address	
Q'ld	No 1	Enoggera, Brisbane	M 8111 and M 8251
N.S.W.	2	Bourke Street, Zetland, Sydney.	LX 1567 Ext 543
Vic	3	Fishermen's Bend, Port Melbourne.	MX 4761 MX 5055
S.A.	4	Keswick, Adelaide	L 4181 Ext. 228-229
W.A.	5	Karrakatta, Perth	F. 1571 (Perth)
Tas	6	Rifle Range, Sandy Bay, Hobart.	Hobart 7011
N.T.	7	Vestey's Siding, Darwin.	

First Aust Army: D.A.D. Salvage.

Adv. L. H.Q. D.A.D. Salvage.

8. Transfer of stores will be recorded by Salvage Control Officer on A.A.F. F.475, endorsed, "R.L.L. Stores", and prepared in quadruplicate.

(a) Tra-nsfers to Services of A.M.F.
Two copies of A.A.F. F.475 will be given to the receiving service, which will be responsible for assessing the value of the stores received, and for taking them on charge. Valuations will be endorsed by the receiving service on A.A.F. F.475, one copy of which will be forwarded through L.H.Q. to Chief Finance Officer for financial adjustment of R.L.L. Account.

(b) Transfers to other Aust Services (R.A.A.F., R.A.N.)
Receiving service will retain two copies of A.A.F. F.475 and will be responsible for valuing stores received and effecting adjustments between R.L.L. Account and its own Treasury appropriations.

(c) Transfers to Royal Navy and Royal Air Force.
Receiving service will retain two copies of A.A.F. F.475, one of which will be passed to the corresponding service, e.g., R.A.N. or R.A.A.F. for valuation of the stores and the necessary financial adjustment.

Lt-Col.,
Director of Salvage.

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SECRET

CONFIDENTIAL

ABC

AUSTRALIAN MILITARY FORCES

Office of Co-ordination

File No. 94/1/1164
S.M. 3715

Headquarters,
Victoria Barracks,
Melbourne .. S.C.1.

30 APR 1945

FIRST AUST ARMY

Adv LHQ
Fwd Ech LHQ } for infm.

Copies to: CGS, AG, QMG, MGO, CFO, BA.

SCALE OF RESERVES - STORES AND SUPPLIES - NEW GUINEA

1. Reference Adv LHQ memo AQ706 of 13 Feb 45 and signal Q372 of 13 Apr 45 the following scales will be held in NG :-

(a) Normal maintenance : All stores and supplies (excluding engineer stores) ..... 30 days.

(b) Reserves : (used in same sense as Ordnance uses "store margin").

(i) Ordnance Stores
Ammn
Medical
Dental
Tobacco } ..... 60 days

(ii) All others (excluding engineer stores) .....30 days

2. Under the above scales there should be in NG at any time

(a) for those items mentioned in 1(a) and 1(b) (i) a maximum of 90 days and a minimum of 60 days, and

(b) for those mentioned in 1(a) and 1(b) (ii) a maximum of 60 days and a minimum of 30 days.

In every case issues already made to troops are excluded.

3. Engineer stores are replaced according to operational requirements. Normal holdings in NG are in Corps and Div dumps, each of which represents 30 days normal requirements for the force concerned. Holdings required in NG are therefore 60 days normal requirements; all of this is maintenance. All Engineer Stores reserves are held in Australia.

Major-General,
Deputy Chief of the General Staff.

35

SECRET

AUSTRALIAN MILITARY FORCES

(Office of Co-ordination)

(105/19/545) 58349

Headquarters,
Victoria Barracks,
MELBOURNE, S.C.1.

3 - MAY 1945

Western Command (8)
QLD L of C Area (6)
NSW L of C Area (8)
VIC L of C Area (6)
SA L of C Area (4)
TAS L of C Area (4)

Copies for information: AG (2) QMG (4) MGO (4) CFO (2).

PACKING AND CASING COSTS

It is advised that approval has been granted for payment of claims lodged by contractors for packing cases against orders placed for supplies on account of authority requisitions providing for cases extra at cost. All Ordering Officers will be instructed that further reference to the Department of Supply and Shipping for an addendum is not necessary, irrespective of the amount involved, even though the sum claimed may be over that covered by their delegated authority.

The authority is, however, qualified to the extent that payment is to be made only for the cost of the case or crate and packing material to the contractor, as provided in the following clause, which will be included in letters of acceptance and authority requisitions governing future contracts. -

> 'CASING. The contract prices set out herein include all packing charges except the price paid by the contractor for cases or crates and packing material. Payment for these items should be claimed separately and supplier's invoices should be attached to all such claims. Where invoices cannot be attached, the claims for payment must be supported by a statement certifying that the amounts claimed are the prices paid by the contractor to his supplier.'
>
> 'It is not intended that any profit margin, labour charges for packing etc, be allowed in these claims and if any charges are made other than the actual cost of the cases or crates and packing material to the contractor, the claims are to be referred to the Contracts Office issuing the authority requisition for investigation, including those transactions in which suppliers of goods manufacture their own cases.'

CFO memo 52437 of 20 April promulgated this information to all DFCs.

Major-General,
Deputy Chief of General Staff.

2 May 45.

36.

Co-ord/H

AUSTRALIAN MILITARY FORCES

SECRET

MINUTE PAPER

Subject: RETENTION AND RELEASE OF "SURPLUS" GOODS.

14 MAY 1945

CGS
AG
QMG
MGO

Secretary,
BA,
CFO

1. Over the past few months much thought has been given to the release or retention of certain goods. In particular, the Business Adviser wrote to the Secretary a minute dated 2 Feb 45 and headed "Suggested definition or policy on surplus stocks". The subject is becoming of increasing importance and a conference will be held in Room 88 "A" Block, Victoria Barracks, at 1530 hrs on 17 May 45 to discuss the following suggestions and definitions -

(a) "Surplus" goods: those goods held in excess of those authorized for the forward ordering period, or other approved period or requirement. (See Defence Committee Minute 108/45, para 19.)

(b) "True surplus": a surplus in which all the goods appearing on paper and creating the surplus are in fact available for use. Many paper surpluses are false in fact because of location of stocks, unreliability of receipt of "dues-in" on due dates, bottlenecks in washing and disinfecting, etc.

(c) "Goods for disposal": goods no longer required by the Services, or other authorized agencies to which goods must be offered before being "declared" to the Disposals Commission.

(d) "Declared goods": goods declared to the Disposals Commission for disposal.

(e) Certain goods are in short supply. It may suit the army, and be in accordance with the Minister's policy for army to release to other authorized bodies specific goods in short supply and certain goods "named" specifically by the Minister, irrespective of whether these specific goods are surplus or not. The release of goods and their replacement by newer stock or newer types is often desirable. Even though the goods to be released are not surplus such releases will not endanger army maintenance if replacements can be guaranteed at the time and places required to prevent army stocks falling below the necessary levels. Such guarantees are essential, however, and it must be clear that in those cases where the goods handed over are not surplus the Minister should approve of the placing of orders to replace the stock released.

(f) The ultimate responsibility for ordering a release of goods contrary to the C-in-C's recommendations must rest with the Minister and/or Cabinet.

(g) To advise the Minister, and to ensure that army and civil requirements are met in the required priority, it is recommended that the new Principal Administrative Staff Officers Committee (with representatives as required of Munitions, Supply & Shipping, Food Control, or AWC - vide Defence Committee Minute 144/45) should be the committee to which should be sent all reviews shown hereunder except those within the purview of the Medical Equipment Control Committee which would continue to control those items within its charter. The chain would be:-

(i) Munition items:-
PSO concerned - Services Equipment Committee - PASO (M & M) Committee - through Defence Committee and Dept. of Defence to Service Ministers concerned.

(ii) Medical Equipment and Stores:-
DGMS - Medical Equipment Control Committee - Minister.

(iii) All other items:-
PSO concerned - PASO (M & M) Committee - through Defence Committee and Dept. of Defence to Service Ministers concerned.

(h) The army would continue to carry out its regular reviews. These reviews would be dealt with in one or other of the following ways:-

(A) <u>Goods not specifically notified to army by the Committee</u> (abovementioned as responsible for advising the Minister) <u>as being in short supply and not being goods specifically named by the Minister himself</u>.

Surplus goods not authorized for holding by an officer or committee herein named would be declared to the Disposals Commission. Officers and Committees as shown to have power to authorize the holding of surplus goods, with a corresponding reduction in the next forward ordering period, to cover a period beyond that covered by forward ordering or other approved periods or requirements:-

<u>Officers</u>

In CGS branch	-	CGS; up to 12 months
In AG branch	-	AG; up to 12 months: and for medical goods DGMS; up to 12 months.
In QMG branch	-	E-in-C and DST; up to 3 months QMG; up to 6 months for engineer stores and foods; up to 12 months for other items.
In MGO branch	-	CPO; up to 6 months MGO; up to 12 months.
Committees	-	The PASC (M & M) Committee and the Medical Equipment Control Committee; up to any period.

(B) <u>Goods specifically notified to army by the Committee</u> (abovementioned as being responsible for advising the Minister) as being in short supply or goods specifically named by the Minister himself.
Reviews of such goods, <u>whether showing a surplus</u> or not, together with recommendations would be sent to a Committee concerned for information and recommendation to the

Minister where it so desires. Unless otherwise directed by the Minister all true surpluses will be declared to the Disposals Commission: apparent but false surpluses will be dealt with as directed by the Minister. In those reviews in which no surplus is shown the committee may make recommendations and the Minister will decide whether any goods will be released and financial allocation approved simultaneously for their replacement under guaranteed deliveries. Normally it is much better for army to retain its stock and for the fresh deliveries to go direct to the other required destination [but see sub para (e) above].

2. Would you please arrange for your representatives to attend the Conference which will be held under the chairmanship of Brig Co-ordination. The recommendations of the Conference will be submitted to the CGS for such action as is necessary.

John A Chapman

Major-General,
Deputy Chief of the General Staff.

14 May 45.

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AUSTRALIAN MILITARY FORCES

SECRET

5/2/125

(Office of Co-Ordination).

Headquarters,
Victoria Barracks,
Melbourne.

70465

25 May, 1945

HEADQUARTERS -

Q'land L. of C. Area		(10)
N.S.W.	"	(10)
Vic.	"	(10)
S.A.	"	(6)
Tas.	"	(6)

Copies to - Brisbane Section L.H.Q. (4); Rear Echelon First Aust Army (4); H.Q. Second Aust Army (4); Sec. Army (2); H.A. to C-in-C.; Q.M.G. (20); C.F.C. (12); B.A.; Aust M.L.O. U.S.A.S.O.S.; Chief Auditor D & S. (12); 'G' SD.1 (Liaison) (4);

DELEGATION OF AUTHORITY TO APPROVE EXPENDITURE - ENGINEER STORES

Approval has been obtained for the undermentioned officers to approve expenditure, subject to the availability of funds, within the amounts specified in Column 2 of the appended Schedule. Authority has also been delegated to the undermentioned officers to arrange purchases or services without prior reference to the Contract Board where the amount involved in any one case does not exceed the total specified in Column 3 of the Schedule.

Appointment	Limit of authority to approve expenditure	Limit of contract delegation (authority to purchase without prior reference to Contract Board)
C.Os. Engineer Stores Base Depots - Q'land. N.S.W. Vic.	£250	£100

2. The officers specified in the above Schedule have also been appointed Ordering Officers in accordance with Treasury Regulation 49(1).

3. Authority has been granted to S.O.R.E. (Stores) L. of C. Areas other than Queensland, New South Wales and Victoria to arrange purchases or services without prior reference to the Contract Board where the amount involved in any one case does not exceed £100.

4. The Contract Delegations granted to Assistant Directors, Engineer Stores, L. of C. Areas have been revoked.

5. L.H.Q. memorandum No. 176944 of 6th January, 1945, is cancelled.

Major-General
Deputy Chief of the General Staff.

OOC/ABC

38

SECRET

Accounting for Stores and Supplies - Adjustment of Unit Losses and Deficiencies

AG
QMG
EGO
CFO
G Branch

Copies for information to : Sec Army; BA; MA to C in C; MS; Chief Inspector AMF; DR & CA; HQ AWAS.

Reference GRO 166/1945 :

1. The Treasurer has delegated powers for the adjustment of losses of, deficiencies in or damage to Commonwealth property on charge to the Department of the Army. (See GRO F.311/1944). In accordance with these delegations, the applications for adjustment dealt with at LHQ fall into two categories, viz. -

(a) Losses, deficiencies or damage exceeding £250 -

Adjustment can be approved by the Minister only;

(b) Losses, deficiencies or damage between £100 and £250 -

Adjustment (e.g. writing-off) can be authorized by the appropriate delegate subject to concurrence by CFO.

2. The receipt of an application in either category from a formation or area commander for the adjustment of unit losses of, deficiencies in or damage to stores and supplies imposes upon LHQ obligations to ensure -

(a) that the final adjustment of stock records is preceded by a satisfactory investigation;

(b) that corrective action has been or is taken to eliminate any defects in systems or control revealed by such investigations;

(c) that appropriate disciplinary and/or administrative action against any blameworthy member has been or is taken.

Adjustment of losses, deficiencies or damage exceeding £250

3. Every application in this category is submitted to the Minister for approval to "write-off". The final submission will be prepared in the branch concerned by consolidating comments from other branches. The submission will be prepared in the following form-

(a) A narrative (which will be a comprehensive summary of the facts under review);

(b) a summary of the investigating officer's report or finding of court of inquiry;

(c) comments on the system of control and its administration (as disclosed by the file) and ~~a~~ further action proposed regarding -

/(i) ...

(i) accounting for stores;

(ii) operating conditions;

(iii) standard of training.

(d) A statement as to disciplinary and/or administrative action taken or to be taken against any, and if so which, members;

or

a statement of the reasons justifying abstention from such action.

4. The branch responsible for the final submission will -

(a) prepare and attach to the file a preliminary submission fulfilling the requirements of para.3(a) and (b) and, to the extent then feasible, the other requirements of para.3;

(b) then circulate the file to appropriate branches for comment, circulation being so arranged that "A" Branch is the penultimate and the originating branch the final recipient;

(c) upon the return of the file from circulation, prepare the final submission to the Minister.

5. Each branch in commenting on the file will -

(a) make a comprehensive statement of the matters affecting it;

(b) include its proposals, if any, for eliminating defects in the system of control and its administration revealed by the investigation;

(c) furnish specific information and advice of any breach of regulations, orders, technical instructions or procedure relating to the operating, maintenance, accounting and safe custody of stores or supplies on the part of any member: if there has been no breach in relation to a matter within the province of the branch, this fact will be stated;

(d) concur in or dissent from any recommendation contained in the file concerning disciplinary and/or administrative action against any member, or else state why it is considered inappropriate that the branch should express an opinion thereon.

(e) include such other comment as it deems fit.

6. <u>Adjustment of losses, deficiencies or damage between £100 and £250.</u>

The branch concerned will submit the application to the CFO for his concurrence. The form of this submission will be identical with that prescribed for a submission to the Minister (see para.3 hereof). The branch concerned need not, however, refer the file to other branches unless the absence of such reference might prevent the discharge of any of the obligations referred to in para.2 hereof. If thought desirable, a copy of the submission may be passed to other branches for information.

...

26 Jun 45.

John D Chapman
Major-General,
Deputy Chief of the General Staff.

SD2/GRA.

39.

AUSTRALIAN MILITARY FORCES

MINUTE PAPER

SECRET

SECRET

Subject : AVAILABILITY OF WAR MATERIAL FROM OVERSEAS

AG
QMG
MGO

Copies to : CGS; MGRA; E-in-C; SC-in-C;
'G' Armd Corps; 'G' Inf;
Sec Army.

Reference is made to the attached signals

(a) Landforces to Austarm HL5175 of 2 Jun 45.
(b) Austarm to Landforces LM5062 of 7 Jun 45
(c) Austarm to Landforces (copy to Austmil)
LM5381/LW957 of 21 Jun 45.

2. Following the cessation of hostilities in Europe it was considered that quantities of war materials would be available for diversion to meet AIF needs and Signal HL5175 was despatched accordingly through Service channels. A similar request was transmitted to the High Commissioner's Office London on 19 Jun 45 (a copy of this is not attached).

3. The reply to Landforces representations (LM5381/LW957) indicates that no general transfer of equipment can be effected as the overseas supply position varies between items. AAS London therefore state that an examination of particular items required by the AIF will be necessary before any decisions can be made and with this in view have suggested the preparation of a list of AIF requirements and quantities.

4. It is requested that Branches concerned arrange to forward to AAS London the information required as soon as possible. This procedure is concurred in by Sec Army.

5. With regard to any Munitions items to be included in the proposed schedule it should be noted that the Defence Committee in Minute No 178/1945 recorded

> "that the Services' Equipment Committee should prepare a statement of Munitions Items of which Service holdings are unsatisfactory and which might be obtainable from overseas with a view to steps being taken to meet deficiencies by supplies from overseas."

Action in this matter was requested in 2908/SD of 30 May 45 to QMG and MGO Branch.

Major-General,
Deputy Chief of the General Staff.

3 Jul 45.

COPY. SD2/GRA.

EC6839

LAIDFORCES 021600 K

AUSTARM LONDON

Copy to : DDSD(E); QMG; Sec Army.

ML 5175 SECRET (.) AN ~~OFFICE~~ opinion IS HAID IN GOVERNMENT CIRCLES THAT DUE TO THE CESSATION OF HOSTILITIES IN EUROPE THERE WILL NOW BE AVAILABLE IN UK VAST QUANTITIES OF WAR MATERIALS WHICH CAN BE DIVERTED TO AUSTRALIAN MILITARY FORCES ON APILICATION THROUGH THE WAR OFFICE (.) ENGINEER MECHANICAL EQUIPMENT ORDERS ON AUSTRALIAN PRODUCTION TOTALLING SOME THREE MILLION POUNDS ARE ABOUT TO BE PLACED FOR EXCAVATORS (,) CARRYALL SCOOPS (.)SAW BENCHES (.) TRAILER CRANES (.) DUMP TRAILERS (.) BORING RIGS (.) CONCRETE PENETRATORS (.) CONSTRUCTION WINCHES (.) PILE DRIVERS (,) McKIERNAN AND TERRY TYPE STEAM HAMMERS (.) SWING DOCKING SAWS (.) WOULD YOU PLEASE MAKE URGENT EXPLORATORY ENQUIRIES AS TO THE GENERAL AVAILABILITY OF ENGINEERING EQUIPMENT OF THIS KIND WHICH WOULD BE AVAILABLE TO US UNDER LEASE LEND AND APPROX DATE OF ITS SHIPMENT TO AUSTRALIA(.) SHOULD ANY OF SUCH EQUIPMENT BE AVAILABLE WOULD YOU PLEASE FORWARD BY FASTEST AIR MAIL FULL DETAILS AND SOME GENERAL DATA TO ENABLE US TO DETERMINE ITS SUITABILITY AND WHETHER IT WOULD BE PRACTICABLE TO PLACE ORDERS ON THE WAR OFFICE

(sgd)
C S Steele

Maj Gen
E-in-C
2 Jun 45.

COPY/MA

Serial SD10555

CIPHER MESSAGE

SECRET.

FROM: AUSTARM LONDON

TO: LANDFORCES MELBOURNE

LM5032. SECRET.

YOUR ML53.75 2 JUN EQUIPMENT POLICY. SUBJECT YOUR FIRST SENTENCE ALREADY UNDER CONSIDERATION WITH WC AND SITUATION WILL BE ADVISED EARLIEST POSSIBLE WITH PARTICULAR REFERENCE ENGINEER MECHANICAL EQUIPMENT.

DISTRIBUTION -

E IN C ACTION (3)

10 JUN 45.

COPY/MA

Serial No. SD11391

SECRET

CIPHER MESSAGE

21. 1200 B

FROM: AUSTARM LONDON

TO: LANDFORCES MELBOURNE

INFM: AUSTMIL WASHINGTON

LM3381/LM957 SECRET.

YOUR ML3175 2 JUN FURTHER OUR LM3252 8 (?) JUN.

AVAILABILITY WAR MATERIAL FOLLOWING END EUROPEAN WAR.

MATTER DISCUSSED WITH WO UNDER TWO HEADS (A) GENERAL AVAILABILITY (B) AVAILABILITY ENGR MECHANICAL EQPT SPECIFIED YOUR SIGNAL. PART ONE. GENERAL AVAILABILITY.

FIRST.

PRESENT AVAILABILITY CONDITIONED BY SUPPLY POSITION OVER PERIOD TO END 1946. SUPPLY POSITION DIFFERS FOR EVERY ITEM EQPT AND MAY BE SAID TO VARY BETWEEN MOST SATISFACTORY (APPERTING TO ITEMS FOR WHICH EXISTING STOCKS MORE THAN SUFFICIENT TO MEET REQUIREMENTS TO END 1946) TO VERY TIGHT (APPERTING TO ITEMS FOR WHICH UK DEPENDENT WHOLLY OR PARTIALLY ON USA PRODUCTION).

SECOND.

ACCORDINGLY CLEAR THAT AVAILABILITY ANY STORES REQUIRED BY AUST CAN ONLY BE DETERMINED AFTER EXAMINATION SUPPLY POSITION AFFECTING PARTICULAR ITEM INVOLVED. IF THEREFORE YOU WISH US INVESTIGATE POSSIBILITY SUPPLY OF EQPT WHICH YOU MAY WISH OBTAIN FROM UK FOR SAME OR SIMILAR REASONS AS APPLY TO ENGR MECHANICAL EQPT OR AMN (LATTER DEALT WITH IN YOUR MI2315/LM169 8 19 MAY AND SUBSEQUENT SIGNALS) SUGGEST YOU ADVISE LIST SUCH REQUIREMENTS SHOWING ITEMS AND APPROX QUANTITIES.

THIRD.

WO POINT OUT THAT ANY NEW COMMITMENTS MUST BE FIRMLY STATED BEFORE AUTUMN REVISION OF 1946 REQUIREMENTS NOTIFIED OUR LM3276/LM956 16 JUN. IF MATTER TO BE PURSUED WILL THEREFORE BE NECESSARY PROSPECTS SUPPLY BE EXAMINED SOON AS POSSIBLE.

FOR WHICH PURPOSE GLAD EARLY ADVICE INFM REQUESTED SECOND ABOVE. PART TWO. AVAILABILITY ENGR MECHANICAL EQPT. FOURTH.

WO CAN NOT SUPPLY ITEMS ENUMERATED YOUR ML3175 AS SUPPLY POSITION SUCH THAT THEY WILL CONTINUE TO REQUIRE ASSISTANCE FROM USA PRODUCTION. IN ANY EVENT AS MAJORITY ITEMS YOU MENTION FALL WITHIN EARTH MOVING CATEGORY REQUIREMENTS WOULD HAVE TO BE TABLED IN WASHINGTON.

DISTRIBUTION

C(SC2)
E-in-C ACTION (5)

24 JUN 45.

40

SECRET

AUSTRALIAN MILITARY FORCES
Chief of the General Staff

SECRET

SM 6460

Victoria Barracks,
MELBOURNE. S.C.1.
19 Jul 45.

H.Q. 11 Aust Div

AG MGO HQ 5 AUST DIV
QMG HQ QLAND L OF C AREA
Copies to: E-in-C, SO-in-C, BGS, DSD, DMT, Brig Co-Ord, CFO, OOBIC, Business Adviser, Post War Planning (Army), MA to C-in-C.

RE-ORGANIZATION OF QLAND L OF C AREA

1. The following policy decisions by the C-in-C are forwarded for action.

2. The Army is to vacate the ATHERTON area. It may be necessary for a short time to retain troops in the ATHERTON area until such time as a decision is made as to the units to be retained on the mainland as part of reserve for 1 Aust Corps. You will be notified of this decision as soon as possible. Div HQ and Div troops in the area are to be disbanded as soon as the forces are so far reduced as to allow control to be passed to Qld L of C Area.

3. In order to save manpower the minimum number of ports will be used for shipping personnel and stores ex Australia and for the reception of returning cargoes. It is considered that it is wasteful of manpower and transportation facilities to maintain the four ports of CAIRNS, TOWNSVILLE, BRISBANE and SYDNEY for this purpose. In view of the above direction that ATHERTON is to be closed it is considered that one port should be sufficient in the North Queensland area.

4. Examination of the administrative implications involved in the above decisions is to be made forthwith and administrative policy for the implementation of these directions in stages made known to all concerned, especially the Commander Qld L of C Area, in order that an examination of the manpower position in Queensland can be made immediately.

5. TORRES STRAITS coast defences are to be placed on a care and maintenance basis forthwith, the only protection necessary being that required for the cable landing. With the exception of a few white personnel, the whole of the area is to be handed over to the Torres Straits Inf Bn and Pnr Coy on much reduced establishments. Administrative requirements will be reduced to an absolute minimum.

6. MERAUKE is to be vacated and responsibility passed to the NEI Forces as soon as the major units are withdrawn. In this regard there should be no undue delay.

7. Addressees will examine the implications involved in the above decisions and forward their remarks to reach CGS Branch not later than 31 Jul. Co-ordinating conference will then be held at a later date.

for Lieutenant-General.
Chief of the General Staff.

41

49/431/57

SECRET

AG
Q MG
MGO
DSD

CGS

Copies: DCGS, Brig Co-Ord, CFO, EA, Secretary, MA To CinC, ALO

REVIEW OF DIRECT AID EFFORT - WEEKLY PROGRESS REPORTS

1. The Prime Minister has ordered that weekly progress reports be rendered as set out in his letter attached. These reports will be rendered as under:-

Subject	Branch or offr responsible for coordinating and sending army report to Secretariat.	Remarks
(a) Releases of long service men (b) Releases of PW (c) Releases on occupational grounds (d) Statistical survey of long service men (e) Occupational survey of long service men and PW	A	
(f) Munition requirements (War Cabinet Minutes (4221) and (4224)		
(i) Review of Programmes (ii) Provisioning Scales (iii) Forward Ordering	G	
(iv) Rates of Production	MGO	
(g) Small Craft requirements (War Cabinet Minutes (4221) and (4224)		
(i) Review of Programmes (ii) Provisioning Scales (iii) Forward Ordering (iv) Rates of Production It is noted that your Department has provided data to enable the Small Marine Craft Sub Committee of the Defence Committee to make an initial review.	MGO	
(h) Supply requirements (War Cabinet Minute (4221)		
(i) Bases of Reserves & Provisioning (ii) Forward Ordering Periods	Coord	
(i) Surplus stocks - releases (War Cabinet Minute (4221))	Coord	QMG & MGO return to reach Coord on Monday each week
(5) Salvage (Actual Sales)	Q	

(j) Disposal of Camps & Establishments (War Cabinet Minute (4222))	Co-ord	To reach Co-ord on Monday each week.
(k) War Establishments Investigating Committee (Surveys) (War Cabinet Minute No. 4220.		Being rendered by Mr. Conde
(l) Any other aspects of the decisions on which it considered that War Cabinet should be informed.	Co-ord in con-junction with G	Returns if any to reach Co-ord on Monday each week

2. The reports are to reach Army Secretariat not later than Tuesday evening each week and are to cover the position up to the end of the preceding week. It is realized that certain figures and facts will not be up to date, and the date to which facts and figures are effective should be shown. It may be necessary to preface information with some such words as "disposals known at LHQ by 11 Aug". The first report will cover the week ending 11 Aug, and is for War Cabinet's use on 16 Aug.

3. Reports will be headed as under, and signed by or for the PSO concerned or DCGS :-

REVIEW OF THE DIRECT WAR EFFORT

PROGRESS REPORT FOR THE WEEK ENDING SATURDAY .....

SUBJECT (as shown in para 1 above).

The form of the report required under paras (i) and (j) is being discussed with QMG and MGO Branches.

4. Copies of reports will be distributed only to SD (F&L) and BA by the Branch or office rendering the return to the Secretariat.

(Sgd) JOHN A CHAPMAN,
Major-General
for Lieutenant-General
Chief of the General Staff

8 Aug 45

DEPARTMENT OF THE ARMY

MINUTE PAPER

Subject: REVIEW OF THE DIRECT WAR EFFORT - WEEKLY PROGRESS REPORTS ON ACTION.

SECRETARY:

Will you please ensure that action is taken to give effect to the Prime Minister's directions contained in his letter of 27th July, 1945, and arrange for the War Cabinet Agendum referred to in para. 4 to be submitted at the earliest possible date.

It is also directed that the necessary machinery is to be put into operation to enable the preparation of weekly War Cabinet Agenda thereafter. It is appreciated that this direction cannot be achieved without some effort, but notwithstanding this, action is to be taken to give effect to the Prime Minister's direction.

(Signed) F. M. FORDE,
M i n i s t e r.
2/8/45.

CANBERRA:

PRIME MINISTER,

CANBERRA.

27th July, 1945.

My dear Minister,

REVIEW OF THE DIRECT WAR EFFORT - WEEKLY PROGRESS REPORTS ON ACTION.

You will recall the following passage at the conclusion of my statement to Parliament on the 1st June, 1945, on the Direct War Effort:-

> "The progress of the measures decided upon will be reported regularly to the Advisory War Council which will be able to keep in review the re-adjustment of the war effort to conform to the progress of the war and the transition of the national economy to its post-war footing."

2. In my letter of the 5th June, 1945, it was stated that all Departments concerned with action on the War Cabinet decisions relating to the Review of the Direct War Effort are to ensure that the same priority is given to them as urgent war measures, and that staffing arrangements are made accordingly.

3. It is a matter of vital importance that Weekly Progress Reports should be submitted by Departments for the information of War Cabinet and the Advisory War Council, covering all aspects of the decisions, with which they are concerned. The Reports by your Department should include information under the following headings:-

(a) Release of Long Service Men.) (War Cabinet
(b) Release of Prisoners of War.) Minutes Nos.
(c) Releases on Occupational Grounds.) 4220 and
(d) Statistical Survey of Long Service Men.) 4291).
(e) Occupational Survey of Long Service Men and Prisoners of War.)

(f) Munitions Requirements (War Cabinet Minutes Nos. 4221 and 4224):-

- (i) Review of Programmes.
- (ii) Provisioning Scales.
- (iii) Forward Ordering.
- (iv) Rates of Production.

(g) Small Craft Requirements (War Cabinet Minutes Nos. 4221 and 4224):-

- (i) Review of Programmes.
- (ii) Provisioning Scales.
- (iii) Forward Ordering.
- (iv) Rates of Production

It is noted that your Department has provided data to enable the Small Marine Craft Sub-Committee of the Defence Committee to make an initial review.

(h) Supply Requirements (War Cabinet Minute No. 4221):-

(i) Bases of Reserves and Provisioning.
(ii) Forward Ordering Periods.

(i) Surplus Stocks - Releases (War Cabinet Minute No. 4221).
(j) Disposal of Camps and Establishments (War Cabinet Minute No. 4222).
(k) War Establishments Investigating Committee - Surveys (War Cabinet Minute No. 4220).
(l) Any other aspects of the decisions on which it considered that War Cabinet should be informed.

4. I cannot emphasise too strongly the necessity for the Government to be kept regularly informed of the progress being made, particularly on the manpower side, and it is essentia that the report for the week ending 28th July be furnished as early as possible after that date. It should be prepared in the form of a War Cabinet Agendum. I would be glad therefore if you will give the matter your personal attention to ensure that this is complied with, and that future reports are submitted promptly each week.

Yours sincerely,

(Signed) J. B. CHIFLEY.

The Rt. Hon. F. M. Forde, M.P.,
Minister for the Army.

42

SECRET

GOC/ABC

94/1/1298

Department of the Army

Minute Paper

Subject : DISPOSAL OF SURPLUS STORES, PARTICULARLY THOSE OBSOLETE AND UNSERVICEABLE.

AG
QMG
MGO
CFO
For infm : DCGS; BA; BBA; CIA

The following memorandum has been received from the Minister. PSOs will give wide publicity to this direction and ensure it is made effective as quickly as possible.

"SECRETARY

1. My attention has been drawn to para.6 of the report of March, 1944, of the Truman Committee which reads :-

> "There is a very natural hesitancy on the part of procurement officers to declare any articles to be surplus. They fear that if the changing course of combat operations should develop a need for the articles, they would be criticised by their superiors for having declared them to be surplus. They know that there is very little possibility of their being criticised for having ordered too much. They also realise that by declaring an article to be surplus they will be open to the charge, sometimes with foundation, that their purchases were unnecessarily too large and resulted in an increase in the cost of the war and the diversion of materials and manpower from other important uses."

2. I am also aware that the line between obsolescent and obsolete stores is difficult to draw, and that there may be a tendency to hold on to obsolescent stores in case they may be wanted some day.

3. Post mortems or recriminations cannot in any way contribute towards solving the problem of disposals. The economy of the country is such that the paramount problem today is disposal with the utmost urgency so that the Government's surplus stocks can be released at a time when the market is bare and there is a public demand for the commodities.

4. In order to encourage officers fearlessly to declare stores obsolete and/or surplus as is necessary, I wish to make it clear that it is not the policy of the Government to conduct post mortems into the reasons why there was ordered or is on hand a quantity of goods which has, in fact, not been used in whole or in part, even though the procurement of such goods may have caused an unnecessary increase in the cost of the conduct of the war and the diversion of materials and manpower from other important uses.

5. In accordance with such Government policy I direct that officers be informed that they are to fearlessly and freely declare for disposal such goods and properties as may be obsolete or in excess of requirements during the war, even though subsequently an unexpected change in the course of operations may call for the reintroduction of such goods to meet Army needs.

(Sgd.) F.M. FORDE,
Minister.
9/8/1945".

for Lieutenant-General,
Chief of the General Staff.

15 Aug 45.

43

SECRET

AUSTRALIAN MILITARY FORCES

Memo. No. 112404

HEADQUARTERS,
Victoria Barracks,
Melbourne.

29 Aug 45.

Fwd. Ech. L.H.Q.	(3)
Adv. L.H.Q.	(14)
Brisbane Sec. L.H.Q.	(2)
H.Q., First Aust Army	(21)
H.Q., Second Aust. Army	(10)
H.Q., 1 Aust. Corps	(9)
H.Q., N.T. Force	(6)
H.Q., Western Command	(8)
H.Q., Q'land. L. of C. Area	(6)
H.Q., N.S.W. L. of C. Area	(8)
H.Q., Vic. L. of C. Area	(6)
H.Q., S.A. L. of C. Area	(4)
H.Q., Tas. L. of C. Area	(4)

Copies for information to:-
First Asst. Sec., Department of the Treasury (Defence Division); Sec., Def. (3); Sec. Army (2); Business Adviser; Chief Auditor Def. & Sup. (16); M.A. to C.-in-C.; C.G.S. (6); D.C.G.S.(2); A.G.(6); Q.M.G. (6); M.G.O. (10); C.F.O. (12); D.S. (3).

EXPENDITURE ON BEHALF OF THE UNITED STATES FORCES IN AUSTRALIA

In accordance with L.H.Q. memorandum 227077 of 29th December, 1943, the actual expenditure on the following items and services provided by A.M.F. on behalf of the United States Army in Australia has not hitherto been separately recorded in Reciprocal Lend Lease Account, as the debits were covered by a per capita charge:-

(i) Maintenance of camps occupied by U.S. Forces including painting and repairs to buildings and installations, maintenance of water supply, sewerage, sullage, electric installations, drainage, roads, paths, cooking and other camp equipment.

(ii) Treatment of U.S. personnel in Army controlled hospitals.

(iii) Maintenance of U.S. personnel in Army detentions barracks.

(iv) Hire and maintenance of petrol and oil drums.

(v) Minor expenditure which, owing to its nature, cannot be costed on the basis of actuals.

2. As from 1st July, 1945, the per capita rate has been abandoned and all expenditure on behalf of U.S. Forces will be debited on the basis of actuals. Actual expenditure on items and services detailed in para 1 including the value of issues in this connection, will be debited to Division 148 - Reciprocal Lend Lease Aid, by District Finance Officers.

3. Expenditure on behalf of U.S. Forces on the items concerned, which is not separable from expenditure for A.M.F., will not be charged. In this regard it is not anticipated that expenditure will be debited in respect of the items and services detailed in sub-paras (iii) (iv) and (v) of para 1 above.

4. Pending further advice, debits will not be raised in respect of U.S. Army personnel treated in A.M.F. hospitals in Australia, but complete records of such treatment will be maintained.

C.M. Elliott Brig for
Deputy Chief of the General Staff.

44

SECRET

OOC/EC

AG
QMG
MGO
DSD
DGAD

Copies: DCGS, Brig Co-ord, CFO, BA, Secretary.

REVIEW OF THE DIRECT WAR EFFORT - PROGRESS REPORTS

1. Further to this office memo of 8 Aug 45 and subject to any direction issued later, the Minister has agreed to abolish the weekly progress reports and substitute in lieu a report, probably monthly, as required.

2. (a) The General Staff (DDSD(E)) is sending its report on the Munition items to the Office of Co-ordination for integration with Supply requirements.

(b) The Director General of Army Disposals (Maj-Gen Clowes) will be responsible for sending to the Secretariat the reports on Surplus Stocks and on Disposal of Camps and Establishments.

Please amend accordingly this office memo referred to above.

3. The next report required is for the period ending 15 Sep 45 and details should reach the Secretariat, the Office of Co-ordination or the DGAD, as appropriate, by 17 Sep 45.

John S. Chapman by [illegible]
Lieutenant-General
Chief of the General Staff
[illegible] Aug 45

45

SECRET

QL4/S/5-9

AUSTRALIAN MILITARY FORCES

Headquarters,
Victoria Barracks,
MELBOURNE S.C.1.

117666

7 September 45.

Fwd Ech LHQ	(3)
Adv LHQ	(14)
Brisbane Sec LHQ	(2)
HQ First Aust Army	(21)
HQ Second Aust Army	(10)
HQ 1 Aust Corps	(9)
HQ NT Force	(6)
HQ Western Command	(8)
HQ 11 Aust Div	(4)
HQ 4 Aust Armd Bde	(2)
HQ Qld L of C Area	(6)
HQ NSW L of C Area	(8)
HQ Vic L of C Area	(6)
HQ Tas L of C Area	(4)
HQ SA L of C Area	(4)

Copies for information to:- First Asst Sec, Dept of Treasury(Def Div) (3); Sec Defence (3); Sec Army (2); Business Adviser; Sec Air(2); Asst Sec (SWS) Treasury (2); MA to C-in-C; CGS (14); DCGS (2); AG (6) QMG (8); MGO (5); CFO (20); E-in-C (6); CI Army; D. Hirings (4); DR & CA (2); PMAPC; GPA, USAFFE 924 (5); Chief Auditor, Defence and Supply (16); Sec Dept of Supply and Shipping (2); Sec Commonwealth Disposals Commission (2); UKLS (Aust) (1); War Diary (2).

TRANSFER OF SURPLUS ALL STORES, SUPPLIES, EQUIPMENT AND INSTALLATIONS FROM US AUTHORITIES TO AIF

PART A - PRELIMINARY

1. This LHQ Instruction is divided into the following parts, divisions and sections:-

PART A - PRELIMINARY

PART B - TRANSFERS TO THE AIF AT THE REQUEST OF THE US AUTHORITIES

Division 1 - Property located in Australia

Section (1) - Installations

Section (2) - Stores, Supplies and Equipment (other than ships and watercraft).

Section (3) - MT

Section (4) - Ships and Watercraft.

Division 2 - Property located out of Australia.

PART C - TRANSFERS TO THE AIF AT THE REQUEST OF THE AIF

2. In this instruction unless inconsistent with the context:-

"Australian Mainland" includes Tasmania;
"installation" means a camp, building or structure and includes ancillary fixtures and services such as water supply and sewerage;
"L of C Area" means an L of C Area on the Australian Mainland and includes Western Command.

3. A copy of Treasury Reciprocal Lend Lease Circular No. 14 (RLL 14) of 27 Apr 45, which is attached as an Appendix to this Instruction, cancels and supersedes Treasury RLL Circular No. 10.

4. RLL 14 relates only to transfers of stores, supplies, equipment and installations from the US Authorities to Australian Services and Departments.

5. The provisions of RLL 14 despite its title are not limited to the return to the Australian Authorities by the US Authorities of installations, stores, supplies and equipment originally supplied to the US Authorities from Australian sources as Reciprocal Lend Lease aid.

PART B - TRANSFERS TO THE MF AT THE REQUEST OF THE US AUTHORITIES OF INSTALLATIONS, STORES, SUPPLIES AND EQUIPMENT

DIVISION 1 - PROPERTY LOCATED IN AUSTRALIA

SECTION 1 - INSTALLATIONS

6. (a) LHQ memo 135309 of 28 Sep 44 is cancelled;
(b) Para 12 of LHQ memo 112672 of 10 Aug 44 is cancelled.

7. An installation which is to be taken over by the MF from the US Authorities may have been:-

(a) originally constructed for use by an Australian Authority; or

(b) constructed for the US Authorities under Reciprocal Lend-Lease arrangements; or

(c) hired by the Hirings Service and furnished to the US Authorities under Reciprocal Lend-Lease arrangements; or

(d) constructed by the US Authorities; or

(e) a combination of any two or more of the types mentioned in sub-paras (a), (b), (c) and (d) above.

8. While RLL 14 lays down that the return of installations will be arranged by the American Authority called the General Purchasing Agent (GPA) with the MF, in practice advice is given in the first place by the local US Authorities to the Army Hirings Officer in the L of C Area, not only in the case of a hired installation but also in the cases mentioned in para 7(a), (b), (d) and (e) above, and action proceeds on this early local advice without waiting for formal notification from the GPA.

9. Where the US Authorities have themselves made an agreement for the use of a property on their own financial responsibility the termination of the agreement is a matter for direct arrangement between the US Authorities and the owner of the property. The maximum assistance that will be given to the US Authorities by the MF with regard to the termination of such private hirings is set out in RLL 14 Section 6(e).

US ARMY (NOT INCLUDING US AIR CORPS) INSTALLATIONS ON THE AUSTRALIAN MAINLAND

10. Attention is directed to:-

(a) section 6 of RLL 14 particularly those portions dealing with the form of the receipt to be given by the MF to the US Authorities; and

(b) the definition of the word "installation" in paragraph

2 hereof.

11. An Army Hirings Officer on receipt of advice from the US Authorities of their intention to hand over to the AMF an installation on the Australian mainland occupied by the US Army (other than US Air Corps) will at once:-

(a) advise the HQ of the L of C Area fully on the matter; and

(b) advise D Hirings LHQ thereof by signal (with copies of the signal for information to:-

(i) LHQ for QMG; and
(ii) HQ of the L of C Area)

giving brief particulars of the installation showing:-

(1) location;
(2) nature and present use;
(3) type and capacity, and
(4) whether a demand has been received therefor from another Service or Department.

12. On receipt of the advice mentioned in para 11 (a) above, the Comd of the L of C Area will at once ascertain if there is within his L of C Area any Army requirement for the installation and if there is not he will by communication with the HQs of RAN and RAAF in his L of C Area ascertain whether another Service requires the installation.

13. Subject to any instructions from LHQ or if no advice of any requirement for the installation has been received from LHQ within twentyone days from the date of the signal referred to in para 11(b) above, the Comd L of C Area will:-

(a) if the installation is required for use of the AMF, or by British or Allied Army formations, arrange for custody thereof from within his own resources, take it over from the US Authorities and allot it; or

(b) if the installation is not required by the AMF but is required by RAN or RAAF, or RN or an Allied Navy or RN Fleet Air Arm or an Allied Air Arm, arrange with the Service concerned for a representative of that Service to attend on the taking over and to make its own arrangements for the custody of the installation; and when the installation is available for transfer in company with the representative of the Transferee Service take over the installation from the US Authorities and thereupon transfer it to the Transferee Service (these transactions will be combined where possible); or

(c) if the installation is not required by the AMF, RAN or RAAF, or British or Allied Services, arrange for the custody of the installation from within his own resources, take it over from the US Authorities and hold it pending allotment, disposal (local or through LHQ) and/or dehiring as the case may require in accordance with existing procedures.
Each disposals declaration will bear a clear endorsement showing the funds from which the construction expenditure was made, namely US funds, Australian funds, or Reciprocal Lend Lease.

Provided however that if on receipt of the advice mentioned in 11(a) above it appears to the Comd of the L of C Area that the installation is a hiring which is capable of being dehired immediately after it shall have been vacated by the US Authorities the

Comd of the L of C Area will take over the installation from the US Authorities in due course and arrange for the installation to be allotted or dehired in accordance with existing procedures. If such a hired installation is allotted to a Commonwealth Department which is not a Service Department it will be transferred to the Department of the Interior for necessary action.

14. In respect of each taking over in accordance with para 13 above and also in respect of any allotment or transfer pursuant thereto, two copies of the AIF P3 together with the following details in duplicate:-

(a) type and capacity of installation transferred; and

(b) cost including the portion of funds expended under RLL and/or from US Funds;

and also -

(c) two copies of relevant plans; and

(d) one copy AIF P6 (prepared in accordance with LHQ instruction 72217 of 31 May 45);

will be forwarded to LHQ for QMG.

US [illegible] OF THE [illegible] ON THE [illegible] MAINLAND

15. Attention is directed to:-

(a) section 6 RLL 14 and particularly those portions dealing with the form of the receipts to be given by the AIF to the US Authorities; and

(b) the definition of the word "installation" in para 2 hereof.

16. An Army Hirings Officer on receipt of advice from the US Authorities of their intention to hand over to the AIF an installation on the Australian mainland occupied by the US Navy will at once:-

(a) advise the HQ of the L of C Area fully on the matter; and
(b) advise D Hirings LHQ thereof by signal (with copies of the signal for information to:-

(i) LHQ for QMG; and
(ii) HQ L of C Area)

giving brief particulars of the installation showing:-
(1) location;
(2) nature and present use;
(3) type and capacity; and
(4) whether a demand has been received therefor from another Service or Department.

17. On receipt of the advice mentioned in para 16 (a) above, the Comd L of C Area will at once advise the HQ of the RAN in his L of C Area and arrange with that HQ for a representative of the Transferee Service (i.e. RAN, RAF, or Allied Navy) to attend at the taking over of the installation from the US Authorities and to make its own arrangements for the custody and disposal of the installation.
In due course the Comd L of C Area will incompany with the RAF representative take over the installation from the US Authorities and will thereupon transfer it to the Transferee Service.

Provided however, that if on receipt of the advice mentioned in paragraph 16 (a) above, it appears to the Comd L of C Area that the

installation is a hiring which is capable of being dehired immediately after it shall have been vacated by the US Authorities, the Comd of the L of C Area will take over the installation from the US Authorities in due course and will arrange for the installation to be allotted or dehired in accordance with existing procedures. If such a hired installation is allotted to a Commonwealth Department which is not a Service Department it will be transferred to the Department of the Interior for necessary action.

Provided further that where the Comd of the L of C Area is of the opinion that an installation which is not an installation of the type mentioned in the preceding proviso and which is about to be vacated by the US Navy should be transferred to another Service and not to RAN, RAF or an Allied Navy, he will:-

(a) signal LHQ for instructions, and request a decision before the expiration of the thirty day period mentioned in section 6(a) of RLL 14;
(b) advise HQ RAF in the L of C Area of the action being taken;
(c) withhold the transfer of the installation pending the receipt of LHQ instructions; and
(d) if necessary, arrange for the temporary custody of installations from within his own resources.

18. Two copies of the AIF P3s in respect of the take-over together with the following details:-

(a) type and capacity of installation;
(b) cost including the portion of funds expended under RLL and/or US Funds; and
(c) two copies of the relevant plans

will be forwarded forthwith one to RAN and one to LHQ for CIG.

US AIR FORCE INSTALLATIONS OF THE AUSTRALIAN MAINLAND

19. Attention is directed to:-

(a) section 6 of RLL 14 and particularly those portions dealing with the form of receipts to be given by the AIF to the US Authorities; and

(b) the definition of the word "installation" in para 2 hereof.

20. The taking over of a US Air Force installation will be arranged by the Comd L of C Area with HQ RAAF in his L of C Area in a similar manner in all respects to that detailed in paras 16, 17 and 18 above.

SECTION (2) - STORES, SUPPLIES AND EQUIPMENT (OTHER THAN SHIPS AND WATERCRAFT)

21. (a) LHQ memo 84002 of 26 Jun 45 is cancelled. Such cancellation will not extend to the LHQ memoranda referred to in para 4 of that memo.

(b) Attention is directed to RLL 14 section 8 (a) and particularly those portions dealing with the form of receipts to be given by the AIF to the US Authorities. This Section of this LHQ Instruction has no application to American owned stores, supplies and equipment, as to which see RLL 14 Section 8 (b).

22. The Dept of the Army is the holding Dept for all RLL stores, supplies and equipment (other than ships and watercraft) declared to the CIG by the General Purchasing Agent as surplus to the requirements of USA Forces in Australia notwithstanding that such stores, supplies and equipment pending final disposal may be held in instal-

ations under the control of the US Authorities.

23. On receipt by the QMG from the GPL of a list of surplus RLL stores, supplies, equipment and/or installations any particulars therein relating to installations will be extracted and the list forwarded to D Sal LHQ who has been appointed by the QMG to deal as hereafter set out with all RLL Navy, Army and Air Force stores, supplies and equipment returned by the US Authorities in Australia. Although the Army Salvage organisation is being used in connection with the handling of useful surplus RLL stores supplies and equipment such stores supplies and equipment are not salvage items.

24. Every item transferred from the US Authorities to D Sal other than MT will be treated by the Salvage Service as having been taken into stock and an AAF F14 will be made out therefor. Pending transfer or disposal in accordance with this Instruction all items so transferred to D Sal by the US Authorities will be kept distinct from general salvage material.

25. D Sal on receipt of the list from the QMG will first extract particulars of MT and will forward them for action to MGO, with copy thereof to the appropriate Sal Control Offr. Subsequent action in relation to MT is set out in section three below.

26. D Sal will then circulate details of the remaining items on the list to the Aust Defence Services and to RN and RAF.

27. Requisitions may be made by Service Depts, RN and RAF for such of these items as they may require.

28. Service Directorates within the Dept of the Army will forward their requisitions direct to D Sal. Care will be taken to ensure that no requisition is made unless there is a definite need for the items. Financial approval will be obtained before forwarding a requisition to D Sal.

29. It is desired that Services not within the Dept of the Army will forward their requisitions through Departmental channels with copy direct to D Sal.

30. In the case of parallel demands for any of these items, priority of operational requirements (which will be established with the D Sal by the Service or Branch requiring the items) will be the governing factor in deciding allocations.

31. Transfer of stores will be recorded by the Salvage Control Officer on AAF F475 endorsed "RLL Stores", and prepared in quadruplicate. In the case of :-

(a) <u>transfers to Services of AAF</u> - two copies of AAF F475 will be given to the Receiving Service, which will assess the value of the stores received, and take them on charge; the Receiving Service will endorse its valuations on the AAF F475, and forward one completed copy thereof with a copy of the CRV to the DFO's representative at the HQ Salvage Depot;

(b) <u>transfers to other Australian Defence Services (RAN and RAAF)</u> - Receiving Service will retain two copies of AAF F475 and will be responsible for valuing stores received and effecting adjustments between RLL Account and its own Treasury appropriations:

(c) <u>transfers to Royal Navy and Royal Air Force</u> - Receiving Service will retain two copies of AAF F475, one of which will be passed to the corresponding Australian Service (i.e. RAN or RAAF) for valuation of the stores and the necessary financial adjustment.

32. Receipt and disposal entries will be recorded by Salvage Officers in the usual manner but separate records of these items will be kept.

33. All items not taken into use by Australian Defence Services, RN or RAF will be declared for disposal by D Sal to the Head Office of the Commonwealth Disposals Commission through normal channels. Each declaration will bear the following endorsement "Reciprocal Lend-Lease".

SECTION (3) - MT

34. Attention is directed to paras 22,23 and 24 above. Attention is also directed to RLL 14, section 8 (a).

35. On receipt of a list so referred, MGO Branch will circulate details thereof to the other Australian Defence Services and will inform the Director of Salvage as to the Ordnance Vehicle Park to which the vehicles are to be delivered by the US Army Authorities. This information will be forwarded by D Sal to the Salvage Control Officer concerned who will arrange the taking over of the vehicles from US Army Authorities and consequent handing over to the appropriate representative of MGO Branch.

36. (a) US Army Stores Issue Voucher will be the only document employed in the transfer transaction. US Army Authorities will be requested by the Salvage Control Officer to prepare this voucher in quadruplicate setting out full details of each vehicle taken over, and endorsed "RLL Stores and Equipment - no financial commitment is implied in this receipt".

(b) Where space provided in the body of Stores Issue Voucher will not permit inclusion of all items, lists in respect thereof will be attached but will be clearly identified with the covering Stores Issue Voucher.

37. The Salvage Control Officer will sign all four copies, one of which will be retained by US representative as an acquittance for the vehicles handed over. The remaining copies will be countersigned by the Ordnance representative as having accepted custody of the vehicles from the Army Salvage Service. One copy will be forwarded by the Salvage Control Officer to Director of Salvage, one copy will be handed to the Ordnance representative and one copy will be retained by the Salvage Control Officer.

38. A Salvage Control Officer will not take action in respect of any lists surplus RLL vehicles, unless copies of such lists, with covering advice, have been received from D Sal.

39. Every vehicle thus transferred from the US Authorities to MGO through D Sal will be taken on Ordnance charge.

40. Requisitions may be made by other Australian Service Depts, for such of these vehicles as they may require.

41. It is desired that Services not within the Dept of the Army will forward their requisitions through Departmental channels with copy direct to MGO.

42. In the case of parallel demands for any vehicle, priority of operational requirements (which will be established with the MGO by the Service or Branch requiring the vehicle) will be the governing factor in deciding the allocation.

43. The transfer of a vehicle will be recorded by MGO and endorsed "RLL Stores" and prepared in quadruplicate. In the case of:-

(a) MT taken into use by the MF, MGO will value each vehicle and will furnish to CFC particulars of the vehicle and the value thereof;

(b) transfer to other Australian Defence Services (RAN and RAAF) - the Receiving Service will retain two copies and will be responsible for valuing the vehicles received and effecting adjustments between RLL accounts and its own Treasury appropriations; MGO will furnish to CFO particulars of each such vehicle so transferred.

44. Receipt and disposal entries relating to these vehicles will be recorded by MGO in the usual manner but separate records will be kept of them.

45. All items not taken into use by the Australian Defence Services, will be declared for disposal by MGO to the CDC through the usual channels. Each declaration will bear the following endorsement - "Reciprocal Lend-Lease".

46. SECTION (4) - SHIPS AND WATERCRAFT

The Department of the Navy is the holding Department for all RLL ships and watercraft declared to that Dept by the General Purchasing Agent as surplus to the requirements of the US Forces in Australia.

DIVISION 2 - PROPERTY LOCATED OUT OF AUSTRALIA - TRANSFERS TO MF AT REQUEST OF US AUTHORITIES

47. Attention is directed to RLL 14, sections 7 and 9 particularly those portions dealing with the form of receipts to be given by the MF to the US Authorities.

48. The transfers to the MF from the US Authorities of installations (such as buildings) stores, supplies and equipment (including MT, and watercraft) at the request of the US Authorities whether of RLL origin or American owned, may be accepted by the Comd of an MF formation if:-

(a) facilities for transfer and custody of such property exist; and

(b) there is in the formation's area a definite requirement by the MF for the property.

49. The Comd of the MF formation will advise HQs RAN and RAAF (if any) in his area of the request by the US Authorities for the transfer if he does not himself propose to accept the transfer.

50. One copy of the transfer documents in respect of every transfer from US Authorities to the MF agreed to by the Comd of an MF formation will be forwarded by the Comd forthwith to LHQ for MGO. The transfer documents will contain information in sufficient detail to permit easy identification of the item and the condition and state of completeness of the item.

PART C - TRANSFER OF PROPERTY IN OR OUT OF THE AUSTRALIAN MAINLAND FROM US FORCES TO THE MF AT REQUEST OF LOCAL MF COMD

51. An MF formation or unit will NOT request the transfer of any poperty from the US forces (whether such property is located in or out of the Australian Mainland or is of RLL origin or otherwise) without LHQ approval except where there is an urgent requirement by the formation or unit which would preclude the opportunity of obtaining LHQ approval within the time prescribed for the use of the item.

52. The procedure to be followed in the case of the urgent transactions mentioned in para 51 is set out in GRO 165/45.

53. Where, in accordance with para 51, LHQ approval is given to a transfer of property from the US Forces to the IMF, two (2) copies of the transfer documents will be forwarded without delay to LHQ. These documents will contain information in sufficient detail to identify easily the items transfered and to establish their condition and state of completeness. These documents will be legibly written and will be signed by both parties clearly showing rank and appointment. Attention is directed to the following sections of ALL 14 which relate to the form of the documents of transfer :- 2(a) (ii), 7 (fifth para), 9 (fourth, fifth and sixth paras) and 11.

54. Comds will ensure that a request for the transfer of property from the US Forces to the IMF is limited to items actually required.

John A Chapman
Major-General.
Deputy Chief of the General Staff.

APPENDIX

R.L.L. Circular No. 14.

TRANSFER OF GOODS AND INSTALLATIONS FROM U.S. FORCES TO AUSTRALIAN SERVICES AND AUSTRALIAN DEPARTMENTS.

1. CANCELLATION OF EXISTING INSTRUCTION:

R.L.L. Circular No. 10 is withdrawn and replaced by the following instruction on procedure to be followed by Departments in connection with stores and installations transferred by the United States Forces.

2. GENERAL PRINCIPLES:

The following are the broad principles which govern transfer of property by the U.S. Forces.

(a) Property Located in Australia.

(i) Transfers at Request of U.S. Authorities. The Australian Government has accepted the principle that it will receive surplus stores of R.L.L. origin from the U.S. Forces and dispose of them either into use by Australian Departments or by sale through the Disposals Commission.

There is no similar obligation for disposal of U.S. property not of R.L.L. origin, i.e., stores or installations purchased or constructed with U.S. Government funds. In order to assist the U.S. Forces in transferring their units from Australia, the Government has agreed to a limited disposal of U.S. property and the conditions governing this are outlined in paragraph 3(b) of this instruction.

(ii) Transfers at request of Australian Authorities. The U.S. Authorities will transfer stores or installations which are surplus to their own requirements to the Australian Services if required by the latter. Attention is directed to the following paragraph headed - "Financial Policy" in this connection.

(b) Property Located in New Guinea and Areas Outside Australian Mainland.

(i) Transfers at request of U.S. Authorities. Questions of custody of installations and stores in operational areas are matters for the Service controlling particular areas. Subject to any instructions which may be issued by the Command concerned, Australian Forces may, if practicable, take possession and custody of U.S. property. A receipt may be given but transfer documents must be clearly endorsed to the effect that the transfer is at the request of U.S. Authorities and no financial commitment is accepted by the receiving Australian Service.

(ii) Transfers at request of Australian Authorities. U.S. property which is not required by the U.S. Forces may be transferred to Australian Services on request to and approval by the United States Command.

Care needs to be exercised that requests are made only for stores and installations which are in fact required and the Service Departments concerned should ensure that their Field Commanders are fully instructed in this regard.

Care must be exercised in taking over extensive installations to ensure that receipts are given only for the section of the installations which are in fact needed by the incoming Service. It is then a matter at the option of the U.S. Command whether they bring property which is not required by the incoming Australian Service under Section (b)(i) of this instruction (transfers at U.S. request) or whether they remove or abandon the stores or installations in question.

3. FINANCIAL POLICY:

Questions of financial policy in connection with transfer of U.S. property should not be discussed individually by Departments with local U.S. Authorities. By agreement, these matters are for negotiation between the Treasury Directorate of Reciprocal Lend-Lease Finance and the United States General Purchasing Agent or between the Australian and the United States Governments if the matters cannot be finalised at the Treasury/General Purchasing Agent level. If Departments encounter financial problems or difficulties in connection with transfers which are not covered in this instruction, they should refer to the Director, Reciprocal Lend-Lease Finance, Department of

Treasury, Victoria Barracks, Melbourne.

4. CLASSIFICATION OF U.S. PROPERTY SUBJECT TO TRANSFER:

The main classification is whether the goods or installations are of:-

(a) R.L.L. origin, or

(b) Direct U.S. ownership.

Cases will arise where origin is a mixture of R.L.L. and U.S. ownership, e.g., where United States Forces from their own funds have added to an installation provided under Reciprocal Aid, and such cases have been covered in the detail of this instruction.

The principal sub-divisions under the above main headings will be for -

(a) Installations,

(b) Stores,

(c) Ships.

5. DEPARTMENTAL INSTRUCTIONS:

The purpose of this instruction is to outline the general arrangements which have been agreed between the Australian and U.S. Authorities in regard to transfer of U.S. property. It is the responsibility of the Departments concerned to amplify them in the form of departmental instructions for circulation to various units and branches concerned.

6. INSTALLATIONS SITUATED ON THE MAINLAND OF AUSTRALIA:

(a) General.

Return of U.S. installations, i.e., camps, buildings and similar structures with ancillary services will be arranged by direct application from the U.S. Authorities to the Quartermaster-General's Branch, Australian Army.

At least thirty days written notice will be given by the appropriate U.S. Authority of intention to vacate except in cases of emergency where by mutual agreement the notice period may be varied.

The U.S. Authorities have agreed not to remove structures or fixtures, equipment or improvements which have been incorporated into and become part of buildings, structures and installations, without the consent of representatives of the Australian Army.

A receipt will be issued to the U.S. Authority transferring the property with such endorsement as may be appropriate in regard to the general condition of the buildings etc. In accordance with the arrangements agreed with the U.S. General Purchasing Agent, values will not, generally speaking, be indicated in the U.S. document of transfer and receipts should be endorsed - "No financial commitment is implied in this receipt".

Installations returned by the U.S. Forces will be under the custody of Australian Army or other Service as arranged by Army and will be available for use by the Commonwealth Government for any purpose. The Quartermaster-General will confer with other Departments as may be necessary in regard to their requirements and the availability of suitable U.S. installations.

If there is no foreseen use for the properties they will be listed for disposal in accordance with approved procedure and referred to the Disposals Commission for action.

(b) Camps, Buildings, Structures and Installations constructed under Reciprocal Aid.

On receipt of advice of intention to vacate, the Quartermaster-General's Branch will take appropriate action to take over the installation in question and will arrange for the attendance of Army or other Service officers for this purpose.

Complete records will be maintained in the Q.M.G's Branch of installations returned under this heading and of disposal action taken, whether transferred to the use of another Commonwealth Department or to the Disposals Commission.

No financial entry will be passed in R.L.L. account on the return of the property or on its transfer to use. Credit will, however, be given in R.L.L. Account for net proceeds where the property is sold through the Commonwealth Disposals Commission. Papers and records in this connection to be endorsed "U.S. R.L.L. Installations".

(c) Camps, Buildings, Structures and Installations obtained as Hirings under Reciprocal Aid.

The general detail of advice of vacation, consultation with other Departments as to use, etc., will be followed for hirings as for installations constructed under R.L.L. in the previous paragraph.

Questions of compensation for damage to property during U.S. occupancy, sale of improvements etc. will be dealt with by the Army Hirings Directorate in the same way as for equivalent Australian hirings. Cases of apparently excessive or malicious damage should be referred to the Director, R.L.L. Finance for approval before settlement is effected.

Hirings advised by U.S. for termination should be noted in every case in the records of the Director of Hirings and action taken to terminate rental or to effect transfer to an Australian Service at the earliest possible time.

Compensation for rental up to termination of tenancy or for damage should be debited to R.L.L. and any proceeds from sale of improvements, either credited against the settlement or passed as a separate credit to R.L.L. Account.

Proceeds from sale of improvements which were installed by the U.S. Authorities from their own funds and which are credited to R.L.L. under the preceding sub-paragraph should be separately noted in Hirings Records.

(d) Camps, Buildings, Structures and Installations of United States Ownership.

The general detail of advice of transfer of installations under this heading will follow as for equivalent installations of R.L.L. origin.

Records should be clearly endorsed "United States Ownership".

Such installations are available for use by the Australian Services as in the case of R.L.L. origin and the same procedure and recording should be followed.

Where disposal is effected through the Disposals Commission, credit should be given to R.L.L. account with suitable notation of the fact of U.S. ownership.

(e) Camps, Buildings, Structures and Installations hired by the U.S. Forces but not under R.L.L.

In cases where the U.S. Forces have themselves made hiring arrangements on their own financial responsibility, termination is a matter for direct arrangement between them and the owner of the property.

Army Hirings Directorate may in such cases assist the U.S. Authorities in fixing compensation for rental, damage, etc. but on the clear understanding that U.S. will themselves arrange financial settlement with the owner from their own funds. No record or financial entry will be necessary in such cases.

7. INSTALLATIONS SITUATED IN NEW GUINEA AND AREAS OUTSIDE AUSTRALIAN MAINLAND.

U.S. installations in New Guinea and other operational areas have, for the most part, been constructed by the United States Forces with their own labour and resources.

Any installations which have been provided by Australian Services under R.L.L., e.g., pre-existing camps, etc., and installations constructed by Australian Works Units, the properties may be taken back at the request of the U.S. Authorities if facilities for transfer and custody exist. In such cases the procedure outlined in the previous paragraph for R.L.L. installations in Australia will be followed.

In other cases where the installations or U.S. property they may be taken over -

(a) at request of U.S. Authorities if facilities for transfer and custody exist, or

(b) at request of an Australian Service where the installations are required in connection with the operation of Forces in the area concerned.

Installations which are taken over at the request of the U.S. Authorities may be signed for but the receipt given should be endorsed "Transferred at the request of U.S. Army (or Navy) - no financial commitment is accepted in regard to this transfer".

Where installations are taken over at the request of an Australian Service, care must be taken to limit the requisition to those installations or sections of installations which are in fact required by the Service concerned. Procedure under which local officers may make such requests and the authority which should approve are matters for direction by the Service concerned. When transfer is effected a receipt should be furnished to the local U.S. Command handing over. It is not expected that as a rule the transfer documents will include values. If they do the receipt should be endorsed "Value not agreed" but if such a receipt is not acceptable to the U.S. officer the receipt may be given in such form as he may require, the facts being fully reported by the Australian Officer concerned to his Headquarters who will transmit them to the Treasury.

All transfers of U.S. installations in areas outside of Australia should be reported by the Local Commander concerned to the appropriate Headquarters. The Departments of Navy, Army and Air should ensure that all the reports are consolidated into a central record at their respective departmental headquarters and that the record is available for Treasury inspection at any time.

8. STORES SITUATED IN AUSTRALIA:

(a) Stores obtained under Reciprocal Lend-Lease.

Stores obtained by the U.S. Forces under R.L.L. and which are surplus to requirements will be reported by the U.S. Service concerned to the Quartermaster-General, Australian Army. The report will take the form of a detailed list of the stores indicating location and the point at which it is desired delivery will be taken by Australian Army. The list will be covered by the following general certificate.-

"At the request of the U.S. Armed Forces the items specified herein are returned to the Commonwealth of Australia for credit to Reciprocal Lend-Lease account pursuant to established procedure."

On receipt of the lists the Australian Army will arrange to take custody of the stores at a point acceptable to them and will furnish a receipt to the U.S. Service for the stores delivered. Generally speaking, the receipt will not indicate values. If values are shown by the U.S. authority the receipt should be endorsed - "Values not agreed".

Stores will be dealt with under two main categories:-

(a) useful stores,
(b) salvage.

Details of useful stores received will be circulated to other Services and may be issued to their use on approved requisitions. Salvage items will be transferred to Army Salvage and dealt with in accordance with existing procedure.

Where no use can be found by Service Departments for the stores they will be declared surplus and handled in accordance with Disposals Commission procedure.

Lists of stores transferred under this heading will be filed to establish a permanent record. Disposal either by transfer to a Service Department or to the Disposals Commission will be noted in the record.

Credit will be given to R.L.L. account for -

(a) Assessed value in the case of stores transferred to the Service Departments - debit being to the appropriate Equipment account in those Departments,

(b) net disposal proceeds where goods are sold on account of Disposals Commission.

R.L.L. credit will not be given for salvage items and existing procedure which provides that advice of salvage value will be furnished to U.S. for local land-lease transfer will be followed in the case of salvage goods.

(b) Stores the Property of the United States Authorities.

Approval has been given to disposal of surplus stores up to a limit of £100,000 total disposal value the property of the United States Forces and not of R.L.L. origin, in accordance with the following general principles:-

(a) that the arrangement is made purely for the purpose of assisting the United States Forces in moving their troops and closing their establishments in Australia, and is not to be regarded as creating any precedent for any general disposal of United States Government property in Australia,

(b) that the Australian Government reserves the right to refuse any particular stores the disposal of which may have an adverse effect on employment or the Australian economy or which present special difficulty in handling or disposal,

(c) that the arrangement will not automatically apply to the disposal of aircraft and similar high value equipment which should be negotiated as individual transactions,

(d) that goods in reasonably good condition and of substantial value will be handled through the Disposals Commission,

(e) that goods in poor condition and of low value will be handled through Army Salvage in accordance with existing arrangements,

(f) that for the purpose of this limited disposal of U.S. surpluses customs duty will not be assessed in the case of mixed stores of military type. The Commonwealth Disposals Commission will discuss with the Customs Department as may be necessary the application of customs duty to special items of civilian type goods where disposal may clash with sales of imported goods of similar type. (Minister for Trade & Customs concurs),

(g) U.S. Authorities to be consulted if they so desire on individual sales involving disposal value in excess of say, £2,000, but in other cases to accept the decision of the Disposals Commission on price and conditions of sale as final,

(h) goods not disposed of within two years of handing over by U.S. Forces to be regarded as transferred to Australian ownership without payment unless removed by the U.S. Authorities,

(i) that the arrangement applies only to U.S. property now situated in Australia. U.S. Authorities to be informed that surpluses situated in other areas (including New Guinea) are not to be transported to Australia for disposal without the prior concurrence of the Australian Government,

(j) that net proceeds of disposals arranged in accordance with the foregoing shall be credited to the United States Forces in Australian currency.

Transfer of stores under this heading will be directly from the U.S. Authorities to the Commonwealth Disposals Commission and per medium of itemised lists of stores transferred indicating location and the point at which U.S. expect delivery to be taken. The Disposals Commission will take delivery at appropriate points but it will be the responsibility of the U.S. Authorities to assemble the stores at points convenient to the Disposals Commission.

Stores transferred under this heading are available for requisition by the Australian Services and the Disposals Commission should circulate sufficient information to enable the Services concerned to take advantage of this arrangement. Where any of the stores are required by the Australian Services it will be necessary for them to file a requisition with the U.S. General Purchasing Agent so that transfer can be effected as a local land-lease transaction.

9. STORES SITUATED IN NEW GUINEA AND AREAS OUTSIDE OF AUSTRALIAN MAINLAND:

As in the case of installations it is necessary to differentiate between stores which are transferred at the request of U. S. Authorities and those which are required by Australian Services and transferred at their request.

Stores which are not required but which U.S. request we should take over for such reasons as, for example, that they are vacating particular installations and cannot transport the stores, may be accepted for custody if the Australian Service concerned has the necessary facilities. Determination on this is a matter for the Service concerned and should be provided for in instructions to Local Commands.

Receipts may be given for U.S. stores taken over at request of U.S. authorities but should be endorsed "Transferred at the request of U.S. authorities - no financial commitment is accepted by this receipt".

Stores which are required by Australian Services and which can be made available by U.S. may be taken over and a receipt given to the U.S. Officer effecting the hand-over. As in the case of installations, care needs to be taken that stores which are requested for transfer by U.S. to Australian Services should be limited to those which are actually required and instructions by the Services to Local Commands should provide the necessary procedure and determine the authority which will approve Australian requisitions.

As a general rule U.S. documents of transfer will not show values. If they do, the receipt should be endorsed "Values not agreed", but if this qualification is not accepted by the U.S. Officer concerned the receipt may be given without qualification, the facts being fully reported to the Service Headquarters who will transmit them to Treasury.

Full details of all stores taken over, whether at the request of the Australian or the U.S. authorities, should be reported to Headquarters and it will be the responsibility of the Departments concerned (Navy, Army, Air) to ensure that complete records are maintained of these transfers and that they are available for Treasury inspection.

10. SHIPS SITUATED IN AUSTRALIA:

(a) Ships obtained under Reciprocal Lend-Lease.

Ships obtained by the U.S. Forces under R.L.L. and no longer required will be reported by the U.S. authority concerned to the Australian Department of Navy and arrangements will be made by the latter to accept delivery at some mutually acceptable point.

Following delivery, Navy will arrange either for transfer of the ships into use by an Australian Service, or if no such use exists, disposal, in accordance with Disposal Commission procedure.

Records will be maintained by the Department of Navy of all ships returned under this heading and of disposal action taken.

Credit will be given in R.L.L. account for either -

(a) assessed value if the ship is taken into use by an Australian Department, or

(b) net proceeds if sold on account of the Disposals Commission.

(b) Ships the property of the United States Authorities.

Ships the property of the United States Forces may be accepted by the Department of Navy for disposal in accordance with the general principles outlined in regard to stores of U.S. ownership in paragraph 8(b) of this instruction.

Disposal action will be taken in close collaboration with the Disposals Commission. Generally speaking acceptance of U.S. owned ships should be confined to small craft which are capable of ready disposal in Australia. Ships of war should not be handled under this arrangement.

Credit will be given to the U.S. Government in accordance with instructions which will be issued by the Disposals Commission for either -

(a) assessed value where the ship is taken into use by an Australian Department, or

(b) net disposal value where sold.

11. SHIPS SITUATED IN NEW GUINEA AND AREAS OUTSIDE AUSTRALIA.

The procedure outlined in paragraph 9 dealing with stores similarly situated should be followed.

(J. H. Burk)
Director,
Reciprocal Lend-Lease Finance.

27.4.45

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299/1/1825

OOS/EC/1

SECRET

AUSTRALIAN MILITARY FORCES

(Office of Co-ordination)

Memo No. 119251

HEADQUARTERS
Victoria Barracks
Melbourne

11 Sep 45

Adv LHQ
First Aust Army
I Aust Corps
Western Command
NT Force

Qld L of C Area
NSW L of C Area
Vic L of C Area
SA L of C Area
Tas L of C Area

Copy to: CGS, AG, QMG, MGO, CFO, RA

USE OF R.N. SHIPS IN CONNECTION WITH REPATRIATION OF AUSTRALIAN PRISONERS OF WAR

Will you please advise HFCs and, where appropriate, the Chief Paymaster, of the following memo received from the Department of the Treasury :-

"It is understood that ships of the Royal Navy are being extensively used in connection with the repatriation of Australian prisoners of war and that the Australian Service Departments have been and are being requested by the R.N. authorities to provide certain classes of stores etc for use of the repatriated personnel.

In connection with supplies of this nature, it is desired that debits should not, at this stage, be raised against the R.N. authorities.

Departments are requested to complete their normal action in regard to the supply and issue of the stores and to carry the debits in suspense pending the receipt of further advice.

Please ensure that all concerned are suitably advised in regard to the foregoing. "

J. Stanley Chapman.
Major-General
Deputy Chief of the General Staff

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255/5/72

COMMONWEALTH OF AUSTRALIA **SECRET**

Department of the Army,
MELBOURNE, S.C.1.
14 June, 1945.

255/5/72 - 71257

H.Q., FIRST AUST. ARMY.
H.Q., Q'LAND L. OF C. AREA.
H.Q., N.S.W. L. OF C. AREA.
H.Q., VIC. L. OF C. AREA.
H.Q., S.A. L. OF C. AREA.
H.Q., TAS. L. OF C. AREA.
H.Q., WESTERN COMMAND.

Copies for information to:- D.F.O., Brisbane; D.F.O., Sydney; D.F.O., Melbourne; D.F.O., Adelaide; D.F.O., Perth; D.F.O., Hobart; D.F.O., Lae, N.G. ADM1 DPW1

TOKEN MONEY - P.W. & I. CAMPS

Experience has shown that insufficient care is exercised in the control and handling of and accounting for token money at P.W. & I. Camps and P.W. Control Hostels.

2. Surpluses and deficiencies have occurred which point to insufficient care in searching P.O.W. and Internees on arrival and departure and in the handling and accounting for token money by Camp and Hostel Staff.

3. All personnel will be informed that as much care will be taken with token money as is required for cash and that strict control will be exercised to prevent the unauthorised transfer of token money to and from P.W. & I. Camps and P.W. Control Hostels.

4. Please acknowledge receipt.

Major-General.
Deputy Chief of General Staff.