

Personal For
General Almond
Begin



PERSONAL FOR

~~SECRET~~

10 August 1950

ROUTINE

PERSONAL FROM : MAJOR GENERAL ALONZO P. FOX
PERSONAL FOR : MAJOR GENERAL EDWARD M. ALMOND
INFORMATION TO : GENERAL OF THE ARMY DOUGLAS MACARTHUR
NUMBER : FX 5002 9 August 1950

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



1. Yesterday General Turner informed me that the matter of settlement with respect to charges for transportation and stevedoring in connection with the receipt and storage of aviation gasoline for the American jet planes had arisen. His initial instructions from FEAF indicated that these would be on a reimbursable basis and so proceeded accordingly. Subsequent instructions from FEAF indicated that the Chinese government would be expected to furnish the transportation and service.

2. In consultation with General Chou the latter stated that he was not aware of any agreement thus far arrived at with respect to this matter. I informed Turner that while no agreement had been arrived at, I presumed that the Chinese government would be expected to furnish facilities and services and that the manner of settlement would be determined upon later. Since the manner of moving the aviation gasoline was one of urgency, at Turner's request I submitted a memorandum to the Chief of Staff in which I requested that the receipt, transportation and movement to storage areas of aviation gasoline be undertaken by the Chinese government and that the settlement be subject to such agreements as may be made later between the US and Chinese governments. I then consulted with General Chou, who stated this was entirely satisfactory and that provisions would be made for the movement and storage as requested.

3. I recommend that the Comptroller, in conjunction with the Comptroller FEAF, and a representative of US, formulate the terms of an agreement for the settlement for services rendered by the Chinese government in Formosa in behalf of the US Armed Forces. This will be a recurrent problem and will arise in connection with the payment for indigenous labor on the airfields and undoubtedly on other projects. While the conditions are not precisely similar, portions of the agreement with the Republic of Korea would appear to be pertinent in this area. If I recall the Korean agreement, it was decided that port facilities, rail facilities and other services would be provided by ROK, a record of the costs maintained and these serve as an offset in any final settlement that might be made. Whether these exact provisions will be acceptable to the Chinese, I cannot say. Nevertheless, I feel that terms of such an agreement should be formulated, submitted to Washington as our recommendations and then negotiated through government channels, so that there will be a firm understanding by all concerned of our mutual responsibilities.

MCH: 70045
TOO: 091005Z (092005IDSE)
TOR: 091520Z (100120IDST)

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PERSONAL FOR

9 August 1950

PRIORITY

PERSONAL FROM : GENERAL FOX

PERSONAL FOR : GENERAL ALMOND

NUMBER : None cited. 8 August 1950, 1130Z (08130 IDST)

1. Spent the morning in conferences with the following: General Shu, Deputy Chief of Staff, Ground Forces; General Ho, G-2; Major General Turner, Thirteenth Air Force; and Admiral Jarrett U.S. Naval Attache. Major topic of conversation with Turner concerned reimbursement for services rendered primarily in connection with the construction work to be done on airfields to extend runways and the movement and storage of aviation gasoline from the port to the airfields. Will confer again tomorrow morning with General Turner.

2. General Christiansen and party arrived 0500Z and their arrival has completely filled the billeting accommodations available to us at the moment.

3. Attended 5 p.m. tea with Madame Chiang Kai Shek and was accompanied by Fortier, Galleway, Johnson and Ladd. Madame Chiang requested that her warmest regards be given to you.

4. Chinese are in the process of partitioning our office space in the Ministry of Defense and Buckley spent the day installing part of his signal equipment. We hope to be operative in our permanent offices Thursday, 10 August.

5. Most of the staff officers spent the day digesting and recording their observations of the two previous days' work in the field with their Chinese counterparts.

NOV : 69975

TOO : 081130Z (08130 IDST)

FOR : 090704Z (091704 IDST)

PERSONAL FOR

DECLASSIFIED PER JCS LTR OF
20 AUG. 75



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PERSONAL FOR

8 August 1950

PRIORITY

DECLASSIFIED PER JCS LTR OF
20 AUG. 75

PERSONAL FROM: GENERAL FOX

PERSONAL FOR: GENERAL ALMOND

NUMBER: NO CITE GIVEN 7 August 1950



Reference JCS 57880 and CINCPAC 59380.

1. In view of provisions of C 59380 I assume the JCS will desire a report of our findings and recommendations and anticipate that your supplemental letter of instructions will direct such action. I do not think it judicious to wait upon the completion of the comprehensive report for initiation of certain actions which may appear urgent. While these will be contained in any report we render, expeditious action at once would seem to be of primary importance. For instance, the requirement for adequate ammunition for weapons now on hand will be developed early and requisitions submitted as soon as practicable. Other matters will be taken up in order of priority and may require more deliberate development.

2. We have been allotted 6 rooms in the Defense Building and will begin moving in today. This will be adequate for our present operating requirements. The Signal Officer is endeavoring to arrange for facilities for the Comcenter in the same building, in which I will assist.

3. The most critical facilities are billets for officers and enlisted men. Both the Grand Hotel and the Falpeh Hotel are now filled to overflowing, largely with American official personnel who cannot well be evicted. We will move in certain of our people as spaces become available. In the meantime, facilities available to us are now completely occupied. The Chinese are making definite and honest efforts to procure additional facilities but this will take time. It is therefore necessary for us to hold our strength for the present within the limit of the accommodations available to us. Even the matter of taking care of three or four additional individuals presents a problem. Request immediate information as to the number of officers and enlisted men accompanying General Christiansen, so that we may inform the Chinese earliest of billeting requirements. For this reason it is essential that we receive as much advance notice as possible of the arrival of our planes, so that clearances and billeting arrangements may be made early.

4. Reference your C 59402, we have stressed that this is a FMS Liaison Group. The reference to SCAP in the press was not made by us but probably stems from their association of this term with General MacArthur.

WOW: 69582

TOO: 070035Z (071035105E)
FOR: 071240Z (072240105E)

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~~PERSONAL FOR~~

7 August 1950

PRIORITY

DECLASSIFIED PER JCS LTR OE
20 AUG. 75

PERSONAL FROM: GENERAL FOX

PERSONAL FOR : GENERAL ALMOND

NUMBER ; None cited. 7 August 1950.



1. I met by appointment with the Generalissimo at 1030 today. Others present for the conference were General Lai, senior aide; General Wu, Air Aide; Commander Wu, Naval Aide; General Huang, Chief of the Combined Service Forces; Captain Ladd. Mister Shen, Government spokesman, acted as interpreter.

2. After the usual amenities were exchanged the Generalissimo expressed his pleasure at the expeditious arrival of the liaison group. I explained the mission of the group and stated that the various staff officers had met their counterparts and had already begun work on their respective problems. The Generalissimo stated that he wished us to feel free to ask for anything that was needed and not to stand on formalities. He said he hoped we understood the critical shortages of housing and other facilities but that everything possible would be done to meet our requirements. I explained that in addition to the officers now present with the liaison group other key staff officers of CINCPAC's staff would visit Formosa to acquaint themselves with the situation and to assist in every way possible toward the accomplishment of the mission. As an example I pointed out that General Christiansen, our Chief Engineer, would arrive in Taipei tomorrow. The Generalissimo expressed his pleasure at this demonstration of our interest. He requested that I and General Chen prepare a plan for the coordination of our work and for the establishment of procedures respecting the liaison group and our various Chinese counterparts. I assured him this would be done.

3. He queried me as to the probable length of my stay in Formosa. I informed him that that was somewhat uncertain but that it was originally planned that after the establishment of the group I would return to Tokyo for the coordination of matters pertaining to Formosa at our headquarters. Further, that it was planned that there would be a senior officer appointed as permanent head of the group, who would remain in Taipei.

4. In closing the Generalissimo again expressed his pleasure at having the group present and gave his assurance that everything possible would be done to facilitate our work. Captain Ladd delivered General Almond's letter to the Generalissimo and the conference was concluded at 1045.

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5. New subject: As I informed you, rooms in the Defense Ministry Building were made available today. Certain minor alterations and the installation of telephones will begin at once. We hope to be operational in these rooms by Wednesday, 9 August. In addition, we obtained for the Signal Officer a very adequate room on the fourth floor for all of his signal installations. This in every way meets Major Duckley's requirements and is additional space to the six rooms originally offered us. I know that the Chinese really extended themselves to provide this space, since visits to their various offices have disclosed the extremely congested conditions under which they operate. It appears to me at present that this space we now have will be adequate for our needs unless the group expands beyond our present expectations.

NCE: 69578

FOO: 070830Z (071830 IDST)

FOR: 071250Z (072250 IDST)

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PERSONAL FOR

GENERAL HEADQUARTERS
PAC WEST COMMAND
Office of the Signal Officer

STAFF SERVICE MESSAGE

23 March 1950

MEMORANDUM:

TO : Major General E. M. Almond

The following Staff Service message for you was received this date from the Signal Officer, Washington, D. C.:

"Reference your Staff Service message dated 22 March 1950.

Informed by clerk of committee that hearings on GARICA now scheduled to begin 24 March. Delay thus far has been due to prolonged hearings on MCA appropriations. Last year GARICA was included in the Foreign Aid Act comprising MCA and foreign aid for Austria and Korea. Congress plans this year to include all appropriations in one comprehensive omnibus Bill in which the various appropriations will be included as chapters. GARICA will be included in the Foreign Aid chapter which comprises MCA and foreign aid to Austria and Korea. Hearings on the chapters are conducted by various subcommittees of the Appropriations Committee. These are then screened by an Executive subcommittee and finally considered by the Committee as a whole. No unusual delay is forecast on the GARICA appropriation after the hearings begin. So far as can be ascertained at present, there is no animus in Congress against our appropriation. However it is always subject to the attitude of the moment which Congress may have toward foreign aid projects in general. I have been informed that Mr. Pace of the Bureau of the Budget is convinced of the validity of our estimates and is sympathetic toward our objective. After representation by Mr. Voorhees he personally interested himself in obtaining approval of the Air Field project.

New subject.

I saw General Brooks on 20 March and queried him reference a reply to your letter. He informed me that the slate is now made up and should be firm within the next few days at which time a reply will go forward to you. He did not reveal any other details of the letter to me. I plan to check with him again before departure from Washington.

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New subject.

I have been conferring at some length with representatives of Department of the Army, State and Treasury reference conversion rate for Ryukus. I am hopeful of favorable action soon. Will you please inform Keyser and Marquat that reply on reimbursement for Information Media should go forward from here within the next two days. I expect it will conform generally to our proposal. Signed Fox."

GEORGE I. RACK
Brigadier General, USA
Signal Officer



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"NO REFERENCE SHOULD BE MADE TO THIS MESSAGE IN OFFICIAL COMMUNICATIONS"

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GENERAL HEADQUARTERS
FAR EAST COMMAND
Office of the Signal Officer

STAFF SERVICE MESSAGE

16 March 1950

MEMORANDUM:

TO : Major General E.M. Almond
Brigadier General L.L. Williams

The following Staff Service message for you was received this date from the Signal Officer, Washington, D.C.:

"Regarding German support for Occupation Forces, following is breakdown by nations in Western Zone, including Berlin, with figures rounded out:

- A. American Zone: Military 102,000;
Dependents and other Civilians 45,000
- B. British Zone: Military (including Belgians, Danes and Norwegians) 91,000
Dependents and other Civilians 37,000
- C. French Zone: Military 61,400
Figures for Dependents and other Civilians not available. Signed Fox."



GEORGE I. BACK
Brigadier General, USA
Signal Officer

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20 AUG 75

"PARAPHRASE NOT REQUIRED.
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GENERAL HEADQUARTERS
FAR EAST COMMAND
Office of the Signal Officer

STAFF SERVICE MESSAGE

16 March 1950

Col. Bunke

MEMORANDUM:

TO : Major General E. M. Almond
Brigadier General L. L. Williams

The following Staff Service message for you was received this date from the Signal Officer, Washington, D. C. :

'I. Following issued 10 March as Allied High Commission release: 'High Commissioner yesterday transmitted to the German Federal Authorities estimates German occupation costs and mandatory expenditures to be incurred in 3 zones for Fiscal Year 1950 to 1951. Estimates, approved by Council of High Commission on 1 March 1950 will now be included in Federal Budget.'

'Estimated expenditures total Deutsche Mark 4048.5 millions - Deutsche Mark 544.9 millions lower than estimates for 1949 to 1950. Figures include not only 3 Zonal Budgets but Budgets of Tripartite Organizations, for example, Military Security Board.'

'Of total of Deutsche Mark 4048.5 millions, Deutsche Mark 3263.1 millions are for occupation costs proper -- for example, expenses incurred for Occupation Forces and Occupation Authorities for goods and services for maintenance and welfare of Allied Forces stationed in Germany. Labor, rents and utilities and transportation and communications make up 78.1% of this total as follows: Labor 37.7%; Rent and Utilities 25.9%; Transportation and Communications 14.5%.'

'Mandatory expenditures amount to Deutsche Mark 785.4 millions. These expenditures comprise Deutsche Mark 323.8 millions for Class 1 mandatory expenditures, for example, for services such as maintenance of Displaced Persons, demilitarization, reparations and restitutions, which arise as result of capitulation, and Deutsche Mark 461.6 millions for Class 2 mandatory expenditures. Class 2 expenditures are for services which may be regarded as of direct benefit to German economy, for example, expenditures to provide Occupation Forces with new housing which will ultimately revert to Germany when no longer required by Occupation Forces.'

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Division of expenditure between 3 Zones follows:

	UK ZONE	US ZONE	FRENCH ZONE	TOTAL
1950 to 1951 in Deutsche Mark millions.				
Occupation Costs	1 376.5	1 248.0	638.5	3 263.1
Mandatory expenditures				
Class 1.	10.3 (**)	72.7	46.9	329.9
Class 2.	160.2	196.5	105.0	461.7

Totals: UK Zone 1741.0 ; US Zone 1517.2 ; French Zone 790.4 ; Total 4048.6.
Estimates for UK Zone include Deutsche Mark 60 millions for Tripartite Organizations, including expenditure on establishment of High Commission in Bonn Enclave. Those for the French Zone include Deutsche Mark 25 millions for similar expenses. Total budgets amount approximately to 22 % of the Federal and Laender Budgets.

II. For purposes translating above into dollar values use rate of 23.8 cents to the Mark. Other information being transmitted separately.
Signed Fox."

(**) This number came in garbled and is being serviced.

GEORGE I. BACH
Brigadier General, USA
Signal Officer

"THIS IS NOT A COMMAND CHANNEL MESSAGE"
"NO REFERENCE SHOULD BE MADE TO THIS MESSAGE IN OFFICIAL COMMUNICATIONS"



Personal for
General Almax
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