REQUISITION FOR DEFENSE ARTICLES
(Under the Act of March 11, 1941)

<table>
<thead>
<tr>
<th>NO.</th>
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<tr>
<th>SECTION</th>
<th>ADDITIONAL INFORMATION</th>
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GOVERNMENT OF THE UNITED STATES
FORM 10 - AMENDMENT

REQUISITION FOR DEFENSE ARTICLES
(UNDER THE ACT OF MARCH 13, 1941)

<table>
<thead>
<tr>
<th>ROUTING</th>
<th>NO.</th>
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<th>REQUISITIONER</th>
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<tr>
<th>Section</th>
<th>DESCRIPTION FULLY NATURE OF AMENDMENT DESIRED; STATE WHETHER SUBSTITUTION, ADDITION, CANCELLATION, ETC.</th>
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(Signed)__________________________

(TITLE)__________________________

GOVERNMENT OF THE UNITED STATES
## FORM 3AA 8

**Recommendation on Regulation for Defense Articles**
(Under the Act of March 21, 1941)

Number of detail sheets attached: __________

1. It is recommended that the following goods and/or services listed on the requisition be supplied in the quantity indicated below from the sources shown on the detail sheets attached:

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Describing</th>
<th>Estimated Value</th>
<th>Detail Sheet No.</th>
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(Form LLA 3—Continued)

2a. It is recommended that the following items on the requisition not be supplied:

<table>
<thead>
<tr>
<th>Quantity</th>
<th>Description</th>
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</table>

2b. Reason for nonsupply of requisitioned items:

3. Allocation of funds is requested in the amount of $__________ to cover new order(s) to be placed under this requisition for which funds have not yet been allocated by the President. It is suggested that this allocation be made from funds appropriated under Section __________, entitled __________ of the Defense Aid Supplemental Appropriation Act, 1941.

4. Authorization (is) (is not) requested to transfer material and/or services procured to fill this requisition to the Government of __________

<table>
<thead>
<tr>
<th>(Approved)</th>
<th>(Signed)</th>
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<td>(Title)</td>
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Government of the United States
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<th>Detail Sheet No.</th>
<th>Rep. No.</th>
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### Detailed Instructions

1. From stock on hand, prepared from appropriations made prior to March 11, 1961:

2. From order placed under appropriations made prior to March 11, 1961:

   **Supplier**

   **Contract No.**

   **Supervisor**

   **Contract No.**

3. From new order to be placed:

### Notes

1. Funds to cover procurement from Source 3 [Space] have not been allocated by the President. Allocation letter number [Space] [Space].
In accordance with Mr. Keynes's request which I showed you,
I had a talk with him today about the Lease Lend Agreement with the British.

Mr. Keynes told me that he had received a cable from the Prime Minister which dealt with three points.

The first was that the Prime Minister strongly urged that the agreement should not provide for repayment or installment payments in the future in either cash or commercial goods. He urged that the British position after the war would be a very serious one indeed, in as much as their resources would be strained to the limit for a very considerable period of time, both in obtaining the articles and current needs of the United Kingdom and also in obtaining the necessary capital goods to replace the destruction which...
which had occurred and to make up the deficiencies resulting from
the transfer of productive plants to war uses. The Prime Minister
believed that consideration for the articles transferred should be
found in the field of military and political considerations and
in the field of broad economic collaboration. Mr. Keynes has a
number of suggestions along this line.

The Prime Minister's second point was that he thought it un-
derirable to divide the articles into three categories, as we had
suggested to Mr. Keynes; the three categories being articles in
existence and useable which could be returned, articles of a mili-
tary nature which had been consumed or destroyed during the war,
and such articles as food, clothing, etc., for the civilian popula-
tion. Instead the Prime Minister suggests that the articles be
divided into two categories; i.e., articles which are in existence
and in useable condition and which can be returned and articles
which have been consumed. He hopes that compensation to be found
as noted above can be lumped against the entire second category.

The third point was that the Prime Minister thought it un-
derirable to establish a joint commission at this time charged
with the duty of working out agreements and plans for economic
considerations and post-war reconstruction. Mr. Keynes does not
clearly understand the Prime Minister's point in regard to this
last matter. He believes that the Prime Minister does not wish now
to get into what may be theoretical or academic discussions about
the
the post-war period before the clear outlines of that period are discernible. Mr. Keynes does not believe that the Prime Minister would have objection to joint efforts now to meet immediate practical problems or to deal with surplus or other problems which both exist at the present time and relate to relief and reconstruction measures which must be taken immediately upon a cessation of hostilities.

During the course of his discussion Mr. Keynes referred to the possible establishment of a joint defense force by Great Britain and the United States to maintain peace after the war. I do not know and did not ask whether this was his idea or whether it arose in a discussion which the Ambassador had with the President some time ago. He did state that the President had mentioned either to him or to the Ambassador that the President did not believe that after this war there would be the same insistence in this country on withdrawing from world affairs as had occurred at the end of the last war. I suggested to Mr. Keynes that, if he had not already done so, he mention this point to the President and obtain the President's views.

At our prior talk you suggested that you might wish to inform the President of what Mr. Keynes had in mind.

Dean Acheson
Mr. Stephen Early,

The President may be asked some questions on this subject and he may want to use some of this dope.

OJC

15 July 1941
BRITISH EXPORT COMPETITION WITH UNITED STATES

1) Questions may be asked at the press conference this afternoon as to whether Lend-Lease articles are being reexported by the British or used by them to release other articles for export, thus continuing or creating competition with American exports.

2) The timing of charges to this effect in Congress and the press and introduction by Representative O'Connell of a resolution for an investigation of this aspect of Lend-Lease suggests an effort to embarrass the Administration in obtaining further Lend-Lease appropriations.

3) In the administration of the Lend-Lease Act, this Government has taken definite steps to prevent British export competition with lend-lease materials by —

   a) Declining consent under the Lend-Lease Act to the reexport of any lend-lease materials;

   b) Requiring that all Lend-Lease articles which might be available for reexport be used only in the United Kingdom for essential war purposes; and

   c) Urging the United Kingdom further to reduce their exports for items in competition with American suppliers.

4) The British have already drastically reduced their exports. A substantial part of their exports consist of Scotch whiskey, Harris tweeds, wedgewood, etc., which are not in direct competition with American goods.
The British have adopted the policy of restricting the export of articles competing with American exports to the minimum necessary to obtain foreign exchange to pay for imports essential to the British war effort.
THE WHITE HOUSE
WASHINGTON

September 4, 1944.

MEMORANDUM FOR

ADmiral Leamy

Do you think this should be made public either now or a little later? It is a definite statement of policy.

F. D. R.

Secret memorandum from the Secretary of State, 8/28/44, in re: procurement of material for Armed Forces of Other American Republics, copy of letter which the Secretary of State sent to the Secretary of War under date of 8/17/44, and a confidential statement regarding the matter.
MEMORANDUM FOR THE PRESIDENT

SUBLECT: Procurement of Material for Armed Forces of Other American Republics

The State, War and Navy Departments and the Joint Chiefs of Staff have recently agreed that procurement of materials for the armed forces of the other American republics under Lend-Lease credit shall henceforth be limited to certain specific purposes. A statement setting forth the reasons for adopting this policy and the purposes for which procurement may be approved, has been agreed upon and distributed for the use of United States officials directly concerned. This statement, a copy of which is enclosed, also includes a paragraph relating to cash purchases of materials destined for the armed forces of other American republics.

In the first paragraph of the statement under reference it is expressly recognized that "any large threat to the security of the Western Hemisphere has been largely removed". In view of this fact, I am of the opinion that deliveries of materials to the armed forces of those countries, which always involve important political issues, should henceforth be decided primarily on the basis of their effect upon the foreign relations of this country, rather than on grounds of hemisphere defense.

I have felt it desirable to clarify my position in letters for the Secretaries of War and Navy, a copy of which is enclosed.

Enclosures:

1. Copy of letter, mutatis mutandis, to the Secretaries of War and Navy.

2. Copy of statement.
September 9, 1944

General George C. Marshall, Chief of Staff
War Department
Washington, D.C.

My dear General Marshall:

There has been a good deal of discussion within the several Government Departments relative to our Lend Lease policy after the collapse of Germany.

It is my wish that no Department of the Government take unilateral action in regard to any matters that concern Lend Lease, because the implications of any such action are bound to affect other Departments of the Government and, indeed, our whole national policy. I am particularly anxious that any instructions which may have been issued, or are about to be issued regarding Lend Lease material or supplies to our allies after the collapse of Germany, be immediately cancelled and withdrawn.

I intend to give instructions to all Departments relative to the Lend Lease policy of this government at an early date.

Will you be sure, therefore, that your several bureaus and divisions are advised of my position at once?

I am sending identical letters to the Chief of Naval Operations, the Secretary of the Treasury, the Secretary of State, the Administrator of the Foreign Economic Administration and the Administrator of the War Shipping Administration.

Sincerely yours,

FRANKLIN D. ROOSEVELT.
September 9, 1944

Admiral Ernest J. King, Chief of Naval Operations,
Navy Department
Washington, D.C.

My dear Admiral King:

There has been a good deal of discussion within the several government departments relative to our lend-lease policy after the collapse of Germany.

It is my wish that no department of the government take unilateral action in regard to any matters that concern lend-lease, because the implications of any such action are bound to affect other departments of the government and, indeed, our whole national policy. I am particularly anxious that any instructions which may have been issued, or are about to be issued regarding lend-lease material or supplies to any allies after the collapse of Germany, be immediately cancelled and withdrawn.

I intend to give instructions to all departments relative to the lend-lease policy of this government at an early date.

Will you be sure, therefore, that your several bureaus and divisions are advised of my position at once?

I am sending identical letters to the Chief of Staff, the Secretary of the Treasury, the Secretary of State, the Administrator of the Foreign Economic Administration, and the Administrator of the War Shipping Administration.

Sincerely yours,

FRANKLIN D. ROOSEVELT
September 9, 1944

The Honorable
The Secretary of the Treasury
Washington, D.C.

My dear Mr. Secretary:

There has been a good deal of discussion within the several Government Departments relative to our Lend Lease policy after the collapse of Germany.

It is my wish that no Department of the Government take unilateral action in regard to any matters that concern Lend Lease, because the implications of any such action would be bound to affect other Departments of the Government and, indeed, our whole national policy. I am particularly anxious that any instructions which may have been issued, or are about to be issued regarding Lend Lease material or supplies to our allies after the collapse of Germany, be immediately cancelled and withdrawn.

I intend to give instructions to all Departments relative to the Lend Lease Policy of this government at an early date.

Will you be sure, therefore, that your several bureaus and divisions are advised of my position at once?

I am sending identical letters to the Chief of Staff, the Chief of Naval Operations, the Secretary of State, the Administrator of the Foreign Economic Administration and the Administrator of the War Shipping Administration.

Sincerely yours,

FRANKLIN D. ROOSEVELT
September 9, 1944

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

My dear Mr. Secretary:

There has been a good deal of discussion within the several Government Departments relative to our Lend Lease policy after the collapse of Germany.

It is my wish that no Department of the Government take unilateral action in regard to any matters that concern Lend Lease, because the implications of any such action are bound to affect other Departments of the Government and, indeed, our whole national policy. I am particularly anxious that any instructions which may have been issued, or are about to be issued regarding Lend Lease material or supplies to our allies after the collapse of Germany, be immediately cancelled and withdrawn.

I intend to give instructions to all Departments relative to the Lend Lease policy of this government at an early date.

Will you be sure, therefore, that your several bureaus and divisions are advised of my position at once?

I am sending identical letters to the Chief of Staff, the Chief of Naval Operations, the Secretary of the Treasury, the Administrator of the Foreign Economic Administration and the Administrator of the War Shipping Administration.

Sincerely yours,

FRANKLIN D. ROOSEVELT
Mr. Leo T. Crowley, Administrator,
Foreign Economic Administration,
Washington, D.C.

My dear Mr. Crowley:

There has been a good deal of discussion within the several Government Departments relative to our Lend Lease policy after the collapse of Germany.

It is my wish that no Department of the Government take unilateral action in regard to any matters that concern Lend Lease, because the implications of any such action are bound to affect other Departments of the Government and, indeed, our whole national policy. I am particularly anxious that any instructions which may have been issued, or are about to be issued regarding Lend Lease material or supplies to our allies after the collapse of Germany, be immediately cancelled and withdrawn.

I intend to give instructions to all Departments relative to the Lend Lease policy of this government at an early date.

Will you be sure, therefore, that your several bureaus and divisions are advised of my position at once?

I am sending identical letters to the Chief of Staff, the Chief of Naval Operations, the Secretary of State, the Secretary of the Treasury and the Administrator of the War Shipping Administration.

Sincerely yours,

FRANKLIN D. ROOSEVELT
September 9, 1944

Rear Admiral Emory S. Land, Administrator
War Shipping Administration
Washington, D.C.

My dear Admiral Land:

There has been a good deal of discussion within
the several Government Departments relative to our
Lend-Lease policy after the collapse of Germany.

It is my wish that no Department of the Government
take unilateral action in regard to any matters that con-
cern Lend-Lease, because the implications of any such
action are bound to affect other Departments of the
Government and, indeed, our whole national policy. I am
particularly anxious that any instructions which may have
been issued, or are about to be issued regarding Lend-
Lease material or supplies to our allies after the collapse
of Germany, be immediately cancelled and withdrawn.

I intend to give instructions to all Departments
relative to the Lend-Lease policy of this government at
an early date.

Will you be sure, therefore, that your several bureaus
and divisions are advised of my position at once?

I am sending identical letters to the Chief of Staff,
the Chief of Naval Operations, the Secretary of State, the
Secretary of the Treasury and the Administrator of the
Foreign Economic Administration.

Sincerely yours,

FRANKLIN D. ROOSEVELT

(Addenda: Forwarded to War Shipping Administration for file.)
MEMORANDUM FOR THE PRESIDENT:

I have your letter of September 9th in which you expressed your wish that no unilateral action be taken in regard to any matters that concern Lend-Lease after the collapse of Germany, and that any instructions which may have been issued for that period be immediately cancelled and withdrawn.

I have asked the War Department agencies concerned for a review of any such instructions that they may have issued, and that they report to me the action taken to cancel and withdraw those instructions. In addition, no instructions concerning this matter will be issued by any War Department agency until such time as you may direct.
MISS TULLY:

These are the letters Mr. Hopkins spoke to you about just after lunch.

dekrauss
THE WHITE HOUSE
WASHINGTON

September 15, 1944.

MEMORANDUM FOR

THE SECRETARY OF THE TREASURY:

Will you talk with the Secretary of State or Stettinius and the Secretary of
Dear Mr. President:

I have your letter of September 9 relative to our lend lease policy after the collapse of Germany and will be governed by your instructions.

As you know, under direction from you we have been engaged since May 24 in negotiations with the Soviet Government over a contract by which they would accept and pay for on credit terms certain items included in the proposed Fourth Protocol. Similar discussions with French authorities were authorized by you in July and were mentioned in the recent exchange of memoranda with the French. These discussions are awaiting further instruction from you.

In your absence, inquiry has been made as to whether these discussions, particularly those with the Soviet representatives now in progress, should be interrupted.

Mr. Hopkins

The President,
The White House.
Mr. Hopkins has informed the Department that unless and until you inform us to the contrary we should continue these negotiations and that your letter of September 9 did not intend otherwise.

Faithfully yours,

[Signature]
My dear Mr. President:

The contents of your letter of September 9 referring to lend-lease policy after the collapse of Germany have been conveyed to the appropriate Treasury officials and the instructions will be very carefully carried out.

Faithfully yours,

Acting Secretary of the Treasury.

The President,

The White House.
March 17, 1941.

MEMORANDUM FOR
THE ATTORNEY GENERAL

I should like to file with the Attorney General an official memorandum placing me on record in regard to that provision of the Lend-Lease Bill which seeks to repeal legislation by concurrent resolution of the two houses of Congress.

Would you try your hand at drafting such a memorandum? I should say in it, of course, that the emergency was so great that I signed the bill in spite of a clearly unconstitutional provision contained in it.

I enclose letter from Senator Murdock, together with marked passages relating to the debate and relating to legislative rules and precedents.

F. D. R.

MEMORANDUM FOR THE PRESIDENT

March 13, 1941

As of possible interest I am sending you a copy of a prepared statement which I read at the beginning of my testimony before the Appropriations Committee meeting in executive session this afternoon.
When I appeared before the Committee on Foreign Affairs on January 15 last, I said that the proposed Lend-Lease Bill was designed to promote the defense of the United States. I also stated in substance that that measure would set up machinery which would enable us to make the most effective use of our resources for our own needs and for the needs of those nations whose needs, in our own self-defense, we are determined to aid; that the measure would make it possible for us to allocate our resources in ways best calculated to provide for the security of this nation and of this continent in the complex and many-sided conditions of danger with which we are and are likely to be confronted; that above all it would enable us to do all these things in the speediest possible manner; and that, overwhelmingly, speed is our greatest need today. All information which has come to me during the two months that have since elapsed confirms the view then expressed that this nation faces real danger, and that every possible step for national defense should be taken with the utmost rapidity.

During these two months, other areas have been added to those overrun by the brutal forces of conquest and destruction. Several more are on the list for immediate seizure or subjugation. Upon the seas the menace of death and disaster has grown. This country by
by now should have no longer any illusions as to the nature or magnitude of the dangers which confront us.

The United States has desired, and has overwhelmingly approved, a foreign policy based on the safety, integrity and the free institutions of the country. It has no association with European political disputes. But it has recognised and must recognise that a force has arisen transcending the disputes which were formerly the subject of European wars. It has seen a combination of forces come into being which, step by step, has challenged the right of every nation, including our own, to exist save at the dictation of alien masters. In every case, the nation whose turn had not come up was told that there was no danger; that it needed to do nothing but sit still and all would be well. And with deadly certainty, the governments which have swallowed this bait have been, in their turn, destroyed. Only those which devoted every ounce of their energy towards immediate defense, and which were ready to cooperate with others, have escaped destruction.

But these other nations which endeavored to avoid danger by inaction had an excuse which we do not have. They could at least indulge the hope that the conqueror might respect their lawful integrity. They perhaps were entitled to hope that the rules of international law

might
might somehow save them. They perhaps could plead surprise. We can do none of these things.

If we value our safety, our immediate business is to see to it that the would-be conquerors of the world shall not be in a position in which they can command the seas, attack any country in this hemisphere, and, when they are able, attempt to deal with us as they have been dealing with Europe and with Asia.

In the clear light of the repeatedly avowed purposes of conquest without limit and of the striking harmony of their acts and their words on the part of the rulers of the lawless nations, the fact is wellnigh inescapable that if they succeed in securing control of the high seas along with the other continents, they will without material delay move to secure domination of the richest undeveloped foodstuffs, raw materials, and other natural resources of this western hemisphere, in those parts least prepared for self-defense. I must, in good conscience, say to the American people that in my judgment this hemisphere and this nation are in serious danger.

In the presence of such dangers, our safety and security lie in creating for ourselves impregnable means of defense and in utilizing these means whenever and wherever they may be most effective.
The country has overwhelmingly accepted the view that the rendering of the greatest practicable material aid to those nations which are actively resisting the forces of conquest is an essential part of our defense effort. Through the enactment of H. R. 1976 this has become a settled and decided policy of the nation. The measure now under consideration by your committee is the next and indispensable step in the carrying out of that policy. It appropriates funds necessary to furnish in adequate amounts and with adequate speed planes, ships, guns, and food for the nations which now heroically endeavor to stop the movement of conquest.

There is no need now for me to discuss in detail the necessity for this entire course in the defense of our own security and vital interests. All the reasons have been advanced and tested in the full freedom of debate. We are united upon it, we have set our hands to the plow—the people, the Congress, the Executive.

The war which is being fought in Europe and in Africa together with the hostilities and the moves of conquest which are going on in Asia have become, under the Tripartite Agreement, closely interrelated. In the light of this situation, we are sending materials to several countries in various parts of the world, whose defense is essential to our defense. The effort which we make will have to be
on a large scale because the needs which it is intended

to meet are and will be large needs.

Many of these countries cannot manufacture for
themselves the complicated machinery and the great
variety of munitions for which they now have urgent need.
This country is fortunate in being able to produce vast
quantities of most of the things that are called for.
This country will have to produce them — we will produce
them.

I advocated the passage of the Lend-Lease Bill, and
I now urge prompt action on this appropriation as essential
for the execution of sound foreign policy for the United
States. The object of that policy is to assure the safety,
the independence, and the interest of the United States
against all threats. That cannot be successfully done
unless we ourselves are very strong and are in a position
to share our strength with other nations which are help-
ing to defend our interests.

If we have to find protection through our foreign
policy, we must be strong. Today as ever the essential
basis of the strength of a nation is the spirit and courage
of its people. But no matter how great the spirit and cour-
age, it cannot sustain itself without adequate arms. The
production of adequate arms requires the coordination of
finance, industry, labor, sacrifice and brains of the whole
people.
Unless these are given, essential production of defense materials cannot be sufficient; and if these are not sufficient, foreign policy must be the servant of weakness and not the index of strength and independence.

To achieve adequate protection, all elements in our country must shake off any lethargy that may still possess them. They must live and contribute in the light and spirit of national crisis as Americans. Considerations of person, economic gain or comfort must yield to the sense of national crisis. Our unity and our purpose must express itself in the continuous and combined industry of all of those who play a part in production.

I say to you that our safety and the success of the course upon which we have set ourselves demand the courage and the wisdom to go full out in furnishing adequate material aid to the nations whose defense is necessary to our defense. When we do this, we take the most effective step possible in the circumstances to keep war away from our hemisphere, from our own nation. Doing this, we act in defense of our homes, our institutions, our liberties, our way of life.

In this task, half measures will not suffice. There is much to be done and the task is urgent. We must strive with all our will, all our power and all our resources.

To
To be content with less would be to invite disaster. No people in history have had such opportunity to learn from the tragic example of others. We cannot stint and we must not falter.
MEMORANDUM FOR THE PRESIDENT

Reference is made to your memorandum of September 19 to Secretary Morgenthau and Mr. Stettinius enclosing a memorandum from Mr. Crowley on the Soviet Supply Program. I know of no action from the Department of State's point of view which should be taken in regard to this report.

It might be of interest to inform you that, in connection with paragraph II titled Financial Discussions of Mr. Crowley's memorandum, on September 14 the Soviet representative negotiating the amendment to the lend-lease agreement was given a final draft of the proposed agreement which included all changes agreed to by us during the negotiations in July and August. The Soviet negotiator was informed that this draft represented the final United States position, and the hope was expressed that he would receive instructions from Moscow authorizing him to sign the agreement. To date no reply has been received from Moscow.

CH
THE WHITE HOUSE
WASHINGTON

September 19, 1944.

MEMORANDUM FOR

HON. HENRY MORGENTHAU, JR.
HON. E. R. STETTINIUS, JR.

Do you think this requires any action?

F.D.R.

Secret memo for the President, 9-11-44 from Leo T. Crowley, F.E.A., enclosing a secret memo re the Soviet Supply Program.
September 30, 1944

My dear Mr. Secretary:

I have your letter of September 25 and I appreciate your sending me for my records the British Treasury memorandum on Lend-Lease Supplies for Britain in Stage II, which Lord Cherwell handed you at Quebec.

Very sincerely yours,

"F. D. R.*

The Honorable

Henry Morgenthau, Jr.

Secretary of the Treasury.
THE WHITE HOUSE  
WASHINGTON  

SECRET  

September 29, 1944  

MEMORANDUM FOR  
THE UNDER SECRETARY OF STATE  

To read and return for my files.  
Does it need any answer?  

F. D. R.  

Enclosures  

Let to the P. from Sectreas 9/23/44  
transmitting memo from the British  
Treasury handed him by Lord Cherwell  
at Quebec re: (Lend-Lease Supplies for  
C. Britain in Stage II, dated 9/4/44)  

DECLASSIFIED  
By Deputy Archivist of the U.S.  
By W. J. Stewart Date JUN 2 1972
THE UNDER SECRETARY OF STATE
WASHINGTON

September 29, 1944

MEMORANDUM FOR THE PRESIDENT

Subject: Memorandum from the British on Lend-Lease in Stage II.

I appreciate your sending me the attached British Treasury memorandum on Lend-Lease Supplies for Britain in Stage II, which Secretary Morgenthau sent to you on September 25 and which you forwarded to me with your memorandum of September 29.

I am attaching a suggested reply to Secretary Morgenthau for your signature which you may care to send to him. In my opinion, no further reply on your part is necessary.

I return herewith Secretary Morgenthau's letter and the British memorandum.

[Signature]
My dear Mr. President:

While at Quebec, Lord Cherwell handed me the enclosed memorandum from the British Treasury. I only noted the other day that it was addressed to you, so I am sending it to you for your records.

Sincerely yours,

[Signature]

The President,

The White House.
Lend-Lease Supplies for Britain in Stage II

Note for President of U.S.A.

1. The President, in transmitting to Congress the Sixteenth Quarterly Report on Lend-Lease Operations, has recommended that "until the unconditional surrender of both Japan and Germany, (the United States) should continue the Lend-Lease programme on whatever scale is necessary to make the combined striking power of all the United Nations against our enemies as overwhelming and as effective as we can make it". There are several problems concerned with the application of this policy which require decision at the forthcoming Conference.

2. The object of Lend-Lease assistance hitherto has been to satisfy our justifiable requirements in excess of those which we can furnish ourselves in conditions of full mobilisation of manpower for war purposes. In other words, Lend-Lease has been treated hitherto as residual. If it is accepted that during Stage II the continuance of Lend-Lease assistance should be compatible with some appropriate degree of war demobilisation in the United Kingdom below the 1944 level, the above criterion of Lend-Lease availability will no longer be applicable. The appropriate criterion henceforward must necessarily be one of what absolute amount of assistance is appropriate to the changed conditions. The President will be asked to recognise this new situation by agreeing to the preparation of a firm agreement specifying the amount and character of the assistance on which we can rely.

3. Until strategic plans are completed, Britain's requirements for munitions in Stage II cannot be stated with precision. Our production plans are for the moment based on the estimate that
the strategy will require the provision for the Forces under British supply responsibilities of something over 60 per cent of the present volume of munitions over the first year, as a whole, falling to something over 50 per cent by the end of the year.

4. The munitions supplies of the British Empire have been drawn during the German war from a number of sources. A little under 60 per cent has come from Britain; about 27 per cent has come from the U.S.A.; about 10 per cent has come from Canada; the remainder has been drawn from other countries in the British Empire. If the total of British munitions requirements had to be provided from British Empire sources, there could be little if any reduction from the present output of munitions in the United Kingdom, even if production could be switched to other types of munitions in time to make them effective.

5. At the end of five years of war, some relaxation in the pressure on British civilian standards of life is necessary. It is necessary also to begin to rebuild the damaged cities, to devote more work to the overdue repairs to industry and public utilities, and to make first steps towards restoring our export trade; without exports Britain can neither meet her immediate obligations nor assure her purchases of necessary imports. These needs cannot be further deferred.

6. In working out the assistance to be afforded, a simple principle, which in practice would probably yield the minimum required - and might at the same time be regarded as rough justice - would be that the proportion of our total munitions supplies furnished on Lend-Lease should be the same in Stage II as it has been in 1944. If, for example, our munition needs from all sources are reduced by, say, one third, the amount of munitions furnished on Lend-Lease should also be reduced in the same proportion of one third.
7. The President will be asked for a firm commitment that we shall be given munitions on Lend-Lease terms on some such scale; this would either fix the total volume of munitions assistance in Stage II or would endorse the principle outlined above. It would then be possible for our respective officers to work out the detailed programme of supply correspondingly.

8. The amount of non-munitions assistance covering food, shipping, oil, raw materials, etc., which we shall continue to require would not depend to any great extent on the degree of our domestic reconversion, since only a small part of such assistance has been concerned with goods which we are in a position to produce. Some reduction is, however, possible in so far as such supplies have been for the purposes, not of civilian consumption, but of armed forces. For this reason the aggregate requirements of the United Kingdom are put at about £3 billions during the first year of Stage II compared with £3.9 billions in the programme for the current year.

9. To sum up, Britain's needs can only be met by a continuation of Lend-Lease through Stage II. The result of our examination is to show that we shall need:

   (a) Lend-Lease for munitions on a scale to be defined at the Conference.

   (b) Lend-Lease for foodstuffs, raw materials, oil, shipping, etc., sufficient to meet the reasonable needs in these respects of the United Kingdom for supplies from U.S. sources.

10. In order to give effect to those decisions it is suggested that the President and the Prime Minister should appoint a Committee with power to appoint technical sub-committees which would of course report to the main Committee. One sub-committee would, as a matter of urgency, consider the proposals of the
British Government's representatives for the munitions asked for under Lend-Lease, with the aim of reaching agreement as to:-

(a) the amount involved by the application of the principle of proportionate aid (unless this has been determined at the Conference itself).

(b) the most appropriate sub-division of that amount between the various broad classes of equipment for each of the Services.

(c) the arrangement for settling the details of the munitions programme as quickly as possible within that broad pattern.

11. The instructions to the main Committee should, of course, cover the whole ground of Lend-Lease Munitions and Non-Munitions, Reverse Lend-Lease and Export Policies and might be somewhat as follows:-

(a) So far as munitions are concerned, it would be the duty of the Committee to approve a report of the Sub-Committee mentioned above embodying a programme capable of fulfilling the agreed conditions in the manner most convenient and efficient from the point of view of the Governments.

(b) So far as non-munitions are concerned, the Committee, through such Sub-Committees as might be found convenient, would examine the British position with a view to determining the appropriate scale of assistance and should in this connection consider the advisability of possible modification in the fields to be covered by Lend-Lease and Reverse Lend-Lease respectively with a view to simplification and concentration.

(c) So far as exports are concerned, it should be an instruction to the Committee to propose the principles which should govern henceforth the relationship between...
Lend-Lease and Reverse Lend-Lease assistance and the export policies of the two countries, with a view to minimising the measures of restriction and regulation; and in arranging in detail the character of the aid to be furnished under the above Lend-Lease programme they should bear in mind the object of facilitating and simplifying the application of the principles, which they are proposing, in a manner likely to interfere with the respective export programmes of the two Governments to the least possible extent.

(d) Thus, generally the Committee and its Sub-Committees would be charged with the task of drawing up and agreeing programmes which would implement the decisions reached by the Conference. It would not be competent for them to reopen these decisions.

12. Since it is unlikely that the Committee could complete its deliberations, except on munitions, before, say, November, it is essential that a Directive should be given meanwhile which would prevent any steps being taken during the intervening weeks likely to be prejudicial to the carrying out, should they be approved, of any proposals which are brought before the Committee.

4th September, 1944.
My dear Cordell:

In my letter of September 9, I gave instructions concerning the administration of the lend-lease program after the collapse of Germany.

It was not intended that these instructions should apply to the lend-lease negotiations current with the Government of U. S. S. R.

Sincerely yours,

FDR

The Honorable
Cordell Hull,
The Secretary of State.
My dear Cordell:

In my letter of September 9, I gave instructions concerning the administration of the lend-lease program after the collapse of Germany.

It was not intended that these instructions should apply to the lend-lease negotiations current with the Government of U. S. S. R.

Sincerely yours,

"F. D. R."

The Honorable

Cordell Hull,

The Secretary of State.

Copies to:
Vice Admiral E. S. Lend
Hon. Leo T. Crowley
Admiral Ernest J. King
The Secretary of the Treasury
General George C. Marshall
My dear Mr. President:

The instructions on lend-lease administration in your letter of September 9 as interpreted by the Departments have left some doubt whether these instructions were intended to apply to the negotiations current between the U.S.S.R. and this Government on a lend-lease program.

I have reviewed this problem with Secretary Hull and Secretary Stimson. We are agreed on the interpretation that your letter did not require the interruption of negotiations with the Russians, and we join in recommending to you the desirability of this interpretation.

With the concurrence of Secretary Hull and Secretary Stimson I suggest, for your consideration, that the interested government departments be advised definitely as to the effect of your instructions upon these current negotiations, as suggested in the attached draft of a letter.

Faithfully yours,

[Signature]

Secretary of the Treasury.

The President,

The White House.
Dear Miss Tully:

I would appreciate your giving this memorandum on Lend-Lease to Russia to the President. I believe it will be useful to him to have this information in his possession before his conference.

Sincerely yours,

[Signature]

Miss Grace Tully, Secretary to the President, The White House.
MEMORANDUM FOR THE PRESIDENT

January 18, 1945

Summary facts concerning Lend-Lease supply to Russia are set forth in the attached memorandum with particular emphasis on the problems concerning supplying capital equipment.

It occurred to me that you might find these facts useful in forthcoming negotiations.

Attachment
I. Lend-Lease to USSR (In millions of dollars)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total to October 31, 1944</td>
<td>7,156</td>
</tr>
<tr>
<td>Cost of current supply per annum</td>
<td>4,000</td>
</tr>
<tr>
<td>Estimates for FY 1945-46 being prepared on this basis</td>
<td></td>
</tr>
</tbody>
</table>

II. Present Policy of Aid to USSR

To provide everything USSR asks for that can be produced and is lend-leaseable and possible to ship.

III. Capital Equipment

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Contracted for and Under Approved Requisition</td>
<td>1,560</td>
</tr>
<tr>
<td>Current Annual Rate</td>
<td>500</td>
</tr>
<tr>
<td>Amount Shipped as of Dec. 31, 1944 (estm.)</td>
<td>993</td>
</tr>
</tbody>
</table>

IV. Negotiations with USSR on Capital Equipment

Fruitless efforts have been made to get the USSR to agree, that when the resistance of the common enemy has been overcome, to accept at a fair price, machinery, tools, equipment and raw material being currently supplied which have a post-war use, that will be on hand in the U.S., or under contract, the U.S. to be reimbursed over 30 years at 2 3/8%. For long-range projects which are lend-leaseable but would take a long time to produce (2 to 2 1/2 years) we offered to accept orders up to the amounts that funds permitted (approx. $500,000,000) with the proviso that the USSR would pay for these in full. The final terms were offered Russia August 1944.

Russia's only response is an Aide-Mémoire handed to Averell Harriman by Molotov on January 5, 1945 suggesting a thirty-year $6,000,000,000 credit at 2 3/8% to pay for certain lend-lease goods on hand in the U.S. at the end of hostilities, the major amount to be for post-war plants and equipment. No authority now exists for such a loan. Legislation amending the charter of the Export-Import Bank is required – also the appropriation of the necessary funds. A message is in preparation to Harriman authorizing him to advise the Russians that until some long-term credit agreement has been entered into we are prepared to conclude an interim agreement to furnish long-range projects on the basis of cash on delivery.

V. Capital Goods Policy (UK vs. USSR; US vs. UK)

UK receives 40% cash and gives 60% credit for all equipment and supplies except military supplies sent to USSR.

Capital goods furnished the UK by the US since November 1943 have been for cash and a cash settlement has been made for machine tools furnished prior to that date.
VI. Russian Need for Capital Equipment

Very great for post-war rehabilitation. She is now doing considerable reconversion. Munitions production at a maximum and exceed large pre-war production. Munitions available exceed those of a year ago.

VII. Russia's Ability to Pay

The OSS estimates that Russia has a gold reserve of $2,500,000,000; that she is mining gold at a rate of $250 to $300 million a year and has done so throughout the war. She is now receiving reparations from Finland and Roumania. She has a negligible foreign debt. Her internal debt presents no economic problems in the payment for imports.
MEMORANDUM TO THE PRESIDENT

After further discussion and consideration of the lend-lease arrangements which this Government should enter into with France, the Foreign Economic Administration, State Department and the Treasury Department recommend that an agreement should be proposed to the French similar to the lend-lease agreements with Britain, Russia, China, and other lend-lease governments.

We feel that such an agreement would be preferable in a number of respects to the earlier agreement which was under consideration last summer when it appeared that there might be an early end to the war in Europe. The principal advantages of the usual form of lend-lease agreement would be:

1. It would create the least domestic and foreign controversy since it would be in the precise pattern of past lend-lease agreements.

2. It would emphasize that the United States is treating France on a par with our other fighting Allies.

3. It would retain in the United States Government complete flexibility as to the supplies and services which would contribute to the prosecution of the war and would actually be made available. This flexibility has been proven by experience to be of the utmost importance in view
of constantly changing war conditions. Under the existing lend-lease agreements, which are substantially identical, the administrative decisions have varied from country to country and have changed from time to time as circumstances and our national interests may require or make desirable.

4. It would leave for separate consideration and negotiation, as with the Soviet Union, the question of a 3(c) type lend-lease agreement which would provide for a commitment to pay in cash or on long term credit for specific supplies such as long-life capital goods.

We feel that France is and can increasingly become a major base of operations for the United Nations and that it is in our interests to have France's resources utilized to the fullest in order to speed the defeat of the Axis. France has facilities, resources and manpower which can and should be utilized for this purpose, but to contribute most effectively to the common war, she will require additional supply assistance from the United States. We believe that we can best mobilize France for the defeat of the common enemy through arrangements similar to those we have with our other Allies.

If this proposal meets with your approval, negotiations for such an agreement—similar to the ones with Britain, Russia and China—will go forward with the French authorities.
After the Master Lend-Lease Agreement is negotiated with and signed by the French, the State Department, the Treasury Department and the Foreign Economic Administration will jointly work out with the French the major lines of the non-munitions program in the light of the status, actual and prospective, of the French gold and dollar balances. In other words, the United States, acting through the three interested agencies of the United States Government, should determine the extent to which we deem it appropriate that the French should use their gold and dollar resources in meeting their non-munitions requirements and the lend-lease aid to them should be programmed accordingly.

Before the negotiations start with the French on the Master Lend-Lease Agreement, they should be advised that the non-munitions program under the agreement will be carried out along the lines suggested above.

[Signature]

State Department

[Signature]

Treasury Department

[Signature]

Foreign Economic Administration

Approved:

[Signature]
March 23, 1945

Miss Tully:

I spoke to the President about this this morning and he expressed approval and said that he would sign. This is urgent and I would appreciate it very much if you would get his O.K. on it today or at least tomorrow.

Thank you for your courtesy in handling things like this for me.

Charles E. Bohlen
MEMORANDUM FOR THE PRESIDENT

Subject: Withdrawal of Agreement Offered in September 1944 to U.S.S.R. under Section 3 (c) of Lend-Lease Act.

The Soviet Government has not indicated any willingness to accept the terms offered by us for the proposed agreement under Section 3 (c) of the Lend-Lease Act, the first draft of which was submitted to it in May 1944, and the final United States terms for which were communicated to the Soviets in September 1944. On the contrary, they have indicated that they expect to finance the deliveries contemplated in the proposed 3 (c) agreement through a long-term postwar credit which they have requested in the amount of six billion dollars. Furthermore, in view of the present military situation, the initiation at this time of a program of procurement under a 3 (c) agreement of industrial plants requiring a long time to manufacture, ship and install, might possibly be considered by the Congress as a use of the Lend-Lease Act for postwar reconstruction purposes.

We recommend that the Soviet Government be informed that we cannot maintain the offer contained in the draft agreement submitted in September 1944 but that we believe it would be to the interests of both Governments to conclude a 3 (c) agreement concerning the disposition of certain lend-lease supplies in inventory or under contract at the end of hostilities against the common enemy. There is attached an aide-mémoire which we propose to be handed to the Soviet Ambassador if you approve this recommendation.

We
We are submitting this matter to you in advance because of the possible implications the withdrawal of the agreement offered may have from the military and political standpoints.

Joseph C. Grew
Acting Secretary of State

Leroy Cusack
Foreign Economic Administrator

Enclosure:

Aide-memoire.
AIDE-MÉMOIRE

In a conversation on March 10, 1945, the Soviet Ambassador left with the Acting Secretary of State the text of a clause which the Soviet Government wished to have inserted in the text of the Fourth Protocol. This clause was as follows:

"The reference in the Protocol to a supplementary agreement to the agreement of June 11, 1942 does not mean the consent of the Soviet Government to the conclusion of such an agreement. The Soviet Government counts on the solution of the question of the financial conditions for the deliveries in question on the basis of the proposal outlined in the aide-mémoire handed to the Ambassador of the United States in Moscow on January 3, 1945."

The United States Government wishes to advise the Soviet Government that at this time it can give no assurance concerning the Soviet Government's proposals for a postwar credit outlined in the aide-mémoire handed to the Ambassador of the United States in Moscow on January 3, 1945. As the Soviet Government was advised in a memorandum to the Soviet Chargé d'Affaires of March 3, 1945, these proposals
proposals are being given careful consideration but constitute a separate matter and must be considered apart from the Fourth Protocol. It is further desired to emphasize that these proposals, which would necessitate the enactment of additional appropriate legislation by the Congress beyond the scope of the Lend-Lease Act, would, in any case, require a considerable amount of time to effectuate.

The United States Government had not intended by the inclusion in the Fourth Protocol of reference to the proposed supplementary agreement to the agreement of June 11, 1942 to imply in any way that the Soviet Government agreed to the conclusion of the proposed agreement. In order to make this perfectly clear the United States Government agrees to delete the words "have been or" in Article IV of the Fourth Protocol, which would then read as follows:

**ARTICLE IV**

The financial arrangements concluded between the Government of the Union of Soviet Socialist Republics and the Government of the United States in connection with the supplies furnished in pursuance of the present Protocol may be in accordance with
with the terms and conditions of the Master Lend-Lease Agreement of June 11, 1942, and with the terms and conditions of any amendments to said agreement which may hereafter be concluded by mutual agreement or the Government of the Union of Soviet Socialist Republics may elect to purchase from the United States schedules of supplies for cash.

In view of the fact that negotiations regarding the proposed supplementary agreement under the Lend-Lease Act have now extended over a period of ten months during which time the Soviet Government has not indicated its willingness to agree to the final terms offered by the Government, the United States Government considers that the proposals which were made to the Soviet Government in its note of May 24, 1944 and stated in final form in the draft submitted to Mr. Stepanov on September 14, 1944 have lapsed and that the negotiations on these specific proposals have come to an end.

Accordingly it will be necessary to revise paragraph III, page 24 of the United States schedules annexed to the Fourth Protocol to read as follows:

Items designated by the symbol "III" in the following schedules totalling approximately $481,807,000 represent supplies requested by the
the Union of Soviet Socialist Republics for its war production programs, which require a long period to produce, or to reproduce if already constructed, and have a long period of useful life. Items under this paragraph will not be financed under the Lend-Lease Act, but may be purchased by the U.S.S.R. if it so elects. All items under this paragraph are also subject to the following conditions etc...

The United States Government considers that the prompt signature of the Fourth Protocol is to the interest of both Governments and hopes that the signature of the Protocol with the amendments described above can now take place.

The United States Government also considers that it would be to the mutual interests of both Governments to conclude an agreement concerning the disposition under the Lend-Lease Act to the Soviet Union, after the termination of hostilities against the common enemy, of certain supplies, which the United States may undertake to furnish to the Soviet Union for use in the prosecution of the war and which are under contract or in inventory at the termination of hostilities.

Department of State,

Washington,
MEMORANDUM FOR THE PRESIDENT

Department of State
Washington
March 29, 1945

Subject: Proposed Lend-Lease Arrangements with Belgium and the Netherlands

We have been discussing lend-lease and reciprocal lend-lease with representatives of Belgium and the Netherlands. Having signed the 3-C agreement with France, we feel that political considerations make it desirable to have agreements on similar lines with Belgium and the Netherlands. In each case the gold and dollar position, the future balance of payments, and the volume of reciprocal aid would be taken into account.

We have worked out a Belgian-Luxembourg proposal of a relatively smaller amount than the French agreement. The proposal contemplates $326 million for the remainder of the calendar year and follows in general the pattern of the recent French agreement, with no item for transfer of title to ocean shipping. We are also examining proposals for the Netherlands. In each case the nature, extent and duration of lend-lease will be determined by the contribution which such aid will make to the prosecution of the war and we shall provide for periodic review of the program in the light of the changing war situation. Consideration is also being given to an arrangement with Norway.

If you approve, we shall immediately move forward with the representatives of Belgium and the Netherlands and possibly Norway looking towards early conclusion of such arrangements.

We do not intend to conclude any of these agreements until Congress has approved the extension of the Lend-Lease Act.

Acting Secretary of State

Secretary of the Treasury

Foreign Economic Administrator
THE WHITE HOUSE
WASHINGTON

April 4, 1945.

MEMORANDUM FOR:

HON. FRED VINSON:

FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F.D.R.

Ltr of 4/3/45 to the President from Hon. Marvin Jones; re the War Dept being authorized to proceed at once with planning for lend-lease supplies during Period I (an 18-mo period, assuming German collapse on July 1, 1945), it might be appropriate for the Office of War Mobilization and Reconversion to develop such a program for approval. Ltr of 5/24/45 from the Acting Secretary of War attached.
THE WHITE HOUSE
WASHINGTON

March 29, 1945

MEMORANDUM FOR THE
WAR FOOD ADMINISTRATOR:

FOR PREPARATION OF REPLY
FOR MY SIGNATURE.

F. D. R.

Ltr of 3/24/45 to the President from
the Acting Sec. of War, Robert P.
Patterson, marked "SECRET"; copy re-
tained in file.
Dear Mr. President,

Thank you for the opportunity to serve in your administration and to be associated with the protection of the American people since 1927. I have served with distinction and honor in the department of defense and national security, and I am proud to have been a part of your team.

Attached is a copy of my resume, which I hope will provide you with an overview of my qualifications and experience. I believe that my skills and experience make me an ideal candidate for this important position.

In conclusion, I am eager to continue serving the nation and I am confident that I can make a valuable contribution to your administration.

Yours sincerely,

[Signature]

Mar 24, 1945
THE WHITE HOUSE
WASHINGTON

April 7, 1945.

MEMORANDUM FOR

AUDREY TURNER

Will you please call Oscar Cox and thank him for his memo telling the President about extending the Lend-Lease Act and also ask him to congratulate Mr. Crowley for the President on the fine job he did?

G. G. T.

done 4/9/45
MEMORANDUM FOR THE PRESIDENT:

Subject: Lend-Lease Extension Legislation

For your information:

This morning the Senate Foreign Relations Committee voted unanimously to extend the Lend-Lease Act for another year.

Mr. Crowley did a superb job in preventing any restrictive amendments and in satisfying those members of the Committee who had any doubts.

Oscar Cox