

● PSF

C.F.

Lend Lease

1942 (1)

Jan. -

~~Jan.~~

Feb.

PSF

*(circled)*  
C. F.

*Lend Lease*

THE WHITE HOUSE  
WASHINGTON

January 2, 1942.

HARRY HOPKINS: *x4117*

IS THIS O.K.?

F.D.R.

*x18 x220*

Confidential letter to the Pres. from  
Secy. Knox 1/1/42 re the reestablishment  
of the Soviet aid program beginning 1/1/42  
and submits report setting forth the current  
status and prospective commitments of those  
naval items of the Protocol Agreement under  
U.S.A. jurisdiction.

January 2, 1942

PSF

C.F.

Lend Lease

My dear Mr. Secretary:

I have considered the question raised in your letter whether it is compatible with public interest to disclose through publication in the United States Statutes at Large or otherwise at the present time agreements already entered into with foreign countries under the authority of the Lease-Lend Act of March 11, 1941. In view of the fact that many important agreements are still in the process of negotiation, I find that it would not be compatible with public interest to disclose the agreements hitherto executed. Therefore, by virtue of the authority contained in Section 5 (b) of the Act of March 11, 1941, I so find and authorize and direct you to withhold publication of such agreements.

x340

Very sincerely yours,

(Signed) Franklin D. Roosevelt

The Honorable

The Secretary of State. x20.



THE SECRETARY OF STATE  
WASHINGTON

January 2, 1942

My dear Mr. President:

The question has arisen whether such Lease-Lend agreements as have already been signed with countries receiving Lease-Lend aid should be printed in Volume 55 of the United States Statutes at Large.

Chapter 44, Section 196 of the United States Code provides that the Secretary of State shall cause to be published the United States Statutes at Large which shall contain all treaties which have been proclaimed since the adjournment of the regular session of Congress next preceding and all international agreements to which the United States is a party that have been signed, proclaimed, or with reference to which any other final formality has been executed since that date.

However, this Department is of opinion, upon the advice of its Legal Adviser, that the legal requirement above noted has been modified by Section 5 (b) of the

Lease-Lend

The President,  
The White House.

that you concur in this view, a letter authorizing me  
Lease-Lend Act of March 11, 1941, which provides

"The President from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose."

In your letter to Senator Vandenberg, published in the Congressional Record on October 9, 1941, you said "In view of the fact that discussions are still pending with some of the American republics, I do not think that it would be advisable to disclose the terms of the agreements which have already been concluded". This Department expressed the same view to the Committee on Appropriations of the House of Representatives during the Hearings on the last Lease-Lend Appropriation Bill. In view of the fact that agreements with certain of the American republics, with the Union of Soviet Socialist Republics, and other countries have not been finally agreed upon, I believe that it would seriously embarrass our negotiations to have the agreements already executed published in the Statutes at Large.

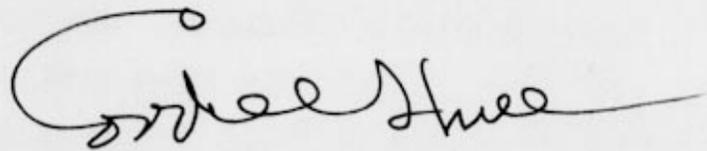
I have prepared for your signature, in the event

that

- 3 -

that you concur in this view, a letter authorizing me  
to withhold publication.

Very sincerely yours,

A handwritten signature in cursive script, appearing to read "Cordell Hull". The signature is written in dark ink on a light-colored paper background.

Enclosure:

Letter for the Presi-  
dent's signature.

1  
Seaweed File

PSF

*C. F.*

*Lend Lease*

My dear Mr. Stettinius:

x4559

For purposes of implementing the authority conferred upon you as Lend-Lease Administrator by Executive Order No. 8926, dated October 28, 1941, and in order to enable you to arrange for Lend-Lease aid to the Provisional Government of Czechoslovakia, I hereby find that the defense of the Provisional Government of Czechoslovakia is vital to the defense of the United States.

x536

Very truly yours,

*(Signed) Franklin D. Roosevelt*

THE WHITE HOUSE

January 5, 1942

OFFICE OF LEND-LEASE ADMINISTRATION  
FIVE-FIFTEEN 22d STREET NW.  
WASHINGTON, D. C.

E. R. Stettinius, Jr.  
Administrator

January 5, 1942

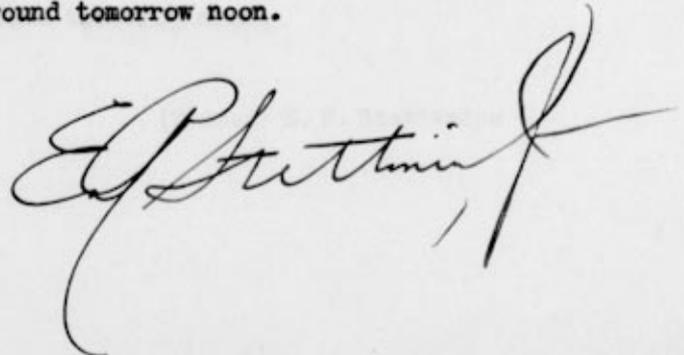
MEMORANDUM FOR THE PRESIDENT

From: E. R. Stettinius Jr.

Following up my discussion with you, I am sending you herewith a draft of a letter finding the defense of the Provisional Government of Czechoslovakia vital to the defense of the United States. This step has been approved by Mr. Hopkins and the War Department.

I think it would be most helpful if this letter could be released today, as the Czechoslovakian Minister is making a short-wave broadcast to his people around tomorrow noon.

Attachment

A large, stylized handwritten signature in black ink, appearing to read "E. R. Stettinius Jr.", is written over the bottom right portion of the page.

1/5/42

Mrs. Brady

This is the memorandum about  
which I phoned for Mr. Stettinius. We  
would very much appreciate your seeing  
that it gets to the President.

ls

FOR THE PRESS

IMMEDIATE RELEASE

JANUARY 5, 1942

The President today addressed to Honorable E. R. Stettinius, Jr., Administrator, Office of the Lend-Lease Administration, a letter, the text of which follows:

For purposes of implementing the authority conferred upon you as Lend-Lease Administrator by Executive Order No. 8926, dated October 28, 1941, and in order to enable you to arrange for Lend-Lease aid to the Provisional Government of Czechoslovakia, I hereby find that the defense of the Provisional Government of Czechoslovakia is vital to the defense of the United States.

- - - -

Betty G.L. Conf:  
for your files *BJ*

*file  
Confidential*

THE WHITE HOUSE  
WASHINGTON

*PSF*  
*(L. F.)*  
*Lend Lease*

January 6, 1942

MEMORANDUM FOR THE PRESIDENT:

The occasion may arise soon when you will have to answer the criticism about our difficulties at Pearl Harbor or in other theatres, due to the fact that Lend-Lease munitions were shipped out of the country instead of being used by our armed forces.

The situation in relation to airplanes in this regard is as follows:

284 Lend-Lease airplanes left this country prior to December 7, 1941, of which 155 were observation, transport or training planes. The list is attached.

During that same period our Army and Navy took over from British or other contracts 46 planes, list attached, and since December 7, the Army has taken over 500 planes from British contracts and 190 planes from Lend-Lease contracts, or approximately 700 combat planes in all. These 500 British planes were paid for entirely by British funds.

HARRY L. HOPKINS  
*\*4117*

*x249 official*  
*x4193*  
*x48*  
*x25*  
*x18*

STATUS OF AIRCRAFT DISTRIBUTION  
AS OF DEC. 31, 1941

AIRCRAFT	Lend-Lease planes that left country prior to Dec. 7, 1941	Number of planes ordered by the British or other foreign countries taken over by U.S. Army or U.S. Navy prior to Dec. 7, 1941	Number of planes on British con- tracts or other foreign countries taken over by the Army since Dec. 7, 1941
Bomber, Heavy L.B - 30 Consolidated	-	-	75
Bomber, Medium B-25-B Martin	5	-	-
Bomber, Patrol PBV Catalina	-	6	-
Bomber, Light A-29 Lockheed Hudson	11	40	-
Bomber, Light, DB7 Douglas	-	-	185
Pursuit, P-39 and P-400, Bell	3	-	196
Pursuit, P-40-C Curtiss	10	-	-
Pursuit, P-40-G Curtiss	17	-	-
Pursuit, P-40-E Curtiss	53	-	24
Pursuit, P-38 Lockheed Hudson	-	-	20
Pursuit, Grumman	30	-	-
Observation O-49 Stinson	4	-	-
Observation O-52 Stinson	30	-	-
Transport C-61 Fairchild	24	-	-
Transport C-55 Curtiss	1	-	-
Transport - 2 Engine	50	-	-
Trainer, Advance 2-Engine	6	-	-
Trainer, PT-22 Primary	40	-	-
	<hr/> 284	<hr/> 46	<hr/> 500*

\*In addition to the 500 planes taken over from British contracts 153 Bombers, light A29 Lockheed Hudson and 37 Pursuit P-40-E Curtiss were taken over from Lend-Lease contracts.

~~Miss Tully:~~

Mr. Stettinius has a copy of this letter. When it is signed if you will let me know I'll tell him so he will know that it is official.

Lois Berney

PST-

*(circled)* b. F

*Lend Lease*

January 6, 1942

*7/1/7/42*

My dear Mr. Welles:

In response to your letter of December 24, 1941, with reference to Lend-Lease assistance to the American Republics, I am, as you know, most anxious to extend such aid to the maximum extent possible consistent with the overall strategic needs. In some instances, such as many items of raw and semi-finished materials, the requirements of the American Republics can be met at once without conflicting with the furnishing of supplies to those of the Allied Forces which are in combat theaters. In other instances, such as many items of military materiel, it is obvious that such action cannot be taken immediately. Even this latter type of aid should, however, begin as soon as practicable. I am asking the Lend-Lease Administration and the Strategic Munitions Board to be guided by this policy.

*x87*

*x4559*

*x4680*

Sincerely yours,

Honorable Sumner Welles

(signed) FRANKLIN D. ROOSEVELT

Under Secretary of State *x20*

Washington, D. C.

Copies to:

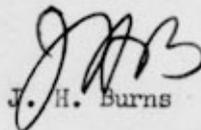
Mr. Stettinius, Lend-Lease Administrator.  
 General Marshall, Chairman, Strategic Munitions Board.

OFFICE OF LEND-LEASE ADMINISTRATION  
FIVE-FIFTEEN 22d STREET NW.  
WASHINGTON, D. C.

January 5, 1942

Memorandum for Mr. Hopkins

In response to your memorandum of December 31, 1941, enclosing the letter to the President from Mr. Welles with reference to Lend-Lease assistance to the American Republics, I am attaching a proposed reply for the President's signature.



J. H. Burns  
Maj. Gen., U. S. Army

ATT

THE WHITE HOUSE  
WASHINGTON

Reed 1/1/42

December 31, 1941

MEMORANDUM TO GENERAL BURNS:

Can you get an answer to this?

HARRY L. HOPKINS

x4117

DEPARTMENT OF STATE  
WASHINGTON

December 24, 1941

My dear Mr. President:

This Government has signed under the authority you gave on June 28, 1941 Lend-Lease Agreements with seven of the other American republics. Signature of several other Lend-Lease Agreements is imminent.

Under the Lend-Lease program for the other American republics recommended to you on April 22, 1941 by the Secretaries of State, War and Navy and approved by you, the United States offered to deliver \$400,000,000 of war matériel to those republics over several years. It was contemplated that \$101,000,000 worth should be delivered in the first year of the Agreements.

While the acquisition by the other American countries of war matériel in the United States had already suffered setbacks

The President,

The White House.

setbacks and delays owing to the precedence necessarily accorded to urgent programs for supplying the nations actively resisting aggression, the difficulties of supply, now that the United States is a belligerent, are of course greatly increased. In fact, this Department has just received from the War Plans Division of the General Staff a letter reading in part as follows:

"The great demands for military equipment resulting from Japan's attacks have made it practically impossible to find anything for immediate or even reasonably prompt delivery to Latin American Republics."

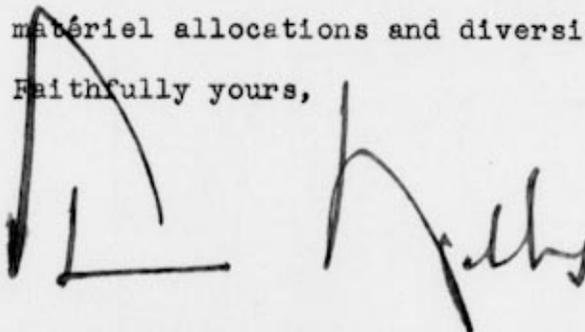
Although fully recognizing that the needs of our armed forces are paramount under present circumstances, I nevertheless believe that a failure by the United States to agree to furnish limited quantities of military matériel to the other American republics, particularly those which are most vulnerable to attack, would have an exceedingly unfortunate effect and would be seized upon by our enemies to create an atmosphere of doubt and fear which would hardly be conducive to the success of the meeting of Foreign Ministers at Rio de Janeiro in January or to the continuing cooperation of the other American republics with this Government in our war effort. I need not emphasize the undesirability from our point of view of any unfavorable modification in the highly satisfactory position

position adopted by those Republics following the crisis with which the treacherous Japanese attack has confronted the United States.

I believe that in reaching a decision in this matter you will wish to take into consideration the international political implications of the problem as I have endeavored to state them. While I realize that these must be balanced against the requirements of the military situation, I feel strongly that the amounts of matériel necessary, even though reduced from the original schedules, to maintain the confidence of the American countries in the United States ability to deliver are very modest compared with our total war output.

It is my opinion that your decision would be extremely helpful to the committee I understand you have formed of General Marshall, Admiral Stark and Mr. Hopkins for passing on war matériel allocations and diversions.

Faithfully yours,

A handwritten signature in black ink, appearing to read "A. L. Hopkins". The signature is written in a cursive style with a large, sweeping initial "A" and a long, horizontal stroke for the "L".

1  
1/4  
THE WHITE HOUSE  
WASHINGTON

LF  
Lend Lease

January 9, 1942.

MEMORANDUM FOR

GENERAL MARSHALL x25-T

x In view of the rather tense situation caused by the announcement of Wavell's appointment, without prior approval by the Dutch Government in London, I am wondering if it would not relieve the tension a bit if you could -- this afternoon -- go over the list of the Dutch request for munitions of war and make some releases to them, even though they be very modest, such as some light tanks, depth charges and sub-machine guns.

I think it is very important in our own relations with the Dutch that they fully understand that we are going to do everything we possibly can for them.

F. D. R.

x246  
x4488  
x178

THE WHITE HOUSE  
WASHINGTON

*File 1/21/42  
L. L. L.*

January 13, 1942.

MEMORANDUM FOR

HARRY HOPKINS: *x4117*

To speak to me about today.

F.D.R.

MEMORANDUM FOR THE PRESIDENT:

I think Secretary Knex's  
letter indicates the Navy has done  
what you asked them to do in  
relation to the Dutch.

HARRY L. HOPKINS

THE SECRETARY OF THE NAVY Franklin D. Roosevelt Library  
WASHINGTON

(SC)L11-7/EF48  
(02200A)

January 10, 1942

DECLASSIFIED  
(9/27/58)

~~CONFIDENTIAL~~

Memorandum for The President

Date- 1-25-72

Signature- RMP

General Marshall told Stark this morning of your desire that we allocate something to the Dutch and that you had particularly mentioned Depth Charges.

Stark informs me that the Dutch had requested one thousand Depth Charges, which request had been granted. This lot is to be delivered in two groups of 500 each.

The first group is now ready at Yorktown and is being loaded today, the tenth, (500 Charges) at the Dutch ship which arrived Yorktown this morning. The second group of 500 Charges will be available to the Dutch in February.

-----  
You might also be interested in knowing that, in addition to the one thousand Depth Charges mentioned above, the following mines and bombs have also been allocated to them.

1000 Mines (500 left Yorktown on 26 December  
and the second 500 will leave tomorrow in a Dutch vessel.)

1200 - 1000-lb. bombs

2500 - 500-lb. bombs

7000 - 100-lb. bombs

Frank Knox

X 18

PSF

THE WHITE HOUSE  
WASHINGTON

file  
~~Secret~~  
=

January 10, 1942.

TO: THE PRESIDENT

FROM: GENERAL MARSHALL

x 25-1

Replying to your telephone message of last night regarding the immediate allotment of some items of materiel to the Dutch Government, the following is reported:

On January 5th 2,500 sub-machine guns, with 2,000,000 rounds of ammunition were allotted to the Dutch, with the further agreement to turn over 2,000 guns in February and 1,730 in March, with the corresponding allotments of ammunition.

Last night the Dutch representative in Washington was notified that 50 light tanks, with an allotment of ammunition, would be immediately turned over to them.

x 246

x 178

x 4488

THE WHITE HOUSE

WASHINGTON

-2-

The Navy Department was notified last night of your desire regarding depth bombs. I will report to you as soon as I can learn of the action they have taken.

MARSHALL

P.S. The Navy Department reports that they had previously agreed to allotment of 1,000 depth charges to Dutch. They have been notified that these are available in two lots of 500 each, and it is believed that the first lot is now being loaded on a Dutch ship at Yorktown. x18

The Navy has also promised the Dutch 1,000 mark 6 mines; the first lot of 500 is probably being loaded now at Yorktown.

G. C. M.

REPORT TO THE PRESIDENT  
ON LEND-LEASE PROGRESS  
AS OF DECEMBER 31, 1941

Office of Lend-Lease Administration

OFFICE OF LEND-LEASE ADMINISTRATION  
FIVE-FIFTEEN 22d STREET NW.  
WASHINGTON, D. C.

E. R. Stettinius, Jr.  
Administrator

*File*

*B. F.*  
*Lend Lease*

January 16, 1942

The Honorable  
The President of the United States  
The White House  
Washington, D. C.

Dear Mr. President,

I am transmitting herewith the  
report, summarizing Lend-Lease progress  
to December 31, 1941.

Sincerely yours,

*E. R. Stettinius, Jr.*  
E. R. Stettinius, Jr.

x4559

REGRADED  
UNCLASSIFIED

x193

C.F.

C.F.

1-22-1

~~"THIS DOCUMENT CONTAINS INFORMATION AFFECTING THE NATIONAL DEFENSE OF THE UNITED STATES WITHIN THE MEANING OF THE ESPIONAGE ACT, U.S.C. 50, 31 and 32. THE TRANSMISSION OR THE REVELATION OF ITS CONTENTS IN ANY MANNER TO AN UNAUTHORIZED PERSON IS PROHIBITED BY LAW."~~

REGRADED  
UNCLASSIFIED

#### SUMMARY OF LEND-LEASE PROGRESS

1. Total Lend-Lease aid to December 31, 1941, amounted to more than  $1\frac{1}{2}$  billions of dollars.
2. The aid in December reached a high of 338 million dollars. This was nearly 3 times the average monthly aid rendered for the prior nine months.
3. All of the two Lend-Lease appropriations, except necessary reserves, have been allocated to the procuring agencies in an amount of \$11.3 billion as of December 31, 1941. Of the funds allocated, \$6.3 billion has been obligated and \$1.4 has been expended.
4. Lend-Lease exports to the British have totaled \$715 million, with December exports amounting to \$150 million. Total American exports to the British since the outbreak of the war have amounted to more than \$6 billion.

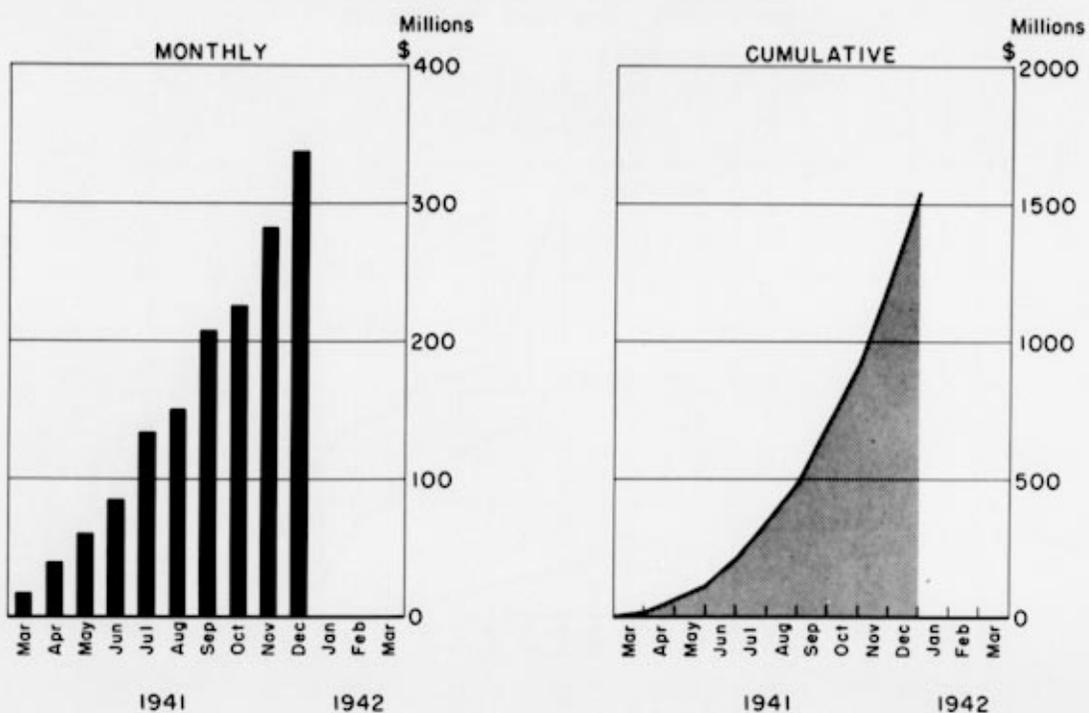
LEND-LEASE AID, MONTHLY									
Millions of Dollars									
Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
18	40	60	85	134	150	207	225	283	338

LEND-LEASE AID					
Cumulative to December 31, 1941					
Millions of Dollars					
Type of Aid	British Empire	China	Russia	Other	Total
Defense Articles Transferred	\$ 867	\$26	\$21	\$11	\$ 925
Articles Awaiting Transf. or Use	182	6	-	4	192
Articles in Process of M'f'r	105	-	-	-	105
Servicing and Repair of Ships	84	-	-	-	84
Rental and Charter of Ships, etc.	119	5	11	-	135
Production Facilities in U. S.	97	-	-	-	97
Miscellaneous Expenses	-	-	-	2	2
<b>Total Lend-Lease Aid</b>	<b>\$1,454</b>	<b>\$37</b>	<b>\$32</b>	<b>\$17</b>	<b>\$1,540*</b>

\* Includes \$174,000,000 of defense articles procured under prior War, Navy and Treasury appropriations.

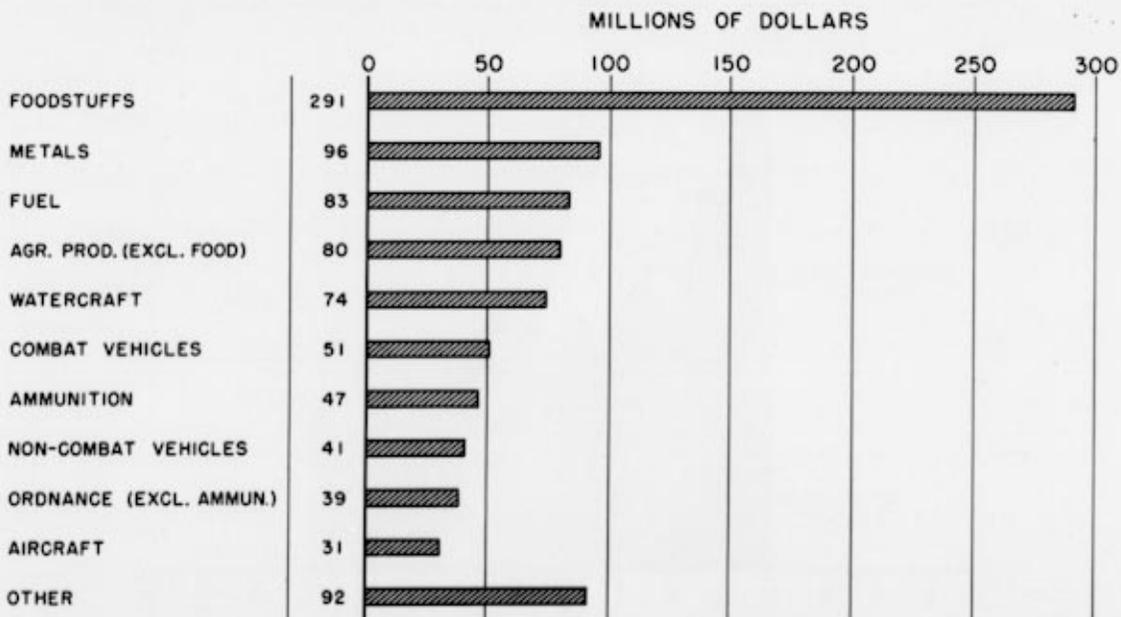
LEND-LEASE FUNDS				
Cumulative to December 31, 1941				
Appropriation Category	Millions of Dollars			Expenditures in % of Allocations
	Allo-cations	Obliga-tions	Expendi-tures	
Ordnance and Ordnance Stores	\$ 2,213	\$1,031	\$ 92	4.2%
Aircraft and Aero. Material	2,726	1,913	134	4.9
Tanks and Other Vehicles	863	368	45	5.2
Ships	1,531	1,043	212	13.8
Misc. Military Equipment	397	80	17	4.3
Production Facilities	960	508	108	11.3
Agric. and Indust. Commod's	2,058	1,197	666	32.4
Servicing and Repair of Ships	324	122	88	27.2
Services and Expenses	250	6	2	0.8
Administrative Expenses	5	2	2	40.0
<b>Total</b>	<b>\$11,327</b>	<b>\$6,270</b>	<b>\$1,366</b>	<b>12.1%</b>

## TOTAL LEND-LEASE AID



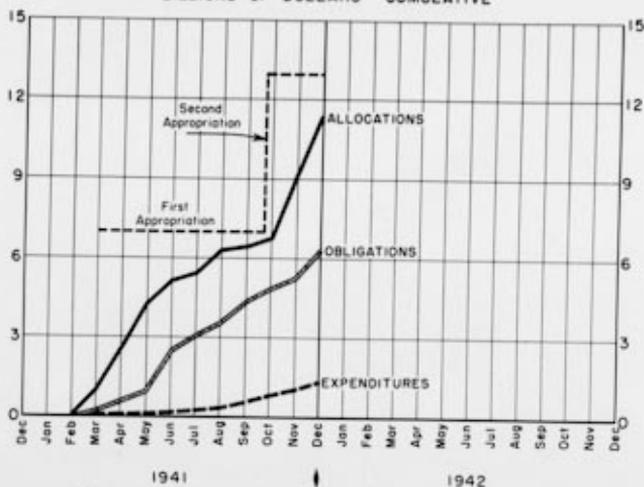
## TRANSFERS OF LEND-LEASE MATERIAL

CUMULATIVE, TO DECEMBER 31, 1941



### LEND-LEASE FUNDS

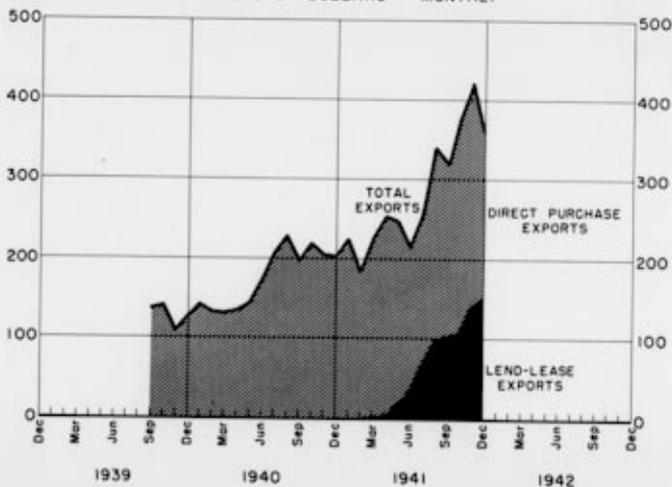
BILLIONS OF DOLLARS - CUMULATIVE



Difference between appropriations and allocations represents reserves

### EXPORTS TO BRITISH EMPIRE

MILLIONS OF DOLLARS - MONTHLY



Data include exports to Egypt

BRITISH EMBASSY,  
WASHINGTON, D.C.

January 23rd, 1942

Personal & ~~Secret~~

Dear Mr. President,

I enclose herein the text  
of a telegram from the Foreign Office containing  
a message for you from the Prime Minister. This  
was received at the Embassy this morning.

Believe me,

Dear Mr. President,

Yours very sincerely,

*(in the absence of  
the Ambassador)*

*R. I. Campbell*

The Honourable

Franklin D. Roosevelt,

President of the United States of America,

Washington, D.C.

RECORDED  
UNCLASSIFIED

Message from the Prime Minister  
to the President dated January 23rd, 1942.

Personal and Secret

Documents dealing with (i) munitions assignments (ii) Anglo-American Shipping Adjustment Board and (iii) Combined Raw Materials Board have been circulated to Ministers concerned.

2. Warm approval from War Cabinet and we see no objection to early announcement of all three; but would wish, before this is done, to inform Dominions and let them know of arrangements we propose for coordination of their needs and resources with ours. This however must not prevent an early publication of (ii) and (iii), or of all three, at a time convenient to both of us.

3. Thus as regards raw materials we propose to form a clearing house here for supplies from all the Empire and needs of the whole Empire. This clearing house will enable us to present Empire position as a whole in Washington through Baillieu, the representative of the Ministry of Supply. It may also be convenient to include within the scope of this clearing house certain Allies whose demands we have hitherto sponsored or have made ourselves responsible for. On the other hand the position of Canada may require special consideration.

4. Question of oil products will be dealt with in a separate telegram which will be sent later.

5. As regards shipping we shall continue and as necessary develop existing arrangements whereby

shipping/

REGRADED  
UNCLASSIFIED

x173  
x99  
x178  
x4675

shipping resources and needs of the Dominions are coordinated in London with our own.

We are also proposing to continue the same procedure as regards shipping resources of Allied Governments resident in London.

6. We anticipate some difficulty from the reference in paragraph 7 of the document setting up Anglo-American Shipping Adjustment Board which refers to U.S.S.R. and to China by name but not to any other United Nation. Several United Nations have mercantile marines far in excess of that of China.

7. This difficulty could be got over if there was a common heading to all three documents in the following terms:

"To further coordination of Allied war effort President and Prime Minister have set up bodies to deal with munitions assignments, shipping adjustment, and raw materials. Functions of these bodies are outlined in documents.

These bodies will confer as necessary with representatives of U.S.S.R., China and such others of United Nations as may be necessary to attain common purposes."

8. Paragraph of each document which refers to conferring with U.S.S.R., China and others of United Nations would then be omitted. Document setting up Combined Raw Materials Board would be headed simply "Combined Raw Materials Board".

9. As I hope to refer to these matters in my speech in House of Commons on Tuesday I should be grateful for early reply. We shall have to adjust timing.

THE WHITE HOUSE  
WASHINGTON

*B. F.*  
*Lead Lease*

January 26, 1942

MEMORANDUM FOR THE PRESIDENT:

Attached are the following documents:

1. A proposed reply to Churchill.
2. New drafts of the three documents, which conform to this cable.

If these are to be released, Steve should have them this afternoon.

Churchill is calling me at two o'clock.

HARRY L. HOPKINS *x4117*

*x4193*

TELEGRAM

January 26, 1942

~~MOSS~~

TO: THE FORMER NAVAL PERSON FROM THE PRESIDENT

X48

REPLYING TO YOUR CABLE I AGREE THAT A GENERAL STATEMENT SHOULD PRECEDE ALL OF THE THREE DOCUMENTS AND SUGGEST THAT IT READ AS FOLLOWS:

1. "TO FURTHER COORDINATION OF ALLIED WAR EFFORT THE PRESIDENT AND THE PRIME MINISTER HAVE SET UP BODIES TO DEAL WITH MUNITIONS ASSIGNMENTS, SHIPPING ADJUSTMENT AND RAW MATERIALS. THE FUNCTIONS OF THESE BODIES ARE OUTLINED IN THE FOLLOWING DOCUMENTS. THESE BODIES WILL CONFER WITH REPRESENTATIVES OF THE U.S.S.R., CHINA <sup>x47<sup>25</sup></sup> AND SUCH OTHERS OF THE UNITED NATIONS AS ARE NECESSARY TO ATTAIN COMMON PURPOSES AND PROVIDE FOR THE MOST EFFECTIVE UTILIZATION OF THE JOINT RESOURCES OF THE UNITED NATIONS."

2. I SUGGEST THAT THE HEADING "ANGLO-AMERICAN SHIPPING ADJUSTMENT BOARD" BE CHANGED TO "COMBINED SHIPPING ADJUSTMENT BOARD". I <sup>x</sup> FURTHER SUGGEST THAT PARAGRAPH FOUR RELATING TO SHIPPING READ AS FOLLOWS:

3. "IN ORDER TO ADJUST AND CONCERT IN ONE HARMONIOUS POLICY THE WORK OF THE BRITISH MINISTRY OF WAR TRANSPORT AND THE SHIPPING AUTHORITIES OF THE UNITED STATES GOVERNMENT, THERE WILL BE ESTABLISHED FORTHWITH IN WASHINGTON A COMBINED SHIPPING ADJUSTMENT BOARD, CONSISTING OF A REPRESENTATIVE OF THE UNITED STATES AND A REPRESENTATIVE OF THE BRITISH GOVERNMENT, WHO WILL REPRESENT AND ACT UNDER THE INSTRUCTIONS OF THE BRITISH MINISTER OF WAR TRANSPORT."

DECLASSIFIED

By Deputy Archivist of the U.S.

By W. J. Stewart Date FEB 2 1972

PARAGRAPH SIX RELATING TO SHIPPING TO READ AS FOLLOWS:

"IN BOTH CASES THE EXECUTIVE POWER WILL BE EXERCISED SOLELY BY THE APPROPRIATE SHIPPING AGENCY IN WASHINGTON AND BY THE MINISTER OF WAR TRANSPORT IN LONDON".

STRIKE OUT PARAGRAPH SEVEN.

4. THE DOCUMENT ON RAW MATERIALS SHOULD BE HEADED SIMPLY "COMBINED RAW MATERIALS BOARD". THE FIRST TWO SENTENCES OF PARAGRAPH (A) SHOULD READ AS FOLLOWS:

"BE COMPOSED OF A REPRESENTATIVE OF THE BRITISH GOVERNMENT AND A REPRESENTATIVE OF THE UNITED STATES GOVERNMENT. THE BRITISH MEMBER WILL REPRESENT AND ACT UNDER THE INSTRUCTION OF THE MINISTER OF SUPPLY."

I AGREE THAT PARAGRAPH "D" SHOULD BE STRICKEN OUT.

5. I SUGGEST THAT THE HEADING FOR THE DOCUMENT RELATIVE TO MUNITIONS READ "MUNITIONS ASSIGNMENTS BOARD". I AGREE THAT PARAGRAPH FIVE SHOULD BE STRICKEN OUT. I BELIEVE THAT PARAGRAPH SIX SHOULD BE ELIMINATED ALSO BECAUSE I AM AFRAID IT WILL OFFEND THE RUSSIANS, CHINESE AND DUTCH. SO LONG AS IT IS UNDERSTOOD BY THE SEVERAL COMMITTEES THAT YOU AND I ARE GOING TO SETTLE ANY DIFFERENCES I THINK THAT WILL SERVE THE PURPOSE.

6. I SUGGEST IN THE LIGHT OF YOUR SPEECH TO THE HOUSE OF COMMONS ON TUESDAY THAT THE DOCUMENTS BE RELEASED HERE TUESDAY MORNING AND IN LONDON AT THE TIME OF YOUR SPEECH.

I PROPOSE TO NAME WILLIAM L. BATT AS A MEMBER OF THE RAW MATERIALS BOARD AND ADMIRAL EMORY S. LAND AS THE MEMBER OF THE

SHIPPING ADJUSTMENT BOARD AND HARRY L. HOPKINS AS THE  
CIVILIAN CHAIRMAN OF THE MUNITIONS ASSIGNMENTS BOARD. I AM  
ASSUMING YOU ARE NAMING SIR CLIVE BAILLIEU ON RAW MATERIALS,  
SIR ARTHUR SALTER ON SHIPPING AND BEAVERBROOK ON THE MUNITIONS  
ASSIGNMENTS. I THINK THESE NAMES MIGHT AS WELL BE ANNOUNCED  
ALONG WITH THE PUBLICATION OF THE FORMAL DOCUMENTS.

ROOSEVELT

UNLESS I HEAR FROM YOU THE ABOVE WILL APPEAR HERE TUESDAY  
MORNINGS PAPERS WHICH WILL BE ABOUT TWO PM YOUR TIME.

January 26, 1942

AMENDED DRAFT

COMBINED SHIPPING ADJUSTMENT BOARD

1. In principle, the shipping resources of the two countries will be deemed to be pooled. The fullest information will be interchanged.
2. Owing to the military and physical facts of the situation around the British Isles, the entire movement of shipping now under the control of Great Britain will continue to be directed by the Ministry of War Transport.
3. Similarly, the appropriate Authority in the United States will continue to direct the movements and allocations of United States shipping, or shipping of other Powers under United States control.
4. In order to adjust and concert in one harmonious policy the work of the British Ministry of War Transport and the shipping authorities of the United States Government, there will be established forthwith in Washington a combined shipping adjustment board, consisting of a representative of the United States and a representative of the British Government, who will represent and act under the instructions of the British Minister of War Transport.
5. A similar adjustment board will be set up in London consisting of the Minister of War Transport and a representative of the United States Government.
6. In both cases the executive power will be exercised solely by the appropriate shipping agency in Washington and by the Minister of War Transport in London.

January 26, 1942

AMENDED DRAFT

MUNITIONS ASSIGNMENTS BOARD

1. The entire munition resources of Great Britain and the United States will be deemed to be in a common pool, about which the fullest information will be interchanged.

2. Committees will be formed in Washington and London under the Combined Chiefs of Staff in a manner similar to the South-West Pacific Agreement. These Committees will advise on all assignments both in quantity and priority, whether to Great Britain and the United States or other of the United Nations in accordance with strategic needs.

3. In order that these Committees may be fully apprised of the policy of their respective Governments, the President will nominate a civil Chairman who will preside over the Committee in Washington, and the Prime Minister of Great Britain will make a similar nomination in respect of the Committee in London. In each case the Committee will be assisted by a Secretariat capable of surveying every branch and keeping in touch with the work of every sub-committee as may be necessary.

4. The Civilian Chairmen in Washington and London may invite representatives of the State Department, the Foreign Office or production ministries or agencies to attend meetings.

\_\_\_\_\_  
President

January , 1942

\_\_\_\_\_  
Prime Minister

January 26, 1942

AMENDED DRAFT

COMBINED RAW MATERIALS BOARD

A planned and expeditious utilization of the raw material resources of the United Nations is necessary in the prosecution of the war. To obtain such a utilization of our raw material resources in the most efficient and speediest possible manner, we hereby create the "Combined Raw Materials Board".

This Board will:

- (a) Be composed of a representative of the British Government and a representative of the United States Government. The British member will represent and act under the instruction of the Minister of Supply. The Board shall have power to appoint the staff necessary to carry out its responsibilities.
- (b) Plan the best and speediest development, expansion and use of the raw material resources, under the jurisdiction or control of the two Governments, and make the recommendations necessary to execute such plans. Such recommendations shall be carried out by all parts of the respective Governments.
- (c) In collaboration with others of the United Nations work toward the best utilization of their raw material resources, and, in collaboration with the interested nations or nations, formulate plans and recommendations

- 2 -

for the development, expansion, purchase, or other  
effective use of their raw materials.

President

Prime Minister

January , 1942

THE WHITE HOUSE  
WASHINGTON

January 26, 1942.

MEMORANDUM FOR

HON. HARRY L. HOPKINS *x4117*

FOR THE NECESSARY ACTION

F. D. R.

*x1706*  
Letter from Rear Admiral Emory S. Land, Chairman,  
United States Maritime Commission, 1/22/42, to  
the President, in reply to the President's personal  
letter of 1/16/42 to Admiral Land, in re number  
of ships being sent to Russia. States the Commission  
has prepared a chart showing the allocations, the  
requirements and the availability of their shipping,  
and would like opportunity of going over this  
chart with the President at the earliest con-  
venience.

*x220*

*x773*

*x99*

*x L. F. - U. S. Maritime Commission*

*C. F.*  
*Lend Lease*

January 16, 1942

Dear Jerry:

I am still terribly disturbed about the fact that an adequate number of ships are not available for Russia.

I want you to give this your personal attention over the week end. This Government has made a firm pledge to Russia and we simply cannot go back on it.

It seems to me the ships should be sent even though they are not de-Gaussed and are without anti-aircraft protection. You simply must find some ships that can be diverted at once for this Russian business.

Very sincerely yours,

*(Signed) Franklin D. Roosevelt*

Rear Admiral Emory S. Land, <sup>x1705</sup>  
Chairman, U. S. Maritime Commission.

HLH/lmb

x220

x99

x C. F. U. S. Maritime Commission

Miss Tully:

Mr. Hopkins would like this to  
by by messenger to Adm. Land this afternoon  
if possible.

Lois Berney

DEPARTMENT OF STATE

PARAPHRASE

~~CONFIDENTIAL~~

Telegram no. 9

Dated: 1/13/42, noon

From: Moscow

Rec'd: 1/13/42, 6:28 p.m.

TRIPLE PRIORITY

~~SECRET~~ FROM FAYMONVILLE TO GENERAL S. P. SPALDING. x

Great disappointment at our failure to ship materials promised in 1941 is indicated in a conference with officials headed by Krutikov, Assistant Commissar for Foreign Trade. Following are the items to which special importance is attached: (1) TNT. Of this we promised to ship at the earliest possible date 100,000 tons. (2) Tanks. We promised 750; 16 have been received in Russia out of the 182 delivered in the United States. (3) Planes. We promised 600; 85 have been received in Russia out of the 204 delivered in the United States. More planes were at the docks ready for loading but were diverted by us to other uses, according to Krutikov's understanding of the situation. (4) Nitroglycerin powder. Over our delay on this project the Russians express extreme dissatisfaction, stating that in spite of repeated requests we have failed even to communicate our specifications. (According to their statement, they decided to try our powder

if

x178  
x4488  
x249 official

UNCLASSIFIED  
RECORDED

if we would tell them our specifications, having decided, on our advice, not to urge their own specifications.)

As has been already stated, the need for all the foregoing items is immediate and urgent. The Russians allege that none have been delivered of the following items, also promised in 1941, and which are needed immediately to support the munitions industry: electric furnaces, varnish, nitrocellulose, colloxylin, diphenyl-  
m(?)  
anine, dimethylaniline, dibutyl phthalate, sodium bromide, stainless steel wire, tubes, steel alloy, ropes, steel wire, bi-metal manganese alloy, tin plate, cold rolled steel sheet, cold rolled steel strip, steel billets, hot rolled steel, calibrated steel (carbon and alloy), tool steel, high speed steel, hard alloys and cutting tools, nickel ferrochrome armor plate for tanks, marine cable, submarine telegraph line.

Whatever action is possible on the above I urge it, and request that as progress is made I be kept informed of it.

THOMPSON  
x

SA/E:DCB:HJG  
1/14/42

Copies to:

Mr. Hopkins (2)  
General Spalding (2)  
Mr. Stettinius (5)

x20  
x932

As agreed by  
P.M. Lord B  
+ Co's (1914)

Continued from

ANGLO-AMERICAN SHIPPING. Agreement

1. In principle, the <sup>shipping</sup> resources of the two countries will be deemed to be pooled. The fullest information will be interchanged.
2. Owing to the military and physical facts of the situation around the British Isles, the entire movement of shipping now under the control of Great Britain will continue to be directed by the Ministry of War Transport.
3. Similarly, the appropriate Authority in the United States will continue to direct the movements and allocations of United States shipping, or shipping of other Powers under United States control.
4. In order to adjust and concert in one harmonious policy the work of the British Ministry of War Transport and the United States <sup>Government</sup> ~~Maritime Commission~~, there will be established forthwith in Washington a <sup>Combined</sup> ~~Joint~~ Shipping Adjustment Board, consisting of <sup>a representative of</sup> the United States ~~Government~~ <sup>Government</sup> ~~Maritime Commission~~ as soon as nominated by the President, and Sir Arthur Salter, representing and acting under the

instructions of the British Minister of War Transport.

5. A similar adjustment Board will be set up in London consisting of the Minister of War Transport and a representative of the United States ~~Maritime Commission~~ *Government*.

6. In both cases the executive power will be exercised solely by the United States Maritime Commission in Washington and by the Minister of War Transport in London.

7. The Board will confer with representatives of the Union of Socialist ~~Soviet~~ Republics, China and such other ~~members~~ of the United Nations as may be necessary to the attainment of ~~the~~ common purposes.

As agreed by  
PM, Lusk &  
COS LCH 14/.

Corrected

MUNITION ASSIGNMENTS

Parliamentary  
Agreement.

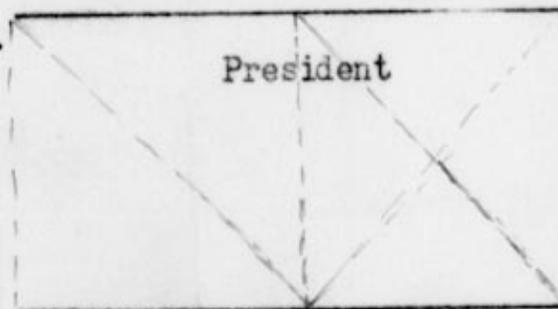
- ✓
1. The entire munition resources of Great Britain and the United States will be deemed to be in a common pool, about which the fullest information will be interchanged.
  - ✓  
2. Committees will be formed in Washington (and London) <sup>under</sup> ~~consisting of~~ <sup>Combined</sup> the Joint Chiefs of Staff ~~or their highest~~ <sup>in a manner similar to the Southwestern Pacific Agreement</sup> representatives. These Committees will advise on all assignments both in quantity and priority, whether to Great Britain and the United States or other of the United Nations in accordance with strategic needs.
  3. In order that these Committees may be fully apprised of the policy of their respective Governments, the President will nominate a civil Chairman who will preside over the ~~Joint Chiefs of Staff~~ <sup>Committee</sup> Committee in Washington, and the Prime Minister of Great Britain will make a similar nomination in respect of the ~~Joint Chiefs of Staff~~ <sup>Committee</sup> Committee in London. In each case the Committee will be assisted by a Secretariat capable of surveying every branch and

keeping in touch with the work of every sub-committee as may be necessary.

4. The Civilian Chair<sup>e</sup>man in Washington and London may invite representatives of the State Department, the Foreign Office or production ministries or agencies to attend meetings.

5. The Committee will confer with representatives of the Union of Socialist Soviet Republics, China and such others ~~members~~ of the United Nations as may be necessary to the attainment of common purposes.

6. Any differences arising, which it is expected will be rare, will be resolved by the President and the Prime Minister in agreement.



January , 1942

JOINT MEMORANDUM OF THE PRESIDENT  
AND THE PRIME MINISTER CREATING A  
"JOINT RAW MATERIALS BOARD"

as agreed by  
PM, L.A. B.  
JCS  
10/14/41

Combined

A planned and expeditious utilization of the raw material resources of the United Nations is necessary in the prosecution of the war. To obtain such a utilization of our raw material resources in the most efficient and speediest possible manner, we hereby create the Combined "Joint Raw Materials Board."

This Board will:

- (a) Be composed of Mr. \_\_\_\_\_ as the United States member, and Mr. \_\_\_\_\_ as the British member. The Board shall have power to appoint the staff necessary to carry out its responsibilities.
- (b) Plan the best and speediest development, expansion and use of the raw material resources, under the jurisdiction or control of the two Governments, and

representing  
and acting for  
the interests  
of the respective  
Governments

and make the recommendations necessary to execute such plans. Such recommendations shall be carried out by all parts of the respective Governments.

- (c) In collaboration with others of the United Nations work toward the best utilization of their raw material resources, and, in collaboration with the interested nation or nations, formulate plans and recommendations for the development, expansion, purchase, or other effective use of their raw materials.
- (d) The Board will confer with representatives of the Union of (Socialist) Soviet Republics, China and such other ~~members~~ of the United Nations as may be necessary to the attainment of common purposes.

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President.

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Prime Minister.

January , 1942

MISS TULLY:

I GUESS I DIDN'T ENCLOSE A  
COPY OF THE CABLE WITH THE PAPERS.  
IN ANY CASE, HERE IS ONE.

LOIS BERNEY

IN WA  
COM. OZ  
1942

DECLASSIFIED  
By Deputy Archivist of the U.S.

By H. J. Stewart Date 2/6/83 834

TELEGRAM

MOST ~~SECRET~~

January 26, 1942

TO: THE FORMER NAVAL PERSON FROM THE PRESIDENT

REPLYING TO YOUR CABLE I AGREE THAT A GENERAL STATEMENT SHOULD PRECEDE ALL OF THE THREE DOCUMENTS AND SUGGEST THAT IT READ AS FOLLOWS:

"TO FURTHER COORDINATION OF ALLIED WAR EFFORT THE PRESIDENT AND THE PRIME MINISTER HAVE SET UP BODIES TO DEAL WITH MUNITIONS ASSIGNMENTS, SHIPPING ADJUSTMENT AND RAW MATERIALS. THE FUNCTIONS OF THESE BODIES ARE OUTLINED IN THE FOLLOWING DOCUMENTS. THESE BODIES WILL CONFER WITH REPRESENTATIVES OF THE U.S.S.R., CHINA AND SUCH OTHERS OF THE UNITED NATIONS AS ARE NECESSARY TO ATTAIN COMMON PURPOSES AND PROVIDE FOR THE MOST EFFECTIVE UTILIZATION OF THE JOINT RESOURCES OF THE UNITED NATIONS."

I SUGGEST THAT THE HEADING "ANGLO-AMERICAN SHIPPING ADJUSTMENT BOARD" BE CHANGED TO "COMBINED SHIPPING ADJUSTMENT BOARD". I FURTHER SUGGEST THAT PARAGRAPH FOUR RELATING TO SHIPPING READ AS FOLLOWS:

"IN ORDER TO ADJUST AND CONCERT IN ONE HARMONIOUS POLICY THE WORK OF THE BRITISH MINISTRY OF WAR TRANSPORT AND THE SHIPPING AUTHORITIES OF THE UNITED STATES GOVERNMENT, THERE WILL BE ESTABLISHED FORTHWITH IN WASHINGTON A COMBINED SHIPPING ADJUSTMENT BOARD, CONSISTING OF A REPRESENTATIVE OF THE UNITED STATES AND A REPRESENTATIVE OF THE BRITISH GOVERNMENT, WHO WILL REPRESENT AND ACT UNDER THE INSTRUCTIONS OF THE BRITISH MINISTER OF WAR TRANSPORT."

PARAGRAPH SIX RELATING TO SHIPPING TO READ AS FOLLOWS:

"IN BOTH CASES THE EXECUTIVE POWER WILL BE EXERCISED SOLELY BY THE APPROPRIATE SHIPPING AGENCY IN WASHINGTON AND BY THE MINISTER OF WAR TRANSPORT IN LONDON".

STRIKE OUT PARAGRAPH SEVEN.

THE DOCUMENT ON RAW MATERIALS SHOULD BE HEADED SIMPLY "COMBINED RAW MATERIALS BOARD". THE FIRST TWO SENTENCES OF PARAGRAPH (A) SHOULD READ AS FOLLOWS:

"BE COMPOSED OF A REPRESENTATIVE OF THE BRITISH GOVERNMENT AND A REPRESENTATIVE OF THE UNITED STATES GOVERNMENT. THE BRITISH MEMBER WILL REPRESENT AND ACT UNDER THE INSTRUCTION OF THE MINISTER OF SUPPLY."

I AGREE THAT PARAGRAPH "D" SHOULD BE STRICKEN OUT.

I SUGGEST THAT THE HEADING FOR THE DOCUMENT RELATIVE TO MUNITIONS READ "MUNITIONS ASSIGNMENTS BOARD". I AGREE THAT PARAGRAPH FIVE SHOULD BE STRICKEN OUT. I BELIEVE THAT PARAGRAPH SIX SHOULD BE ELIMINATED ALSO BECAUSE I AM AFRAID IT WILL OFFEND THE RUSSIANS, CHINESE AND DUTCH. SO LONG AS IT IS UNDERSTOOD BY THE SEVERAL COMMITTEES THAT YOU AND I ARE GOING TO SETTLE ANY DIFFERENCES I THINK THAT WILL SERVE THE PURPOSE.

I SUGGEST IN THE LIGHT OF YOUR SPEECH TO THE HOUSE OF COMMONS ON TUESDAY THAT THE DOCUMENTS BE RELEASED HERE TUESDAY MORNING AND IN LONDON AT THE TIME OF YOUR SPEECH.

I PROPOSE TO NAME WILLIAM L. BATT AS A MEMBER OF THE RAW MATERIALS BOARD AND ADMIRAL EMORY S. LAND AS THE MEMBER OF THE

- 3 -

SHIPPING ADJUSTMENT BOARD AND HARRY L. HOPKINS AS THE CIVILIAN  
CHAIRMAN OF THE MUNITIONS ASSIGNMENTS BOARD. I AM ASSUMING YOU  
ARE NAMING SIR CLIVE BAILLIEU ON RAW MATERIALS, SIR ARTHUR  
SALTER ON SHIPPING AND BEAVERBROOK ON THE MUNITIONS ASSIGNMENTS.  
I THINK THESE NAMES MIGHT AS WELL BE ANNOUNCED ALONG WITH THE  
PUBLICATION OF THE FORMAL DOCUMENTS.

TELEGRAM

January 26, 1942

MOST ~~SECRET~~

TO: THE FORMER NAVAL PERSON FROM THE PRESIDENT

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DECLASSIFIED

By Deputy Archivist G. J. ...

By W. J. Stewart Date **EEB** 2 1978

PARAGRAPH SIX RELATING TO SHIPPING TO READ AS FOLLOWS:

"IN BOTH CASES THE EXECUTIVE POWER WILL BE EXERCISED SOLELY BY THE APPROPRIATE SHIPPING AGENCY IN WASHINGTON AND BY THE MINISTER OF WAR TRANSPORT IN LONDON".

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ROOSEVELT

UNLESS I HEAR FROM YOU THE ABOVE WILL APPEAR HERE TUESDAY MORNINGS PAPERS WHICH WILL BE ABOUT TWO PM YOUR TIME.

JOINT MEMORANDUM OF THE PRESIDENT  
AND THE PRIME MINISTER CREATING A  
"COMBINED RAW MATERIALS BOARD"

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A planned and expeditious utilization of the raw material resources of the United Nations is necessary in the prosecution of the war. To obtain such a utilization of our raw material resources in the most efficient and speediest possible manner, we hereby create the "Combined Raw Materials Board."

This Board will:

- (a) Be composed of Mr. [redacted] as the United States member, and Mr. [redacted] as the British member representing and acting under the instructions of the Minister of Supply. The Board shall have power to appoint the staff necessary to carry out its responsibilities.
- (b) Plan the best and speediest development, expansion and use of the raw material resources, under the jurisdiction or control of the two Governments, and

make the recommendations necessary to execute such plans. Such recommendations shall be carried out by all parts of the respective Governments.

- (c) In collaboration with others of the United Nations work toward the best utilization of their raw material resources, and, in collaboration with the interested nation or nations, formulate plans and recommendations for the development, expansion, purchase, or other effective use of their raw materials.
- (d) The Board will confer with representatives of the Union of Soviet Socialist Republics, China and such others of the United Nations as may be necessary to the attainment of common purposes.

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President.

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Prime Minister.

January , 1942.

MUNITION ASSIGNMENTS.

*late*

1. The entire munition resources of Great Britain and the United States will be deemed to be in a common pool, about which the fullest information will be interchanged.
2. Committees will be formed in Washington and London under the Combined Chiefs of Staff in a manner similar to the South-West Pacific Agreement. These Committees will advise on all assignments both in quantity and priority, whether to Great Britain and the United States or other of the United Nations in accordance with strategic needs.
3. In order that these Committees may be fully apprised of the policy of their respective Governments, the President will nominate a civil Chairman who will preside over the Committee in Washington, and the Prime Minister of Great Britain will make a similar nomination in respect of the Committee in London. In each case the Committee will be assisted by a Secretariat capable of surveying every branch and keeping in touch with the work of every sub-committee as may be necessary.

4. The Civilian Chairmen in Washington and London may invite representatives of the State Department, the Foreign Office or production ministries or agencies to attend meetings.

5. The Committee will confer with representatives of the Union of Soviet Socialist Republics, China and such others of the United Nations as may be necessary to the attainment of common purposes.

6. Any differences arising, which it is expected will be rare, will be resolved by the President and the Prime Minister in agreement.

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President.

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141

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Prime Minister.

January 14, 1942

ANGLO-AMERICAN SHIPPING ADJUSTMENT BOARD.

1. In principle, the shipping resources of the two countries will be deemed to be pooled. The fullest information will be interchanged.

2. Owing to the military and physical facts of the situation around the British Isles, the entire movement of shipping now under the control of Great Britain will continue to be directed by the Ministry of War Transport.

3. Similarly, the appropriate Authority in the United States will continue to direct the movements and allocations of United States shipping, or shipping of other Powers under United States control.

4. In order to adjust and concert in one harmonious policy the work of the British Ministry of War Transport and the United States Government, there will be established forthwith in Washington a Combined Shipping Adjustment Board, consisting of a representative of the United States Government as soon as nominated by the President, and Sir Arthur Salter, representing and acting under the instructions of the British Minister of War Transport.

5. A similar adjustment Board will be set up in London consisting of the Minister of War Transport and a representative of the United States Government.

6. In both cases the executive power will be exercised solely by the United States Maritime Commission in Washington and by the Minister of War Transport in London.

7. The Board will confer with representatives of the Union of Soviet Socialist Republics, China and such others of the United Nations as may be necessary to the attainment of common purposes.

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CONFIDENTIAL UNTIL RELEASED

January 26, 1942

CAUTION: The following announcements MUST BE HELD IN CONFIDENCE until released.

NOTE: Release shall be simultaneous -- when Prime Minister Churchill actually begins his address in the House of Commons tomorrow (expected about 12:00 o'clock noon London time or about 6:00 A.M., E.S.T.).

This release applies to Radio as well as to the Press.

PLEASE SAFEGUARD AGAINST PREMATURE RELEASE.

STEPHEN EARLY  
Secretary to the President

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To further coordination of the United Nations war effort, the President and Prime Minister Churchill have set up three boards to deal with munition assignments, shipping adjustment and raw materials. The functions of these boards are outlined in the following statements.

Members of the boards will confer with representatives of the Union of Soviet Socialist Republics, China, and such other of the United Nations as are necessary to attain common purposes and provide for the most effective utilization of the joint resources of the United Nations.

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COMBINED RAW MATERIALS BOARD

4752

A planned and expeditious utilization of the raw material resources of the United Nations is necessary in the prosecution of the war. To obtain such a utilization of our raw material resources in the most efficient and speediest possible manner, we hereby create the "Combined Raw Materials Board".

This Board will:

- (a) Be composed of a representative of the British Government and a representative of the United States Government. The British member will represent and act under the instruction of the Minister of Supply. The Board shall have power to appoint the staff necessary to carry out its responsibilities.
- (b) Plan the best and speediest development, expansion and use of the raw material resources, under the jurisdiction or control of the two Governments, and make the recommendations necessary to execute such plans. Such recommendations shall be carried out by all parts of the respective Governments.
- (c) In collaboration with others of the United Nations work toward the best utilization of their raw material resources, and, in collaboration with the interested nation or nations, formulate plans and recommendations for the development, expansion, purchase, or other effective use of their raw materials.

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MUNITIONS ASSIGNMENTS BOARD

4753

1. The entire munition resources of Great Britain and the United States will be deemed to be in a common pool, about which

the fullest information will be interchanged.

2. Committees will be formed in Washington and London under the Combined Chiefs of Staff in a manner similar to the South-West Pacific Agreement. These Committees will advise on all assignments both in quantity and priority, whether to Great Britain and the United States or other of the United Nations in accordance with strategic needs.

3. In order that these Committees may be fully apprised of the policy of their respective Governments, the President will nominate a civil Chairman who will preside over the Committee in Washington, and the Prime Minister of Great Britain will make a similar nomination in respect of the Committee in London. In each case the Committee will be assisted by a Secretariat capable of surveying every branch and keeping in touch with the work of every sub-committee as may be necessary.

4. The Civilian Chairmen in Washington and London may invite representatives of the State Department, the Foreign Office or production ministries or agencies to attend meetings.

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COMBINED SHIPPING ADJUSTMENT BOARD

X 4764

1. In principle, the shipping resources of the two countries will be deemed to be pooled. The fullest information will be interchanged.

2. Owing to the military and physical facts of the situation around the British Isles, the entire movement of shipping now under the control of Great Britain will continue to be directed by the Ministry of War Transport.

3. Similarly, the appropriate Authority in the United States will continue to direct the movements and allocations of United States shipping, or shipping of other Powers under United States control.

4. In order to adjust and concert in one harmonious policy the work of the British Ministry of War Transport and the shipping authorities of the United States Government, there will be established forthwith in Washington a combined shipping adjustment board, consisting of a representative of the United States and a representative of the British Government, who will represent and act under the instructions of the British Minister of War Transport.

5. A similar adjustment board will be set up in London consisting of the Minister of War Transport and a representative of the United States Government.

6. In both cases the executive power will be exercised solely by the appropriate shipping agency in Washington and by the Minister of War Transport in London.

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THE SECRETARY OF THE TREASURY  
WASHINGTON

January 29, 1942

*File  
Lend Lease*

*P5F  
L.F.  
Lend Lease*

My dear Mr. President:

*x150*

I am sending you herewith a copy of a letter from the British Treasury on the question of a further loan to China.

*x48*

We were informed, you will remember, that the Generalissimo was sending Mr. A. M. Fox to Washington to present the Generalissimo's views on this loan. We have just learned that Mr. Fox has been held up en route because of lack of transportation and may not arrive for some time. We are, therefore, going forward at once with the Chinese loan discussion.

I tried to see Cordell Hull today but unfortunately he is home sick. I have arranged a conference with him tomorrow and I hope we will have a proposal to report to you immediately thereafter.

Faithfully,

*H. M. G. Truman Jr.*

The President,

*x21*

The White House.

FOR DEFENSE



*x493*



909 Willard Hotel,  
Washington, D.C.,  
January 27, 1942.

Dear Mr. Secretary,

C H I N A

Mr. Eden has now telegraphed that he and the Chancellor of the Exchequer have considered with every sympathy General Chiang Kai-shek's recent request for financial assistance. They propose to inform him that His Majesty's Government have decided to make available to China under a lend-lease arrangement all munitions and military equipment that it is possible for them to supply. In particular this proposal would apply to stores which are being supplied to Chinese forces now operating in Burma.

Before communicating this proposal to General Chiang Kai-shek His Majesty's Government wish to make sure that it will fit in with any proposal which the United States Government have in mind.

As regards a further financial loan, His Majesty's Government are ready to go forward with the scheme for a loan of £10 millions and \$50 millions worked out by Sir Otto Niemeyer and Mr. Arthur Young if the United States Government are ready to take parallel action. But they do not feel able to offer a very large "psychological" sterling loan. Such a sterling loan would not be of actual help in present circumstances. After the war it would represent money available to China for the purchase either of goods or of gold and dollars and we should be deliberately adding to future difficulties in securing the equilibrium of our post-war balance of payments. The United States Government is in a position to take an independent decision, should they wish not only to take part in the Niemeyer-Young scheme, but also to offer further dollar loans. His Majesty's Government are merely stating their own position.

Yours sincerely,

*F Phillips* x

The Honourable  
Henry Morgenthau Jr.,  
Secretary of the Treasury,  
Washington, D.C.

rvs

To  
THE VICE PRESIDENT OF THE UNITED STATES,  
THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,  
1-31-42

PSF

①

C. F.

Low-Lowse

The President wrote identical letters to the Vice President and the Speaker re urgent need for immediate extension to China of economic and financial assistance, going beyond in amount and different in form from such aid as Congress has already authorized. The President said he urges, therefore, the passage by Congress of appropriate legislation to this effect and attaches hereto a suggested draft of a joint resolution which would accomplish this purpose. --- The Joint Resolution is -- To authorize the President of the United States to render financial aid to China, and for other purposes. --- Attached is copy of letter to President from Sec. of State Hull, Jan. 31, 1942 with reference to Gen. Chiang Kai-Shek's request for an immediate credit to China of a certain stated amount to assist in China's prosecution of the war.

SEE 150

PSF

*B. F.*  
*Send Lease*

THE WHITE HOUSE  
WASHINGTON

February 4, 1942.

MEMORANDUM FOR

H.M. Jr. x21

In regard to the memorandum sent you on January 25th from the Chancellor of the Exchequer, I think it would be a mistake to raise this additional question at this particular time.

F.D.R.

No papers accompanied the original of this memorandum to the Secretary of the Treasury.

x48  
x178



BRITISH EMBASSY,  
WASHINGTON, D. C.

26th January, 1942.

Dear Mr. Secretary,

I send you herewith a message I have just received by telegram from the Chancellor of the Exchequer for yourself.

I think the message is self-explanatory, and I am sure I need not emphasise the importance that His Majesty's Government attaches to the matter.

Believe me,

Yours very sincerely,

*Halifax.*

The Hon. Henry Morgenthau,  
Secretary to the Treasury.

C O P Y



FOLLOWING FOR THE SECRETARY OF THE TREASURY FROM  
THE CHANCELLOR OF THE EXCHEQUER

25th January, 1942.

"It seems to me likely that suggestions may presently be made that attention should be given to the question whether the partnership into which our two countries have entered calls for some comprehensive financial arrangement between the United States and the United Kingdom, parallel to the agreements on munitions, shipping and raw materials. It could well be argued that such an arrangement, if it could be devised, would form a natural sequel to these agreements and would mark a further important step in the process of putting our joint resources to their best possible use for the prosecution of the war. This is a matter which of course raises wide and difficult issues, on which we have not yet formed any final views.

2. In the meantime I would ask you to consider and, if you see fit, to submit to the President the following proposal which I put forward because I am anxious - as I feel sure you are - that nothing should prevent us both from concentrating our whole energies upon the immediate active prosecution of the war.

3. You already lend-lease to us munitions (as well as food and much else) contracted for since the Lend-Lease Act came into operation. We would ask you also to extend your financial responsibility as regards munitions to those delivered to us from now onward under contracts which we placed before the coming into force of the Lend-Lease Act, and thus relieve us to the extent of the full cost of these munitions as they are delivered. This would give us invaluable help and enable us to face our general difficulties arising from the prolonged strain on our resources, and accentuated as they now are by the large reduction in our prospective receipts from tin and rubber.

4. We on our side would ask for no payment for any munitions produced in the British Empire (excluding Canada) whether they are eventually employed by ourselves, United States, Russia, or China."

MISS TULLY:

MR. HOPKINS IS HANDING THE ORIGINAL OF  
THIS TO THE PRESIDENT WITH A COVERING NOTE.  
WILL YOU LET ME KNOW WHEN IT IS SIGNED?  
THANKS.

L. BERNEY



6 Feb. '42

PSF

February 6, 1942

C. F.  
Lend-Lease

My dear Mr. Secretary:

You will recall our discussion in the Cabinet relative to the need of the Army for transport planes in the Ferry Service. At that time I had particularly in mind the needs for additional transport in China in the event the Burma road is closed.

x 1570  
x 157-A  
x 48-K

Under any circumstances, it is clear that the transport to China is but an extension of your present Ferry Service.

I am enclosing a memorandum which General Arnold sent to me. I believe we need these transports at once and this letter will be your authority to requisition a minimum of 25 transport planes from the airlines for military use.

x 4451

In case funds are not available in the War Department, I have arranged with the Lend-Lease Administration to transfer to the War Department the funds required to finance the purchase of these planes.

x 117  
x 4509

Very sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

Enclosure.

The Honorable  
The Secretary of War.

x 25

HLH/lmb

x 4193  
x 249-Official

COPY

February 4, 1942

MEMORANDUM FOR THE PRESIDENT:

Subject: Cargo Planes for China.

1. In order to cut down time of delivery of personnel and supplies to China the Air Ferry Service from the United States cross Africa to China must be used. Accordingly, the build-up of this Ferry Service must be considered along with the build-up of the service between Rangoon or Calcutta and Kunming. Furthermore, it is very doubtful if facilities now exist between Calcutta and Kunming to take care of a large number of air transports and it would be very wasteful and perhaps disastrous if they were to be sent in without facilities.

2. Calcutta-China Ferry Service. Conditions in Burma now are such that a new route into China other than through Rangoon must be developed. This is under way, using Calcutta as a port of debarkation and the end of the railroad at Sadiya as the start of the Ferry Service. From there the airplanes will fly either to the first point of the Burma road at Bhamor all the way into Kunming. Five transport planes are being sent to Calcutta by air from our Army production. These planes will start by air within a few days. Five additional planes are being sent this month on the Chinese order, giving a total of ten. It is believed that this is all that can be absorbed for the time being.

Provisions are being made so that additional planes can be fed into this line from the Takoradi-Khartoum-Ceylon main line as soon as General Stilwell's staff reports that ample facilities are available. It is believed that a total of maybe 50 airplanes may be put on the China line (if facilities can be provided) by June 30th.

3. Takoradi-Cairo-Ceylon Ferry Service. This is the main system and must be built up as rapidly as possible. Over this line will go supplies and personnel destined for:

- a. British, Near East operations in and around Cairo.
- b. Russia via Basra.
- c. Far East by way of Ceylon.
- d. China via Calcutta or Rangoon.

4. Personnel and Materiel for China Through Calcutta. Our present plans for this line contemplate a build-up to a peak of about 50 to 75 airplanes in operation. As facilities in China become available we will take planes from the main Takoradi-Ceylon line and send them to the China line. In addition to what we take from the main line, China will have the 10 planes already allotted plus 10 more scheduled for them from production between now and June. The exact number which will go on the China run depends on the number they will be able to handle with the facilities available.

5. Instructions have been given to put the above into effect at once, with a view of reaching the maximum of about 75 on the main Ferry line by June 30th.

6. In view of slow delivery of Army cargo planes and the urgency of putting this plan into effect, any aid which can be received by securing cargo planes from airlines will be of tremendous value.

H. H. ARNOLD  
Lieutenant General, U.S.A.  
Deputy Chief of Staff for Air

x 25- U

THE WHITE HOUSE  
WASHINGTON

February 4, 1942

MEMORANDUM FOR THE PRESIDENT:

Attached is a proposed letter to Secretary Stimson, who has the power to requisition the transport planes from the airlines. Mr. Stettinius tells me funds are available in Lend-Lease for this purpose.

I have talked to General Don Connolly who has charge of priorities on the airlines and he assures me that a minimum of 25 of these planes can be taken without injuring our war effort. Under any circumstances, as a matter of relative importance, they are needed far more in the Ferry Service than they are in the commercial transport business.

The Ferry Command plans to run the planes into China as part of the whole Ferry Service. There are five transport planes on the way to China now and five more assigned for February.

General Arnold assures me that the whole Service can be built up just as rapidly as is necessary.



HARRY L. HOPKINS

24117

THE WHITE HOUSE  
WASHINGTON

February 6, 1942

Dorothy:

This letter to the Sec. of War  
can go. I sent a carbon copy over  
yesterday with a note that Mr. Hopkins  
was handing the original to the President.

Lois

For your Lind-Less  
Files  
Dorothy Brady

7 21 23/42  
C. F.  
Lend Lease

EMBASSY OF THE  
UNION OF SOVIET SOCIALIST REPUBLICS  
WASHINGTON, D. C.

February 16, 1942

Dear Mr. President:

I wish to take this opportunity to express my gratitude for the courtesies which you so kindly extended to me during my visit to you on February 12th. I also wish to express my deep appreciation and thanks for your kind and thoughtful consideration of the conditions of supplying my Country with military equipment and strategic material, as well as for all that has been done by you in the direction of assistance to my Country to win this war.

May I, in accordance with your suggestion, submit herewith the following information in regard to the status of supply to the U.S.S.R. of military equipment and strategic materials under the Lend-Lease Program: x220

1. The delivery of military equipment and strategic raw materials, listed in the Protocol of the Moscow Conference as approved by you, is very slow and the quantities delivered so far, are much smaller than mentioned in the Protocol and not in accordance with the shipping schedules.

2. The number and conditions of the ships assigned by the U.S. Government Shipping Authority is not adequate to ship to the U.S.S.R. even those quantities of material and equipment mentioned in paragraph 1. The men for the ships are hired without proper care and forming of the crews is completed often just a few days before the sailing of the ships. Therefore, the crews of the ships are not adequately trained and, I believe, not quite reliable. The shipping facilities, dock equipment and number of docks assigned is not sufficient to carry out shipping operations to the U.S.S.R., and also the shipping conditions make the acts of sabotage very possible. Besides, there is a shortage of labor at the ports which are assigned for the shipping of Lend-Lease cargo to the U.S.S.R.

3. But, even with the difficulties mentioned above, there are possibilities of doing much more than has been done, if the War Department and other U.S. Government procurement agencies had delivered the materials and equipment on time.

For example, up to date the number of tanks shipped to the U.S.S.R. is 283 instead of 1,271 (as assigned in the Protocol); anti-aircraft guns shipped - 4 instead of 30; mortars delivered - 30 instead of 463; airplanes of all types - 165 instead of 460 (to be delivered up to date).

4. The amount of ammunition shipped with the above armaments is so inadequate that, no doubt, in a short time most of the tanks and planes will be idle in the U.S.S.R. on account of the shortage of ammunition. We did not receive any 75 millimeter A.P. shells at all and without these the tanks cannot be effectively used on the battle fields. The quantity of .50 caliber cartridges for aircraft machine guns is supplied to us only at the rate of 1200 rounds for each gun, which is not at all adequate for this type of guns.

x932  
x4193

5. There is already an acute shortage of spare parts of American made airplanes delivered to the U.S.S.R. - about 30% of airplanes delivered are already not usable there.

We submitted a complete list of spare parts urgently needed to the War Department on February 5, 1942, but the War Department is moving very slowly in approving that list and in the meantime many airplanes stay idle in our airfields.

We are afraid that the same situation might arise with American made tanks delivered to the U.S.S.R. unless the question of spare parts supply is taken up by the War Department promptly.

6. The fulfillment of production program for military equipment and armaments in the U.S.S.R. depends largely on the supply of industrial equipment, metals and other raw materials from this Country. Among which the following items are the most important, but are either not included in the Protocol or not approved yet by the U.S. Government authorities for prompt supply to the U.S.S.R.:

- a) 8,600 gross tons Duraluminum sheets, rods, tubes and wire.
- b) 800 tons electrolytic nickel, monthly.
- c) 8,500,000 Ball Bearings.
- d) 10,000 gross tons of two and three inch homogeneous armor plate.
- e) 10,000 gross tons of stainless steel sheets, strips, rods and tubes.
- f) 3,000 tons of chromium steel ball wire.
- g) 3,000 tons of high speed steel tubes, grades 18-4-1 and 6-6-2.
- h) 150,000 gross tons of alloy and carbon steel pipes and tubes.
- i) 5,000 tons of copper and brass sheets, tubes and other shapes.
- j) 130,000 tons of carbon and alloy cold-drawn bars and shafting.
- k) 300,000 automobile tires with tubes.
- l) 2,665 kilometers of electric power cables.
- m) 9,000 sets of battery charging, gas-driven generators.
- n) 500 sets of mobile radio stations SCR-299.
- o) 6,600 high and low pressure valves.
- p) 2 gasoline cracking plants.
- q) 1 synthetic alcohol plant.
- r) 1 plant for production of Phenol.
- s) 3 mono-hydrate plants with capacity of 100 tons per day each.
- t) 1 nitric acid plant with capacity of 100 tons per day.

7. Although the Office of Lend-Lease Administration approved a considerable number of machine tools, the contracts awarded amount to approximately one-third of the quantity approved. The scheduled deliveries of the machine tools purchased by the Procurement Division of the War Department are not quite satisfactory, inasmuch as they extend into 1943, 1944 and even beyond that. In this connection may I bring to your attention the following illustration of such extended deliveries:

- a) Some Cincinnati planers are scheduled for delivery in April, 1943.
- b) Some Monarch lathes are scheduled for delivery in May, 1943.
- c) Twenty Hanchett grinders are scheduled for delivery commencing June, 1943 and ending March, 1944.
- d) Delivery of some Kearney & Trecker millers is scheduled to extend beyond 1945.

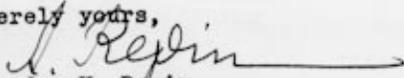
8. The Office of Lend-Lease Administration has approved our requisitions for presses, hammers and forging machines in the amount of \$10,000,000.00. Nevertheless, up to date the Procurement Division of the War Department has awarded contracts totaling only \$6,000,000.00 specifying protracted deliveries which extend into 1943. We may cite the following examples:

- a) Nine trimming presses are scheduled for final delivery in March, 1943.
- b) Two high duty forging machines are scheduled for final delivery in April, 1943.
- c) Sixty-three hammers are scheduled for delivery from January to April, 1943.

9. Thus far we have found it impossible to materialize our Government's wish to purchase in this country 20,000 motorcycles with side cars which are urgently needed for our Army.

I again wish to express my great appreciation for the courtesy and cordiality afforded by you, Mr. President, and hope that the information about the status of Lend-Lease supply to the U.S.S.R. will be favorably considered by you and that the proper U.S. Government authorities will be instructed to take the necessary measure to speed up the supplying of my country with military equipment and strategic raw materials so urgently needed for continuation of the victorious struggle against our common enemies.

Sincerely yours,

  
Alexander K. Repin  
~~Major General~~  
Chief of the Soviet Military  
Mission to the United States

The Honorable

Franklin Delano Roosevelt

President of the United States of America

The White House

Washington, D.C.

February 15, 1942

~~CONFIDENTIAL~~

Dear Mr. President:

I wish to take this opportunity to express my gratitude for the courtesies which you so kindly extended to me during my visit to you on February 12th. I also wish to express my deep appreciation and thanks for your kind and thoughtful consideration of the conditions of supplying my country with military equipment and strategic material, as well as for all that has been done by you in the direction of assistance to my country to win this war.

May I, in accordance with your suggestion, submit herewith the following information in regard to the status of supply to the U.S.S.R. of military equipment and strategic materials under the Lend-Lease Program:

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CONFIDENTIAL  
RECORDED

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- g) 3,000 tons of high speed steel tubes, grades 18-4-1 and 6-6-2.
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- r) 1 plant for production of Phenol.
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Sincerely yours,

Alexander K. Repin   
Major General  
Chief of the Soviet Military  
Mission to the United States

The Honorable  
Franklin Delano Roosevelt  
President of the United States of America

FVS

STIMSON, Hon. Henry L.  
SECRETARY OF WAR,  
2-17-42

PSF  
C. F.  
Lent-Leave

Referred to President's letter of Jan. 4, 1942 and said that the President's desires expressed therein concerning a monthly review and submission of revised schedules of allocations to the U.S.S.R. have been carried out. Enclosed a tabulated schedule of what it is proposed to furnish during February, March, and April, 1942. Referred to dispatch of tanks, anti-aircraft material, ammunition, <sup>aircraft</sup> Army cloth and shoe requirements, Army truck deliveries, delivery of machine tools. --- Referred to Mr. Harry L. Hopkins for preparation of reply, by President's memo of Feb. 21; returned by Mr. Hopkins by letter to Miss Tully, Feb. 23 saying it does not require a reply.

SEE C.F.WAR

THE WHITE HOUSE  
WASHINGTON

*L. F.*  
*Lend Lease*

February 17, 1942.

MEMORANDUM FOR

HARRY HOPKINS: *x4117*

FOR YOUR INFORMATION AND RETURN  
FOR OUR FILES.

F.D.R.

Letter from Hon. Ralph A. Bard, Navy Dept.,  
2/14/42, in re President's letter of 2/7  
concerning arming Russian merchant vessels.  
He reports on the present situation regarding  
the matter.

*x18*  
*x220*  
*x99*

THE WHITE HOUSE  
WASHINGTON

February 17, 1942.

MEMORANDUM FOR

HARRY HOPKINS:

FOR YOUR INFORMATION AND RETURN  
FOR OUR FILES.

F.D.R.

February 17, 1942

I have read this and it may be  
filed.

H.L.H.

WHITE HOUSE  
FEB 16 9 25 AM '42  
RECEIVED

THE SECRETARY OF THE NAVY  
WASHINGTON

EF61/L11-3(22)(411010)

Feb. 14, 1942.

My dear Mr. President:

In reply to your letter of February 7th with reference to arming Russian merchant vessels, the present situation is as follows:

We undertook to arm three Russian icebreakers and thirteen merchant ships. Subsequent to this agreement the Russians asked us to arm a fourth icebreaker, the KRASSIN, and this vessel has been armed. Of the three Russian icebreakers which we agreed to arm, two have been armed and the guns for the last vessel are in shipment. Five merchant vessels have been completely armed, and a sixth merchant vessel is now being armed in the port of New York. The remaining seven merchant vessels we are prepared to arm when they arrive at ports in the United States. We have been unable to learn the dates of their expected arrival, as the Russians do not wish to announce this information in advance. It is only recently that we have been able to learn the names of the Russian merchant vessels they desire to have armed.

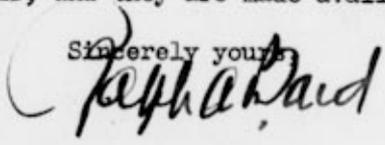
x2197

We are standing by to arm the seven remaining Russian merchant vessels as soon as these vessels are made available in a United States port.

On January 18, the Russians submitted a requisition for degaussing, repairs, and installation of guns and gun mounts on eleven additional Russian merchant vessels. This requisition went to the Maritime Commission for action. It is not a request for guns, but merely for the installation, the Russians supplying the guns. This work will be done when we learn the names of the vessels, and they are made available.

x1705

Sincerely yours,



The President  
The White House

x178

February 7, 1942

0  
C. F.  
Lend Lease

My dear Mr. Secretary:

Your report of January 1, 1942 with respect to the reestablishment of the Soviet Aid Program is approved.

Soviet ~~re~~representatives are pressing for the earliest possible arming of their merchant vessels, and also of a fourth ice breaker, the KRASSIN. I desire that these ships be armed as soon as practicable, consistent with the present strategical situation, and that report be made to me of the dates it is intended to arm them.

x178  
x99

x2197

Sincerely yours,

(Signed) Franklin D. Roosevelt

The Honorable,

The Secretary of the Navy. x18

x220

OFFICE OF LEND-LEASE ADMINISTRATION

FIVE-FIFTEEN 22d STREET NW.

WASHINGTON, D. C.

January 5, 1942

MEMORANDUM FOR MR. HOPKINS:

Reference is made to the letter to the President from the Secretary of the Navy dated January 1, with respect to the re-establishment of the Soviet Aid Program. The following comments are made:

Item 25. Protocol Agreement - Armour plate for tanks

The recommendation appears the only one possible under the circumstances.

Item 45. Petroleum Products

The recommendation appears satisfactory. A decision on the whole question of high octane gas has been made by the Strategic Munitions Board for the month of January, and steps have been undertaken to arrange for the distribution of high octane gas during the succeeding three months.

Protocol Agreement, Naval program, Annex N1:

2(b) Armament of Soviet Ships. 3" Guns.

There is difficulty in obtaining 3" Guns for the merchant vessels. Information has been received that no guns are available for 2 vessels now in Boston, the KOLKHOZNIK and the TBILISI, and in all probability for two in New Orleans, the BELOMORKANAL and the DVINOLES. It is understood that some U.S. ships are leaving port without arms. While the Protocol does not specify date of arming, Soviet representatives are pressing for the earliest arming possible.

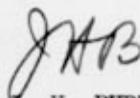
A fourth ice breaker, the KRASSIN, which is now enroute from the Bering Sea to Archangel, should arrive in New York in a few days. The Soviets desire a minimum of repair and despatch to Archangel at the earliest possible time. While not covered in the Navy program, early arming of the KRASSIN is most desirable. The Navy has the arming of the KRASSIN now under consideration.

2(d) Arming with Machine Guns.

The action taken is considered satisfactory. Also, steps have been taken by the British to turn over to the Russians 300 Twin Mount Caliber .50 Machine Guns, a commitment made under the Protocol.

The schedules for engines, parts and generators are considered satisfactory.

Enclosed is suggested letter from the President to the Secretary of the Navy in reply to the letter of January 1, 1942.



J. H. BURNS  
Major General, U. S. Army

Enclosure

x4559

FILE ROOM:

Miss Berney has been notified  
of the signature of the letter to the  
Secretary of the Navy.

hm

THE WHITE HOUSE  
WASHINGTON

January 3, 1942

MEMORANDUM FOR GENERAL BURNS:

What do you think of this? Please  
return it to me.

HARRY L. HOPKINS x4117

DEPARTMENT OF THE NAVY  
OFFICE OF THE SECRETARY  
WASHINGTON

January 1, 1942

My dear Mr. President:

In reply to your letter under date of December 28, 1941, with respect to the re-establishment of the Soviet aid program beginning January 1, 1942, I have the honor to submit the following report setting forth the current status and prospective commitments of those naval items of the Protocol Agreement under U.S.A. jurisdiction which were undertaken for fulfillment after comprehensive survey and study of the basic Protocol Agreement by cognizant officials of the Navy Department.

In the light of your letter I have again reviewed the subject based on known present and anticipated prospective requirements of the Navy and submit the following conclusions:

Item 25. Protocol Agreement - Armour plate for tanks

Comment and recommendation as follows is submitted by the Navy Department on this item in view of the vital effect on the progress of the construction of the Two-Ocean Navy.

On December 3 and 4, 1941, a representative of the Bureau of Ships attended a conference held at 515 - 22nd Street in the office of the Lend-Lease Administration. The Committee was chairmanned by Colonel Holman and was attended by Dr. Waterhouse and Mr. Hocker of O.P.M., representatives from the Bureau of Ordnance, Ordnance Department, U.S.A., and a Mr. Rosterchuk of the Russian Commission.

It was brought out that our Mission to Moscow definitely promised the Russian Government one thousand (1,000) tons of tank armor per month for a period of nine (9) months, although they requested 10,000 tons per month. The Russian specifications were presented and it was noted that the chemical properties of the desired armor were such that it is doubtful that this steel can be produced in an open hearth furnace. The sizes of plates desired were much larger than any tank armor now in production. The substitution of S.T.S. was offered as one possibility of meeting the Russian demands. The Army offered to furnish the desired size plates by machine-welding smaller plates together. Our Army is using machine-welded construction and has found that it satisfactorily

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DECLASSIFIED

Document 655610 (8/27/68)

Date-

Signature- *RHO*

x4488

*H.H.  
Do this up?  
LOR*

meets the ballistic requirements. This proposition was presented to Mr. Rosterchuk who promised to investigate the possibility of its use, although he stated that they had been unsuccessful with welded armor. With the substitution of this welded armor, the Army stated that they could deliver one thousand (1,000) tons starting in December since there is an excess of tank armor at this time.

If the Russian Government will not accept this welded armor proposition, it appears that the only source for these large plates is the Carnegie-Illinois Steel Company.

This Company is producing approximately ten (10) to eleven (11) thousand tons of S.T.S. per month for our present shipbuilding program and we now have a deficit of ten (10) to twelve (12) thousand tons for the next fourteen (14) months. A diversion of S.T.S. from new construction to tank armor will result in setting back the entire shipbuilding program for at least one (1) month. The overall delay will probably be greater due to the fact that workmen will have to be laid off while awaiting S.T.S.

Negotiations are now in progress with Carnegie-Illinois to expedite their facilities to an additional five thousand four hundred (5,400) tons per month, fully effective in January, 1943. The S.T.S. for new construction will continue to be critical until well into 1943.

It is believed that the allocation of approximately one month's supply of S.T.S. from new construction to the Russian Government will result in a critical disruption of progress in the construction of the Two-Ocean Navy.

→ Recommendation

In view of the above it is strongly recommended that Russian requests for armour plate be met by the substitution of armor of specification and welded construction which conforms to U. S. Army ballistic requirements and construction practice as this will not interfere with the progress of construction of the Two-Ocean Navy.

Item 45. Petroleum Products

The Navy Department has been charged with the procurement of the petroleum products to meet Russian requirements.

The following is the current status:

\$13,500,000 has been allocated out of lend-lease funds to meet demands as they arise.

Eight requisitions (dated December 6, 1941) have been received to date.

As shown on the tabulated information which follows, all requisitions have been acted on. Bids on four requisitions will be opened January 3, 1942. One requisition is held up awaiting clarification of specifications. One requisition has been clarified by information received December 30, 1941. The remaining two requisitions have been contracted for.

Requisitions No. 235 - 242 inclusive dated 6 December 1941.

Items	Quantities	Value	Opening	Offerings	Price	Ports of Delivery Destined to Archangel
	Requested (tons)	Estimated	Dates	Received (tons)		
1. Super Aviation Gasoline	5,000	\$250,000	--	--	--	Boston or New York
2. Aviation Lubricating Oil	5,000	750,000	12/20/41	5,000 @	\$148.	"
3. Tetraethyl Lead	600	1,638,000	--	--	--	"
4. Automotive Lubricating Oil	2,400	156,000	1/3/42	--	--	"
5. Ceresine Wax	350	182,000	12/27/41	1,000 @	\$202. to \$504.	"
6. Soda Grease	300	40,500	1/3/42	--	--	"
7. Winter Grease	300	40,500	1/3/42	--	--	"
8. Sulphurized Grease	300	<u>45,000</u> 3,102,000	1/3/42	--	--	"

1. A gasoline which, if possible of octane rating, would be 100 octane plus. Russians claim they manufacture this grade and have engines to use it. Awaiting clarification of specifications.
2. Pour point - 30° Centigrade - 22°F. U.S. uses °OF. maximum. Difficult to manufacture. Low carbon content 35/100 of 1%.
3. Shortage of lead has not actually appeared but caution is being exercised in its use. Have purchased 1200 tons for the British. Clarification type of fluid required received 30 December 1941.
4. Internal combustion oil. Should receive requirements.
5. Used for coating shells, waterproofing, insulating electric wires. Has high melting point, 180° F.
6. High Melting Point Grease. Should receive requirements. Use not accurately known. Will not affect U.S. or British requirements. Likely automotive grease.
7. Possibly same as Item 6. No question of supply involved.
8. Same as Items 6 and 7.

The following detailed report sets forth the situation as of this date by paragraphs numbered to correspond to the Protocol Agreement, Naval program, Annex N1:

*This refers to guns and is O.K.*

2(b) The Navy has indicated it was prepared to allocate 3" guns for the large ice breakers and for thirteen Russian ships working between U. S. Atlantic ports and Archangel, together with 500 rounds for each 3" gun mounted on the large ice breakers and 100 rounds for each gun mounted on the merchant ships. To this end, of the equipment to be supplied three ice breakers, two complete sets, including the necessary ammunition, have been delivered to the Boston representatives of Amtorg. The third complete set will be available in Boston, Mass., by January 5, 1942. Of the 13 Russian vessels to be armed in this country, 5 have been armed. Of the 8 remaining vessels 5 have not reported for their armament and 3 will receive their 3" guns at the end of this turn around (they have received machine guns only).

2(d) The Navy reported it was prepared to supply 8 - .50-caliber guns and mounts with ammunition for each of the three large ice breakers, a total of 24 guns. The Navy stated it was prepared to supply .30-caliber in lieu of .50-caliber anti-aircraft machine guns to the thirteen Russian ships on the Atlantic - Archangel run. To this end the following has been done: For ice breakers, two complete sets of 8 - .50-caliber guns and ammunition have been delivered to the Boston representative of Amtorg and the third complete set will be available in Boston by January 5, 1942.

Of the 13 Russian ships, 8 have been armed with 4 - .30-caliber machine guns each and necessary ammunition. The other vessels have not reported for their armament.

Diesels and Motors for Ships complete with Apparatus

The first requisitions to procure any material in this category for the U.S.S.R. arrived in the Bureau of Ships December 30, 1941, when nine were received.

A. Between October 27, 1941, and December 30, 1941, many events altering the procurement situation of U.S.S.R. requirements have occurred. During that period of time representatives of the Amtorg Trading Corporation and of the Bureau of Ships have held frequent conferences, chiefly on specifications which in their original form were incomplete and incorrect. Frequent dispatches between Amtorg and Moscow have caused constant revision of requirements and specifications. The Bureau of Ships has formulated requisitions for the Bureau of Ships items in the Protocol Agreement which it is possible to obtain although it will be impossible to supply them within the times desired without serious inroads on our own needs, and kept them in conformity with new specifi-

cations and new requirements as they were revised and presented by Amtorg representatives. All Bureau of Ships requisitions were ready to place on the arrival of their respective U.S.S.R. requests on December 30, 1941. Preliminary negotiations on all items had been held before that date and final negotiations will be completed within the week.

As pointed out above, since October 27, 1941, when the Chief of the Bureau reported on prospective deliveries, many events altering the general situation have transpired. Many new demands for new construction have been received. In certain cases the new demands require equipment needed for this new construction. Nevertheless the Chief of the Bureau of Ships is proceeding to place contracts for the following equipment which was requested by the U.S.S.R. in their formal requests received by the Bureau of Ships on December 30, 1941:

OK  
1-12-42  
(a)(b) 190 Diesel engines for ship propulsion (mine sweepers, submarine chasers, and small boats) as follows:

(1) 126 for mine sweepers; 1100-1400 BHP @ 450 to 600 r.p.m.

Note: This number of engines was originally for 118 engines. Between this size and the size appearing in (2) below 30 engines will be delivered by April 1, 1942, and continue at the rate of 10 per month. These engines are the type required for a speed up production of 173' PC's. Diversion of this engine capacity will retard delivery of 50 PC's recently authorized for the U. S. Navy.

(2) 24 for submarine chasers; 1600-1800 BHP @ 450 to 600 r.p.m.

Note: See (1) above.

OK (3) 30 for small boats; 140-170 H.P. @ 400 to 500 r.p.m.

Note: Deliveries will begin in March, 1942, f.o.b. factory and it is expected will be completed in April, 1942.

OK (4) 10 for small boats; 210-250 H.P. @ 400 to 500 r.p.m.

Note: Deliveries will be made in March, 1942.

OK (c)(d) 160 sets of spare parts for "Ruston" Diesel engines, half for 75 h.p. engines, and half for 48 h.p. engines.

Comment: Deliveries will begin in January, 1942, and it is expected will be completed by April 1, 1942.

- ? (e) 300 Diesel or gasoline engines, 100 to 1400 H.P. at 1750 to 2000 r.p.m. for motor torpedo boats.

Note: Requests have been made for 260 Packard engines. Deliveries will begin in January, 1942, and be completed in June, 1942. Also requests have been received for 40 Hall Scott engines. Deliveries will begin in April, 1942, and be completed in June, 1942. These deliveries will seriously interfere with completion of PT's for this country and with completion and maintenance of similar boats in the United Kingdom.

*25 a month for 3 months then 50 "*

- OK (f) 100 Diesel generators; 45-55 K.W. @ 550 to 800 r.p.m.

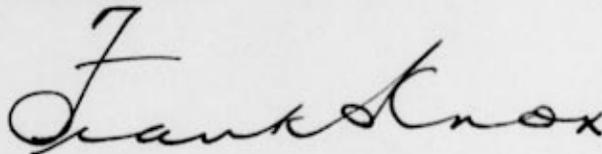
Note: Deliveries will start in January, 1942, and be completed by April 1, 1942. The request has been changed to 50 sets.

- OK 50 Diesel generators; 18-20 K.W. @ 750 to 1000 r.p.m.

Note: The request has been changed to 100. Deliveries will begin in February, 1942, and be completed in April, 1942.

B. From the above it should be noted that by April 1 delivery will equal or anticipate delivery initially determined upon.

Sincerely yours,



The President  
The White House

OFFICE OF LEND-LEASE ADMINISTRATION  
FIVE-FIFTEEN 22d STREET NW.  
WASHINGTON, D. C.

E. R. Stettinius, Jr.  
Administrator

*file*  
*Confidential*

*B. F.*  
*Lend Lease*

February 17, 1942

MEMORANDUM

TO: The President  
FROM: E. R. Stettinius, Jr.  
SUBJECT: Lend-Lease Report as  
of January 31, 1942

I attach, hereto, Report,  
covering Lend-Lease operations as  
of January 31, 1942.

*E. R. Stettinius, Jr.*

x4559

x773  
x4193

~~SECRET~~

DECLASSIFIED  
State Dept. Letter, 1-11-72  
By J. Schmale Date FEB 2 1972

REPORT TO THE PRESIDENT  
ON LEND-LEASE PROGRESS  
AS OF JANUARY 31, 1942

Office of Lend-Lease Administration

"THIS DOCUMENT CONTAINS INFORMATION  
AFFECTING THE NATIONAL DEFENSE OF THE  
UNITED STATES WITHIN THE MEANING OF THE  
ESPIONAGE ACT, U.S.C. 50; 31 and 32. THE  
TRANSMISSION OR THE REVELATION OF ITS CON-  
TENTS IN ANY MANNER TO AN UNAUTHORIZED  
PERSON IS PROHIBITED BY LAW."

DECLASSIFIED  
State Dept. Letter, 1-11-72

By J. Schauble Date FEB 2 1972

SUMMARY OF LEND-LEASE PROGRESS

1. Total Lend-Lease aid to January 31, 1942 amounted to more than \$2,000,000,000.
2. Lend-Lease aid is increasing sharply, month by month. Aid in the month of January was more than double that in September.

Lend-Lease Aid By Months  
Millions of Dollars

September	207
October	225
November	283
December	338
January	462

3. Of the \$12,972,000,000 appropriated to date, all but about \$250,000,000 has been allocated (excluding the \$500,000,000 reserved for the Department of Agriculture), and this will be allocated within the next two weeks at the present rate.
4. The percentage of allocated funds that has been expended by the different procuring agencies is as follows:

War Dept.	8.1%	Treas. Dept.	20.9%
Navy Dept.	10.4	Dept. of Agric.	42.2
Mar. Comm.	38.0	Total	15.0

February 14, 1942

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## LEND-LEASE AID, MONTHLY

Millions of Dollars

Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.
13	40	60	85	134	150	207	225	283	338	462

## LEND-LEASE AID

Cumulative to January 31, 1942

Millions of Dollars

DECLASSIFIED  
State Dept. Letter, 1-11-78

By J. Schauble Date FEB 2 1972

2 1972

Type of Aid	British Empire	China	Russia	Other	Total
Defense Articles Transferred	\$1,044	\$39	\$54	\$11	\$1,148
Articles Awaiting Transf. or Use	295	14	1	4	314
Articles in Process of M'f'r	122	-	-	-	122
Servicing, Repair of Ships, etc.	107	-	6	-	113
Rental and Charter of Ships, etc.	139	6	15	1	161
Production Facilities in U. S.	141	-	-	-	141
Miscellaneous Expenses	-	-	-	2	2
<b>Total Lend-Lease Aid</b>	<b>\$1,848</b>	<b>\$59</b>	<b>\$76</b>	<b>\$18</b>	<b>\$2,001*</b>

\* Includes \$190,000,000 of defense articles procured from War, Navy and Treasury appropriations.

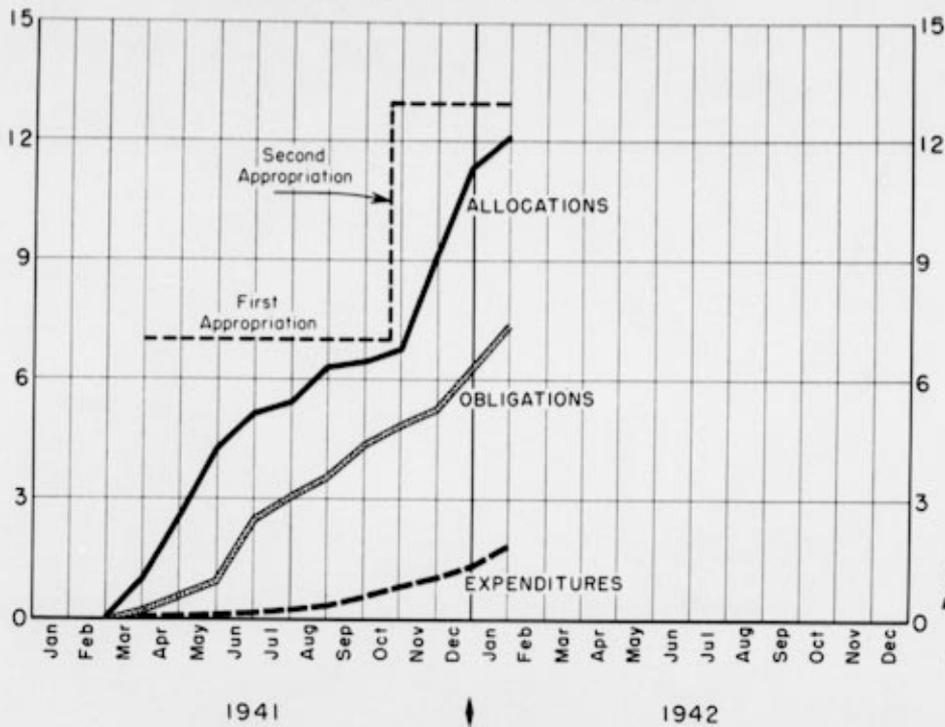
## LEND-LEASE FUNDS

Cumulative to January 31, 1942

Appropriation Category	Millions of Dollars			Expenditures in % of Allocations
	Allo-cations	Obliga-tions	Expendi-tures	
Ordnance and Ordnance Stores	\$ 2,213	\$1,232	\$ 137	6.2%
Aircraft and Aero. Material	2,756	1,982	238	8.6
Tanks and Other Vehicles	893	524	87	1.0
Vessels and Other Watercraft	1,531	1,173	257	16.8
Misc. Military Equipment	432	114	25	5.8
Production Facilities	981	588	158	16.1
Agric. and Indust. Commod's	2,481	1,500	783	31.6
Servicing, Repair of Ships, etc.	294	186	119	40.5
Services and Expenses	251	48	5	2.0
Administrative Expenses	7	3	2	28.6
<b>Total</b>	<b>\$11,839</b>	<b>\$7,350</b>	<b>\$1,811</b>	<b>15.3%</b>

### LEND-LEASE FUNDS

BILLIONS OF DOLLARS - CUMULATIVE

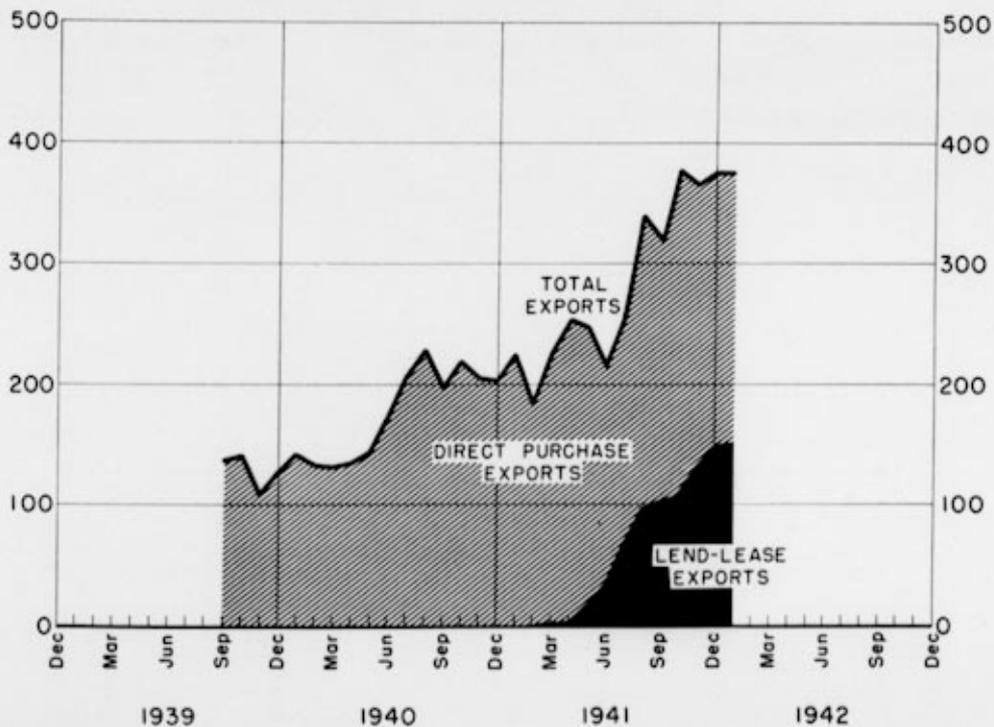


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State Dept. Letter, 1-11-72  
By J. Schauble Date FEB 2 1972

Difference between appropriations and allocations represents reserves

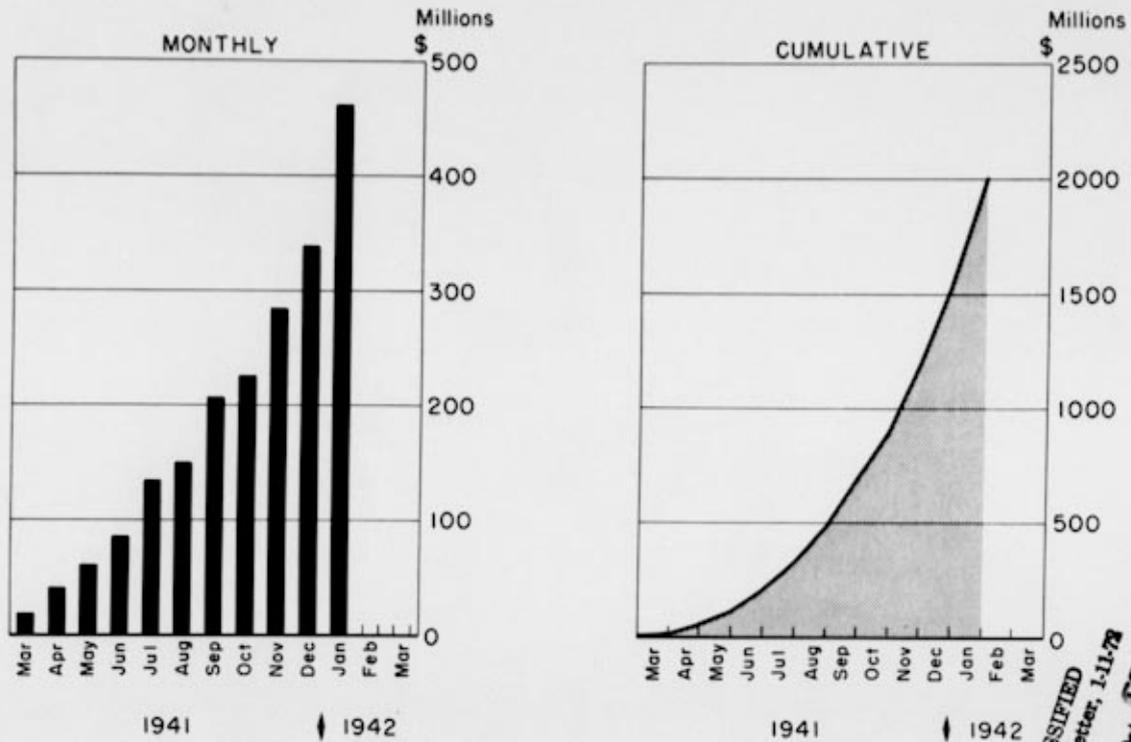
### EXPORTS TO BRITISH EMPIRE

MILLIONS OF DOLLARS - MONTHLY



Data include exports to Egypt

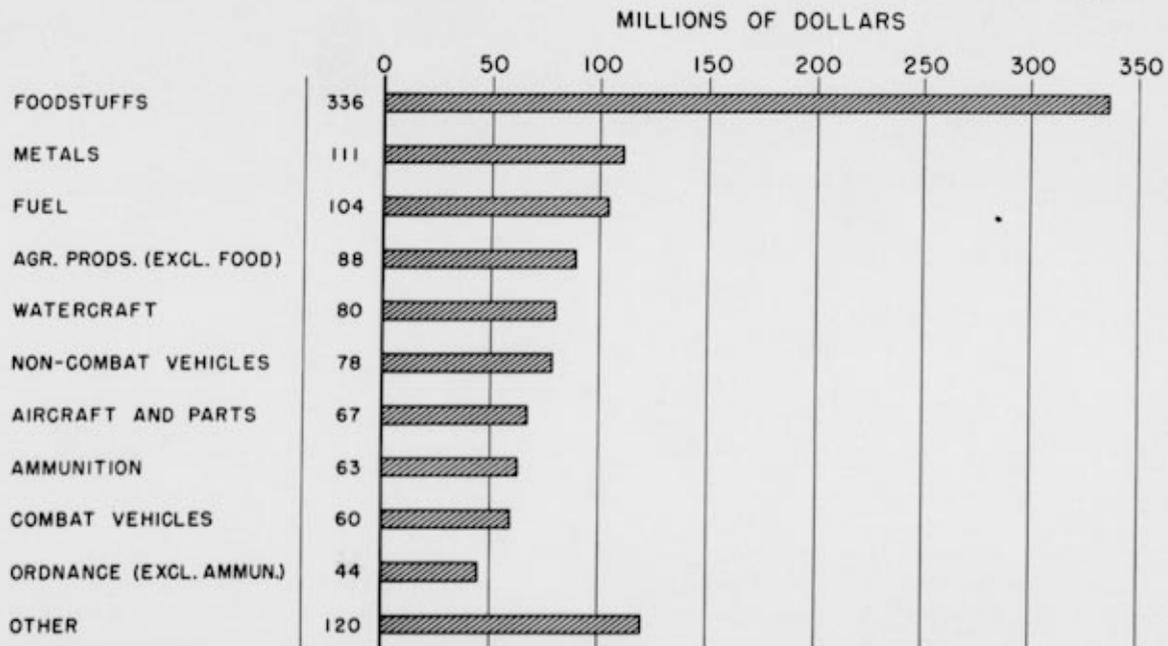
### TOTAL LEND-LEASE AID



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 State Dept. Letter, 1-11-73  
 By J. Scheuble Date FEB 2 1972

### TRANSFERS OF LEND-LEASE MATERIAL

CUMULATIVE, TO JANUARY 31, 1942



PSF

THE WHITE HOUSE  
WASHINGTON

*l. J.*

*Send Leave*

February 13, 1942.

MEMORANDUM FOR

HARRY HOPKINS *x4117*

Will you handle?

F. D. R.

Copy of letter from Hon. A. A. Berle, Jr.,  
Dept. of State, 2/16/42, the original of which  
has been retained for our files, in re recommenda-  
tion of Mr. Stettinius that two transport planes  
be released to the Norwegian Govt. to ferry young  
Norwegians of military age from Stockholm to  
England.

*x4559*

*x123*

DEPARTMENT OF STATE  
WASHINGTON

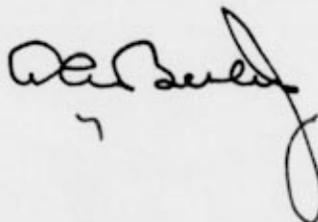
February 16. 1942

My dear Mr. President:

I understand that Mr. Stettinius has recommended to you that two transport planes be released to the Norwegian Government to ferry young Norwegians of military age from Stockholm to England.

From the standpoint of the State Department I believe that it would be a good thing to release these planes to the Norwegians in order to keep up the Norwegian spirit and maintain the exodus of young men from Norway. The Department does not pass on the strategic considerations involved.

Faithfully yours,

 x20  
7

The President,  
The White House.

x249 official  
x48

— for your  
Confidential Lend-Lease  
Files DJB

THE WHITE HOUSE  
WASHINGTON

*file  
confidential*

2-20-42

MEMORANDUM FOR THE PRESIDENT:

Secretary Stimson wanted me  
to get the attached to you personally.



E.M.W.

~~CONFIDENTIAL~~  
WAR DEPARTMENT  
WASHINGTON  
Franklin D. Roosevelt Library

DECLASSIFIED  
DATE 08/27/88

*B. F.*  
*Lend Lease*

February 19, 1942

Date- 1-24-72

Dear Mr. President - *HAP*

X11

You will recall that on February 15 you received General Olds, the head of our Ferry Command, and that he explained to you our urgent need to station additional Air Corps personnel in Brazil, to obtain certain privileges with respect to building installations and to simplify existing regulations governing the flight of lend-lease as well as our aircraft through Brazil. The importance of this vital line of communications to the Near and Far East can scarcely be over-emphasized.

Among other difficulties, as things now stand, German or Italian mechanics may gain access to our aircraft, under the guise of being Brazilian workmen employed by Pan American Airways whom we have to utilize because we cannot introduce our own Air Corps mechanics. Two of our aircraft have already crashed after take off from Natal due to what may well have been sabotage originating in Brazil.

At your direction, General Olds on February 16 called on Mr. Welles to ask him to obtain the necessary permission from Brazil.

Mr. Welles told General Olds that there is no hope of obtaining this permission until we satisfy the Brazilian Government with respect to deliveries of certain types of weapons of which at the present time there is a great shortage.

I have gone into this matter at some length. It appears that the Brazilians are satisfied with what our Navy is doing for them, and reasonably satisfied with what we can give them in the way of aircraft. However, they are not satisfied with what we are doing for them in the matter of ground armament. The crux of the matter is tanks. We are prepared to schedule deliveries to them of 65 light tanks by July of this year, and mediums later in the year, but they want many more.

Of our present tank production, roughly five-sixths is now going to Russia and to the British. You have directed that the Russian agreement must be met. We all know that the British needs are critical. The Dutch and Australians, now in actual conflict with the enemy and in a highly precarious situation, are pressing us for tanks. Only yesterday General Aurand, the Director of Defense Aid in the War Department,

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-2-

Date- 1-24-72

Signature- *RHP*

was compelled to turn down an urgent request from the Netherlands Government for 50 light tanks simply because we did not have them to give. The Russians complain bitterly that we are not giving them nearly enough ammunition for the U. S. tanks which we are sending them. This ammunition is the same type as that which Brazil now seeks.

The War Department has already made allotments of aircraft to balance as far as possible its inability to provide more ground weapons, and with the best of will would furnish Brazil with these weapons if it had them to give, but in view of Mr. Welles' estimate of the Brazilian attitude, which no doubt is accurate, we are unable to take the steps we should take to insure one of our most important lines of supply and communication.

In these circumstances I take the liberty of suggesting that you follow the unusual course of taking this matter up personally with President Vargas of Brazil, in order that we may receive from them these privileges, which, from their point of view, are relatively minor, but which mean so much to the safety of both countries.

In the meantime we can assure the Government of Brazil that as soon as production or strategic possibilities permit, this Department will itself recommend to the Munitions Assignment Board the transfer of additional ground weapons to Brazil.

Respectfully yours,

*Henry L. Stimson*

Secretary of War x25

*I cannot tell you how important I think this Natal danger is. With the redoubled necessity of planes for Burma and China; with the French fleet moving in the Mediterranean; with submarines in the Caribbean, we cannot allow Brazil, who is not at war, to hold up our life line across Africa.*  
The President  
The White House

x861  
x48-X  
x150  
x203

*x B. F. Har*

~~SECRET~~

THE UNDER SECRETARY OF STATE  
WASHINGTON

February 23, 1942

*C. F.*  
*Lend Lease*

Personal and  
CONFIDENTIAL

DECLASSIFIED  
State Dept. Letter, 1-11-72

By J. Schauble Date FEB 2 1972

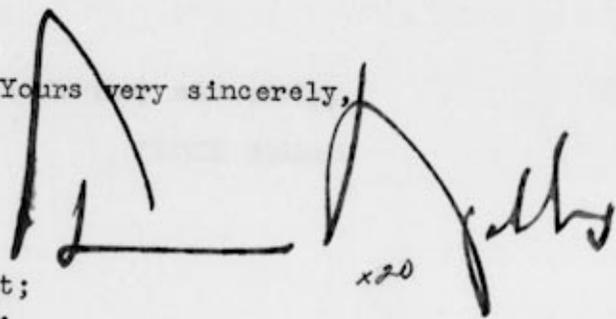
Dear Steve:

In accordance with our telephone conversation,  
I am sending you herewith the text of the temporary  
Lend-Lease Agreement signed today by the British  
Ambassador and by myself. I am also sending you the  
text of the suggested statement to be issued by the  
White House at 8:00 a.m., Tuesday, February 24, at  
the time the text of the agreement is released to the  
press.

x48

Believe me

Yours very sincerely,



x20

Encs.  
Lend-Lease Agreement;  
Suggested Statement.

The Honorable  
Stephen Early,  
Secretary to the President,  
The White House.

x4193

Whereas the Governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland declare that they are desirous to...

**Agreement Between the Governments of the United States of America and of the United Kingdom on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, Authorized and Provided for by the Act of March 11, 1941.**

The United States of America and the United Kingdom of Great Britain and Northern Ireland, hereinafter referred to as the Parties, have agreed to the following principles...

Whereas the Governments of the United States of America and the United Kingdom of Great Britain and Northern Ireland declare that they are engaged in a cooperative undertaking, together with every other nation or people of like mind, to the end of laying the bases of a just and enduring world peace securing order under law to themselves and all nations;

And whereas the President of the United States of America has determined, pursuant to the Act of Congress of March 11, 1941, that the defense of the United Kingdom against aggression is vital to the defense of the United States of America;

And whereas the United States of America has extended and is continuing to extend to the United Kingdom aid in resisting aggression;

And whereas it is expedient that the final determination of the terms and conditions upon which the Government of the United Kingdom receives such aid and of the benefits to be received by the United States of America in return therefor should be deferred until the extent of the defense aid is known and until the progress of events makes clearer the final terms and conditions and benefits which will be in the mutual interests of the United States of America and the United Kingdom and will promote the establishment and maintenance of world peace;

And whereas the Governments of the United States of America and the United Kingdom are mutually desirous of concluding now a preliminary agreement in regard to the provision of defense aid and in regard to certain

considerations which shall be taken into account in determining such terms and conditions and the making of such an agreement has been in all respects duly authorized, and all acts, conditions and formalities which it may have been necessary to perform, fulfil or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the United Kingdom have been performed, fulfilled or executed as required;

The undersigned, being duly authorized by their respective Governments for that purpose, have agreed as follows:

#### ARTICLE I

The Government of the United States of America will continue to supply the Government of the United Kingdom with such defense articles, defense services, and defense information as the President shall authorize to be transferred or provided.

#### ARTICLE II

The Government of the United Kingdom will continue to contribute to the defense of the United States of America and the strengthening thereof and will provide such articles, services, facilities or information as it may be in a position to supply.

#### ARTICLE III

The Government of the United Kingdom will not without the consent of the President of the United States of America transfer title to, or possession of, any defense article

or defense information transferred to it under the Act or permit the use thereof by anyone not an officer, employee, or agent of the Government of the United Kingdom.

#### ARTICLE IV

If, as a result of the transfer to the Government of the United Kingdom of any defense article or defense information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of America who has patent rights in and to any such defense article or information, the Government of the United Kingdom will take such action or make such payment when requested to do so by the President of the United States of America.

#### ARTICLE V

The Government of the United Kingdom will return to the United States of America at the end of the present emergency, as determined by the President, such defense articles transferred under this Agreement as shall not have been destroyed, lost or consumed and as shall be determined by the President to be useful in the defense of the United States of America or of the Western Hemisphere or to be otherwise of use to the United States of America.

#### ARTICLE VI

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom full cognizance shall be taken of

all

all property, services, information, facilities, or other benefits or considerations provided by the Government of the United Kingdom subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

#### ARTICLE VII

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining,

in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments.

ARTICLE VIII

This Agreement shall take effect as from this day's date. It shall continue in force until a date to be agreed upon by the two Governments.

Signed and sealed at Washington in duplicate this  
23rd day of February, 1942.

*File*

HOLD FOR RELEASE

HOLD FOR RELEASE

HOLD FOR RELEASE

FEBRUARY 23, 1942

NOTE: The following statement is for release to editions of all newspapers appearing on the streets NOT EARLIER THAN 8:00 A.M., E.W.T., Tuesday, February 24, 1942. The same release also applies to radio announcers and news commentators.

CARE MUST BE EXERCISED TO PREVENT PREMATURE PUBLICATION.

STEPHEN EARLY  
Secretary to the President

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~~DRAFT STATEMENT FOR RELEASE BY THE WHITE HOUSE  
AT 8 A.M. E.W.T., TUESDAY, FEBRUARY 24, 1942~~

An agreement between the Governments of the United States and Great Britain on the principles applying to mutual aid in the prosecution of the war was signed yesterday <sup>(Monday)</sup> by the Acting Secretary of State and the British Ambassador.

The agreement is made under the provisions of the Lend-Lease Act of March 11, 1941. By this Act of the Congress and the great appropriations by which it has been supported this nation is able to provide arms, equipment, and supplies to any country whose defense is vital to our own defense.

On December 7, 1941, we were attacked. We are now one of the twenty-six United Nations devoting all of their united strength to the winning of this war and to the establishment of a just and lasting peace. The vast resources which Providence has given us enable us to insure that our comrades in arms shall not lack arms. Congress has granted the authority and the means. United and equipped by the overwhelming productive power of

their resources and ours, we shall fight together to the final victory.

Recent developments in the war have shown, if proof was required, the wisdom and necessity of the policy of lend-lease supplies to the United Nations. That policy continues, and is expanding to meet the expanding needs of the fighting fronts. The agreement signed yesterday reaffirms our purpose to supply aid to Great Britain. The British Government will supply this country with such reciprocal aid as it is in a position to give.

As to the terms of settlement between the two countries, the agreement states that it is too early in this struggle to foresee or define the precise and detailed terms. Instead the agreement lays down certain of the principles which are to prevail. These principles are broadly conceived, for the scale of aid is so vast that narrow conceptions of the terms of settlement would be as disastrous to our economy and to the welfare of our people as to the welfare of the British people. Articles which at the end of the war can be returned to

us, and which we wish to have back, will be returned. Full account will be taken of all reciprocal aid.

The fundamental framework of the final settlement which shall be sought on the economic side is given in Article VII. It shall be a settlement by agreement open to participation by all other nations of like mind. Its purpose shall be not to burden but to improve worldwide economic relations. Its aims will be to provide appropriate national and international measures to expand production, employment, and the exchange and consumption of goods, which, the agreement states, are the material foundations of the liberty and welfare of all peoples, to eliminate all forms of discriminatory treatment in international commerce, to reduce tariffs and other trade barriers, and, generally, to attain the economic objectives of the Atlantic Charter.

To that end Article VII provides for the early commencement of conversations, within the framework which it outlines, with a view to establishing now the foundations upon which we may create after the war a system of en-

larged production, exchange, and consumption of goods  
for the satisfaction of human needs in our country, in  
the British Commonwealth, and in all other countries  
which are willing to join in this great effort.

*L. F.*  
*Lend Lease*

February 26, 1942

Dear Sumner:

I am a little disturbed that our agreement with Russia, which is embodied in my telegram to Stalin on October 30, 1941, gives the Russians the impression that they must repay us in dollars.

Now that the preliminary Lend-Lease Agreement with the British is out, the Russians might well think that we are treating them in a less favorable way than we are the British.

I wonder if you would put your mind on this and let me have a formula which I might suggest to Stalin.

Very sincerely yours,

*(Signed) Franklin D. Roosevelt*

The Honorable  
Sumner Welles.  
Acting Secretary of State. x20

HLH/lmb

x220  
x48  
x212

THE WHITE HOUSE  
WASHINGTON

February 26, 1942

MEMORANDUM FOR THE PRESIDENT:

We are having some difficulty with the Russians because they understand that our agreement with them as to repayment is to be a repayment in dollars. Hence they want to examine with great care the amount paid by us for each item. The result of this is that it slows up the machinery considerably.

It seems to me that now that the preliminary Lend-Lease Agreement with the British is out the Russians might well think we are not treating them the way we are treating the British. I believe it would be very important in our relations with Russia if we could advise them in some manner that the repayment does not necessarily have to be made in dollars. I am inclined to think it might even be wise to have an agreement somewhat similar to the British agreement.

At any rate I think careful thought should be given to this at once and am suggesting you write the attached letter to Sumner.



HARRY L. HOPKINS

x4117

file  
confidential

THE WHITE HOUSE  
WASHINGTON

February 27, 1942

7 3/14/42

MEMORANDUM FOR THE PRESIDENT:

I don't know whether you want to use this or not. It is from Stettinius' assistant.

I think it is a little extravagant in its implication but you could tone it down if you think it best that the people know that there is access to China without indicating the route. Paragraph 3 really does it.

H.L.H.

x4117

x4559  
x4193

OFFICE OF LEND-LEASE ADMINISTRATION

FIVE-FIFTEEN 22d STREET NW.

WASHINGTON, D. C.

February 26, 1942

PSF

B. F.  
Lend Lease

MEMORANDUM

TO: Mr. Stephen J. Early

FROM: Thomas B. McCabe

x

To clear up misunderstandings that may exist concerning the present status of our program of aid to China, it is suggested that the following points be made at the President's press conference tomorrow:

x36

1. Lend-Lease supplies for China are going forward full blast. The ships required in this program are being loaded and dispatched as rapidly as they become available. The movements and destinations of these cargoes are necessarily naval secrets.
2. China has lost ports before. Rangoon to the Chinese is just another port.
3. New ways into China have been found and plans for their use are far advanced. They are similar to the routes used heretofore, in that they involve water, land, and air movements, with storage and forwarding facilities where needed.
4. The new routes can move more supplies than the Burma Road ever did.
5. American officials at Rangoon have succeeded in moving virtually all the lend-lease supplies from that port inland. Such small remaining stocks as could not be moved are being subjected to the long established Chinese scorched earth policy.

Thomas B. McCabe

x150