

● PSF:CF: Lend Lease Mar-April, 1942, Oct. 1942

PSF

C. F.

Lend-Lease

My dear Mr. Stettinius:

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 Government of Iran, I hereby find that the defense of the Government of Iran is vital to the defense of the United States.

x134

Very truly yours,

(Signed) FRANKLIN D. ROOSEVELT

THE WHITE HOUSE

March 10, 1942

x4559

x4193

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

March 9, 1942

MEMORANDUM FOR THE PRESIDENT

FROM: Thomas B. McCabe

At present there is no outstanding finding by the President that the defense of the Government of Iran is vital to the defense of the United States.

Representatives of the Government of Iran have been conferring with the State Department and the Lend-Lease Administration about getting Lend-Lease aid. They have shown us that their country has urgent need for a substantial quantity of wheat, and they would like to make an immediate request under the Lend-Lease Act for this wheat.

Accordingly, I am sending you herewith a draft of a letter finding the defense of the Government of Iran vital to the defense of the United States. This is entirely satisfactory to the State Department.

Attachment

Thomas B. McCabe

x

Miss Tully:

Mr. McCabe asked that this be
sent to the resident.

L. Berney



DEPARTMENT OF STATE
WASHINGTON

C. F.
Lend Lease

April 28. 1942

Dear Steve:

As you may recall, the President some time ago designated Iran as eligible for Lend-Lease assistance. It has now been decided, with the approval of the War Department and the Lend-Lease Administration, that public announcement of this should be made, the primary purpose of the announcement being to strengthen the position of the Iranian Prime Minister vis-à-vis his own Parliament. Accordingly, I enclose a draft of a suggested press release which, if you see no objection, we should like to have issued on Friday, May 1.

x25
x134

Would you be good enough to telephone Mr. Paul Alling, Chief of the Division of Near Eastern Affairs, to let him know whether the Friday release date is satisfactory? The Iranian Government is anxious to make a simultaneous announcement, and we have promised to inform them of the exact date as far in advance as possible.

Sincerely yours,

x20

Enclosure:
Draft press release

x340
x4193
x4559

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

FOR DEFENSE



BUY
UNITED STATES
SAVINGS
BONDS
AND STAMPS

For Release May 1, 1942

PRESS RELEASE

The President announced today that he had found the defense of Iran to be vital to the defense of the United States in accordance with the provisions of the Lend-Lease Act of March 11, 1941. The representations required by Sections 4 and 7 of the Act having been made by the Iranian Government, Iran is now eligible to receive Lend-Lease assistance.

1

SUGGESTED PRESS RELEASE
(For Issuance May 2)

The President announces ~~that~~ that he has found the defense of Iraq vital to the defense of the United States in accordance with provisions of the Lend-Lease Act of March 11, 1941. Consequently upon completion of the formalities required by Sections 4 and 7 of the Act, Iraq will be eligible to receive Lend-Lease assistance.



(2)

~~DISSEMINATED~~

I The President ^{also} announced ~~today~~ that he had found the defense of Iran to be vital to the defense of the United States in accordance with the provisions of the Lend-Lease Act of March 11, 1941. The representations required by Sections 4 and 7 of the Act having been made by the Iranian Government, Iran is now eligible to receive Lend-Lease assistance.

~~#~~

Department of State

NE

BUREAU
DIVISION

ENCLOSURE

TO

Letter drafted 4/28/42

ADDRESSED TO

The Honorable

Stephen Early.

SUGGESTED PRESS RELEASE
(For Issuance May 2)

The President announced today that he had found the defense of Iraq vital to the defense of the United States in accordance with provisions of the Lend-Lease Act of March 11, 1941. Consequently upon completion of the formalities required by Sections 4 and 7 of the Act, Iraq will be eligible to receive Lend-Lease assistance.

COPY

THE WHITE HOUSE

WASHINGTON

March 10, 1942

PSF

B. F.
Lend-Lease

My dear Mr. Stettinius:

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 Government of Liberia, I hereby find that the defense of Liberia is vital to the defense of the United States.

x476

Very truly yours,

(Signed) FRANKLIN D. ROOSEVELT

E. R. Stettinius, Jr., Esq., x4559

Lend-Lease Administrator.

x4193

E. R. Stettinius, Jr.

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

March 10, 1942

MEMORANDUM TO THE PRESIDENT

From: Edward R. Stettinius, Jr.

1. At present, there is no finding by you that the defense of Liberia is vital to the defense of the United States.

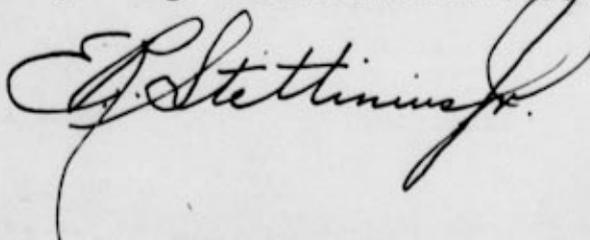
2. The State and War Departments join me in recommending that you make such a finding. This can be done by signing the attached letter.

3. The War Department is vitally interested in the establishment and protection of air-base facilities in Liberia. These facilities are to be used primarily by the Army Air Corps Ferrying Command.

4. In the negotiations with the Liberian Government, it was agreed that the United States would make possible the construction of essential roads and the protection of the installations. The initial cost will be approximately \$1,000,000. This cost will be financed with Lend-Lease funds.

Recommendation: That you sign the attached letter.

x25-0
x249 official
Attachment



Wittes: 7
Will you file
with your Lend Lease please?
WJ

DUPLICATE PROOF
J. 447764

BSF
C.F.
Lend Lease

REPORT TO CONGRESS
ON LEND-LEASE OPERATIONS

For Year Ended March 11, 1942

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J. 447764

PRESIDENT'S LETTER OF TRANSMITTAL

5

TRUCK 111

Chapter 1

LEND-LEASE AUTHORITY

¶ The Lend-Lease Act—"An Act to Promote the Defense of the United States"—became law on March 11, 1941. It defines "defense article" and "defense information" as broadly as modern warfare requires, to include every type of material, services and information useful in total war. It authorizes the sale, transfer of title, lease, loan, or other disposal of any such defense article or information to any country whose defense the President deems vital to the defense of the United States. The terms and conditions upon which aid is received are to be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other acceptable direct or indirect benefit.

The Act then provides all necessary safeguards for the protection of American public and private interests. It also requires the President to transmit to the Congress, at least once every 90 days, a report of operations under the statute, except such information as he deems incompatible with the public interest to disclose.

Lend-Lease Countries

When the President declares the defense of any country vital to the defense of the United States, that nation becomes eligible for lend-lease aid. The defense of the British Commonwealth of Nations and 34 other countries has thus far been declared vital to our defense. The complete list follows:

Argentina	Dominican Republic	Netherlands
Belgium (Free)	Ecuador	Nicaragua
Bolivia	Egypt	Norway
Brazil	El Salvador	Panama
British Commonwealth of Nations	France (Free)	Paraguay
Chile	Greece	Peru
China	Guatemala	Poland
Colombia	Haiti	Russia
Costa Rica	Honduras	Turkey
Cuba	Iceland	Uruguay
Czechoslovakia	Iran	Venezuela
	Mexico	YugoSlavia

Lend-lease countries cover two-thirds of the earth's surface and contain nearly two-thirds of its population. The types of aid being furnished to the principal recipients are summarized in the chapters that follow.

Lend-Lease Agencies

The Act of March 11, 1941, permits the President to authorize the procurement and transfer of defense articles or defense information by the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government. These procurement activities have been carried on by the War Department, the Navy Department, the Maritime Commission, the Department of Agriculture, and the Procurement Division of the Treasury Department.

The President's own functions under the act have been delegated, subject to such policies as the President may from time to time prescribe, to the Lend-Lease Administrator, who heads the Office of Lend-Lease Administration. Other agencies participating in the Lend-Lease program include the State Department and the Board of Economic Warfare. The work of all these departments and agencies is described in detail in Chapter 5.

Lend-Lease Appropriations

Up to March 5, 1942, the Congress had authorized the use of \$48,006,650,000 for lend-lease purposes. The details of these authorizations are summarized in Appendix II.

Of this amount, \$18,410,000,000 has been appropriated directly to the President. This money is allocated, obligated, and expended for specific articles and services earmarked for lend-lease, but any articles so procured may be retained for our own needs if the President so determines. Before December 7, 1941, almost all appropriations were of this category; since that time, only nonmilitary appropriations have been made in this manner.

The remaining \$29,596,650,000 is to be expended directly by the War Department, Navy Department, and Maritime Commission. These funds are not set aside for lend-lease purposes, but up to \$29,596,650,000 of all the material purchased by these agencies for all war needs may, after procurement, be transferred to other nations under lend-lease, if the President and the heads of the armed forces so determine.

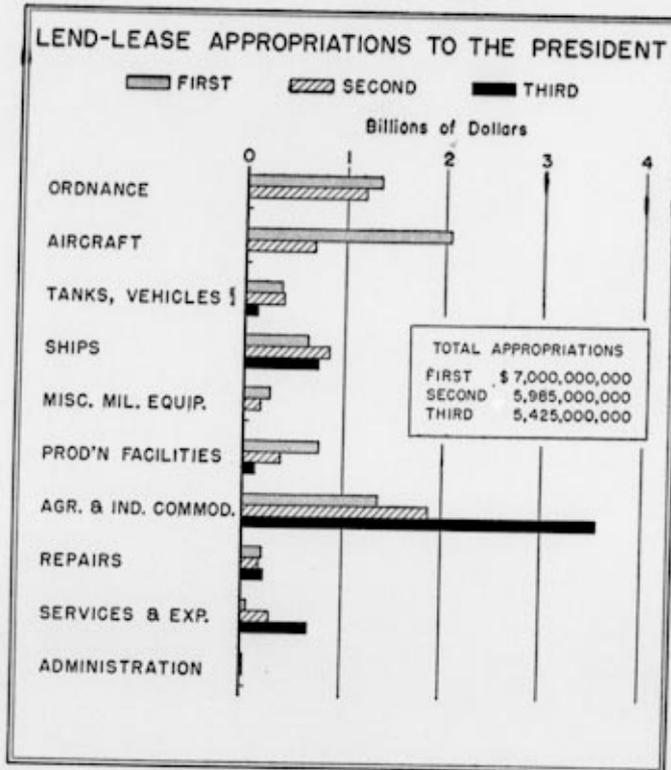


Chart No. 1

Chapter 2

LEND-LEASE PROGRESS

The results of operations during the first year of lend-lease are shown in the following tables and charts.

The statistics on allocations and obligations relate only to funds appropriated directly to the President; data on total lend-lease aid include aid derived from all appropriations.

Lend-Lease Appropriations to the President

* The first two lend-lease appropriation acts appropriated directly to the President \$7,000,000,000 and \$5,985,000,000, respectively. On March 5, 1942, an additional appropriation to the President of \$5,425,000,000 was authorized to cover commitments which must be made before December 31, 1942. The details of the three appropriations, according to category, are shown in Chart No. 1 and Table No. 1.

The third appropriation is different from the first two in that it provides no money for military or naval articles. Since our entry into the war, the Congress has appropriated money directly to the Army and Navy to meet the lend-lease requirements of our allies for military and naval items, such as guns, ammunition, tanks and aircraft, so that all munitions procurement may be completely integrated. The Maritime Commission has received a direct appropriation to provide additional merchant ships as a part of its over-all ship construction program, with authority to the President to lease any such vessels under the Lend-Lease Act. Consequently, the new appropriation to the President of \$5,425,000,000 provides only for the essential raw and intermediate materials from which military and naval weapons can be made abroad, as well as for agricultural and industrial commodities and other nonmilitary goods and services necessary for total war.

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LEND-LEASE APPROPRIATIONS

· First Appropriation Act—March 27, 1941
 Second Appropriation Act—October 28, 1941
 Third Appropriation Act—March 5, 1942

Millions of Dollars

Category	First Appropriation Act	Second Appropriation Act	Total First and Second Acts	Total As Adjusted Feb. 28 1942*	Third Appropriation Act
Ordnance and ordnance stores..	1,343	1,190	2,533	2,026
Aircraft and aeronautical mat'l	2,054	685	2,739	2,877
Tanks and other vehicles.....	362	385	747	971	129
Vessels and other watercraft.....	629	850	1,479	1,675	734
Misc. military equipment.....	260	155	415	467
Production facilities in U. S.....	752	375	1,127	1,051	112
Agric and indust. commodities..	1,350	1,875	3,225	3,265	3,567
Servicing and repair of ships, etc.	200	175	375	306	208
Services and expenses.....	40	285	325	313	675
Administrative expenses.....	10	10	20	20
Total	7,000	5,985	12,985	12,972	5,425

* The adjustments in the appropriated amounts were made in accordance with the provision⁵ of the acts that permitted the transfer of not to exceed 20 percent of the amount appropriated in one category to the amount appropriated in another, so long as no appropriation was increased by more than 30 percent. The net adjustment of \$13,000,000 represents the sum used to reimburse the Treasury Department for Coast Guard vessels which were transferred to the United Kingdom.

Table No. 1

Allocations and Obligations

Allocation of the \$12,972,000,000 available from the first two appropriations to the President was largely completed by the end of February. The funds remaining unallocated consist principally of a \$500,000,000 reserve set up for the Department of Agriculture to provide for the future purchase

ALLOCATIONS AND OBLIGATIONS

Under Lend-Lease Appropriation Acts

To February 28, 1942

Millions of Dollars

BY PROCURING AGENCY		
Procuring Agency	Allocations	Obligations
War Department.....	6,590	0,000
Navy Department.....	2,613	0,000
Maritime Commission.....	1,128	000
Treasury Department.....	932	000
Department of Agriculture.....	1,009	000
Total..	12,272	0,000

4,469
1,675
930
601
784
8,459

BY APPROPRIATION CATEGORY

Category	Allocations	Obligations
Ordnance and ordnance stores.....	1,993	1,307
Aircraft and aeronautical material.....	2,838	2,310
Tanks and other vehicles.....	959	588
Vessels and other watercraft.....	1,664	1,236
Miscellaneous military equipment.....	457	134
Production facilities in U. S.....	1,042	732
Agricultural and industrial commodities.....	2,735	1,859
Servicing and repair of ships, etc.....	297	197
Services and expenses.....	279	92
Administrative expenses.....	8	4
Total..	12,272	8,459

Table No. 2 ;

of certain meat, dairy and poultry products, for which the Department is guaranteeing minimum prices to assure increased production.

The money allocated to the various procuring agencies is being put to work as rapidly as possible. The part of this money covered by formal contracts (obligations) totaled \$0,000,000,000 at February 28th—over two-thirds of the amount allocated. (See Chart No. 2.)

* 8,459,027.566

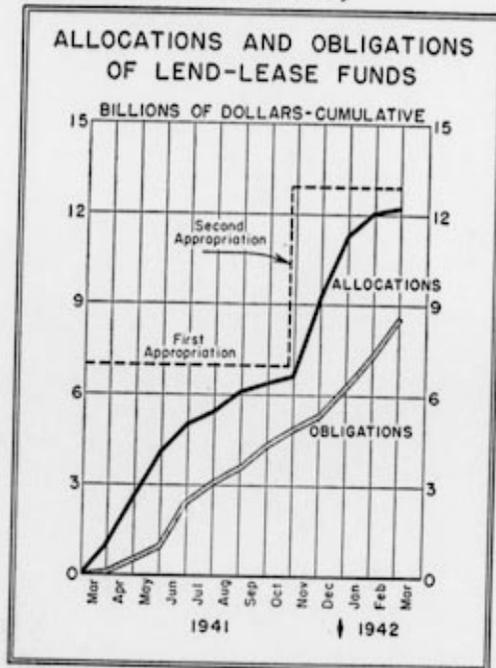


Chart No. 2

* 12,272,007,282

* 8,459,027.566

The fact that \$12,272,000,000 has been allocated and only \$0,000,000,000 has been obligated does not mean that the procuring agencies have the difference of \$0,000,000,000 available for immediate obligation. Some of this money must be reserved for requisitions awaiting priorities allocations before contracts can be let (see Chapter 15); other funds must be earmarked for transportation and other charges that do not accrue until the materials or services become available.

* 3,812,979,716

Total Lend-Lease Aid

► Lend-lease aid includes not only military items such as guns, ammunition, tanks, and planes. It also includes raw materials and machinery to enable our allies to expand their own production of military weapons. It includes food for those doing the actual fighting and for those helping to produce the material with which to fight. It includes ships and the services of those manning the ships which carry the goods to their destination. It includes expansion of facilities for the production of more goods. It includes the hundreds of things being done which are described in the following chapters.

QUANTITIES OF NONMILITARY GOODS TRANSFERRED

To February 28, 1942

Commodity	Quantity
Meat and fish products.....	814,756,776 pounds.
Milk products.....	663,718,086 pounds.
Egg products.....	128,652,685 pounds.
Fruits and vegetables.....	814,006,538 pounds.
Grain and cereal products.....	1,018,659,678 pounds.
Sugar and related products.....	22,932,331 pounds.
Cotton linters.....	35,470,581 pounds.
Raw cotton.....	498,895 bales.
Leaf tobacco.....	153,080 hogsheads.
Petroleum products.....	44,984,827 barrels.
Fertilizers.....	567,295 tons.
Iron and steel.....	2,098,560 tons.
Nonferrous metals.....	203,524 tons.

Use up units rather than figures

Table No. 3

One measure of the amount of aid rendered thus far is the physical volume of goods transferred to our allies. The quantities of some of the more important nonmilitary items transferred are shown in Table No. 3.

The total value of lend-lease aid to February 28, 1942, was \$0,000,000,000, of which \$0,000,000,000 came from lend-lease appropriations to the President and \$000,000,000 from other appropriations. (See Chart No. 3.)

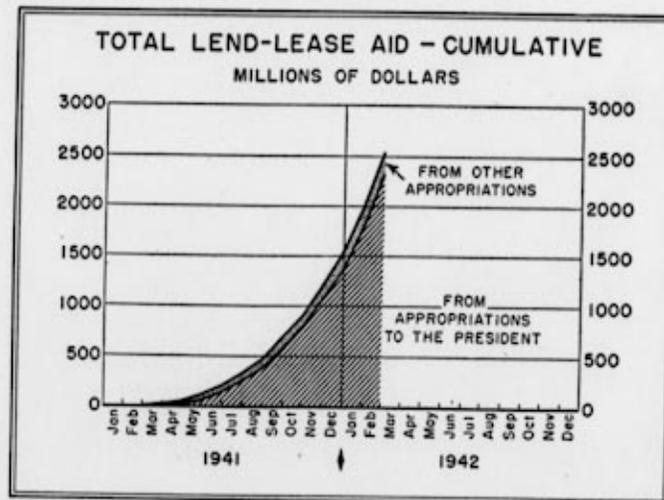


Chart No. 3

Table No. 4 summarizes total lend-lease aid by principal types. "Defense articles transferred" represents the value of goods transferred to the different lend-lease countries. "Articles awaiting transfer or use" are finished articles ready to be transferred to a lend-lease country or to be used in the manufacture of other articles for such countries; in this category would be a finished airplane ready to be flown to the point of transfer or a completed radio ready for installation in a not yet completed airplane. "Articles in process of manufacture" represents expenditures for items such as ships, upon which payment is made by the Government as the work progresses;

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this category does not include the great majority of lend-lease articles in process of manufacture, which are not paid for until the finished goods are delivered. "Servicing and repair of ships, etc.," includes the cost of repairing, servicing and reconditioning the ships of lend-lease countries in United States ports. "Rental and charter of ships, etc.," represents the cost

TOTAL LEND-LEASE AID

Millions of Dollars

Type of Aid	Cumulative to Feb. 28 1942	Month of February 1942
Defense articles transferred.....		
Articles awaiting transfer or use.....		
Articles in process of manufacture.....		
Servicing and repair of ships, etc.....		
Rental and charter of ships, etc.....		
Production facilities in U. S.....		
Miscellaneous expenses.....		
Total..		

Table No. 4

of transporting lend-lease cargoes to foreign countries. "Production facilities in United States" represents the expansion of production facilities in this country for the manufacture of lend-lease goods. "Miscellaneous expenses" includes the cost of administration and items not otherwise classified.

Acceleration in Lend-Lease Aid

¶ In the first 3 months of the lend-lease program, total aid amounted to only \$118,000,000. Each month, however, showed an increase in the amount of aid, and for the month of February, 1942, aid amounted to nearly \$500,000,000, distributed as indicated in Table No. 4.

The amount of aid each month since the beginning of the lend-lease program is shown in Chart No. 4 and Table No. 5.

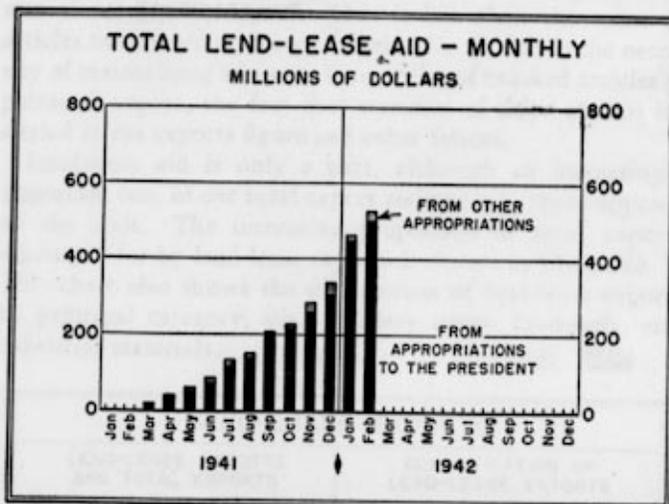


Chart No. 4

LEND-LEASE AID—MONTHLY AND CUMULATIVE

Millions of Dollars

MONTHLY

Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
18	40	60	85	134	150	207	225	283	338	462	000

CUMULATIVE

Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.
18	58	118	203	337	487	694	919	1,202	1,540	2,001	0,000

Table No. 5

4,100,000,000

Exports

▶ The value of exports of lend-lease items to February 28, 1942, was about \$0,000,000,000. This is less than the value of articles transferred as shown in Table No. 4, due to the necessity of maintaining adequate inventories of finished articles at points of export, the fact that transfers of ships are not included in the exports figure and other factors.

Lend-lease aid is only a part, although an increasingly important one, of our total export assistance to those opposed to the Axis. The increasing proportion of total exports accounted for by lend-lease exports is shown in Chart No. 5. This chart also shows the distribution of lend-lease exports by principal category, viz., military items, foodstuffs, and industrial materials.

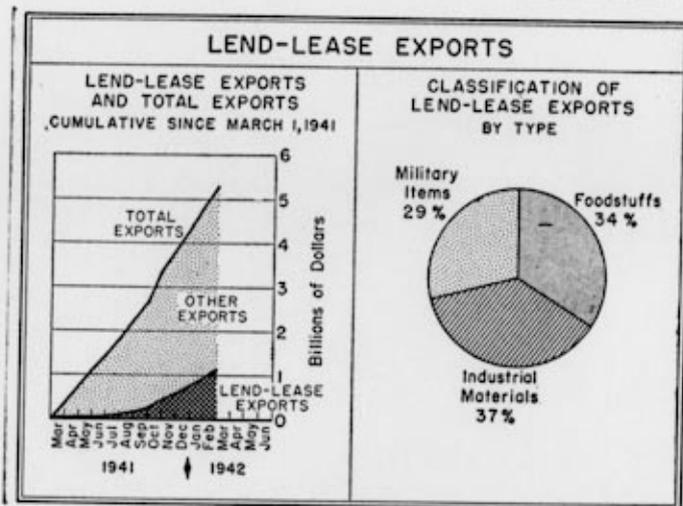


Chart No. 5

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Chapter 3

LEND-LEASE IN ACTION

The two and one-half billion dollar volume of lend-lease aid supplied to date is impressive as an abstract figure. But it can have no meaning except when related to the need. So regarded, what has been done falls far short of what is needed to turn the tide toward victory.

The gulf between supply and demand has been widest in certain military categories. For military reasons, it has been impossible to make public the exact number or value of some items so far transferred. Although many have therefore inferred that the quantity of military material turned over has been enormous, the hard fact is that in relation to need the volume has been small.

Deliveries to date are inadequate because of the time and effort required to revolutionize our industrial system, and to attain the volume of production demanded of an effective arsenal of democracy. Lend-lease tanks cannot be purchased in the market place. The bulk of lend-lease aid must wait upon the tooling of factories, the pressing needs of our own armed forces, and the construction of new ships to carry the remaining weapons to our allies.

Meanwhile, substantial lend-lease assistance has been rendered. It has taken the forms described in the following sections.

Material

MILITARY.—Airplanes, airplane parts, tanks, ordnance, ammunition, field communications equipment, trucks, and petroleum have been supplied to the armies of the United Nations. Small ships, naval aircraft and ordnance, petroleum, and many varieties of ship and airplane stores and equipment have strengthened their navies. British naval vessels have been repaired and remodeled in our yards, and

spare parts furnished for the destroyers transferred in 1940 to the United Kingdom. Lend-lease funds have also been used to construct naval bases, tank repair, truck parts, and airplane supply depots all over the world.

All the resources of the United Nations are now part of a common pool, out of which arms and men pour as considerations of military strategy dictate. Into this pool flow lend-lease munitions, together with the entire military, air and naval strength of all the United Nations. Out of it, air, land and naval units of American forces have gone to the Southwest Pacific; British and Russian troops have moved into Iran; Chinese soldiers have come to the defense of Burma; and quantities of British material have arrived on the main front in Russia. Lend-lease material, as well, has poured from the pool to play its part in this joint effort. Lend-lease arms are fighting on every great battlefield of the war, side by side with pre-lend-lease weapons purchased by the British and other nations, and still being delivered in considerable quantities.

The lessons learned under actual fire help us to better our own weapons, and thus help future lend-lease aid as well. The performance of our aircraft, for example, has enabled our Army to improve its airplane specifications and to proceed with a vast plane construction program. This program includes more than two billion dollars of lend-lease funds already obligated to manufacturers for heavy, medium, light, and dive bombers, pursuit interceptors and fighters, observation airplanes, troop carriers and personnel transports, cargo carriers, primary and advanced trainers, aircraft engines, propellers, spare parts, and other accessories.

INDUSTRIAL.—One great lesson of the war has been that nations must mobilize industrially before they can even begin to equip an adequate military establishment. To help our allies to manufacture their own munitions of war, lend-lease funds have made available raw materials and machines of many kinds.

Industrial aid already transferred includes everything from locomotives and machine tools to raw airplane woods and hoof and horn meal, an animal substance effective in extinguishing incendiary bombs. Semifinished and finished steel, copper, zinc, and aluminum have been exported to vital industrial and munitions centers. Alcohol, acids, and other chemicals have been supplied to overseas manufacturers of bombs, shells, and other ammunition. Douglas Fir, Sitka Spruce, and propeller veneer are being fashioned into aircraft abroad. Large quantities of machine tools, bearings, and abrasives have been carried over the oceans to perform their indispensable production functions.

Lend-lease machinery and other equipment is fortifying the heavy industries and agriculture of our allies. American medical supplies are helping to repair the human damage done by bombings and to maintain the health of soldiers at the front. Our textiles and leathers help to clothe the military and civil armies fighting with us.

The aggregate munitions manufacturing capacity of the United Nations is divided among many countries, and each production center must be furnished with the tools and the materials necessary to achieve the most efficient utilization of all our resources. Many of the articles listed above, however, are far from abundant, even in the United States. As part of the comprehensive pooling policy of the United Nations, these materials and machines are carefully rationed among our allies and ourselves as may best serve the common welfare.

AGRICULTURAL.—Since December 7, 1941, agricultural aid has become an even greater factor in the strategy of war. Food has been and will continue to be one of our most important contributions to the United Nations pool of resources. The lend-lease food program has been so planned as to assure efficient use of the limited shipping space available and yet to keep the military and civil armies of our associate nations well nourished.

In the program of food supply to the United Kingdom, protein foods have predominated from the outset. Concen-

trated foods such as dairy, meat, and poultry products and canned fish, together with fats and oils, have comprised a large proportion of food shipments to Great Britain. The future program puts still greater emphasis on protein foods, and shipments of less concentrated bulky items, such as certain grains and cereals, will be reduced.

Vitamins also have an important place in the program. Because of lend-lease demands, domestic production of vitamin C is being expanded, and this vitamin is being supplied to British children in the form of concentrated orange juice or as an ingredient in jam. Vitamin B-1, sometimes called the "morale vitamin," is used in the United Kingdom to enrich flour.

The program of food shipments to Russia has been gathering rapid momentum. Wheat, flour, and sugar, which the Russians would normally produce in their own Ukraine, have been the major products supplied. Other items include meat products and vegetable oils.

Lend-lease food has also reached the United Nations armies in the Middle East. In the mobile desert war, food supplies must be compact, portable, and available for immediate use. Above all, they must be prepared to withstand spoilage due to heat. For these purposes, canned foods, especially canned fish, have proved to be especially suitable. Canned bacon, cheese, milk, and vegetables are also going to the Middle East.

For some time difficulties in shipping shell eggs were encountered because they are fragile, perishable, and bulky. As a result of research on both sides of the Atlantic, it is now possible to substitute dried eggs satisfactorily. Dried eggs require no refrigeration and less shipping space, a 5-ounce container being equivalent to a dozen fresh eggs; and consumers, as well as commercial bakeries, can use them in place of fresh eggs in almost all cooking recipes. Domestic manufacturers have been encouraged to increase egg-drying capacity from 20 million pounds to about 225 million pounds per year.

Considerable progress has also been made in shipping frozen meat in unrefrigerated ships by packing it in chilled lard.

New packages have been developed for evaporated milk, cheese, and other products which enable them to withstand the rigors of wartime transportation.

Transport

Along the supply lines between our arsenal and the fighting fronts lie a host of natural and human enemies. On sea, on land, and in the air, many barriers must be crossed before our weapons can reach the outstretched hands of our allies.

A tank for Russia must travel so far around the world, that it may sail on a ship headed east or west, north or south. On any route, it must risk enemy raiders and inclement weather for at least 4 weeks before reaching a friendly harbor. Even then, it is still separated from the battle front by one to three thousand miles of mountain, desert, tundra, or steppe, spanned only by a single road or railroad track, often skirting enemy country. Difficult as it is to produce a tank for the Russian front, to deliver it is ten times harder.

SPANNING THE OCEANS.—United Nations shipping comes within the same pooling principle as other major war resources of the allies. Ships flying the British, American, Dutch, Norwegian, Belgian, Russian, Polish, Greek, or Yugoslav flag serve the common needs.

The work of these ships goes far beyond carrying lend-lease material abroad. The raw elements of weapons must reach all the allied centers of production; whole armies and their equipment must be carried around the globe as the military situation requires. In keeping with the pooling principle, all ships are carefully rationed and are loaded to the last inch of deck space with the most urgent cargo available.

United Nations shipping must be increased to carry this ever-increasing load. With British and Australian shipyards vulnerable and overtaxed, the American continent alone has the potential power to remedy the deficiency.

The first task is to build more ships. As part of the Maritime Commission's construction program, large amounts of lend-lease funds have already become obligated for the build-

ing of lend-lease vessels on the East and West Coast, on the Gulf and Great Lakes. Several of this fleet, mainly in the smaller categories, have already been delivered. Billions more have been appropriated for the next section of the bridge of ships.

But today's battles are decided by the ships we now have. Lend-lease has made its most immediate shipping contribution in servicing the vessels now plying the oceans. More than 1,000 foreign-flag cargo carriers have been repaired and refitted out of lend-lease funds in American yards. Many have been equipped with degaussing equipment which neutralizes magnetic mines, and armed with guns to fight off surface raiders and submarines. The port and loading charges of many allied ships in American harbors have been met with lend-lease money. Conversely, as part of the pooling policy, repairs for American merchant shipping have been undertaken in allied ports, and the sterling expenses of many American merchant vessels calling in such harbors are being met with foreign funds.

SPANNING THE CONTINENTS.—United Nations ships have few ports near the fighting fronts. Overland transportation facilities to some of the battlefields exist, but they are usually inadequate, and must be supplemented with road and rail equipment. Sometimes whole transportation systems must be constructed before the first truck or locomotive can be rolled off the wharf.

Lend-lease has played a major role in the development of these distant frontiers. On the China route, lend-lease is enlarging the facilities of a number of Indian ports. Building machinery and railroad materials were sent to Burma to improve the twisting highway and to construct a parallel route by rail. Meanwhile, to relieve the pressure upon this slender life line and to guard against the day when the enemy might choke it off, lend-lease funds are being used to develop new routes on which communications between China and the other United Nations can continue in comparative safety.

Lend-lease has also helped to pave the road to Russia. Unloading, storage, and assembly facilities are being expanded

on the Persian Gulf, and from there the railroad through Iran to the Caspian Sea is being improved. Locomotives and trucks are also being sent to ease Russia's internal transportation problems. In keeping with the pooling principle, many Australian locomotives also were transferred to the Middle Eastern routes to Russia when German invasion made the Soviet's needs imperative.

Other needed equipment has been sent to other areas. The Middle East and Australia are being supplied with trucks, locomotives, assembly depots, and storage facilities.

AIR TRANSPORT.—The simplest way to surmount the barriers on land and sea is to fly over them.

A fighter plane or dive bomber cannot be flown to the distant lands where it must meet the enemy, but a big bomber can. American air ferries have been established to the British Isles, North Africa, the Middle East, and Australia. British ferry systems also pilot additional American planes delivered to the R. A. F. on this continent. To date, the total number of ships flown abroad has been limited by the time required for production and the lack of sufficient pilots with the skill and long experience necessary for these hazardous journeys. Both of these problems are being solved rapidly.

The Army also ferries planes of all types across our own country from factory to port, and has constructed many air fields, storage depots, and hangars on this continent, in Africa and elsewhere. Many of these facilities have been built with lend-lease funds, but few of the planes ferried abroad have been lend-lease aircraft. In fact, the great majority of the ships that have flown the foreign and domestic ferry routes to date have been those of our own Army and the considerable number purchased here by the British before lend-lease became effective, and still being delivered.

Commercial passenger and cargo planes have also performed important transportation missions. Lend-lease military and technical experts have been carried east and west on the Clippers—and on the ferried bombers as well—along with many light but highly significant defense articles. In the immediate future, large cargo planes will bear some of the burden of keeping up our deliveries to the Chinese.

When our squadrons of planes are assembled, the airways now being developed by lend-lease will serve as our routes to the enemy.

Other Projects

CONSTRUCTION OF DOMESTIC LEND-LEASE FACILITIES.—To build many weapons we must first build the plants which produce them. Lend-lease funds have been used to construct new shipways in many of our shipyards, to expand our aircraft and tank capacity, and to enlarge food processing plants. Storage warehouses have been erected to ease the congestion in our harbors.

In this field lend-lease may be said to have made its most significant contribution. Billions of dollars of lend-lease munitions orders, following the billions of dollars of pre-lend-lease orders placed by Great Britain and other countries before their dollar exchange ran out, have greatly expanded our plant capacity. This expansion occurred over a 27-month prewar period, during which the need of complete industrial mobilization for America was not fully appreciated. To this extent, the lend-lease program has helped to compensate for our slowness in converting our industries to a war basis.

PILOT TRAINING.—Lend-lease funds have helped our allies to make this country one of the principal training grounds for their pilots, thus enabling the United Nations to reap the benefit of our present military security, numerous air fields and comparative abundance of flight training facilities.

Under the present Army program thousands of British pilots will be turned out annually. The course covers a period of 9 weeks, after a preliminary one month period of preflight training. New classes enter every month. Our Navy is also making classes of British students into naval aviators. Under a subsidiary program for additional pilots, Great Britain has negotiated contracts with American civilian operators to establish schools for flying instruction through the elementary and advanced stages. Lend-lease funds are being used to provide airplanes, engines, spare parts, maintenance, fuel, oil, and flying clothing. Many British lend-lease students have already been graduated.

Chinese students are also undergoing lend-lease flight instruction, and many have already completed their elementary training. Chinese students are learning to be radio operators and mechanics, and courses are also held in armament and photography. Classes of Brazilian and Yugoslav students are expected to begin flight training shortly.

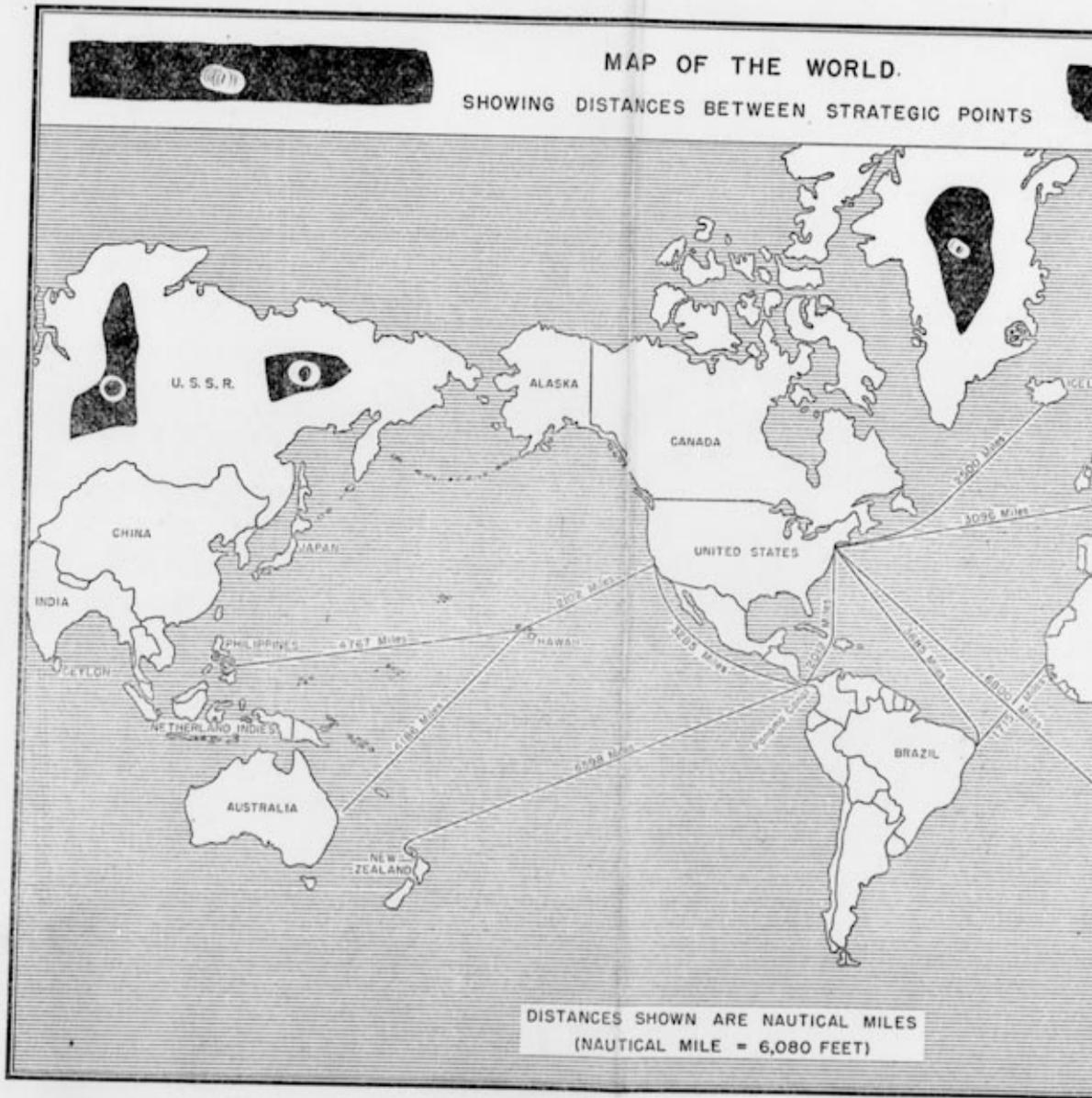
FOREIGN MISSIONS.—Military missions in Russia, China, North Africa and Iran assist in the development of lend-lease aid in these areas. Their expenses are met with lend-lease funds and they gain first-hand information as to the need for articles requested, see that material delivered is properly serviced and maintained after arrival, instruct foreign personnel in correct operation of our equipment, report on its effectiveness in actual battle, and help to build or rebuild the transportation systems between foreign port and battlefield where necessary.

Russian Mission: The major assignments of this mission will be to instruct Russia's soldiers in the characteristics of American-made weapons, and to decide by observation on the spot, supplemented by knowledge of our domestic problems, what types of aid we can best supply. Aside from what they can contribute to Russia's effort, the experience these officers will gain from their participation in the Russian campaign will be of priceless value to the general staff of our own army.

China Mission: The mission to China must help to equip and train a huge army for mechanized warfare. The size of this task is evident from the mission's activities—improving the Burma Road, constructing the Yunnan-Burma railway, evacuating supplies from Rangoon to the interior and diverting ships to other ports, surveying alternative transportation routes, developing communications, planning an automotive spare parts depot and a truck assembly plant, arranging for delivery of motor vehicles and other supplies, inspecting China's war industries, establishing a sanitation and malarial control unit, instructing Chinese troops in field artillery, chemical warfare and medicine, and assisting the "Flying Tigers" of the American Volunteer Group to obtain needed materiel and supplies.

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MAP OF THE WORLD.
SHOWING DISTANCES BETWEEN STRATEGIC POINTS



DISTANCES SHOWN ARE NAUTICAL MILES
(NAUTICAL MILE = 6,080 FEET)

North Africa Mission: This unit operates in Egypt, Eritrea, and Palestine. It is establishing repair shops for automotive and engineering equipment, tanks, ordnance, and aircraft. It is improving port facilities, salvaging scuttled Axis ships in harbors, and constructing assembly plants for weapons broken down for shipment. Military communications throughout the whole of North Africa are being improved. A technical school has been established to instruct the British in the use and maintenance of American trucks, tanks, and planes.

Iranian Mission: The Iranian Mission covers the area from Baghdad on the west to Agra, India, on the east, and from Umm Qasr, Iraq, on the south, to Teheran, Iran, on the north. It has labored to improve transport and communications in this territory, strategically important as a supply line to Russia and as a barrier on the road from the west to India. Pipelines, ordnance workshops and food canning factories are under construction, and more military depots and repair shops are being planned.

The success of future offensives by the United Nations will depend largely upon the work now being done by these lend-lease spearheads.

* * *

This is the substance of the lend-lease aid already rendered. Its significance must be judged with caution. True, its volume and variety represent a considerable procurement achievement, as well as a substantial contribution to the military power of the other United Nations. But while we note what has been accomplished, we must remember that we have done only a part of the job. What we have done has not met the most urgent of our present needs; it will not even begin to satisfy the stern requirements of the future.

Chapter 4
MASTER AGREEMENTS AND
RECIPROCAL AID

The terms and conditions upon which aid is granted under the Act are embodied in lend-lease master agreements, negotiated by the Department of State, with the advice of the Lend-Lease Administration and the Board of Economic Warfare. Where appropriate, other interested agencies, such as the War and Navy Departments, are consulted.

¶ On February 23, 1942, the master agreement between Great Britain and the United States was signed, an event which the Under Secretary of State declared to be the first important milestone on the road toward achievement of the objectives set forth in the Atlantic Charter. The form and terms of this agreement represent the culmination of many months of study and negotiation, and the solution they foreshadow promises to contribute substantially to the post-war reconstruction in which the United States has so large a political and economic stake.

In passing the Act of March 11, 1941, Congress recognized the dangers to trade and to political stability inherent in the accumulation of large dollar debts, and the Act provides that the terms and conditions upon which a foreign government receives aid "shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory." The British master agreement fulfills the policy of this provision in a forceful and dynamic way, expected to be a model for other settlements under the Act.

Under the British agreement, the United States receives several kinds of direct benefit in return for its aid to Britain.

The first, both before our entry into the war, and emphatically since December 7, 1941, is the military contribution to American security which flows from the continued British fight against the Axis. To assure this benefit to America has, of course, been at all times the basic purpose and motive of the Act.

The second of the benefits provided for in the agreement is the increased flow of reciprocal aid which we are receiving from Britain and the other members of the British Commonwealth of Nations. The development of reciprocal aid among the United Nations—and here our relations with the British Commonwealths are typical—has been one of the most important recent developments in the administration of the Act of March 11, 1941. The fact that other nations have been engaged in this war for a longer period than we makes their contribution in experience, war material, and service of vital importance to us.

Lend-lease, therefore, is not a one-way street. It is the instrument with which we supply our allies and it promises to become the instrument with which they supply us. The lend-lease master agreements recognize the principle that signatory nations will make available to the United States such defense information and materiel as they are in a position to supply. The details of the mechanism by which some of the reciprocal aid thus rendered us is to be credited against lend-lease articles and services furnished by the United States are now in process of formulation.

Reciprocal aid is already an actuality, however, and is not waiting upon the result of these procedural discussions. Among the materials and services now being provided to us by other United Nations without dollar payment are anti-aircraft guns and ammunition, complete equipment for a gun factory, repairs for our vessels in foreign ports, air rights for our ferry and commercial services in South America, military information and experimental models of new weapons, and a few of the vital military materials that come back in the holds of returning ships. Similar plans are being drawn for the maintenance of United States forces based in other United Nations, and for other important articles and services.

We will of course, continue to pay dollars for many things we receive today. If we did not, the seller countries would lose what little dollar exchange they now have available to use for cash purchases in our markets. Since they would have no other source of dollar exchange, they would be even more dependent on lend-lease aid than they are now.

The third direct benefit received in return for our aid is an understanding with Britain (and prospectively with other of our allies) as to the shape of future commercial and financial policy. Article VII of the Agreement of February 23, 1942, pledges the signatories to work collectively, with all other countries of like mind, for "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." Beyond this pledge of vigorous and cooperative attack against the threat of future depression by the fullest utilization of the resources of both countries, the two nations agree to remove discrimination from trade, to work for the reduction of trade barriers, and to seek generally the attainment of the purposes set out in the Atlantic Charter. Further conversations under Article VII will clarify the policies which must accompany and complement such a program, if it is to be fulfilled.

¶ A final determination of mutual credits between the United States and Great Britain is deferred until events shall clarify further the problems presented by the program of mutual assistance among the United Nations. After the emergency we may also, of course, require the return to us of any articles not used, lost or consumed, which we regard as important to the defense of the United States or of the Western Hemisphere, or otherwise of use to the United States.

The basic lend-lease master agreement with Great Britain is more comprehensive than those that were signed before it, and is expected to have great influence on the further development of master agreement policy. Thirteen master compacts have been executed in addition to the British agreement, with Bolivia, Brazil, Costa Rica, Cuba, Dominican Republic, El

Salvador, Haiti, Honduras, Iceland, Netherlands, Nicaragua, Paraguay, and Uruguay. Aid is provided to the Soviet Union in accordance with an exchange of communications, dated October 30, and November 4, 1941, respectively, under which the United States has extended to the Soviet, without interest, a lend-lease credit of one billion dollars, to be repaid in money or materials over a 10-year period, beginning 5 years after the end of the war. The Soviet has agreed to expedite the provision to us of raw materials essential to our war effort. Both the Netherlands agreement and the Iceland agreement call for cash payment to the United States for aid procured through the usual lend-lease channels.

Active negotiations for lend-lease master agreements are proceeding or are about to begin with Belgium, Chile, China, Colombia, Czechoslovakia, Ecuador, Free France, Greece, Guatemala, Mexico, Norway, Peru, Poland, Russia, Turkey, Venezuela, and Yugoslavia.

All the signatories of master agreements, and all other nations receiving aid, have submitted certain representations, required under the act, as a condition precedent to actual lend-lease deliveries. The countries receiving aid have agreed not to permit the transfer of any lend-lease material or information, or its use by anyone not an officer, employee, or agent of their governments, without our consent. They have undertaken to protect the interests of citizens of the United States who have patent rights in and to any articles or information transferred. Under the Act, the United States has also reserved the right, before delivery, to retain for its own defense needs any article procured for lend-lease to another nation.

Insofar as differing economic and political circumstances permit, it is expected that goodwill and self-interest will soon lead to the negotiation of uniform and comprehensive master agreements among the United Nations, laying a foundation for future action designed to fulfill the victory and safeguard the peace.

An important recent development of lend-lease policy is embodied in the agreements between Brazil and the United States, signed on March 3, 1942. Those agreements were the direct

result of the Conference of American Foreign Ministers in Rio de Janeiro, during January, 1942. They contemplate a large scale program for the development of Brazilian economy, to be accomplished by agencies of the Brazilian government, with the financial aid of several branches of our government. Lend-lease aid is an integral part of the development project and in the future it promises to be used in comparable programs of economic investment in various friendly nations.

Aid under the Act of March 11, 1941, has proved to be a weapon of great scope, with surprising capacity for cutting through barriers of convention and delay. It is an integral part of the process of pooling economic and military resources which dominates United Nations war policy. More than that, the arrangements effected under the lend-lease program may contribute profoundly to post-war economic and financial stability, and the master agreements declaring the policy of the United States in this area make lend-lease a part of a coherent plan for reconstructing and revitalizing the world economy.

Chapter 5

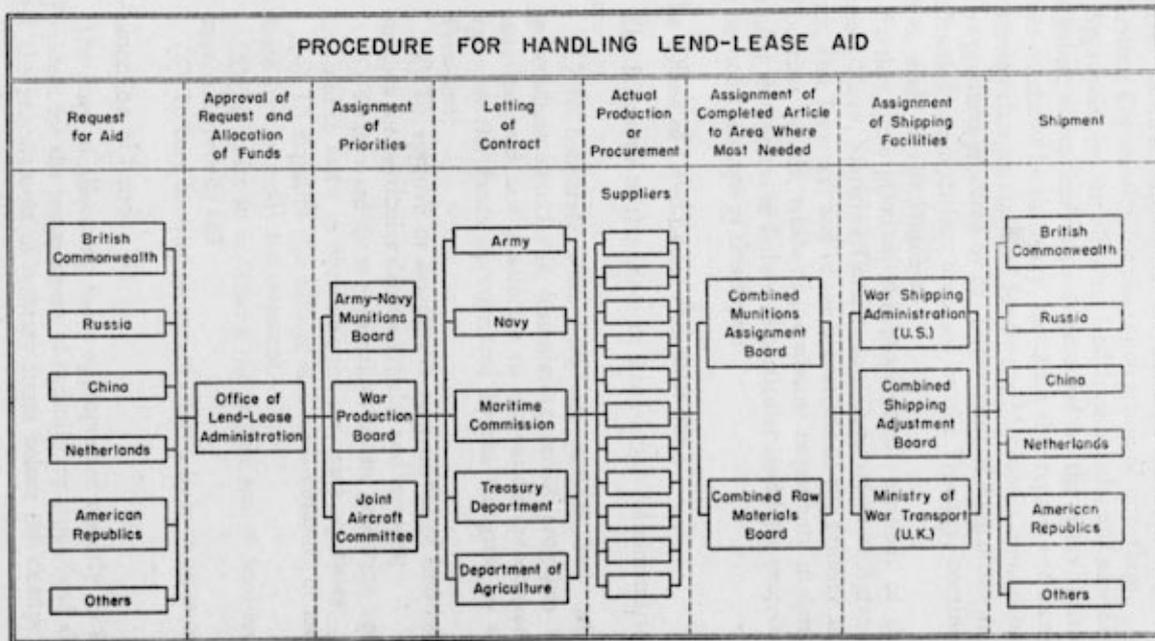
THE MECHANICS OF LEND-LEASE

Lend-lease is an integral part, but only a part, of our entire war production program. Just as every lend-lease decision must be in accord with our entire war production plan, so the mechanics of lend-lease can be understood only in relation to our whole procurement picture.

The chart on the opposite page traces the life of a lend-lease article from initial request to ultimate delivery. Since the chart tries to show the general relation of lend-lease to other war procurement, accuracy of minor detail has been sacrificed in the interest of simplification.

As can be seen from the chart, competition between lend-lease procurement and other procurement is reduced to a minimum. All purchasing is done through the same agencies which purchase for our own needs. Thus the War Department uses the same channels and procedures in procuring tanks for lend-lease as in procuring tanks for our own army. Conflicts of interest between lend-lease and domestic demand for scarce material are subject to adjustment by central priority and allocation boards. Even after procurement, the Combined Munitions Assignment Board may, as the military situation requires, assign to another country, under lend-lease, a plane built for our own army or assign to our own army a plane built for lend-lease to another nation.

A year's experience in lend-lease procurement and the requirements of full war mobilization have made necessary even further integration of all munitions procurement. Since the ultimate responsibility in munitions matters must rest upon the heads of our armed forces, recent lend-lease appropriations made by the Congress allot sums for lend-lease munitions directly to the Secretary of War and the Secretary of the Navy, instead of to the Lend-Lease Administrator through the President, as formerly. This money merely represents the maximum which may be contributed to the United Nations pool of arms as lend-lease munitions; defense articles procured with these funds may instead be used for our own



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forces. A direct appropriation has also been made to the Maritime Commission for the construction of new ships.

Appropriations for all other lend-lease articles and services, including nonmilitary articles procured by the Army, petroleum purchases by the Navy, merchant ship repairs and transportation charges arranged for by the Maritime Commission, farm products procured by the Department of Agriculture and industrial commodities purchased by the Treasury, continue to be made to the President.

Further description of the procurement methods of the Army, Navy, Maritime Commission, Department of Agriculture, and Treasury, and of the operations of the priority and allocation boards, while of the utmost importance in determining the success or failure of particular lend-lease projects, is beyond the scope of this report.

The Office of Lend-Lease Administration

The functions of the Office of Lend-Lease Administration are:

- (1) To cooperate with lend-lease nations and other government agencies in formulating broad programs for lend-lease aid, and to allocate to the various procurement agencies the funds appropriated by the Congress to the President;
- (2) To approve or disapprove requisitions of lend-lease nations for particular defense articles and services;
- (3) To forward these requisitions to the procuring agencies and to assist in obtaining the necessary priorities;
- (4) To expedite the storage and transportation of lend-lease articles ready for shipment;
- (5) To assist in obtaining the proper use of lend-lease material abroad; and
- (6) To keep detailed records of all lend-lease transactions.

Allocation of Funds

The duty of allocating funds appropriated directly to the President for the procurement of nonmilitary items (and also for the procurement of military items before the change in

appropriation policy referred to above) has been delegated by the President to the Lend-Lease Administrator, and is handled in two ways.

First, allocations are made on a program basis to cover those items for which the need can readily be foreseen. After consultation among the applicant country, the Lend-Lease Administration, the procuring agency, and, when appropriate, the Board of Economic Warfare, programs to cover future requirements are formulated and the necessary funds allocated. In this way, a 6-month chemical or steel program can be evaluated, in terms of need, funds, and supply, more quickly and more accurately than can piecemeal and recurring requests for smaller quantities of such material.

Second, the Lend-Lease Administration and the various procuring agencies agree as to the nature and amount of certain "blanket" allocations made to cover the cost of the many items, such as emergency ship repairs, which cannot readily be planned in advance on a program basis. These items must be handled separately, from day to day, as critical needs arise. "Blanket" allocations are also made available to the procurement agencies for "spot" and other rush purchases and are replenished from time to time as needed.

Approval of Requisitions

Requests for aid are presented to the Lend-Lease Administration in the form of requisitions drawn up by the applicant country with the assistance of the liaison officer of the Lend-Lease Administration assigned to that country. The requisition must set forth the use to which the requested article or service is to be put, and the reason why it is needed. No items are approved unless the following conditions are met:

(a) The lend-lease aid requested must be for a specific use essential to the total war or defense effort of a country whose defense the President has found vital to the defense of the United States.

(b) The lend-lease aid requested must be more important to the total war effort of the United Nations than any other competing demand for the funds available.

(c) The lend-lease aid requested must be scheduled for use where it can best contribute to the total war effort.

(d) The lend-lease aid requested must be obtainable at as low a cost, in terms of lend-lease funds and of component critical materials, as is consistent with the need which it is designated to meet.

(e) The lend-lease aid requested must not be obtainable, as a practical matter, by payment therefor in American dollars or other currency available to the requisitioning country.

If the requisition contains the necessary information, and the above requirements are satisfied, the liaison officer recommends its clearance, subject to the approval of the Legal Division and of the Assistant Administrator in charge of clearance. If the material requested is in short supply in the United States, further information is requested as to the available supply, consumption, rationing restrictions, exports, and estimated requirements of the applicant country. The judgment of the Board of Economic Warfare is requested on all such long-range problems. In addition to these administrative controls, each nation is impelled by its own desire to cooperate in the common effort, as well as by limited shipping facilities, to submit requisitions only for its most urgent needs.

Constant reexamination and improvement of the requisition procedure has resulted in decreasing the average elapsed time for clearance to less than 48 hours.

Forwarding to Procuring Agency and Obtaining Priorities

Upon approval, the requisition is forwarded to the appropriate procurement agency. These agencies do not, as originally, have to await the allocation of funds by the Lend-Lease Administrator for each individual requisition, since the money has already been allocated to them on a program or "blanket" basis. If for any reason the agency does not feel that it should procure a particular article—for example, because it believes the article should be retained in this country—the agency notifies the Lend-Lease Administration and the matter is worked out in consultation between them. In almost all cases, however, these matters are thoroughly checked and agreed upon in advance, and the agency is pre-

pared immediately to proceed with procuring the defense articles or services requested. If disagreement persists, the problem may be referred to the Combined Munitions Assignment Board or the Combined Raw Materials Board, depending upon the nature of the article under discussion.

Before production can begin, the necessary priorities must be obtained. An important function of the Office of Lend-Lease Administration is, when necessary, to present the case of the applicant country to the appropriate priorities authority, and to bring about an understanding of the urgent need for the article requested. In all cases, however, the final priorities decision is made, with due regard to the entire war production plan, by the War Production Board or the Army-Navy Munitions Board and the Joint Aircraft Committee, to which the War Production Board has delegated part of its priorities power.

Storage and Transportation

At the time it approves nonmilitary requisitions, the Lend-Lease Administration, with the approval of the Board of Economic Warfare, authorizes the transfer and export of the defense article by the purchasing agency to the applicant country. To assure actual delivery, however, involves much more than granting the authority to transfer. As the areas of combat mushroom over the surface of the globe, the difficulties of transportation continue to multiply, until today they have become one of the principal problems confronting the United Nations.

Each procuring agency is primarily responsible for the movement of its own lend-lease articles from point of production to shipboard. The Lend-Lease Administration maintains a special staff of transportation experts to assist in assuring a steady flow of lend-lease articles to domestic and foreign ports.

All traffic in the continental United States is subject to the coordination and direction of the Office of Defense Transportation. This agency assembles comprehensive information on inland traffic conditions and the utilization of port facilities, as a basis for directive control of the flow of cargo to the

leading ports. Thus intelligent decisions can be made as to whether particular lend-lease articles should be shipped immediately to tidewater or whether intermediate storage is advisable. Each procuring agency arranges for its own storage as needed. In addition, with the assistance of lend-lease funds, the War Department has constructed and now operates additional emergency storage facilities, and many more War Department storage depots are in process of construction. The Office of Defense Transportation maintains a storage division responsible for all master storage plans and is consulted with respect to all storage facilities acquired for lend-lease purposes. As information is received that ocean shipping will become available, each procuring agency arranges for shipment over the route and to the loading port determined to be most efficient by the Office of Defense Transportation and War Shipping Administration, in view of the entire land and water traffic situation.

The movement of all American, British, Dominion, and exile government shipping is controlled by the United States War Shipping Administration, and the British Ministry of War Transport. The activities of these two agencies and the operation of the merchant fleets of the other United Nations are coordinated by the Combined Shipping Adjustment Board. The movement of all vessels is geared to achieve the fullest and most economical use of outgoing and incoming shipping space, to assure a steady supply of strategic materials to the production centers, and to conform with the most pressing military needs of the moment. The Lend-Lease Administration assists the transportation authorities in reaching informed judgments by furnishing periodic estimates of the nature and destination of lend-lease cargoes expected to become ready for carriage at stated future intervals.

Control of Use

The governments to which aid has been rendered keep the Lend-Lease Administration informed on the use, condition, and continued need of materials transferred. Lend-lease representatives are on the ground in all of the major areas to which lend-lease supplies are being delivered.

Much advisory work has been done in the distribution of lend-lease food in Great Britain. Lend-lease foods are distributed through the usual wholesale and retail channels under strict governmental supervision and price control. Where possible, each product bears a distinctive American identification symbol. Special efforts have been made to accustom the British public to many unfamiliar American foods.

Once articles are transferred to a Lend-Lease country, they may not be retransferred, either to private individuals or to other countries, without the consent of the United States. This consent is granted only where it will further the total war effort.

An extension of this control, with special reference to exports from the United Kingdom containing lend-lease materials or materials similar to those supplied under Lend-Lease, was undertaken by the British government in the so-called Eden White Paper dated September 10, 1941. Under this White Paper, reprinted in Appendix IV, permission to reexport has been granted from time to time, but only after it has been established that such export would benefit the total war effort of the United Nations.

Reports and Records

The Lend-Lease Administration maintains a careful system of records to account for all funds appropriated by the Congress, whether to the President directly or to the various procurement agencies. Through prescribed reporting procedures, each procurement agency supplies up to date data on its progress in procuring the articles and services requested. Records are compiled on the amount of aid supplied to each United Nation, by type of article or service and by value.

Periodically, this information is summarized in reports on total lend-lease progress circulated among the interested agencies, and weekly and monthly summaries are also furnished to the President. The frequency and thoroughness of these reports have been of great assistance to those who make the day-to-day decisions so vital to the success of the entire lend-lease program.

APPENDICES

Appendix I
LEND-LEASE ACT

Further to promote the defense of the United States, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as "An Act to Promote the Defense of the United States."

Section 2.

As used in this Act—

(a) The term "defense article" means—

- (1) Any weapon, munition, aircraft, vessel, or boat;
- (2) Any machinery, facility, tool, material, or supply necessary for the manufacture, production, processing, repair, servicing, or operation of any article described in this subsection;
- (3) Any component material or part of or equipment for any article described in this subsection;
- (4) Any agricultural, industrial or other commodity or article for defense.

Such term "defense article" includes any article described in this subsection: Manufactured or procured pursuant to section 3, or to which the United States or any foreign government has or hereafter acquires title, possession, or control.

(b) The term "defense information" means any plan, specification, design, prototype, or information pertaining to any defense article.

Section 3.

(a) Notwithstanding the provisions of any other law, the President may, from time to time, when he deems it in the interest of national defense, authorize the Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government—

- (1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

(2) To sell, transfer title to, exchange, lease, lend, or otherwise dispose of, to any such government any defense article, but no defense article not manufactured or procured under paragraph (1) shall in any way be disposed of under this paragraph, except after consultation with the Chief of Staff of the Army or the Chief of Naval Operations of the Navy, or both. The value of defense articles disposed of in any way under authority of this paragraph, and procured from funds heretofore appropriated, shall not exceed \$1,300,000,000. The value of such defense articles shall be determined by the head of the department or agency concerned or such other department, agency or officer as shall be designated in the manner provided in the rules and regulations issued hereunder. Defense articles procured from funds hereafter appropriated to any department or agency of the Government, other than from funds authorized to be appropriated under this Act, shall not be disposed of in any way under authority of this paragraph except to the extent hereafter authorized by the Congress in the Acts appropriating such funds or otherwise.

(3) To test, inspect, prove, repair, outfit, recondition, or otherwise to place in good working order, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for any such government, or to procure any or all such services by private contract.

(4) To communicate to any such government any defense information, pertaining to any defense article furnished to such government under paragraph (2) of this subsection.

(5) To release for export any defense article disposed of in any way under this subsection to any such government.

(b) The terms and conditions upon which any such foreign government receives any aid authorized under subsection (a) shall be those which the President deems satisfactory, and the benefit to the United States may be payment or repayment in kind or property, or any other direct or indirect benefit which the President deems satisfactory.

(c) After June 30, 1943, or after the passage of a concurrent resolution by the two Houses before June 30, 1943, which declares that the powers conferred by or pursuant to subsection (a) are no longer necessary to promote the defense of the United States, neither the President nor the head of any department or agency shall exercise any of the powers conferred by or pursuant to subsection (a); except that until July 1, 1946, any of such powers may be exercised to the extent necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

(d) Nothing in this Act shall be construed to authorize or to permit the authorization of convoying vessels by naval vessels of the United States.

(e) Nothing in this Act shall be construed to authorize or to permit the authorization of the entry of any American vessel into a combat area in violation of section 3 of the Neutrality Act of 1939.

Section 4.

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense article or defense information by gift, sale, or otherwise, or permit its use by anyone not an officer, employee, or agent of such foreign government.

Section 5.

(a) The Secretary of War, the Secretary of the Navy, or the head of any other department or agency of the Government involved shall, when any such defense article or defense information is exported, immediately inform the department or agency designated by the President to administer section 6 of the Act of July 2, 1940 (54 Stat. 714), of the quantities, character, value, terms of disposition, and destination of the article and information so exported.

(b) 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. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Section 6.

(a) There is hereby authorized to be appropriated from time to time, out of any money in the Treasury not otherwise appropriated, such amounts as may be necessary to carry out the provisions and accomplish the purposes of this Act.

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

Section 7.

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall in all contracts or agreements for the disposition of any defense article or defense information fully protect the rights of all

citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owners and holders of such patents.

Section 8.

The Secretaries of War and of the Navy are hereby authorized to purchase or otherwise acquire arms, ammunition, and implements of war produced within the jurisdiction of any country to which section 3 is applicable, whenever the President deems such purchase or acquisition to be necessary in the interests of the defense of the United States.

Section 9.

The President may, from time to time, promulgate such rules and regulations as may be necessary and proper to carry out any of the provisions of this Act; and he may exercise any power or authority conferred on him by this Act through such department, agency, or officer as he shall direct.

Section 10.

Nothing in this Act shall be construed to change existing law relating to the use of the land and naval forces of the United States, except insofar as such use relates to the manufacture, procurement, and repair of defense articles, the communication of information and other noncombatant purposes enumerated in this Act.

Section 11.

If any provision of this Act or the application of such provision to any circumstance shall be held invalid, the validity of the remainder of the Act and the applicability of such provision to other circumstances shall not be affected thereby.

APPROVED, March 11, 1941.

Appendix II

AMOUNTS OF LEND-LEASE AID AUTHORIZED

Lend-Lease Act—March 11, 1941

This Act appropriated no money, but empowered the President to transfer a maximum of \$1,300,000,000 of defense articles, obtained with funds appropriated prior to the date of the Act.

First Lend-Lease Appropriation Act—March 27, 1941

This Act appropriated \$7,000,000,000 for lend-lease, of which \$13,000,000 was transferred to the Treasury Department to cover the cost of 10 Coast Guard cutters turned over to Great Britain.

First Supplemental Nat'l Defense Approp. Act—August 25, 1941

Title III of this Act added \$1,296,650,000 in appropriated funds and contract authorizations to the Maritime Commission's general funds, established by the 1936 Merchant Marine Act, for ship and facilities construction, and empowered the President to lease vessels constructed or acquired with funds appropriated by this title.

Second Lend-Lease Appropriation Act—October 28, 1941

Title I of this Act appropriated \$5,985,000,000 for lend-lease. It also authorized the President to transfer defense articles or information to any country deemed vital to the defense of the United States, for payment upon delivery.

Third Supplemental Nat'l Defense Approp. Act—Dec. 17, 1941

Title I of this Act appropriated money to the War Department and changed the provisions of the Lend-Lease Act in regard to the transfer of defense articles. The President was empowered to transfer War Department articles procured from funds appropriated prior to or since March 11, 1941 to the value of \$2,000,000,000. The limitation of \$1,300,000,000, which applied to goods obtained from appropriations made prior to March 11, 1941, was reduced to \$800,000,000, and this new limitation was made to apply only to articles other than War Department articles.

Fourth Supplemental Nat'l Defense Approp. Act—Jan. 30, 1942

Title I of this Act appropriated money to the War Department and empowered the President to lend-lease War Department articles procured from funds appropriated in this title to the value of \$4,000,000,000. These articles will come principally from the aircraft category and to a lesser extent from ordnance and other categories.

Naval Appropriation Act—February 7, 1942

Title III of this Act empowered the President to lease, for a period of time not exceeding the duration of the existing emergency, ships to be constructed at a cost not to exceed \$3,900,000,000, and to transfer articles procured from funds appropriated by this Act to the value of \$2,500,000,000.

Fifth Supplemental Nat'l Defense Approp. Act—March 5, 1942

Title I of this Act appropriated money to the War Department and empowered the President to lend-lease articles procured from funds appropriated in this title to the value of \$11,250,000,000. These articles will come principally from the ordnance category and to a lesser extent from other categories.

Title II of this Act appropriated to the Maritime Commission additional

funds and contract authorization totaling \$3,850,000,000 for construction of ships and facilities, and empowered the President to lease ships authorized in this title.

Title III of this Act appropriated directly to the President \$5,425,000,000 for lend-lease.

RECAPITULATION

The amount of lend-lease aid that may be provided under the various acts is summarized in the following table.

Lend-Lease Appropriations to the President	
First Lend-Lease Appropriation Act.....	\$7,000,000,000
Second Lend-Lease Appropriation Act.....	5,985,000,000
Third Lend-Lease Appropriation (Fifth Supplemental)....	5,425,000,000
	<hr/>
	\$18,410,000,000
 Value of Goods That Can Be Transferred	
War Department—Third Supplemental.....	\$2,000,000,000
War Department—Fourth Supplemental.....	4,000,000,000
War Department—Fifth Supplemental.....	11,250,000,000
Navy Department—Naval Approp. Act (Ships).....	3,900,000,000
Navy Department—Naval Approp. Act (Articles).....	2,500,000,000
Maritime Commission—First Supplemental.....	1,296,650,000
Maritime Commission—Fifth Suppl. (Approp. Funds)....	1,500,000,000
Maritime Commission—Fifth Suppl. (Contr. Auth.)....	2,350,000,000
Other Departments—Third Supplemental.....	800,000,000
	<hr/>
	\$29,596,650,000
 MAXIMUM AMOUNT OF AID THAT CAN BE PROVIDED.....	 \$48,006,650,000

The undersigned, being duly authorized by this subject the Government for that purpose, have signed as follows:

Article 1
The Government of the United States of America will continue to supply the Government of the United Kingdom with such defense articles and services, and furnish information to the President that authority is hereinafter provided.

Appendix III BRITISH MASTER AGREEMENT

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.

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, fulfill 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 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

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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 23d day of February, 1942.

For the Government of the United States of America:

[SEAL] SUMNER WELLES,
Acting Secretary of State of the
United States of America.

For the Government of the United Kingdom
of Great Britain and Northern Ireland.

[SEAL] HALIFAX
His Majesty's Ambassador Extraordinary
and Plenipotentiary at Washington.

Appendix IV
BRITISH WHITE PAPER OF SEPTEMBER 10, 1941

FOREIGN OFFICE, S. W. I.,
10th September, 1941.

MY DEAR AMBASSADOR: With reference to the conversations about lend-lease material which have recently taken place in London and in which you have participated, I enclose a memorandum on the policy of His Majesty's Government in the United Kingdom with regard to exports from this country and with regard to the distribution here of lend-lease material. I shall be glad if you will transmit it to your Government.

Yours sincerely,
ANTHONY EDEN.

His Excellency The Honourable John G. Winant.

Memorandum.

1. All materials which we obtain under the Lend-Lease Act are required for the prosecution of the war effort. This principle governs all questions

J. 447764

of the distribution and use of such goods and His Majesty's Government have taken and will continue to take action to secure that these goods are not in any case diverted to the furtherance of private interests.

2. Lend-lease materials sent to this country have not been used for export and every effort will be made in the future to ensure that they are not used for export, subject to the principle that where complete physical segregation of lend-lease materials is impracticable domestic consumption of the material in question shall be at least equal to the amounts received under lend-lease.

3. His Majesty's Government have not applied and will not apply any materials similar to those supplied under lend-lease in such a way as to enable their exporters to enter new markets or to extend their export trade at the expense of United States exporters. Owing to the need to devote all available capacity and man-power to war production, the United Kingdom export trade is restricted to the irreducible minimum necessary to supply or obtain materials essential to the war effort.

4. For some time past, exports from the United Kingdom have been more and more confined to those essential (I) for the supply of vital requirements of overseas countries, particularly in the sterling empire; (II) for the acquisition of foreign exchange, particularly in the Western Hemisphere. His Majesty's Government have adopted the policy summarized below:

(I) No materials of a type the use of which is being restricted in the United States on the grounds of short supply and of which we obtain supplies from the United States either by payment or on lend-lease terms will be used in exports with the exception of the following special cases:

(a) Material which is needed overseas in connection with supplies essential to the war effort for ourselves and our Allies, and which cannot be obtained from the United States.

(b) Small quantities of such materials needed as minor though essential components of exports which otherwise are composed of materials not in short supply in the United States.

(c) Repair parts for British machinery and plant now in use, and machinery and plant needed to complete installations now under construction, so long as they have already been contracted for.

Steps have been taken to prevent the export (except to Empire and Allied territories) of such goods which do not come within the exceptions referred to in (a), (b), and (c) above.

(II) Materials similar to those being provided under lend-lease which are not in short supply in the United States will not be used for export in quantities greater than those which we ourselves produce or buy from any source.

5. The general principle followed in this matter is that the remuneration received by the distributors, whatever the method of distribution, is controlled and will be no more than a fair return for the services rendered in the work of distribution. The arrangements rigorously exclude any opportunity for a speculative profit by private interests from dealing in lend-leased goods. In most cases, lend-leased supplies will be distributed through organizations acting as agents of His Majesty's Government in the strict sense of the term and not as principals. Where for strong practical reasons this cannot be done a full explanation will be supplied to the

United States administration and their concurrence sought beforehand in any alternative arrangements proposed. The justification for retaining existing channels of distribution operating under strict Government control, is that the creation of elaborate new organizations in their place would inevitably result in loss of efficiency and the wasteful use of manpower, and retard the war effort. In the distribution of lend-lease goods there will be no discrimination against United States firms.

6. Food is a special case. Only some 5 or 6 percent in tonnage of the total British food supply is coming from the United States and without great practical complications it would be impossible to have a separate system for the distribution of lend-leased food. Food distribution is carried out in the United Kingdom by wholesalers, to whom the Government sells food as principals. In fact, the Ministry of Food has established a close control over all distributive margins so that neither the wholesalers nor the retailers receive any greater remuneration than is adequate to cover the cost of the services performed. No food obtained on lend-lease terms is or will be sold at uncontrolled prices. Thus the general arrangements as regards the issue of lend-leased food fit into His Majesty's Government's policy of stabilizing the whole price level of foodstuffs, a policy to which the Government contributes £100 millions a year.

7. In some cases direct free distribution is practicable and will be adopted. For example, some milk products (including lend-leased supplies from the United States) are distributed direct and free of charge to children and others in need through schools, clinics, and hospitals. The distribution is undertaken by State agencies and the cost of the distribution is borne by the Government.

Appendix V

DECLARATION BY UNITED NATIONS

A Joint Declaration by the United States of America, the United Kingdom of Great Britain and Northern Ireland, the Union of Soviet Socialist Republics, China, Australia, Belgium, Canada, Costa Rica, Cuba, Czechoslovakia, Dominican Republic, El Salvador, Greece, Guatemala, Haiti, Honduras, India, Luxembourg, Netherlands, New Zealand, Nicaragua, Norway, Panama, Poland, South Africa, Yugoslavia.

The Governments signatory hereto,

Having subscribed to a common program of purposes and principles embodied in the Joint Declaration of the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland dated August 14, 1941, known as the Atlantic Charter,

Being convinced that complete victory over their enemies is essential to defend life, liberty, independence and religious freedom, and to preserve

human rights and justice in their own lands as well as in other lands, and that they are now engaged in a common struggle against savage and brutal forces seeking to subjugate the world, DECLARE:

(1) Each Government pledges itself to employ its full resources, military or economic, against those members of the Tripartite Pact and its adherents with which such government is at war.

(2) Each Government pledges itself to cooperate with the Governments signatory hereto and not to make a separate armistice or peace with the enemies.

The foregoing declaration may be adhered to by other nations which are, or which may be, rendering material assistance and contributions in the struggle for victory over Hitlerism.

*Done at Washington
January First 1942*

The Republic of Costa Rica
by Luis Fernandez

The Republic of Cuba
by Aurelio F. Concheso

Czechoslovak Republic
by V. S. Hurban

The Dominican Republic
by J. M. Troncoso

The Republic of El Salvador
by C. A. Alfaro

The Kingdom of Greece
by Cimon P. Diamantopoulos

The Republic of Guatemala
by Enrique Lopez-Herrarte

The United States of America
by Franklin D. Roosevelt

The United Kingdom of Great Britain
and Northern Ireland
by Winston Churchill

On behalf of the Government of the
Union of Soviet Socialist Republics
by Maxim Litvinoff,

Ambassador

National Government of the Republic
of China

*Tse Vung Soong,
Minister for Foreign Affairs*

The Commonwealth of Australia
by R. G. Casey

The Kingdom of Belgium
by Cte. R. v. d. Straten

Canada
by Leighton McCarthy

The Grand Duchy of Luxembourg
by Hugues Le Gallais

The Kingdom of the Netherlands
A. Loudon

Signed on behalf of the Govt. of the
Dominion of New Zealand
by Frank Langstone

The Republic of Nicaragua
by Leon DeBayle

The Kingdom of Norway
*by W. Munthe de Morgen-
stierne*

The Republic of Panama
by Jaen Guardia

The Republic of Poland
by Jan Ciechanowski

La Republique d'Haiti
par Fernand Dennis

The Republic of Honduras
by Julian R. Caceres

India
Girja Shankar Bajpai

The Union of South Africa
by Ralph W. Close

The Kingdom of Yugoslavia
by Constantin A. Fotitch

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

E. R. Stettinius, Jr.
Administrator

*file
personal*

March 12, 1942

*L. F.
Lend Lease*

MEMORANDUM FOR THE PRESIDENT

FROM: E. R. Stettinius, Jr. *x4559*

I am handing you herewith a
report which shows the status of
the Soviet Aid Program, as of
February 28, 1942.

x220

E. R. Stettinius, Jr.

Attachment

*x4193
x773*

~~SECRET~~

STATUS OF THE SOVIET AID PROGRAM

AS OF FEBRUARY 28, 1942

Office of Lend-Lease Administration

DECLASSIFIED

State Dept. Letter, 1-11-72

By J. Schauble Date **FEB** 2 1972

STATUS OF THE SOVIET AID PROGRAM

As of February 28, 1942

Graphic Summary of Status of Important
Items in Moscow Protocol

Tabular Statement of Monthly Progress
Under the Protocol

Monthly Shipments to U. S. S. R.

OFFICE OF LEND-LEASE ADMINISTRATION

Notes on Data Shown
on Chart and in Table

Under the protocol, the United States agreed to make supplies available at centers of production in this country, from October 1, 1941 to June 30, 1942, and to aid in delivery.

The protocol requirement figures are commitments contained in the protocol and subsequent commitments made under the protocol after consideration in the United States. Other unilateral modifications are not included.

Items to be supplied by the United Kingdom, or for which no commitment has been made, are not included.

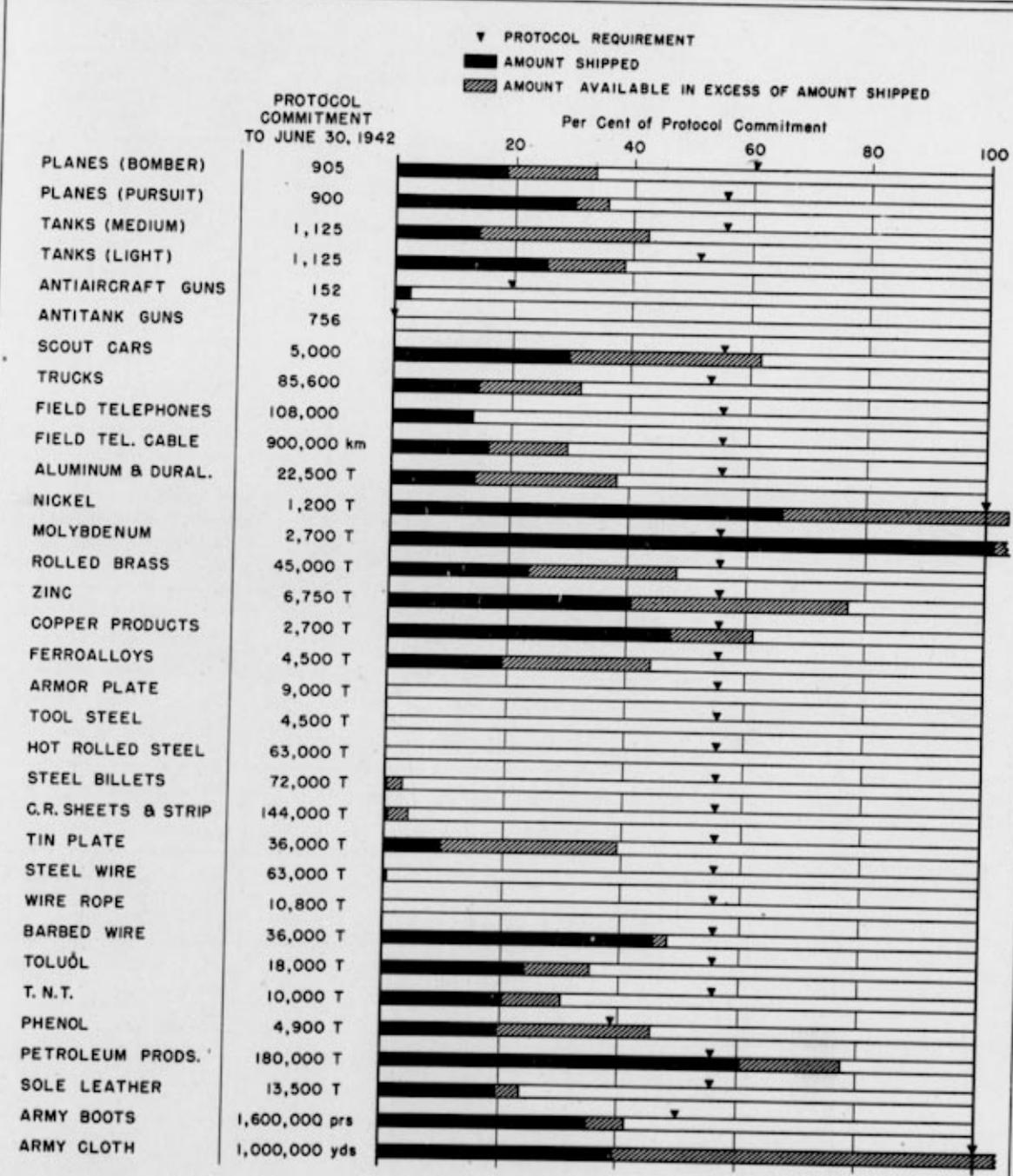
Certain special items, such as armament for Soviet merchant ships, are not included.

Tonnage data are in mixed tons.

Figures for certain items include shipments after October 1, 1941 under Amtorg private contracts.

STATUS OF THE MOSCOW PROTOCOL

MILITARY ITEMS AND PRINCIPAL RAW MATERIALS AS OF FEBRUARY 28, 1942



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

STATUS OF THE MOSCOW PROTOCOL

Data are Cumulative to End of Month

PR = Protocol Requirement

AA = Amount Available (Incl. Shipments)

AS = Amount Shipped

Item		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Airplanes (Bombers)	PR	105	205	315	437	547	659	771	883	905
	AA			82	194	306	418	530	642	754
	AS			49	53	168				
Airplanes (Pursuit)	PR	93	200	300	400	500	600	700	800	900
	AA	93	200	120	220	322	420	520	620	720
	AS	28	39	76	132	272				
Tanks (Medium)	PR	72	241	373	499	625	751	877	1,003	1,125
	AA	72	241	174	326	480	634	788	942	1,096
	AS		10	72	108	158				
Tanks (Light)	PR	94	132	300	438	576	714	852	990	1,125
	AA	94	94	262	408	433	700	846	992	1,125
	AS	79	94	105	121	287				
Antiaircraft Guns	PR	4	4	10	18	30	46	87	129	152
	AA			4	4	4	4			
	AS	0	0	4	4	4				
Antitank Guns	PR	0	0	0	0	0	63	105	432	756
	AA	0	0	0	0	0	63			
	AS	0	0	0	0	0	63			
Scout Cars	PR	No monthly schedule.								5,000
	AA	0	0	1,000	2,000	3,097	4,600			
	AS	0	48	568	696	1,496				
Trucks	PR	5,600	15,600	25,600	35,600	45,600	55,600	65,600	75,600	85,600
	AA		7,890	12,990	22,890	27,172	41,550	51,480		
	AS	1,015	3,199	7,767	10,721	12,213				
Field Telephones (thousands)	PR	12	24	36	48	60	72	84	96	108
	*AA			11	13	15 14	31	65	97	108
	AS			11	13	15				
Field Tel. Cable (thousand km)	PR	100	200	300	400	500	600	700	800	900
	AA	5	7	18	77	267	370			
	AS	5	7	18	77	146				
Underwater Cable (km)	PR	50	100	150	200	250	300	350	400	450
	AA	0	0	0	0	0	0			
	AS	0	0	0	0	0				
Submarine Cable (km)	PR	100	200	300	400	500	600	700	800	900
	AA	0	0	0	0	0				
	AS	0	0	0	0	0				
Aluminum & Dural. (tons)	PR	2,500	5,000	7,500	10,000	12,500	15,000	17,500	20,000	22,500
	*AA	403	499	4,288	6,046	8,546				
	AS	403	499	1,092	2,594	3,150				
Nickel (tons)	PR	400	800	1,200	1,200	1,200	1,200	1,200	1,200	1,200
	*AA	0	5	1,236	1,248	1,248				
	AS	0	0	0	690	791				

* Includes shipments after October 1, 1941 under Amtorg private contracts.

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STATUS OF THE MOSCOW PROTOCOL

Data are Cumulative to End of Month

PR = Protocol Requirement

AA = Amount Available (Incl. Shipments)

AS = Amount Shipped

Item		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Molybdenum (tons)	PR	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700
	*AA			2,331	2,356	3,631				
	AS	1,081	2,139	2,139	2,356	2,866				
Rolled Brass (tons)	PR	5,000	10,000	15,000	20,000	25,000	30,000	35,000	40,000	45,000
	*AA		2,000	7,000	17,885	21,754				
	AS	521	1,354	1,729	2,708	10,633				
Zinc (tons)	PR	0	1,500	2,250	3,000	3,750	4,500	5,250	6,000	6,750
	AA			2,258	2,458	5,210				
	AS			912	1,994	2,759				
Copper Products (tons)	PR	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700
	AA			300	1,164	1,656				
	AS	0	0	0	677	1,288				
Ferrosilicon	PR	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700
	*AA			342	656	1,398	1,800			
	AS	0	56	106	332	576				
Ferrochrome (tons)	PR	200	400	600	800	1,000	1,200	1,400	1,600	1,800
	AA			200	400	601				
	AS	0	0	0	144	283				
Armor Plate (tons)	PR	1,000	2,000	3,000	4,000	5,000	6,000	7,000	8,000	9,000
	AA	0	0	0	0	0	2,000	4,500		
	AS	0	0	0	0	0				
Hd. Alloy & Cutting Tools (thousand \$)	PR	100	200	300	400	500	600	700	800	900
	*AA	0	0	0	2	37				
	AS	0	0	0	2	37				
High Speed Steel (tons)	PR	100	200	300	400	500	600	700	800	900
	AA	0	0	0	122	176				
	AS	0	0	0	0	8				
Tool Steel (tons)	PR	500	1,000	1,500	2,000	2,500	3,000	3,500	4,000	4,500
	AA	0	0	0	0	0				
	AS	0	0	0	0	0				
Calibrated Steel (tons)	PR					None				
	AA	0	0	0	0	1,332				
	AS	0	0	0	0	0				
Hot Rolled Steel (tons)	PR	7,000	14,000	21,000	28,000	35,000	42,000	49,000	56,000	63,000
	AA	0	0	0	0	0				
	AS	0	0	0	0	0				
Steel Billets (tons)	PR	8,000	16,000	24,000	32,000	40,000	48,000	56,000	64,000	72,000
	AA	0	0	0	0	2,195				
	AS	0	0	0	0	102				
C.R. Steel Strip (tons)	PR	8,000	16,000	24,000	32,000	40,000	48,000	56,000	64,000	72,000
	AA	0	0	0	31	259				
	AS	0	0	0	0	259				

* Includes shipments after October 1, 1941 under Amtorg private contracts.

STATUS OF THE MOSCOW PROTOCOL

Data are Cumulative to End of Month

PR = Protocol Requirement

AA = Amount Available (Incl. Shipments)

AS = Amount Shipped

Item		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
C.R. Steel Sheet (tons)	PR	8,000	16,000	24,000	32,000	40,000	48,000	56,000	64,000	72,000
	AA	0	0	0	0	5,437				
	AS	0	0	0	0	437				
Tinplate (tons)	PR	4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000	36,000
	AA	0	0	800	6,813	14,198	15,490			
	AS	0	0	0	632	3,436				
Steel Wire (tons)	PR	7,000	14,000	21,000	28,000	35,000	42,000	49,000	56,000	63,000
	AA	0	0	0	0	318				
	AS	0	0	0	0	0				
Wire Rope (tons)	PR	1,200	2,400	3,600	4,800	6,000	7,200	8,400	9,600	10,800
	AA	0	0	0	0	0				
	AS	0	0	0	0	0				
Steel Alloy Tubes (tons)	PR	200	400	600	800	1,000	1,200	1,400	1,600	1,800
	AA	0	0	0	0	0				
	AS	0	0	0	0	0				
Stainless Steel Wire (tons)	PR	20	40	60	80	100	120	140	160	180
	AA	0	0	0	0	0				
	AS	0	0	0	0	0				
Nickel Chrome Wire (tons)	PR	20	40	60	80	100	120	140	160	180
	*AA	20	40	80	100	119				
	AS	0	28	60	97	109				
Barbed Wire (tons)	PR	4,000	8,000	12,000	16,000	20,000	24,000	28,000	32,000	36,000
	*AA				16,137	17,269				
	AS	4,359	5,850	11,384	16,047	16,448				
Toluol (tons)	PR	2,000	4,000	6,000	8,000	10,000	12,000	14,000	16,000	18,000
	*AA	235	235	2,235	4,235	6,320	8,235	10,235		
	AS	235	235	731	2,320	4,316				
T. N. T. (tons)	PR	No monthly schedule. 10,000 tons as soon as possible.								
	AA	0	0	300	1,700	3,023	4,887	5,637		
	AS	0	0	0	89	2,020				
Phenol (tons)	PR			400	1,150	1,900	2,650	3,400	4,150	4,900
	*AA			700	1,576	2,240	2,968	3,718		
	AS	0	0	126	397	955				
Petroleum Prods. (thousand tons)	PR	20	40	60	80	100	120	140	160	180
	*AA			100	120	140	160	180	180	180
	AS	8	76	92	100	109				
Ethylene Glycol (tons)	PR	120	240	360	480	600	720	840	960	1,080
	AA			327	447	940	1,080			
	AS	0	0	107	221	221				
Sodium Bromide (tons)	PR	100	200	300	400	500	600	700	800	900
	AA			60	192	300	439	563		
	AS	0	0	51	57	203				

* Includes shipments after October 1, 1941 under Amtorg private contracts.

STATUS OF THE MOSCOW PROTOCOL

Data are Cumulative to End of Month

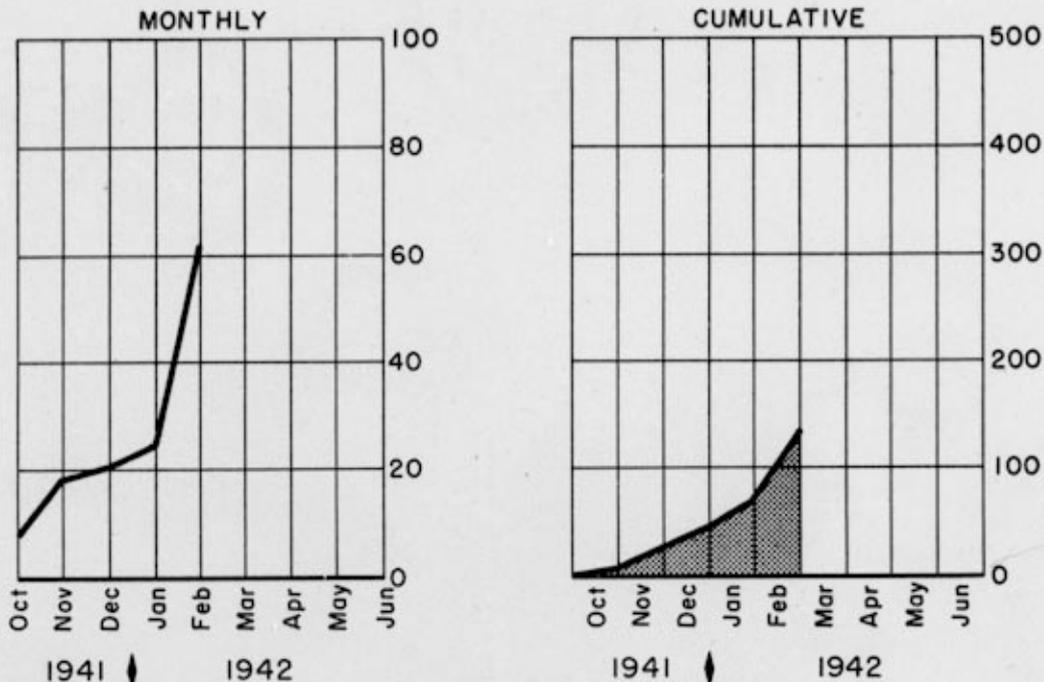
PR = Protocol Requirement AA = Amount Available (Incl. Shipments) AS = Amount Shipped

Item		Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Phosphorus (tons)	PR	100	200	300	400	500	600	700	800	900
	*AA			250	550	850				
	AS	0	0	77	238	434				
Dibutyl Phtalate (tons)	PR			400	700	1,000	1,300	1,600	1,900	2,200
	AA	0	0	0	100	250	400	600		
	AS	0	0	0	0	31				
Dimethylamiline (tons)	PR	0	100	200	300	400	600	800	1,000	1,200
	AA			80	155	300	555	755		
	AS	0	0	0	18	179				
Diphenylamine (tons)	PR	100	200	300	400	500	600	700	800	900
	AA	0	0	0	100	223				
	AS	0	0	0	0	0				
Colloxylin (tons)	PR	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700
	AA	0	0	50	350	1,103	1,316	1,882		
	AS	0	0	0	52	475				
Machine Tools (tons)	PR	As many as possible to satisfy request of 1,200 units per month but no guaranty.								
	AS						3,123			
Electric Furnaces (tons)	PR	140 pieces definitely, more if possible.								
	AA									
	AS									
Forging and Press Equipment (tons)	PR	627 pieces definitely, more if possible.								
	AA									
	AS						1,499			
Misc. Ind. Equip. (thousand \$)	PR	"Every assistance practicable" up to \$3,000,000 monthly.								
	AA									
	AS						2,430			
Abrasives (thousand \$)	PR	300	600	900	1,200	1,500	1,800	2,100	2,400	2,700
	*AA			372	532	585				
	AS			372	532	585				
Graphitized Electrodes (tons)	PR	400	800	1,200	1,600	2,000	2,400	2,800	3,200	3,600
	*AA			388	388	446				
	AS			14	31	277				
Sole Leather (tons)	PR	1,500	3,000	4,500	6,000	7,500	9,000	10,500	12,000	13,500
	*AA	620	795	991	2,491	3,197	6,491			
	AS	620	795	991	1,483	2,637				
Army Boots (thousand prs.)*	PR	0	100	400	600	800	1,000	1,200	1,400	1,600
	*AA	5	46	402	600	664	1,100	1,350	1,650	
	AS	5	46	144	489	559				
Army Cloth (thousand yds.)*	PR	250	500	750	1,000	1,000	1,000	1,000	1,000	1,000
	*AA			200	800	1,192				
	AS			60	60	394	715			

* Includes shipments after October 1, 1941 under Amtorg private contracts.

SHIPMENTS TO U.S.S.R.

VALUE OF TOTAL SHIPMENTS - MILLIONS OF DOLLARS



U.S. commitment under the Protocol to June 30, 1942 is \$1,015,000,000

MONTHLY SHIPMENTS OF IMPORTANT ITEMS

	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June
Planes (Bomber)	0	9	40	4	115				
Planes (Pursuit)	28	11	37	56	140				
Tanks (Medium)	0	10	62	36	50				
Tanks (Light)	79	15	11	16	166				
Antiaircraft Guns	0	0	4	0	0				
Antitank Guns	0	0	0	0	0				
Scout Cars	0	48	520	128	800				
Trucks	1,015	2,184	4,568	2,954	1,492				
Aluminum & Dural. (Tons)	403	96	593	1,502	556				
Rolled Brass (Tons)	521	833	375	979	7,925				
Armor Plate (Tons)	0	0	0	0	0				
Hot Rolled Steel (Tons)	0	0	0	0	0				
Steel Billets (Tons)	0	0	0	0	102				
Sheets & Strip (Tons)	0	0	0	0	696				
Barbed Wire (Tons)	4,359	1,491	5,534	4,663	401				
Toluol (Tons)	235	0	496	1,589	1,996				
T.N.T. (Tons)	0	0	0	89	1,931				
Petroleum Products (Tons)	8,400	68,018	15,447	8,458	8,398				
Army Boots (1,000 p'rs)	5	41	98	345	70				
Army Cloth (1,000 y'ds)	0	0	60	0	334	655			

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

E. R. Stettinius, Jr.
Administrator

file

L. F.
Lend Lease

March 12, 1942

MEMORANDUM FOR THE PRESIDENT

FROM: E. R. Stettinius, Jr.

In accordance with your instructions that Lend-Lease results be reported monthly, I am transmitting herewith the routine monthly summary of Lend-Lease progress, for the month of February.

Attachment

E. R. Stettinius, Jr.
x46-59

x4193
x773

~~CONFIDENTIAL~~

REPORT TO THE PRESIDENT ON LEND-LEASE PROGRESS
AS OF FEBRUARY 28, 1942

Office of Lend-Lease Administration

DECLASSIFIED

State Dept. Letter, 1-11-73

By J. Scheubis Date

FEB

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"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."

SUMMARY OF LEND-LEASE PROGRESS

1. Lend-lease aid has been increasing sharply. Aid in the month of February was more than double that in November.

Lend-Lease Aid by Months

March-August Average	\$ 81,000,000
September	207,000,000
October	225,000,000
November	283,000,000
December	338,000,000
January	462,000,000
February	569,000,000

2. Total lend-lease aid to February 28, 1942 amounted to \$2,570,000,000. Of this total amount, the British Empire received 89%, Russia 7%, China 3% and other countries 1%.
3. As of the end of February, 18.9% of the funds allocated had been expended. This compares with 15.3% at the end of January, 12.1% at the end of December and 11.6% at the end of November.
4. Foodstuffs have accounted for 27% of the value of all lend-lease articles transferred to date. Metals have accounted for 10% and fuel for 9%.

LEND-LEASE AID, MONTHLY

Millions of Dollars

Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
18	40	60	85	134	150	207	225	283	338	462	569

LEND-LEASE AID

Cumulative to February 28, 1942

Millions of Dollars

Type of Aid	British Empire	China	Russia	Other	Total
Defense Articles Transferred	\$1,220	\$48	\$124	\$19	\$1,411
Articles Awaiting Transf. or Use	463	20	2	4	489
Articles in Process of M'f'r	128	-	-	-	128
Servicing, Repair of Ships, etc.	119	-	6	-	125
Rental and Charter of Ships, etc.	193	9	39	2	243
Production Facilities in U. S.	170	-	-	-	170
Miscellaneous Expenses	1	-	-	3	4
Total Lend-Lease Aid	\$2,294	\$77	\$171	\$28	\$2,570

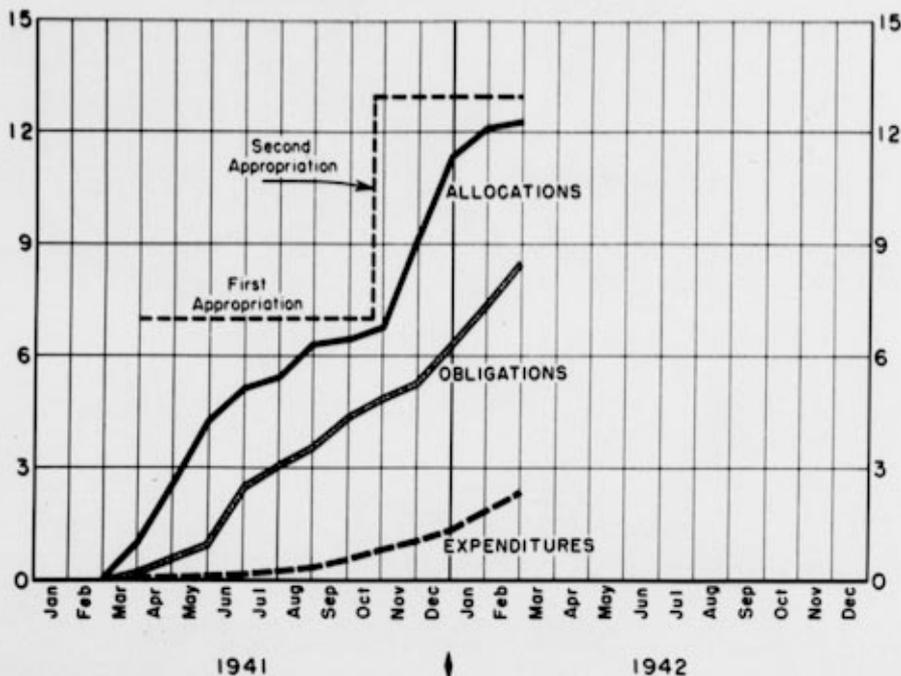
LEND-LEASE FUNDS

Cumulative to February 28, 1942

Appropriation Category	Millions of Dollars			Expenditures in % of Allocations
	Allocations	Obligations	Expenditures	
Ordnance and Ordnance Stores	\$ 1,993	\$1,307	\$ 212	10.6%
Aircraft and Aero. Material	2,838	2,310	336	11.8
Tanks and Other Vehicles	959	588	117	12.2
Vessels and Other Watercraft	1,664	1,236	315	18.9
Misc. Military Equipment	457	134	31	6.8
Production Facilities	1,042	732	195	18.7
Agric. and Indust. Commod's	2,735	1,859	951	34.8
Servicing, Repair of Ships, etc.	297	197	133	44.8
Services and Expenses	279	92	22	7.9
Administrative Expenses	8	4	3	37.5
Total	\$12,272	\$8,459	\$2,315	18.9%

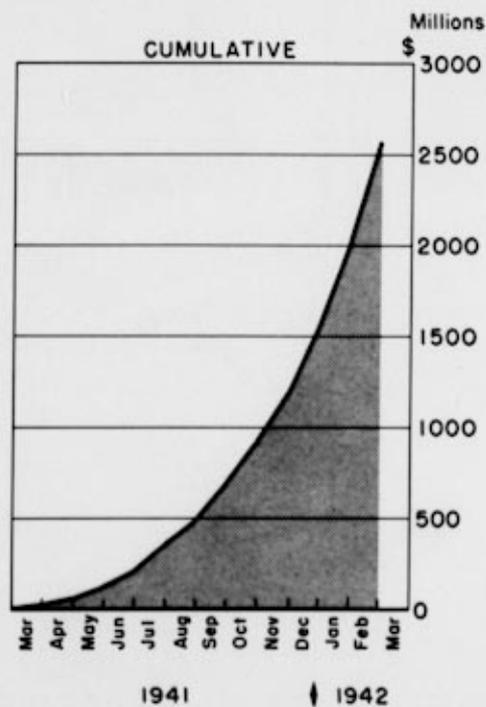
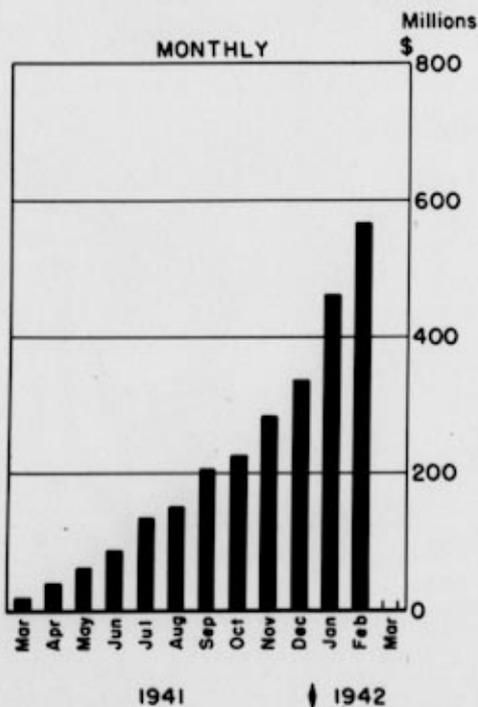
LEND-LEASE FUNDS

BILLIONS OF DOLLARS - CUMULATIVE



Difference between appropriations and allocations represents reserves

TOTAL LEND-LEASE AID



PRESIDENT'S LETTER OF TRANSMITTAL

BSF
C. F.
Lend Lease
7 3/14/42-

THE PRESIDENT OF THE SENATE, x12
xpp741

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES;

x24
xpp7474

I am transmitting herewith to the Congress a report on the first year of lend-lease operations.

One year ago, in passing the Lend-Lease Act, the American people dedicated their material resources to the defeat of the Axis. We knew then that to strengthen those who were fighting the Axis was to strengthen the United States. We recognized then the lesson that has since been hammered home to us by Axis treachery and Axis arms -- that the rulers of Germany and Japan would never stop until they were thrown from power or America was forced to its knees.

Now that we have had to dedicate our manpower as well as our material resources to the defeat of the Axis, the American people know the wisdom of the step they took one year ago today. Had not the nations fighting aggression been strengthened and sustained -- their armed forces with weapons, their factories with materials, their people with food -- our presently grave position might indeed be desperate. But for the continued resistance of these steadfast peoples, the full force of the enemy might now be battering at our own ports and gateways.

Lend-Lease has given us experience with which to fight the aggressor. Lend-Lease has expanded our productive capacity for the building of guns and tanks and planes and ships. The weapons we made

x4193
x419
x4675

CF
Lend Lease

and shipped have been tested in actual combat on a dozen battlefields, teaching lessons of untold value.

Lend-Lease is now the mechanism through which the United Nations are pooling their entire resources. Under the Lend-Lease Act, we send our arms and materials to the places where they can best be used in the battle against the Axis. Through reciprocal Lend-Lease provisions, we receive arms and materials from the other United Nations when they can best be used by us.

The war can only be won ~~on lands now held by the Germans and the Japanese. It can only be won by attacks from the lands of our Allies~~ *by contact with the enemies, and by attack upon them.*
~~that takes time, for the United Nations need more and still more~~
~~from Russia, China, Britain, Australia, India, Norway, Yugoslavia, Greece and the other United Nations.~~ *Equipment and Transportation.*

Success will come dearly, at the price of defeats and losses. The offensive that the United Nations must and will drive into the heart of the Axis will take the entire strength that we ~~and our Allies~~ possess.

For that combined strength we can thank the decision we took a year ago today. With that combined strength we go forward along the steep road to victory.

The White House
March 11, 1942

PSF
C. F.
Lend Lease

March 17, 1942

x220

My dear Admiral Land:

I find that our Protocol shipments to Russia are still far behind. I wish to emphasize again to you that the meeting of the Russian Protocol shall have a first priority in shipping.

I wish that you would take the additional ships required from the Caribbean and South American routes regardless of all other considerations.

I am issuing similar instructions to the War Production Board and the Service Departments in regard to the release of the materiel promised, so you may expect additional supplies moving to the Eastern seaboard at once.

I have asked Mr. Stettinius to follow through with all Departments and to report to me promptly any delay on the part of any Department in carrying out the Protocol.

I have furthermore asked him to submit to me at once schedules showing availability dates of both materiel and ships through June 30, 1942.

The above is a directive from the C. in C. [written by hand by
President]
Very sincerely yours,

/s/ FRANKLIN D. ROOSEVELT
C. in C.

Rear Admiral Enory S. Land, x1705
Chairman, U. S. Maritime Commission.

HLH/lmb

x C. F. Maritime Com.
x99
x87
x4193

March 17, 1942

My dear Mr. Stettinius:

I am enclosing letters which I wrote today to Admiral Land, Chairman of the Maritime Commission, and to Mr. Donald Nelson, Chairman of the War Production Board.

I wish you would please follow through with all Departments concerned and submit to me schedules of the availability dates of materiel and shipping.

Very sincerely yours,

/s/ FRANKLIN D. ROOSEVELT
C. in C.

Enclosures.

The Honorable
E. R. Stettinius, Jr., x4559
Lend-Lease Administrator.

March 17, 1942

My dear Mr. Nelson:

I find that our Protocol shipments to Russia are still far behind and that many of them are placed in preferential lists which fall behind other requirements.

I wish that all materiel promised under the Protocol be released for shipment at the earliest possible date regardless of the effect of these shipments on any other part of our war program.

Very sincerely yours,

/s/ FRANKLIN D. ROOSEVELT

C. in C.

The Honorable
Donald M. Nelson,
Director, War Production Board.

x4735

HLH/lmb

x C-7. War Pro. Board

file

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

March 20, 1942

MEMORANDUM FOR THE PRESIDENT

FROM: Thomas B. McCabe

SUBJECT: Materiel and Shipping Schedules to
Meet Russian Protocol Requirements

Immediately upon receipt of your letter of March 17, 1942 addressed to Mr. Stettinius, who is absent on account of illness, I followed through in accordance with your directions with all departments concerned with the Russian program and will submit to you early next week the schedules of materiel and shipping as you directed.

Thomas B. McCabe

x 45-57

①

C. F. Lend Lease