

Lead Lease: June 1942

rvs

PSF

HULL, Hon. Cordell
SECRETARY OF STATE,
5-30-42 approved

C. F.
Lend-Lease

Enclosed for President's consideration drafts of notes to be exchanged with the British Ambassador and the Australian Minister concerning the principles and procedures applicable to the provision of aid by the Governments of the United Kingdom and Australia to the armed forces of the United States. Described the proposed arrangement as it concerns war production and war resources of each contracting nation for use by armed forces of each, and of the other United Nations, and the general principle to be applied with respect to financing. Said the President has recently approved the conclusion of lend-lease agreements with a number of the other United Nations substantially identical to that with the United Kingdom, and said it is anticipated that such an agreement or arrangement identical in substance will be concluded with Australia before the proposed exchange of notes is carried out. --- Attached is Miss Berney's note to Mr. Hopkins saying that this came in an envelope addressed to him. --- Mr. Hull's letter (copy retained) returned to State Dept. with notation: "C H OK F D R 5/30/42".

SEE C.F. STATE, WORLD WAR II

VS

NELSON, Hon. Donald M.
Chairman, War Production Board,
6-3-42

PSF C. F.
Lend-Lease

Sent to the President a Commodity Chart Book which gives the picture of our material supply and demand. The book was published by the Staff of the Research and Analysis Section, Materials Branch, Statistics Division, War Production Board.

SEE C.F. WAR PRODUCTION BOARD

C.F.

THE WHITE HOUSE
WASHINGTON

June 5, 1942

MISS TULLY:

MR. HOPKINS SAYS THESE ALL
MAY BE FILED.

L.M.B.

THE WHITE HOUSE
WASHINGTON

May 4, 1942.

MEMORANDUM FOR

HARRY HOPKINS: x4117

What should I do about this?

F.D.R.

~~CONFIDENTIAL~~
WAR DEPARTMENT
WASHINGTON

C. F.
Lend Lease

APR 23 1942

The President,
The White House.

Dear Mr. President:

The War Department submitted, on April 10, 1942, its recommendations for the monthly assignment schedules of major items to be offered to the U. S. S. R. during the period July 1, 1942 to June 30, 1943, in compliance with your instructions. x220

Recently, a reexamination of these schedules indicates that it will be possible to increase the proposed schedule for light and medium tanks to an overall total of 7,500 tanks, as compared with the 5,250 contained in our original recommendations. These tanks would be furnished at the rate of 500 per month from July 1, 1942 to December 31, 1942, of which 262 would be light and 238 medium tanks, and 750 per month for the period from January 1, 1943 to June 30, 1943, of which 375 would be light and 375 medium tanks.

Respectfully yours,

Henry H. Stimson

Franklin D. Roosevelt Library

Secretary of War.

DECLASSIFIED

x25

DOB [unclear] (1977/08)

Date-

JAN 21 1973

Signature-

RAH

x4193

x4488

~~CONFIDENTIAL~~

June 9, 1942

My dear Mr. Secretary:

I am attaching hereto for your information and guidance a copy of a Proposed Second Protocol between the Union of Soviet Socialist Republics and the United States and Great Britain for the period July 1, 1942 - June 30, 1943, which I have delivered to a representative of the Soviet Government. You will appreciate the necessity of treating this as a confidential matter.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

The Honorable,

The Secretary of the Navy. *x18*

June 9, 1942

My dear Mr. Secretary:

I am attaching hereto for your information and guidance a copy of a Proposed Second Protocol between the Union of Soviet Socialist Republics and the United States and Great Britain for the period July 1, 1942 - June 30, 1943, which I have delivered to a representative of the Soviet Government. You will appreciate the necessity of treating this as a confidential matter.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

The Honorable,

The Secretary of Agriculture. x|

June 9, 1942

My dear Admiral Land:

I am attaching hereto for your information and guidance a copy of a Proposed Second Protocol between the Union of Soviet Socialist Republics and the United States and Great Britain for the period July 1, 1942 - June 30, 1943, which I have delivered to a representative of the Soviet Government. You will appreciate the necessity of treating this as a confidential matter.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

Rear Admiral Esory S. Land, *x4772*
Chairman,
War Shipping Administration.

June 9, 1942

My dear Mr. Nelson:

I am attaching hereto for your information and guidance a copy of a Proposed Second Protocol between the Union of Soviet Socialist Republics and the United States and Great Britain for the period July 1, 1942 - June 30, 1943, which I have delivered to a representative of the Soviet Government. You will appreciate the necessity of treating this as a confidential matter.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

Hon. Donald M. Nelson, ^{x4735}
Chairman,
War Production Board.

June 9, 1942

My dear Mr. Stettinius:

I am attaching hereto for your information and guidance a copy of a Proposed Second Protocol between the Union of Soviet Socialist Republics and the United States and Great Britain for the period July 1, 1942 - June 30, 1943, which I have delivered to a representative of the Soviet Government. You will appreciate the necessity of treating this as a confidential matter.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

Mr. Edward R. Stettinius, Jr., x4559
Lend-Lease Administrator.

June 9, 1942

My dear Mr. Secretary:

I am attaching hereto for your information and guidance a copy of a Proposed Second Protocol between the Union of Soviet Socialist Republics and the United States and Great Britain for the period July 1, 1942 - June 30, 1943, which I have delivered to a representative of the Soviet Government. You will appreciate the necessity of treating this as a confidential matter.

Sincerely yours,

(signed) FRANKLIN D. ROOSEVELT

The Honorable,

The Secretary of the Treasury. x21

June 9, 1942

My dear Mr. Secretary:

I am attaching hereto for your information and guidance a copy of a Proposed Second Protocol between the Union of Soviet Socialist Republics and the United States and Great Britain for the period July 1, 1942 - June 30, 1943, which I have delivered to a representative of the Soviet Government. You will appreciate the necessity of treating this as a confidential matter.

I suggest you make available to our Ambassador in Russia any part of this with which you think he should be acquainted. *4770

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

The Honorable,

The Secretary of State. *20

THE WHITE HOUSE
WASHINGTON

June 8, 1942

MISS TULLY:

Will you please return these
to me when they have been signed
by the President? Thanks.

L. Berney

*Signed originals of these letters
sent to Miss Berney 6/10/42. She
will send us a copy of the
enclosure for our files.*

hm.

THE WHITE HOUSE
WASHINGTON

June 11, 1942

MISS MANNS:

This is the enclosure to
the letters the President signed
to the various Secretaries the
other day and which you returned
to me.

L. Berney

MISS TULLY:

HERE IS THE PRESIDENT'S COPY OF THE
NEW RUSSIAN PROTOCOL AND THE LETTER
TRANSMITTING IT TO MOLOTOV.

L.M.B.

*file
Confidential
Send Lease*

SUMMARY OF PROPOSED PROTOCOL

VALUE OF STORES

The total value of the stores offered is
\$3,000,000,000, divided as follows:

Military and Naval Equipment, Armament and Ammunition	\$2,000,000,000
Materials, Machinery and Industrial Equipment	400,000,000
Food Products	<u>600,000,000</u>
TOTAL	\$3,000,000,000

TONNAGE OF SCHEDULES

The tonnage of stores aggregates 7,200,000 short
tons, broken down as follows:

Military and Naval Equipment, Armament and Ammunition	1,100,000
Materials, Machinery and Industrial Equipment	1,800,000
Food Products	<u>4,300,000</u>
TOTAL	7,200,000

STORES REQUESTED BY THE U. S. S. R.

The government of the U. S. S. R. submitted a
Program of Requirements on April 2, 1942, of an
aggregate value in excess of five billion dollars.
The total tonnage of these requested items is
estimated at approximately 10,000,000 short tons.

Of the 496 items requested by the U. S. S. R., it has been recommended by the various interested government agencies that:

- (a) One hundred thirty-three items to be delivered in full.
- (b) Fifty-three items be made available in part.
- (c) No commitments be made for 11 items pending the receipt of further information on specifications.
- (d) No commitments be made for the items of equipment requested for railroads, iron and steel, petroleum, and for 18 additional other items.

Railroad Industry

The items requested include large amounts of critical materials, such as copper, which cannot be supplied in the necessary quantities, as well as critically scarce tools, cranes and other heavy machinery.

Iron and Steel Industry

The equipment and materials requested are equal to the requirements for the expansion of the American steel industry that is now under way. Any substantial part of the U. S. S. R. request could not be met without abandoning the United States steel expansion program and other important Navy and Maritime Commission production. If these items are to be delivered without interfering with the United States program, initial deliveries could not begin in less than twenty months after receipt of complete specifications.

Petroleum Industry

Many of the items requested are critical factors in the expansion of 100 octane and synthetic rubber production in the United States.

CAPACITY OF THE U. S. S. R. TO RECEIVE MATERIALS

It is estimated that the capacity of available ports to handle cargo for transport inland into the U. S. S. R. is approximately 4,000,000 short tons per year, of which 3,000,000 tons can be handled by the northern ports and about 1,000,000 tons by the Persian Gulf ports.

SHIPPING REQUIREMENTS

On the basis of an assumed loss of 10% through sinkings, it is estimated that 4,400,000 tons of shipping will be required for transport purposes. This will require approximately 720 ships, of which 540 would be available for the northern Soviet ports and 180 for the Persian Gulf. Some tonnage may also be made available by the U. S. S. R. for movement of cargo from Pacific ports.

PROPOSED SECOND PROTOCOL
BETWEEN
THE UNION OF SOVIET SOCIALIST REPUBLICS
AND
THE UNITED STATES AND GREAT BRITAIN
COVERING THE PERIOD
JULY 1, 1942 TO JUNE 30, 1943

PROPOSED SECOND PROTOCOL
BETWEEN
THE UNION OF SOVIET SOCIALIST REPUBLICS
AND
THE UNITED STATES AND GREAT BRITAIN

COVERING THE PERIOD
JULY 1, 1942 TO JUNE 30, 1943

1. The Governments of the United States and the United Kingdom have been giving the most serious consideration to the munitions of war which we can make available to the Soviet Government during the coming year. In addition to possible limitations due to the shortage of ships, the controlling factor by the northern route is the quantity of shipping that can be escorted to ports of discharge. The limiting factor by the southern route is inland transportation from Persian Gulf ports.

2. Our respective Governments will make available for despatch from the ports of the United States, United Kingdom and other countries during the period 1st July, 1942 to 30th June, 1943, approximately 3,300,000 short tons to the northern ports and 1,100,000 short tons to the Persian Gulf ports. In the circumstances mentioned in paragraph 1, it is our opinion that this is the highest practicable export programme from all sources at which we can now aim. Within the limits imposed from time to time by the factors mentioned, we will supply the shipping necessary to lift that part of this program for which U.S.S.R. ships cannot be made available.

3. The schedule of stores which the United States can make available has been drawn up in the light of the programme of requirements as submitted to the United States Government by the U.S.S.R. The schedule of stores offered by the United Kingdom has been drawn up on the assumption that Russia desires to continue to receive supplies on the scale agreed at the Moscow Conference. The stores listed in these two schedules amount to approximately 8,000,000 short tons.

4. It will be necessary for the Soviet Government to select from these schedules a programme of particular supplies and munitions of war for procurement and despatch, which will come within the amounts mentioned in paragraph 2. This programme should include all cargoes to be transported after 1st July, 1942, including protocol and non-protocol items either already on order or to be ordered.

5. It is to be understood this programme is subject to variations to meet unforeseen developments in the progress of the war. But you may be sure that every effort will be made to deliver the particular supplies which you designate.

6. The United States will be pleased to extend financial arrangements to cover its part of the proposed new protocol and all adjustments thereof. The United Kingdom financial arrangements will continue as at present, i.e. cash-credit agreement of 16th August, 1941,

to cover all supplies and Lend-Lease agreement now under negotiation to cover war-like supplies, the terms of which have been agreed in principle.

7. We, of course, stand ready through appropriate officials to discuss with your representatives in Washington all detailed questions pertaining to the schedules listed below and any reasonable adjustments that may be desired.

8. Above all, we want to assure you that we have a full understanding of the vital importance of your front and the urgent necessities of moving supplies to it in the highest possible volume and in the shortest space of time.

9. With this in mind, we shall be glad to review the programme from time to time to see if increased quantities of munitions can be provided and delivered.

SCHEDULE OF UNITED STATES STORES

The United States government undertakes to make available to the Union of Soviet Socialist Republics the following schedule of stores aggregating some 7,000,000 short tons valued at three billion dollars, of which there are 1,110,000 tons of military and naval equipment, armament and ammunition valued at two billion dollars, 1,800,000 tons of materials, machinery and industrial equipment worth four hundred million dollars and 4,300,000 tons of food products worth six hundred million dollars.

The following schedule has been prepared on the basis that any balances which may be due from the existing Protocol after June 30, 1942, are included, as well as all articles contained in the new Protocol for which requisitions have been previously approved with delivery scheduled after June 30, 1942. The schedules indicate availability at centers of production.

In the schedule, the item numbers and major classifications correspond to those in the U.S.S.R. Program of Requirements, submitted April 2, 1942. For certain items the amounts to be made available are indicated as combined offerings of the United States and the United Kingdom and appear as a combined figure in the schedules of both governments.

GROUP I. ARMAMENT AND MILITARY EQUIPMENT

Item 1. - AIRPLANES

Amount requested: 4,200

Airplanes will be supplied through October 1942 at an average rate of 100 pursuits, 100 light bombers, and 12 medium bombers per month. Commitments will be made for the balance of the year on the basis of developments incident to the progress of the war.

Item 2. - TANKS WITH ARMAMENT

Amount requested: 5,250

Available: 7,500 tanks with armament: First six months, 1,572 light and 1,428 medium tanks; second six months, 2,250 light and 2,250 medium tanks; all as nearly as possible in equal monthly installments.

Item 3. - ANTI-AIRCRAFT GUNS, 90MM.

Amount requested: 204

Available: 204 90mm. antiaircraft guns, complete with ammunition, made available at the following rate: 8 per month for first quarter; 16 per month for second quarter; 20 per month for third quarter; 24 per month for fourth quarter. Auxiliary equipment will be provided in the same proportion as is made available to United States troops.

GROUP I. Continued

Item 4 and 6. - ANTI-AIRCRAFT GUNS, 37MM., 45MM., 12.7-20MM

Amount requested: 3,000 - 37mm. and 45mm.
360 - 12.7-20mm.

Available: 3,360 substitute units, 37mm., or twin 20mm. on self-propelled mount without director; to be furnished at following successive quarterly rates: 300, 720, 1020, 1320.

Item 5. - ANTI-TANK GUNS, 50-57MM. COMPLETE WITH AMMUNITION

Amount requested: 2,100

Available: 1,900 57mm. at rate of 200 per month during period October through May, and 300 for June.

Item 7 & 8. - MACHINE GUNS, COMPLETE WITH AMMUNITION, .38 CAL. AND THOMPSON SUB-MACHINE GUNS .45 CAL.

Amount requested: 120,000 - .38 cal.
127,878 - .45 cal.

Available: 240,000 at rate of 20,000 per month. No .38 cal. in production.

NOTE: Ammunition for all weapons will be supplied in the same proportion as for United States troops, and, if practicable, in an amount equal to the accuracy life of weapons.

GROUP I. Continued

An effort will be made to provide spare parts as follows:

Spare engines	20 per cent
Spare propellers	20 per cent
Airplane spare parts	20 per cent of cost of plane
Engine spare parts	15 per cent of cost of engine
Propellor spare parts	15 per cent of cost of propellor
Tank parts	1 year maintenance
Trucks	10 per cent of cost
Guns	6 months maintenance

Actual spare parts furnished will conform to a spare parts list which is based on experience.

Spare part production is lagging in the United States; and if actual deliveries are below the rates stated above, they will be made in the same proportion as for United States troops.

Item 9. - SCOUT CARS

Amount requested: 24,000

Available: 6,000 scout cars at rate of 500 per month and 18,000 jeeps at rate of 1,500 per month.

Item 10. - TRUCKS

Amount requested: 120,000

Available: 120,000 trucks at rate of 10,000 per month.

Item 11. - FIELD TELEPHONES

Amount requested: 144,000

Available: 144,000 field telephones at rate of 12,000 per month, of which one-half will be sound powered.

GROUP I. Continued

Item 12. - FIELD TELEPHONE WIRE

Amount requested: 1,200,000 Km.

Available: 480,000 Km. of field telephone wire
at 40,000 Km. per month.

Item 13. - TOLUOL AND TNT

Amount requested: 36,000 short tons - Toluol
24,000 short tons - TNT

Available: 24,000 tons of toluol at rate of 2,000
tons per month and 24,000 tons of TNT at rate of
2,000 tons per month.

Item 14. - NITROGLYCERIN OR OTHER POWDER

Amount requested: 36,000 tons

Available: Type and amount to be made available
are subject to further negotiation.

Item 15. - STEREOSCOPIC OBSERVATION INSTRUMENTS FOR
ARTILLERY

Amount requested: 1,200 in 100 units

Available: None

Item 16. - MILITARY FIELD GLASSES

Amount requested: 3,000

Available: None

GROUP I. Continued

Item 17. - MOTORCYCLES

Amount requested: 36,000

Available: 10,500 motorcycles, at rate of 500 per month July through September, and 1,000 per month thereafter.

Item 18. - PRIME MOVERS FOR ARTILLERY

Amount requested: 7,200

Available: 2,400 prime movers for artillery at rate of 200 per month, of which a part will have slow speed transmissions.

Item 19. - TOBOGGANS (MOTOR SLEDS)

Amount requested: 2,400

Available: 2,000 toboggans, at rate of 200 per month September through June.

Item 20. - RADIO SETS OF VARIOUS TYPES

Amount requested: 12,000 units

Available: 11,500 radio sets of various types. Specific types are to be negotiated and to be made available at the following rates:

100 in July
1,100 in August and September
2,350 in October
2,475 in November
1,225 in December
525 each month from January to June, 1943.

GROUP I. Continued

Item 21. - RADIO LOCATORS OF VARIOUS TYPES

Amount requested: 1,000

Available: None at this time. Type under development.

Item 22. - RADIO LOCATORS FOR INSTALLATION IN AIRCRAFT

Amount requested: 2,500

Available: None at this time. Type under development.

Item 23. - RADIO TUBES

Amount requested: 2,000,000

Available: 2,000,000 radio tubes to be furnished on schedules to be arranged.

Item 24. - GENERATORS, GAS DRIVEN

Amount requested: 10,000

Available: 10,000 gas driven generators to be furnished on schedules to be arranged. To be supplied without tents.

Item 25. - ABSOLUTE RADIO ALTIMETERS

Amount requested: 2,500

Available: None.

GROUP I. Continued

Item 26. - RADIO BEACON, BLIND LANDING EQUIPMENT, AND
HOMING DEVICES

Amount requested: 250 sets

Available: None.

Item 27. - RADIO DIRECTION FINDERS (VARIOUS TYPES)

Amount requested: 250 sets

Available: 150 sets of radio direction finders
at rate of 50 per month November through January.

Item 28. - MEASURING AND TEST EQUIPMENT

Amount requested: \$1,000,000 worth

Available: \$1,000,000 worth of measuring and test
equipment, on schedules to be arranged.

Item 29. - RADIO REPAIR TRUCKS FOR FIELD USE

Amount requested: 250 units

Available: None

Item 30. - DRY CELLS FOR FIELD TELEPHONES

Amount requested: 1,500,000

Available: 1,500,000 dry cells for field tele-
phones on schedules to be arranged.

GROUP I. Continued

Item 31. - DRY CELL BATTERIES FOR USE WITH RADIO
EQUIPMENT

Amount requested: 400,000

Available: 400,000 dry cell batteries for use
with radio equipment, on schedules to be arranged.

Item 32. - RADIO COMPONENTS, PARTS AND ACCESSORIES

Amount requested: \$500,000 worth

Available: \$500,000 worth of radio component parts
and accessories for maintenance and repairs to be
furnished on schedules to be arranged.

Item 33. - FIELD REPAIR SHOP, LIGHT, FOR TANKS & TRUCKS

Amount requested: 100 units

Available: None

Item 34. - FIELD REPAIR SHOP FOR BRIGADE TANK DIVISION

Amount requested: 120 units

Available: 90 units of field repair shops, each
consisting of approximately 12 trucks, at rate of
10 units per month, October through June.

GROUP II. VARIOUS MATERIAL, MACHINERY & INDUSTRIAL
EQUIPMENT

Item 1. - MARINE CABLE

Amount requested: 1,200 Km.

Available: 1,200 Km. in equal monthly
installments.

Item 2. - SUBMARINE CABLE

Amount requested: 600 Km.

Available: 600 Km. in equal monthly
installments.

Item 3. - ALUMINUM INGOTS

Amount requested: 48,000 short tons.

Available: 24,000 long tons in equal monthly
installments.

DURALUMINUM

Amount requested: 18,000 short tons.

Available: 6,000 long tons in equal monthly
installments.

Item 4. - NICKEL

Amount requested: 9,600 short tons.

Available: Combined U. K. and U. S. A., at rate
of 600 short tons per month for first six months;
subject to review for second six months. This
amount includes nickel in all forms to be made
available, including alloys with steel, nichrome
wire, and other materials requiring nickel in the
specifications, except finished munitions.

GROUP II. Continued

Item 5. - MOLYBDENUM

Amount requested: 9,600 short tons.

Available: 4,000 short tons in equal monthly installments.

Item 6. - COPPER ELECTROLYTIC, COPPER RESERVE

Amount requested: 36,000 short tons
7,500 short tons

Available: Combined U. K. and U. S. A., 120,000 long tons in equal monthly installments. This includes copper in all forms, including refinery shapes, brass and wire mill products, copper base alloys and copper content of finished products other than ammunition.

Item 7. - ROLLED COPPER (CARTRIDGE BRASS, ETC.)

Amount requested: 102,000 short tons.

Available: 102,000 short tons in equal monthly installments, subject to copper limitation in Item 6.

Item 8. - MAGNESIUM ALLOYS

Amount requested: 3,600 short tons.

Available: None

Item 9. - ZINC, HIGH GRADE

Amount requested: 12,000 short tons.

Available: 18,000 short tons in equal monthly installments, combined U. K. and U. S. A.

GROUP II. Continued

Item 10. - BIMETAL

Amount requested: 36,000 short tons.

Available: 12,000 short tons in equal monthly installments, subject to copper limitation indicated in Item 6. Bimetal of types used for thermostats is unavailable.

Item 11. - COPPER GOODS AND TUBES

Amount requested: 15,000 short tons.

Available: 15,000 short tons in equal monthly installments, subject to copper limitation indicated in Item 6.

Item 12. - FERROSILICON

Amount requested: 9,600 long tons.

Available: Combined U. K. and U. S. A., 12,000 long tons in equal monthly installments.

Item 13. - FERROCHROME

Amount requested: 9,600 long tons.

Available: Combined U. K. and U. S. A., 7,200 long tons in equal monthly installments.

GROUP II. Continued

Item 14. - ARMOR PLATE

Amount requested: 48,000 long tons.

Available: 12,000 long tons in equal monthly installments, provided types desired are available. Subject to nickel limitation indicated in Item 4.

Item 15. - HARD ALLOYS & CUTTING TOOLS

Amount requested: \$9,000,000.

Available: \$9,000,000 worth to be furnished on schedules to be arranged. Subject to nickel limitation indicated in Item 4.

NOTE: Items 16 - 34, inclusive, as listed below, can be made available tentatively, but are all subject to specifications and sizes available in the United States and subject to nickel limitation indicated in Item 4.

Item 16. - COLD DRAWN STEEL DRILL RODS

Amount requested: 960 long tons.

Available: 120 long tons in equal monthly installments.

Item 17. - HIGH SPEED STEEL

Amount requested: 6,000 long tons.

Available: 3,000 long tons in equal monthly installments.

GROUP II. Continued

Item 18. - TOOL STEEL

Amount requested: 24,000 long tons.

Available: 10,200 long tons in equal monthly installments.

Item 19. - COLD DRAWN CARBON & ALLOY STEEL RODS & BARS
& AIRCRAFT STEEL

Amount requested: 168,000 long tons.

Available: 129,600 long tons in equal monthly installments.

Item 20. - HOT ROLLED STEEL (CARBON, ALLOY AND AIRCRAFT)

Amount requested: 150,000 long tons.

Available: 96,000 long tons in equal monthly installments.

Item 21. - CHROME-MANGANESE SILICON STEEL BILLETS

Amount requested: 120,000 long tons.

Available: 84,000 long tons in equal monthly installments.

Item 22. - COLD ROLLED STEEL SHEET

Amount requested: 96,000 long tons.

Available: 84,000 long tons in equal monthly installments.

GROUP II. Continued

Item 22-a. - COLD ROLLED STEEL STRIP

Amount requested: 96,000 long tons.

Available: 84,000 long tons in equal monthly installments.

Item 23. - STAINLESS STEEL

Amount requested: 10,800 long tons.

Available: 3,000 long tons in equal monthly installments.

Item 24. - TINPLATE

Amount requested: 60,000 long tons.

Available: 60,000 long tons in equal monthly installments.

Item 25. - STEEL WIRE

Amount requested: 96,000 long tons.

Available: 55,920 long tons in equal monthly installments.

Item 26. - STEEL WIRE ROPE

Amount requested: 24,000 long tons.

Available: 14,400 long tons in equal monthly installments.

GROUP II. Continued

Item 27. - STEEL ALLOY TUBES

Amount requested: 36,000 long tons.

Available: 21,600 long tons in equal monthly installments.

Item 28. - STAINLESS STEEL WIRE

Amount requested: 1,200 long tons.

Available: 360 long tons in equal monthly installments.

Item 29. - SPECIAL ALLOY WIRE

Amount requested: 240 long tons.

Available: 240 long tons in equal monthly installments.

Item 30. - NICKEL CHROME WIRE

Amount requested: 480 long tons.

Available: 480 long tons in equal monthly installments.

Item 31. - BARBED WIRE AND STAPLES

Amount requested: 60,000 long tons.

Available: 50,400 long tons in equal monthly installments.

GROUP II. Continued

Item 32. - STEEL TUBES

Amount requested: 350,000 long tons.

Available: 252,000 long tons in equal monthly installments.

Item 33. - HOT ROLLED STEEL SHEETS AND PLATES UNDER
5/8" THICK & UNDER 72" WIDE

Amount requested: 120,000 long tons.

Available: 96,000 long tons in equal monthly installments.

Item 34. - BOLTS, NUTS, ETC.

Amount requested: 12,000 long tons.

Available: 12,000 long tons in equal monthly installments.

Item 35. - OTHER METALS AND STEEL PRODUCTS

Amount requested: \$10,000,000.

Available: Fulfillment depends upon specifications.

Item 36. - PHENOL

Amount requested: 18,000 short tons.

Available: 12,000 short tons in equal monthly installments.

GROUP II. Continued

Item 37. - PETROLEUM PRODUCTS

Amount requested: 240,000 short tons.

Available: 240,000 short tons in equal monthly installments. Types and schedules to be arranged.

Item 38. - ETHYLENE GLYCOL

Amount requested: 2,400 short tons.

Available: 2,400 short tons in equal monthly installments.

Item 39. - SODIUM BROMIDE

Amount requested: 2,400 short tons.

Available: 1,800 short tons in equal monthly installments.

Item 40. - PHOSPHORUS

Amount requested: 2,400 short tons.

Available: 2,400 short tons in equal monthly installments.

Item 41. - DIBUTYL PHTHALATE

Amount requested: 3,600 short tons.

Available: 3,600 short tons in equal monthly installments.

GROUP II. Continued

Item 42. - DIMETHYLANILINE

Amount requested: 3,600 short tons.

Available: 3,000 short tons in equal monthly installments.

Item 43. - DIPHENYLAMINE

Amount requested: 3,600 short tons.

Available: 1,800 short tons in equal monthly installments.

Item 44. - COLLOXYLIN

Amount requested: 4,800 short tons.

Available: 4,800 short tons in equal monthly installments.

Item 45. - METHANOL

Amount requested: 12,000 short tons.

Available: 12,000 short tons in equal monthly installments.

Item 46. - UROTROPINE

Amount requested: 7,200 short tons.

Available: 4,600 short tons; 300 in July and August, and 400 per month thereafter.

GROUP II. Continued

Item 47. - HEXAGEN

Amount requested: 6,000 short tons.

Available: None

Item 48. - AMMONIA CHLORIDE

Amount requested: 4,800 short tons.

Available: 4,800 short tons in equal monthly installments.

Item 49. - MERCURY (METALLIC)

Amount requested: 300 short tons.

Available: 300 short tons in equal monthly installments.

Item 50. - POTASSIUM NITRATE

Amount requested: 3,600 short tons.

Available: 3,600 short tons in equal monthly installments.

Item 51. - AMMONIUM CYANIDE

Amount requested: 3 short tons.

Available: 3 short tons in equal monthly installments.

GROUP II. Continued

Item 52. - CENTRALITE

Amount requested: 600 short tons.

Available: 600 short tons in equal monthly installments.

Item 53. - RESARIN (RESORCINOL)

Amount requested: 120 short tons.

Available: 120 short tons in equal monthly installments.

Item 54. - BARIUM PEROXIDE

Amount requested: 300 short tons.

Available: 300 short tons in equal monthly installments.

Item 55. - STRONTIUM (S. OXILATE)

Amount requested: 96 short tons.

Available: 96 short tons in equal monthly installments.

Item 56. - RODALITE (RHODAMINE B)

Amount requested: 6 short tons.

Available: 6 short tons in equal monthly installments.

GROUP II. Continued

Item 57. - TORIUM (T. NITRATE)

Amount requested: 3 short tons.

Available: 3 short tons in equal monthly installments.

Item 58. - CERIUM (C. CHLORIDE)

Amount requested: 18 short tons.

Available: 18 short tons in equal monthly installments.

Item 59. - CRESOL

Amount requested: 1,200 short tons.

Available: 1,200 short tons in equal monthly installments.

Item 60. - POTASSIUM SULPHATE

Amount requested: 1,800 short tons.

Available: 1,800 short tons in equal monthly installments.

Item 61. - ANTHRACENE

Amount requested: 3,600 short tons.

Available: None

GROUP II. Continued

Items 62, 63, 64, 65, and 68

MACHINE TOOLS: Amount requested: 21,000 each.

ELECTRIC FURNACES: Amount requested: 600 each.

FORGING PRESSES & HAMMERS: Amount requested:
\$48,000,000 worth.

VARIOUS INDUSTRIAL EQUIPMENT: Amount requested:
\$36,000,000 worth.

GRAPHITE ELECTRODES: Amount requested: 6,000
long tons.

NOTE: Will be made available in quantities totaling an aggregate value of 150 million dollars, the amount and type of the specific items to be arranged at the earliest possible date and subject to limitations on copper and nickel.

Item 66. - INDUSTRIAL DIAMONDS

Amount requested: \$1,800,000 worth.

Available: None in the United States.

Item 67. - ABRASIVES

Amount requested: \$6,000,000 worth.

Available: \$3,600,000 worth in equal monthly installments.

Item 69. - BEARINGS

Amount requested: 8,500,000 each

Available: Supply depends upon specific sizes.

GROUP II. Continued

Item 70. - BALLS AND ROLLERS

Amount requested: 28,000,000

Available: 28,000,000 in equal monthly installments, provided sizes are spread generally through the range of American production.

Item 71. - SOLE LEATHER

Amount requested: 18,000 short tons

Available: No sole leather available except as included in finished shoes.

Item 72. - ARMY BOOTS

Amount requested: 4,800,000 pairs

Available: 2,400,000 pairs of army shoes at rate of 200,000 pairs per month.

Item 73. - ARMY CLOTH

Amount requested: 18,000,000 yards

Available: 18,000,000 yards of army cloth at monthly rate of 1,500,000 yards, in ratio of 60 per cent for overcoating and 40 per cent for suiting.

GROUP II. Continued

Item 74. - ELECTRICAL POWER CABLES

Amount requested: 12,000 Km.

Available: 12,000 Km. in equal monthly install-
ments, subject to copper limitation indicated in
Item 6.

Item 75. - WEBBING

Amount requested: 36,000,000 yards

Available: 36,000,000 yards of tubular type
webbing at 3,000,000 yards per month. No other
type available.

Item 76. - TARPAULIN

Amount requested: 24,000,000 yards

Available: None.

Item 77. - VISTANEX (MOLECULAR WT. 60)

Amount requested: 300 short tons

Available: None until the spring of 1943. The
amount available will depend upon the develop-
ment of the U. S. synthetic rubber program.

GROUP II. Continued

Item 78. - TIRES AND TUBES

Amount requested: 1,800,000 sets

Available: Combined U. K. and U. S. A., 36,000 long tons of rubber in all forms, including tires and tubes, in equal monthly installments; in addition, 2,000 long tons per month from Ceylon as long as that source is open.

Item 79. - HIGH PRESSURE HOSE - Amount requested:
1,000,000 meters.

Item 80. - SHEET FIBER - Amount requested: 3,600 tons

Item 81. - SHOCK ABSORBER CORD - Amount requested:
60,000 meters

Available: No commitments can be made until further specifications are received.

Item 82. - METALLIC CLOTH AND SCREEN

Amount requested: 1,000,000 square meters

Available: 1,000,000 square meters in equal monthly installments, subject to copper limitation as stated in Item 6.

Item 83. - CONDENSOR PAPER (RADIO)

Amount requested: 240 short tons

Available: 240 short tons in equal monthly installments.

GROUP II. Continued

Item 84. - MISCELLANEOUS EMERGENCY MATERIAL

Amount requested: \$60,000,000 worth

Available: Depends upon further specifications.

GROUP III. EQUIPMENT AND MATERIALS FOR SPECIFIC INDUSTRIES

A. EQUIPMENT AND MATERIALS FOR RAILROADS

Under this category the U.S.S.R. have requested 21 general items and 55 specific items. With the exceptions of the items set forth below, the items requested include large amounts of critical materials and critically scarce tools, cranes and other heavy machinery. It may be possible to supply a few units of some of the items upon receipt of specifications as to sizes and types. No commitment or recommendation can be made at this time, except as follows:

	<u>Requested</u>	<u>Recommended</u>
Rails	240,000 long tons	216,000 long tons
Wheels	36,000 sets	12,000 sets
Axles	60,000 units	54,000 units

It is believed that the foregoing can be made available in equal monthly installments at one-twelfth of the annual rate. For a list of all items see Program of Requirements submitted by the U. S. S. R.

B. EQUIPMENT AND MATERIALS FOR IRON AND STEEL INDUSTRY

Under this category the U. S. S. R. have requested 191 items for blast and open hearth furnaces, Bessemer convertors, coke oven batteries, rolling mills, turbo generator units, boiler installations, and turbo blowers. The value of the requests has been estimated by the U. S. S. R. at \$180,000,000 as opposed to a U. S. estimate of approximately \$1,000,000,000. The requested equipment approximately duplicates that required for the American steel expansion program now under way. Production of any substantial

GROUP III. Continued

part of the request could not be effected without abandoning our own steel expansion program. Consequently, the requests cannot be filled. For a list of individual items see Program of Requirements submitted by the U. S. S. R.

C. EQUIPMENT FOR PETROLEUM INDUSTRY

Under this category the U. S. S. R. have requested 10,000 tons of steel pipe and 16 items of drilling equipment and fittings. Many of the items requested are critical factors in the expansion of 100 octane and synthetic rubber production in the United States. The Petroleum Coordinator recommends that the requests not be fulfilled. For a list of all items see Program of Requirements submitted by the U. S. S. R. Certain items which will not interfere with the 100 octane and synthetic rubber programs may be made available upon receipt of definite specifications. Some used refining equipment in good condition is available.

GROUP IV. FOOD PRODUCTS

Item 1. - WHEAT AND FLOUR

Amount requested: 2,400,000 tons

Available: 2,400,000 tons in equal monthly installments.

Item 2. - SUGAR

Amount requested: 840,000 tons

Available: 840,000 tons in equal monthly installments.

Item 3. - CANNED MEAT PRODUCTS

Amount requested: 120,000 tons

Available: 120,000 tons in equal monthly installments.

Item 4. - MEAT

Amount requested: 180,000 tons

Available: 180,000 tons in equal monthly installments.

Item 5. - LARD

Amount requested: 144,000 tons

Available: 144,000 tons in equal monthly installments.

GROUP IV. Continued

Item 6. - VEGETABLE OIL

Amount requested: 120,000 tons

Available: 120,000 tons in equal monthly installments.

Item 7. - SOAP STOCK

Amount requested: 60,000 tons

Available: 60,000 tons in equal monthly installments.

GROUP V. MEDICAL SUPPLIES

Amount requested: \$13,813,966 worth

Available: Approximately \$12,000,000 worth of medical supplies in approximately equal monthly installments and substantially in accordance with request but with the understanding that items and quantities thereof must be arranged with appropriate United States agency.

NAVAL STORES

In addition to the above listed items requested by the Government of the U. S. S. R., the Government of the United States undertakes to make available certain diesel engines, gasoline engines, storage batteries for submarines, guns and ammunition to arm U. S. S. R. merchant vessels and mine sweepers or patrol craft.

These items can be made available at the following rates:

DIESEL ENGINES

506 diesel engines, varying from 170 to 1600 horsepower in the following quantities: 122 of 170 HP; 200 of 250 HP; 48 of 600 HP; 130 of 1200 HP; 6 of 1600 HP.

These diesel engines can be made available at the following rates:

June	4	January, 1943	46
July	16	February	46
August	20	March	51
September	24	April	51
October	44	May	56
November	46	June	56
December	46		

NAVAL STORES. Continued

GASOLINE ENGINES

2,170 gasoline engines from 50 to 1200 HP in the following quantities: 1500 of 50-120 HP; 120 of 900 HP; 550 of 1200 HP.

These gasoline engines can be made available at the following rates:

July	100	January, 1943	215
August	150	February	215
September	150	March	215
October	150	April	220
November	150	May	220
December	165	June	220

STORAGE BATTERIES FOR SUBMARINES

12 storage batteries for submarines at the rate of one per month.

NAVAL ARMAMENT AND AMMUNITION

Sufficient guns and ammunition can be made available to arm U. S. S. R. merchant vessels with one 3-inch double purpose gun and two machine guns together with ammunition, as such ships become available for arming.

MINE SWEEPERS OR PATROL CRAFT

10 mine sweepers or patrol craft can be delivered during April, May and June, 1943.

ELECTRIC POWER GENERATING EQUIPMENT

The Government of the United States further undertakes to make available stationary and mobile power generating equipment of types to be arranged. Some used power generating equipment in good condition is available at the present time.

UNITED KINGDOM SCHEDULE OF STORES

The United Kingdom Government undertakes to make available to the Union of Soviet Socialist Republics the following schedule of stores from the period starting July 1, 1942 to June 30, 1943. For certain items the amounts to be made available are indicated as combined offerings of the United States and the United Kingdom, and appear as a combined figure in the schedules of both Governments.

A. MILITARY SUPPLIES

Item 1. - AIRCRAFT

200 fighters monthly for last six months of 1942. The U. K. Government cannot at present undertake to increase the present quota of 200 aircraft a month, but the existing quota rates will be continued to the end of the year. The U. K. Government cannot foresee the situation beyond the end of 1942, and its ability to continue or increase supplies of fighters will depend upon the results of the intensified air fighting in the West of Europe during the present year.

Item 2. - TANKS

250 monthly, until December 31, 1942. It is hoped that a combined offer of 1,000 monthly can be made by a joint commitment from the U. S. and U. K. for the first 6 months of 1943. Basis of allocation to be decided at a later date.

Item 3. - ANTI-TANK GUNS

50 2-pdr. monthly with ammunition. 50 6-pdr. monthly with ammunition.

Item 4. - ANTI-TANK RIFLES

300 monthly with ammunition.

Item 5. - BREN CARRIERS

200 monthly with weapons.

B. NAVAL SUPPLIES

Certain naval supplies have been promised since Protocol and these promises will be fulfilled. Quantities falling within period after June, 1942 until completed are:

Item 1. - OERLIKONS

50 monthly with ammunition.

Item 2. - 3" HA/LA OR 12-PDR. GUNS WITH AMMUNITION

10 monthly until requirements are met.

Item 3. - SUBMARINE STORAGE BATTERIES

20 to complete total of 32.

Item 4. - 103MM COMPLETE BARRELS

8, plus one spare barrel per gun per month starting in August.

C. RAW MATERIALS

(Figures in long tons monthly except where otherwise stated.)

Item 1. - ALUMINUM

2,000 tons monthly, July, August, September, subject to reconsideration end of September. U. S. offer of 24,000 long tons in equal monthly installments remains unchanged.

Item 2. - TIN

750 tons monthly (adjustments dependent upon decisions arrived at by the Combined Raw Materials Board, less any amounts over 9,000 received by U. S. S. R. from China.)

Item 3. - NICKEL

Combined United Kingdom and United States at rate of 600 short tons per month for first 6 months; subject to review for second 6 months. This amount includes nickel in all forms to be made available, including alloys with steel, nichrome wire, and other materials, requiring nickel in the specifications, except finished munitions.

Item 4. - LEAD

3,500 tons monthly dependent upon cancellation of unshipped amounts under the First Protocol and upon shipping conditions.

RAW MATERIALS. Continued

Item 5. - COPPER

Combined United Kingdom and United States, 120,000 long tons in equal monthly installments. This includes copper in all forms, including refinery shapes, brass and wire mill products, copper base alloys and copper content of finished products other than ammunition.

Item 6. - ZINC, HIGH GRADE

Combined United Kingdom and United States, 18,000 short tons in equal monthly installments.

Item 7. - INDUSTRIAL DIAMONDS

\$150,000 monthly.

Item 8. - FERROSILICON

Combined United Kingdom and United States, 12,000 long tons in equal monthly installments.

Item 9. - FERROCHROME

Combined United Kingdom and United States, 7,200 long tons in equal monthly installments.

Item 10. - SILVER STEEL

50 tons per month.

RAW MATERIALS. Continued

Item 11. - GRAPHITE

100 tons per month, dependent upon local conditions in Ceylon.

Item 12. - RUBBER

Combined United Kingdom and United States, 36,000 long tons of rubber in all forms including tires and tubes in equal monthly installments. In addition, 2000 long tons per month from Ceylon as long as that source is open.

Item 13. - JUTE

4,000 tons per month, dependent upon Indian conditions.

Item 14. - SHELLAC

300 tons per month dependent upon Indian conditions.

Item 15. - WOOL

2,000 tons per month from New Zealand dependent upon shipping conditions.

D. FOOD

The only quantities of food which it will be possible for the United Kingdom to make available to the U.S.S.R. will be food which it would be possible to use for filling capacity for bottom cargo and broken stowage in ships carrying tanks and aircraft.

C
O
P
Y

THE WHITE HOUSE

WASHINGTON

June 17, 1942

File
BF
C. F. Lend-Lease

My dear Mr. Sabath:

I have read with interest your letter of June 4, 1942, on the subject of the possibility that excessive stocks of materials may be accumulating in the United Kingdom and the possibility that articles which could be readily obtained from Canada are being procured by the British in the United States under Lend-Lease.

I fear you have been misinformed as to the extent of reserves of materials in the United Kingdom. The uncertainties as to the length of the war and of the shipping situation clearly dictate the wisdom of sizable stock piles of essential materials in Britain. However, investigations made in the United Kingdom by representatives of the United States have confirmed that such reserves as do exist are not excessive but that on the contrary, in ~~many~~ instances are near a dangerously low level when viewed in the light of the contingencies of war.

Insofar as procurement from Canada is concerned, it has consistently been the policy both of our Government and of the Government of the United Kingdom to see that the needs of Britain are supplied insofar as feasible without recourse to Lend-Lease. I am informed that British Empire sources, including Canada, are first carefully canvassed before United Kingdom needs are requisitioned through Lend-Lease. I am further informed that at least until recently the amount of supplies and war materials furnished by Canada to the United Kingdom exceeded that furnished by the United States to the United Kingdom exclusive of U. S. finished munitions. As you know, the Canadian Government is at present furnishing very considerable aid to the United Kingdom as a gift.

It has, however, also been the policy of our Government to do everything possible to integrate the production of Canada and of the United States so that each country produces those articles which it is best equipped to produce. On April 20, 1941, the Prime Minister of Canada and I agreed that as a general principle in mobilizing the resources of this continent, each country should provide the other with the defense articles it was best able to produce, and above all, produce quickly, and that production program should be coordinated to this end. To accomplish this objective the two governments have established various joint bodies such as the Joint

x 48
x 4621
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x 4193

American-Canadian Defense Production Committee to aid in integrating and coordinating the defense effort of the two countries. It is, of course, quite possible that in carrying out this policy of integration and in assigning certain types of production to one country or the other, articles may in some instances have been produced in the United States and Lend-Leased to Great Britain, although they could also have been produced economically in Canada. The overall objective, however, has been to integrate our continent resources as a whole.

As you know, this process of integrated and coordinated production has been further implemented since our entry into the war by the establishment of various combined boards designed to allocate the combined resources of the United Nations in the fields of munitions, raw materials, shipping, production and food so that they may be produced and utilized in such a way as best to serve our common war effort. I enclose copy of my Fifth Report to Congress on Lend-Lease Operations which will give you additional information on this point. x 4725-

I am sending a copy of your letter to Mr. E. R. Stettinius, Jr., Lend-Lease Administrator. I suggest you confer with him if you are interested in developing the steps which are taken by that organization to review requisitions pursuant to the policies I have mentioned.

Sincerely yours,

(Signed) FRANKLIN D. ROOSEVELT

The Honorable A. J. Sabath x
House of Representatives
Washington, D. C.

Enclosure

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

June 15, 1942

M E M O R A N D U M

To: Mr. Harry L. Hopkins
From: Thomas B. McCabe
Subject: Reserves of Materials in the United
Kingdom

In compliance with the request in your memorandum of June 10th we have prepared the attached letter to Mr. Sabath for the President's signature. I am also returning the correspondence attached to your memorandum.

J. B. C.

June 10, 1942

MEMORANDUM FOR MR. McCABE: *x 4559*

Will you prepare a letter for
the President's signature on this and
return it to me with this correspondence?

HARRY L. HOPKINS

Letter 6/5 from Congressman Sabath
re accumulation of reserve stock by British
through Lend-Lease; non-use of manufacturing
facilities in Canada.

THE WHITE HOUSE
WASHINGTON

June 9, 1942.

MEMORANDUM FOR

HON. HARRY L. HOPKINS

What should I do about
this?

F. D. R.

1

Miss Mans
says this is
confidential.

THE WHITE HOUSE
WASHINGTON

June 9, 1942.

MEMORANDUM FOR

HON. HARRY L. HOPKINS

x4117

What should I do about
this?

F. D. R.

Letter from Cong. A. J. Sabath, 6/5/42, to Mr. McIntyre, enclosing letter dated 6/4/42, for the President marked "Confidential". States he has been informed from a very reliable source that the English Govt., through its many agencies, is obtaining a vast amount of various materials from the U.S. under the Lease-Lend Act, and that this sizeable accumulation is creating a reserve stock of such materials for their own post-war program. x4351
Notwithstanding their possession of certain raw materials in Canada which they could use in the manufacture of needed articles, they are placing orders for the manufacture of such articles in the U.S. Suggests that a special small committee or some individual thoroughly familiar with these practices be designated by the President to check up on their requirements.

x48
x48-13
x4123

SEVENTY-SEVENTH CONGRESS

A. J. SABATH, ILL., CHAIRMAN

E. E. COX, GA.
HOWARD W. SMITH, VA.
J. BAYARD CLARK, N. C.
MARTIN DIES, TEX.
LAWRENCE LEWIS, COLO.
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JACK NICHOLS, OKLA.

HAMILTON FISH, N. Y.
LEO E. ALLEN, ILL.
EARL C. MICHENER, MICH.
CHARLES A. HALLECK, IND.

House of Representatives U. S.
Committee on Rules
Washington, D. C.

June 5, 1942.

*The Pres to see
McIntyre*

Colonel Marvin H. McIntyre,
Secretary to the President,
The White House,
Washington, D. C.

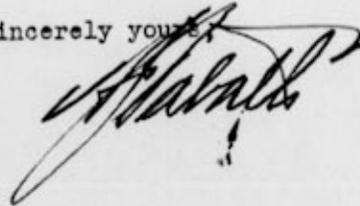
Dear Colonel McIntyre:

This is the matter which I mentioned to the President that I promised him I would write about. Owing to the pressure of legislation before my Committee, I have been unable to do so before this time.

I wish to assure you that I appreciate your kindness in bringing my communication to his attention.

With personal regards, I am

Sincerely yours,



E. E. COX, GA.
 HOWARD W. SMITH, VA.
 J. BAYARD CLARK, N. C.
 MARTIN DIEB, TEX.
 LAWRENCE LEWIS, COLO.
 JOHN J. DELANEY, N. Y.
 WILLIAM M. COLMER, MISS.
 WILLIAM L. NELSON, MO.
 JACK NICHOLS, OKLA.

A. J. SABATH, ILL., CHAIRMAN
 HAMILTON FISH, N. Y.
 LEO E. ALLEN, ILL.
 EARL C. MICHENER, MICH.
 CHARLES A. HALLECK, IND.

House of Representatives U. S.
 Committee on Rules
 Washington, D. C.

June 4, 1942.

Confidential

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

Dear Mr. President:

I have been informed from a very reliable source that the English Government, through its many agencies, is obtaining a vast amount of various materials from the United States under the Lease-Lend Act, and that this sizeable accumulation is creating a reserve stock of such materials for their own post war program.

Notwithstanding their possession of certain raw materials in Canada which they could use in the manufacture of needed articles, they are placing orders for the manufacture of such articles in the United States.

I am also informed that there are many American owned plants in Canada capable of manufacturing certain articles for which they have an abundance of raw materials but they insist that same should be manufactured in the United States naturally, under the provisions of the Lease-Lend Act. I can submit the names of two firms who offered to manufacture certain articles quicker and at a lower cost in Canada than in their American plants but regardless of this offer, a British representative insisted that they must be manufactured in the United States.

This appears to me as taking an unfair advantage, which may be characteristic of that government. While I am in favor of all possible aid to Great Britian, I strongly resent any such wilful and deliberate impositions upon us.

I beleive that a special small committee or some individual thoroughly familiar with these practices should be designated by you to check up on their requirements. In this connection, I could recommend a very competent and honorable gentleman thoroughly familiar with this situation, who has plants in both Canada and the United States and who could quietly and judiciously disclose the exact situation to you.

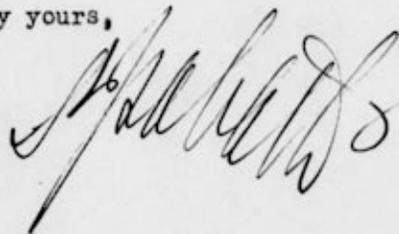
Hon. F.D . R. #2

I believe that such a check-up would result in a large amount of such materials being made available for our own use and simultaneously prevent Great Britain from accumulating a large reserve stock of vital materials for their post war use and which we may then need in the United States.

It has been indicated to me that some of the younger officials in the administration of the Lease-Lend Act easily yield to such procurement requests. It may be, that they have no authority or jurisdiction to question these requests or, may not be thoroughly informed about the practicability of manufacturing certain articles in Great Britain and Canada.

With my kindest personal regards, I am

Sincerely yours,



AJS/c

File

**FIFTH REPORT TO CONGRESS
ON LEND-LEASE OPERATIONS**

For the Period Ended June 11, 1942

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FIFTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended June 11, 1942

=====

"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."

[From Section 5, subsection b of "An Act to Promote the Defense of the United States" (Public Law No. 11, 77th Congress, 1st Session).]

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PRESIDENT'S LETTER OF TRANSMITTAL

TO THE CONGRESS OF THE UNITED STATES OF AMERICA:

This is the fifth ninety-day report to the Congress on operations under the Lend-Lease Act.

For the three months ending May 31, 1942, lend-lease aid amounted to more than \$1,900,000,000. For the fifteen-month period from March 1941 through May 1942, aid totalled \$4,497,000,000 in goods and services. We are now making aid available at a monthly rate equivalent to \$8,000,000,000 per year.

Dollar figures do not portray all that is happening. The Congress has wisely set few limits to the types of aid which may be and are being provided. Food—over 5,000,000,000 pounds—and medicine have helped to sustain the British and Russian and Chinese peoples in their gallant will to fight. Metals, machine tools and other essentials have aided them to maintain and step up their production of munitions. The bombardment planes and the tanks which were ordered for them last spring and summer are now putting their mark on the enemy. The British pilots trained in this country have begun their work at Cologne and Essen.

And lend-lease is no longer one way. Those who have been receiving lend-lease aid in their hour of greatest need have taken the initiative in reciprocating. To the full extent of their ability, they are supplying us, on the same lend-lease basis, with many things we need now. American troops on Australian and British soil are being fed and housed and equipped in part out of Australian and British supplies and weapons. Our allies have sent us special machine tools and equipment for our munitions factories. British anti-aircraft guns help us to defend our vital bases, and British-developed detection devices assist us to spot enemy aircraft. We are sharing the blueprints and battle experience of the United Nations.

These things, invaluable as they have proven, are not the major benefit we will receive for our lend-lease aid. That benefit will be the defeat of the Axis. But the assistance we have been given by our partners in the common struggle is heartening evidence of the way in which the other United Nations are pooling their resources with our own. Each United Nation is contributing to the ultimate victory not merely its dollars, pounds or rubles, but the full measure of its men, its weapons, and its productive capacity.

Our reservoir of resources is now approaching flood stage. The next step is for our military, industrial, and shipping experts to direct its full force against the centers of enemy power. Great Britain and the United States have together set up expert combined bodies to do the job, in close cooperation with Russia, China and the other United Nations. They are equipping the United Nations to fight this world-wide war on a world-wide basis. They are taking combined action to carry our men and weapons—on anything that will float or fly—to the places from which we can launch our offensives.

By combined action now, we can preserve freedom and restore peace to our peoples. By combined action later, we can fulfill the victory we have joined to attain. The concept of the United Nations will not perish on the battlefields of this terrible war. It will live to lay the basis of the enduring world understanding on which mankind depends to preserve its peace and its freedom.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE,
June 11, 1942.

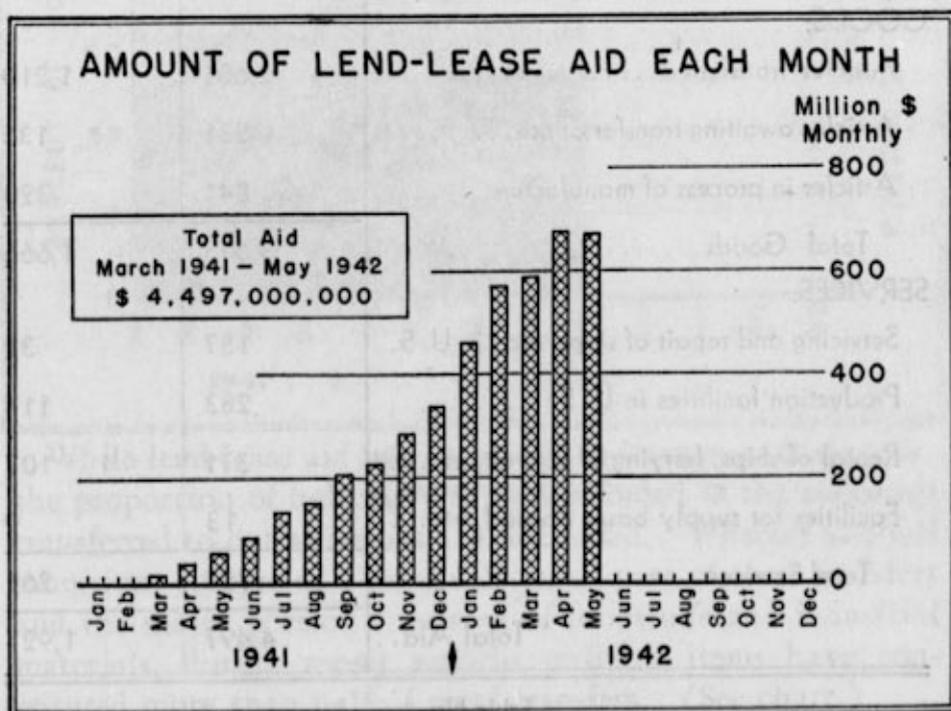
Chapter 1

LEND-LEASE PROGRESS

The lend-lease program was inaugurated on March 11, 1941 as our peacetime contribution to nations aiding our defense by resisting Axis aggression. Now that we are at war, lend-lease continues as an instrument by which we strengthen our allies according to the strategic plans of the United Nations as a whole. The assistance we have rendered to date represents 12 percent of our entire war program.

Amount of Lend-Lease Aid

Lend-lease aid for the 15-month period from March 1941 through May 1942, has totaled \$4,497,000,000. The rapidly rising trend in the amount of this aid is indicated by the chart, which shows the amount of aid provided during each month since lend-lease began. Currently, aid is being provided at a rate equal to approximately \$8,000,000,000 per year.



ACCELERATION IN LEND-LEASE AID

[Millions of Dollars]

	Quarter Ended				
	May 31, 1941	Aug. 31, 1941	Nov. 30, 1941	Feb. 28, 1942	May 31, 1942
Quarterly . . .	118	369	715	1,363	1,927
Cumulative . . .	118	487	1,202	2,570	4,497

Table No. 1

TOTAL LEND-LEASE AID

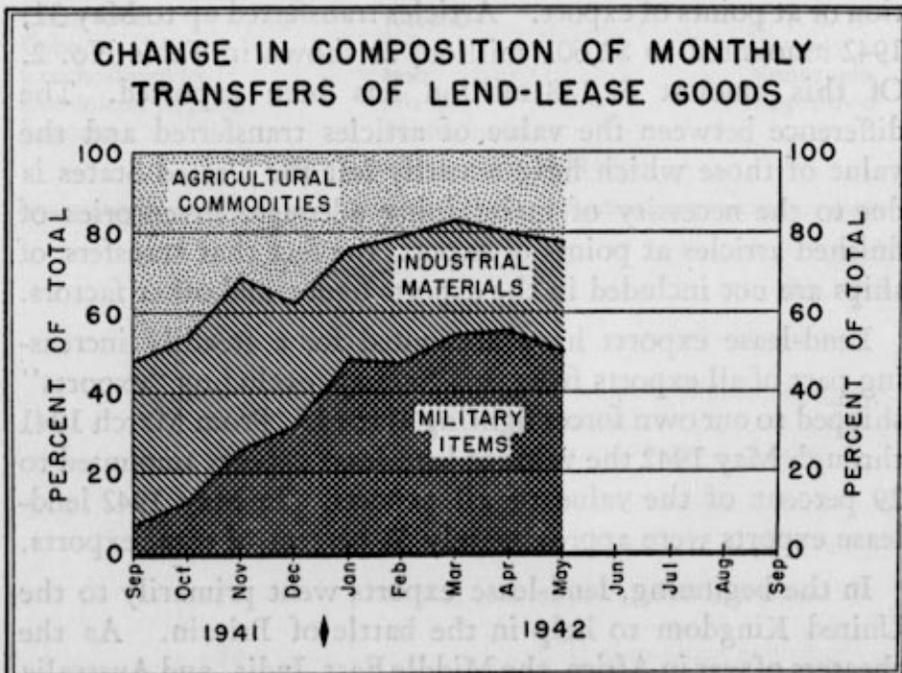
[Millions of Dollars]

Type of Aid	Total Aid to May 31, 1942	Aid During Quarter Ended May 31, 1942
GOODS:		
Articles transferred	2,601	1,210
Articles awaiting transfer or use	231	136
Articles in process of manufacture	841	320
Total Goods	3,673	1,666
SERVICES:		
Servicing and repair of ships, etc., in U. S.	157	31
Production facilities in U. S.	283	114
Rental of ships, ferrying of aircraft, etc.	371	107
Facilities for supply bases abroad, etc.	13	9
Total Services	824	261
Total Aid	4,497	1,927

Table No. 2

Lend-lease aid has two main divisions—the value of **GOODS**, actually shipped, awaiting shipment or in process of manufacture, and the value of various **SERVICES** of production and supply. Goods include military items, such as planes, tanks, guns and ammunition, as well as food, medical supplies, machine tools, metals and other materials. Services include the shipping necessary to carry goods to lend-lease countries, the servicing and repair of warships and merchant ships of the United Nations, new factory and shipyard facilities in the United States for production of lend-lease goods, and facilities for supply bases abroad.

A breakdown of the total of \$4,497,000,000 of lend-lease aid is given in Table No. 2. About 82 percent of aid is represented by goods and 18 percent by services.



While lend-lease aid has continued to increase each quarter, the proportion of fighting weapons included in the materials transferred to our allies has also increased. Whereas last fall munitions comprised a relatively small part of total transfers and the major portion consisted of foodstuffs and industrial materials, during recent months military items have constituted more than half of total transfers. (See chart.)

The proportion of our total production of guns, planes, ships and industrial materials that goes to lend-lease countries and the proportion that is furnished to our own armed forces and industries is determined by the expert military and civilian bodies in charge of our entire war program, not by the agencies charged with the immediate supervision of the lend-lease program. Every decision is aimed at putting our resources to their most effective use in fighting our common enemies.

Exports of Lend-Lease Goods

Articles transferred are those which have been delivered in this country to lend-lease nations, either at points of production or at points of export. Articles transferred up to May 31, 1942 amounted to \$2,601 million, as shown in Table No. 2. Of this amount \$2,138 million has been exported. The difference between the value of articles transferred and the value of those which have actually left the United States is 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 exports have accounted for a steadily increasing part of all exports from this country, excluding "exports" shipped to our own forces fighting abroad. From March 1941 through May 1942 the value of lend-lease exports amounted to 29 percent of the value of all exports. In May 1942 lend-lease exports were approximately 54 percent of total exports.

In the beginning, lend-lease exports went primarily to the United Kingdom to help in the battle of Britain. As the theaters of war in Africa, the Middle East, India, and Australia became critical lend-lease aid was sent to the support of our allies fighting in those areas. With the signing of the Russian protocol last October, arms and supplies began to flow to Russia in large quantities. Transportation difficulties, climaxed by the closing of the Burma Road, have been the factor limiting the volume of aid to China, but new ways of getting help to China in substantial amounts are being developed.

Lend-Lease Countries

As the war has spread over the world and aid to more and more countries has become essential to our own national safety, the President has added to the list of lend-lease nations now eligible for lend-lease assistance. The roll now includes the members of the British Commonwealth of Nations and 35 other countries:

Argentina	Egypt	Nicaragua
Belgium	El Salvador	Norway
Bolivia	France (Free)	Panama
Brazil	Greece	Paraguay
Chile	Guatemala	Peru
China	Haiti	Poland
Colombia	Honduras	Turkey
Costa Rica	Iceland	U. S. S. R.
Cuba	Iran	Uruguay
Czechoslovakia	Iraq	Venezuela
Dominican Republic	Mexico	Yugoslavia
Ecuador	Netherlands	

British Commonwealth of Nations

Chapter 2

LEND-LEASE AND THE WAR

In the three months since the last report, the lend-lease program has been further adapted to the needs of war. The administrative machinery for fulfilling the Act of March 11, 1941, has evolved in response to the pressures and shortages of our wartime economy. That machinery now serves the United Nations in the developing processes by which they are unifying their strategy and pooling their resources.

One of the major contributions of the lend-lease program has been the resulting expansion of American munitions capacity to meet the needs of our allies and ourselves. The first lend-lease orders, together with the earlier munitions contracts of the British, French, and Netherlands governments, helped to erect the factory facilities that have become the backbone of our armament program. Today the battle of production is on the way to being won. The pressing immediate problem is to distribute our weapons where the need is greatest, and to get them there in sufficient quantities in the shortest time. The battle of distribution is in its critical phase.

In this battle, lend-lease is the principal means through which those charged with strategic direction of the war allot American supplies to our allies. And it is becoming an element of increasing importance in the process by which our allies supply us with reciprocal aid.

Lend-Lease and the United Nations

On January 1, 1942, the United States, Great Britain, Russia, China, and 22 other nations* united in a declaration that "they are now engaged in a common struggle

* Mexico has now become the twenty-seventh government to announce its adherence to the Declaration.

against savage and brutal forces seeking to subjugate the world." They resolved 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." They subscribed unanimously to the principles and purposes set forth in the Atlantic Charter. They pledged themselves to employ their full military and economic resources in the war, and not to make a separate peace.

The United Nations have thus declared that they are more than a temporary military combination, and that they will wage the war together for a common victory and a common program of peace aims.

To fight a common war which extends around the world, the United Nations need a common plan for the most effective possible use of their resources in men and materials and machines. All the battlefronts are linked together. The United Nations are concentrating their weapons on those battlefronts where pressure is heaviest and where military success is of the greatest strategic importance. They are moving in a coordinated way toward organizing offensives backed by their combined resources.

Our lend-lease program is one means, and a simple one, by which the common economic effort pledged in the Declaration by United Nations may be secured. The lend-lease principle, as it develops, is removing the possibility that considerations of finance can interfere with the full use of material resources. The transfers made under the Lend-Lease Act are not commercial loans to other nations. They are contributions of material to a common pool with which a common war is being waged. In return, other United Nations are contributing their utmost to the common fight—in men, materials and machines—and are furnishing us with the weapons and supplies which we, rather than they, can most effectively use.

Considerations of transportation, supply, and strategy must determine the countries from which war materials are to be drawn and where they are to be sent. Some nations

are able to contribute vast quantities of finished munitions; some only the materials from which those munitions are to be made. Some are able to give industrial and military information which will expedite the war production of all the United Nations. These contributions, varying greatly both in character and amount, find their uses in various parts of the world, as common plans for victory dictate.

It is for this reason that American, Canadian, and British tanks are found in North Africa, and American planes, based in England, fly regularly over Germany, that British and American planes fight in Russia and English anti-aircraft guns defend our bases. This is why the United States sends food to Great Britain while American troops on British and Australian soil are being maintained and equipped in part with British and Australian materials and weapons; and why the patents, secret processes, production know-how, and battle experience of each United Nation are available to the armies and industries of its allies.

Control by United Nations Cooperation

Long strides have been made toward achieving the unified direction necessary to put the combined resources of the United Nations to most effective use. Combined agencies have been established by joint action of the United States and Great Britain to coordinate strategy and to map the production and distribution of munitions and raw materials. The members of these combined boards have been instructed to "confer with representatives of the Union of Soviet Socialist Republics, China, and such other of the United Nations as are necessary to attain common purposes and provide for the most effective utilization of the joint resources of the United Nations."*

To date, the combined boards which have been created include the Combined Chiefs of Staff, the Munitions Assignments Board, the Combined Raw Materials Board, the Combined Shipping Adjustment Board, the Combined Production

*The quotation is from the joint announcement issued January 26, 1942, when the combined boards for munitions, raw materials and shipping were established.

and Resources Board, and the Combined Food Board. These expert bodies are welding the American and British war efforts together. As part of their job, they exercise control over all lend-lease transfers. They plan for the production of materials to fill lend-lease needs, determine the quantities of finished and raw materials available for immediate lend-lease transfer, fix their destination, and provide the necessary shipping. By shaping their plans to fit the needs of all United Nations, they are helping us to fight a world-wide war on a world-wide basis.

COMBINED CHIEFS OF STAFF

The Combined Chiefs of Staff is composed of the ranking staff officers of the various branches of the American and British armed forces. It meets in Washington to formulate the broad strategic plans to which the actions of the other combined agencies are adjusted. Production requirements, raw material allocations, munitions assignments, and ship routings are all related to its decisions.

MUNITIONS ASSIGNMENTS BOARD

With Russia and China locked in decisive struggles on their own soil, the principal United Nations in a position to export munitions are Great Britain and the United States. To solve the technical and practical problems involved in distributing British and American munitions among all the United Nations, the Munitions Assignments Board was created on January 26, 1942. It has two coordinate branches, sitting in London and Washington, under the Combined Chiefs of Staff. Each branch is staffed by officers of the British and American armed forces, under the direction of a civilian chairman.

The Board operates upon the principle that the entire munition resources of Great Britain and the United States are considered as a common pool. As munitions are produced and ready for distribution in each country, the branch of the Board sitting in that country advises on their assignment to Great Britain, the United States, or one of the other United Nations in accordance with strategic needs. The American branch of the Board now assigns almost all munitions manu-

factured in this country and presently ready for distribution. Regardless of whether a given weapon was originally ordered for our own Army or Navy, for cash sale to another nation, or for transfer under lend-lease authority, its assignment is examined anew to meet the most urgent need existing at the time it rolls off the production lines.* As part of this same pooling policy, most of the munitions now being ordered are usually not earmarked in advance for particular forces. To facilitate final assignment, efforts have been made to integrate the requirements and specifications of other nations with our own, so that, where feasible, standard types of each weapon can be manufactured.

Assignments of finished munitions raise many complex strategic and technical problems. The needs of the forces of the nation producing the munitions must be appraised in terms of the uses to which those forces will be put, and weighed against the competing needs presented by the forces of other United Nations. After the basic decisions on such questions have been made in accordance with broad principles determined by the Combined Chiefs of Staff, they must be implemented by specific assignments of innumerable types of equipment. To handle this vast body of work, various groups of technical subcommittees have been organized. Thus, the branch of the Board in the United States has a special aircraft assignment committee under which there are subcommittees for aircraft, for aircraft ammunition and bombs, and for aviation petroleum products. Similar committees and subcommittees advise on assignments of land and naval items.

Except for a substantial number of British and other dollar contracts on which deliveries are still being made with the approval of the Munitions Assignments Board, American munitions allocated to other nations are usually transferred under lend-lease authority. The actual assignments, however, are not made by the Office of Lend-Lease Administration, but by the military experts on the Munitions Assignments Board. A copy of each request for American munitions is sub-

*Assignments to nations other than the United States are made within the limits of the authority granted by the Congress in the appropriation acts summarized in Appendix II.

mitted to the Lend-Lease Administration, which in appropriate cases will assist the applicant country to present its case to the Board. The Lend-Lease Administration also acts as the central recording agency for all lend-lease munitions transfers.

COMBINED RAW MATERIALS BOARD

The common war pool of the United Nations goes far beyond munitions. It also includes the raw materials from which munitions are made. Scarcities in many of these materials have been caused by military reverses which have shut off or curtailed sources of supply, by shortages of shipping space, and by the rapidly expanding requirements of war production.

To manufacture munitions, the United States must import many raw materials; Great Britain, nearly all of hers. To a considerable extent, they have competing needs which must be filled from the same sources of supply. The entire war effort of the United Nations depends on the most efficient possible distribution, use, and expansion of these available raw material resources.

On January 26, 1942, the Combined Raw Materials Board was set up to achieve these results. It consists of an American member, representing the Chairman of the War Production Board, and a British member, representing the British Minister of Production. The Board allocates strategic raw materials controlled by the United States and Great Britain among the United Nations and collaborates with other countries to secure the maximum development and utilization of their raw material resources.

Complete allocations have been made on a world basis for such materials as tin, rubber, and manila fiber, of which the principal sources of supply were cut off by the war. Similar action has been taken on certain ferro-alloys, copper and other materials which have not been cut off, but which are in short supply because war requirements have outstripped available production. In addition, the Combined Board makes temporary allocations from time to time to meet urgent special needs, as, for example, tin plate for Great Britain, aluminum for the United States, and rubber for Russia.

Through the allocations made by the Board, the United States receives strategic materials under British control and provides Britain with materials under American control, while other United Nations share in the total supply on the basis of relative need in terms of the common war effort. Normal considerations of international commerce, finance, and foreign exchange are not permitted to interfere with fundamental war needs. In appropriate cases where dollars have been needed to purchase materials for the use of another United Nation, and are unavailable to it, lend-lease has been used to obtain the supplies to further the prosecution of the war.

The Combined Raw Materials Board performs other important functions. It has acted to increase the supply of strategic raw materials by recommending specific production projects in many parts of the world. It has promoted conservation of materials by changes in specifications, substitutions, and other means. Where present buying methods have been found to impede effective distribution, the Board has recommended changes. In collaboration with the Combined Shipping Adjustment Board and other agencies, it has also acted to secure more effective use of shipping and rail transport in order to speed the flow of materials and to bring strategic supplies out of war-threatened areas to safe destinations under emergency conditions.

COMBINED SHIPPING ADJUSTMENT BOARD

The Combined Shipping Adjustment Board was created on January 26, 1942, in recognition of the principle that the shipping resources of the United States and Great Britain are a common pool, to be operated for the benefit of all the United Nations.

The Ministry of War Transport directly controls the movement of British shipping, while American vessels operate under orders from our War Shipping Administration. Norway, the Netherlands, and many other United Nations have contributed their many ships and sailors to the service of the common cause, for charter operation under Ministry of Transport or War Shipping Administration direction.

The Combined Shipping Adjustment Board integrates the work of these two agencies and the portions of the pool under their respective control. The Board has coordinate branches in London and Washington, each composed of a representative of the War Shipping Administration and a representative of the Ministry of War Transport.

The struggle to move materials in sufficient quantities to the places where they are most needed has assumed paramount importance. The job of the Combined Board is to see that the shipping of the United Nations is utilized in the most effective manner, by eliminating overlapping and unnecessary duplication of services, and by exploring the possibilities of joint economies in the use of the two portions of the pool.

With available cargoes in excess of available ships, loading and routing have become matters of strategic selection among conflicting needs. The ships which carry lend-lease goods are assigned by the Combined Board through the Ministry of War Transport and the War Shipping Administration after appraisal of all competing needs. When American-controlled shipping is assigned to carry lend-lease cargoes, lend-lease funds are used to finance their operation, in order to prevent dollar exchange problems from impeding vital movements to the battle areas. Additional sums have been provided to service and supply the vessels of other United Nations which carry materials to and from our shores.

COMBINED PRODUCTION AND RESOURCES BOARD

One of the most recent additions to the machinery being developed for coordination of the United Nations war effort is the Combined Production and Resources Board, which was established on June 9, 1942, by the United States and Great Britain.

The Combined Production and Resources Board consists of the Chairman of the War Production Board and the British Minister of Production. The Board is charged with responsibility for combining the war production programs of the United States and Great Britain in a single, integrated program which will meet the military requirements and essential civilian needs of the United Nations as a whole.

The Board will work in close collaboration with the Combined Chiefs of Staff and the Munitions Assignments Board in order to assure continuous adjustment of the combined production program to munitions requirements. It will keep the Combined Chiefs and Munitions Assignments Board currently informed of all relevant factors and potentialities of war production, and they will keep the Board informed of changing military needs.

Planning for utilization of the combined resources of the two countries in such a way as to reduce demands on shipping space will be one of the Board's prime objectives.

COMBINED FOOD BOARD

On the same day the Combined Production and Resources Board was established, the United States and Great Britain created a Combined Food Board "to obtain a planned and expeditious utilization of the food resources of the United Nations."

The Board will sit in Washington and be composed of the Secretary of Agriculture and the head of the British Food Mission. It will consider common problems concerning the supply, production, transportation, disposal, allocation or disposition of food and food-producing equipment throughout the world.

These are the principal agencies so far developed to carry out the principles of combined effort set forth in the Declaration by United Nations, and to govern the distribution of lend-lease aid. Additional agencies will be established to function in other fields when necessary.

Chapter 3

LEND-LEASE AND THE PEACE

The lend-lease program has already become a prime mechanism in the combined efforts the United Nations are making to win the war. The program of lend-lease agreements is also emerging as a factor in the combined effort of the United Nations to weave a pattern for peace. Those agreements are taking shape as key instruments of national policy, the first of our concrete steps in the direction of affirmative post-war reconstruction.

The agreement with Great Britain was signed on February 23, 1942. On June 2, 1942, an agreement was made with the Republic of China embodying the same terms (see Appendix III). On June 11, 1942, a similiar agreement was signed with the Union of Soviet Socialist Republics. The provisions of these agreements are now being offered to our other allies receiving lend-lease assistance.

These basic lend-lease agreements place the problem of the peacetime settlement in a realistic and appropriate setting. The agreements postpone final determination of the lend-lease account 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 signatory nations, and which "will promote the establishment and maintenance of world peace." Final settlement has been postponed since the course of the war may further change the complexion of the issue.

We are now in the war, as we were not in March 1941 when the Lend-Lease Act was passed. We have pledged our resources without limit to win the war, and the peace which will follow it. We look forward to a period of security and liberty, in which men may freely pursue lives of their choice, and governments will achieve policies leading to full and

useful production and employment. If the promise of the peace is to be fulfilled, a large volume of production and trade among nations must be restored and sustained. This trade must be solidly founded on stable exchange relationships and liberal principles of commerce. The lend-lease settlement will rest on a specific and detailed program for achieving these ends, which are, as Article VII of the agreements with Great Britain, China and Russia point out, "the material foundations of the liberty and welfare of all peoples."

Cooperative action among the United Nations is contemplated to fulfill this program for economic progress, in the many spheres where action is needed. It is hoped that plans will soon develop for a series of agreements and recommendations for legislation, in the fields of commercial policy, of money and finance, international investment and reconstruction.

Article VII of each of the basic agreements pledges that "the terms and conditions" of the final determination of the benefits to be provided the United States in return for aid furnished under the Act "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." By this provision we have affirmatively declared our intention to avoid the political and economic mistakes of international debt experience during the twenties.

A lend-lease settlement which fulfills this principle will be sound from the economic point of view. But it will have a greater merit. It will represent the only fair way to distribute the financial costs of war among the United Nations.

The real costs of the war cannot be measured, nor compared, nor paid for in money. They must and are being met in blood and toil. But the financial costs of the war can and should be met in a way which will serve the needs of lasting peace and mutual economic well-being.

All the United Nations are seeking maximum conversion to war production, in the light of their special resources. If each country devotes roughly the same fraction of its national

production to the war, then the financial burden of war is distributed equally among the United Nations in accordance with their ability to pay. And although the nations richest in resources are able to make larger contributions, the claim of war against each is relatively the same. Such a distribution of the financial costs of war means that no nation will grow rich from the war effort of its allies. The money costs of the war will fall according to the rule of equality in sacrifice, as in effort.

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 conveying 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.

1941	1,488	1,003	2,026	Chances and losses
1940	2,302	1,839	2,877	Atlantic and Pacific
1939	1,230	499	1,100	Tanks and other vehicles
1938	1,354	1,212	2,117	Warfare
1937	308	401	486	Production and transport
1936	883	1,046	1,763	Food facilities in U.S.
1935	2,441	1,797	6,231	Agri. and related commodities
1934	282	318	512	Shipping, repair of ships
1933	172	222	282	Stores and expenses
1932	10	10	20	Administrative expenses
1931	1,017	638	1,837	Total

Appendix II

ACCOUNTING FOR LEND-LEASE FUNDS

In the early stages of the lend-lease program, emphasis was placed on the allocation and obligation of funds appropriated by the Congress, since it was essential for the moneys to be made available to the procuring agencies and to be put to work by them at the earliest possible date. This has progressed so far, however, that today the significant thing to know is not the amount of money that has been allocated or obligated, but the amount that has been converted into articles and services, and this has been shown in Chapter 1.

Lend-lease aid is now being provided from appropriations which have been made directly to the Army, Navy, and Maritime Commission, as well as from appropriations made directly to the President. It is not feasible to give a detailed accounting of the lend-lease portion of the funds appropriated to the Army, Navy, and Maritime Commission, since the lend-lease portion (see Lend-Lease Appropriations and Transfer Authorizations) is pooled with the funds appropriated to those agencies for our own war program. However, an accounting of the allocation, obligation and expenditure of funds appropriated to the President is given in the following table.

ALLOCATIONS, OBLIGATIONS, AND EXPENDITURES Lend-Lease Funds Appropriated to the President [Millions of Dollars]

Appropriation Category	Adjusted Appropriations	Cumulative to May 31, 1942		
		Alloca-tions	Obliga-tions	Expendi-tures
Ordnance and stores	2,026	2,003	1,484	394
Aircraft and material . . .	2,877	2,839	2,526	690
Tanks and other vehicles . .	1,100	996	780	348
Watercraft	2,417	1,918	1,364	475
Misc. military equipment . .	468	461	300	73
Prod. facilities in U. S. . . .	1,163	1,066	883	345
Agr. and indust. commod. . .	6,831	4,397	2,441	1,527
Servicing, repair of ships . .	513	348	238	171
Services and expenses	982	328	159	57
Administrative expenses . . .	20	10	6	6
Total	18,397	14,366	10,181	4,086

The amount of lend-lease aid that may be provided under the various acts is given below.

LEND-LEASE APPROPRIATIONS AND TRANSFER AUTHORIZATIONS

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
	\$18,410,000,000

Transfers Authorized from Other Appropriations

War Department—Third Supplemental.....	\$2,000,000,000
War Department—Fourth Supplemental.....	4,000,000,000
War Department—Fifth Supplemental.....	11,250,000,000
War Department—Sixth Supplemental.....	2,220,000,000
Navy Department—Naval Approp. Act (Ships).....	3,900,000,000
Navy Department—Naval Approp. Act (Articles).....	2,500,000,000
Navy Department—Sixth Supplemental.....	18,000,000
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
	\$31,834,650,000

MAXIMUM AMOUNT OF AID THAT CAN BE PROVIDED..... \$50,244,650,000

Appendix III

MASTER AGREEMENT WITH CHINA

Agreement between the United States of America and China on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression.

Whereas the Governments of the United States of America and the Republic of China 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 Governments of the United States of America and the Republic of China, as signatories of the Declaration by United Nations of January 1, 1942, have subscribed to a common program of purposes and principles embodied in the Joint Declaration made on August 14, 1941 by the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, known as the Atlantic Charter;

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 Republic of China 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 Republic of China aid in resisting aggression;

And whereas it is expedient that the final determination of the terms and conditions upon which the Government of the Republic of China 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 Republic of China and will promote the establishment and maintenance of world peace;

And whereas the Governments of the United States of America and the Republic of China are mutually desirous of concluding now a preliminary agreement in regard to the provision of defense aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions and the making of such an agreement has been in all respects duly authorized, and all acts, conditions and formalities which it may have been necessary to perform, fulfil or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the Republic of China 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 Republic of China with such defense articles, defense services, and defense information as the President of the United States of America shall authorize to be transferred or provided.

Article II

The Government of the Republic of China 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 Republic of China 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 of March 11, 1941 of the Congress of the United States of America or permit the use thereof by anyone not an officer, employee, or agent of the Government of the Republic of China.

Article IV

If, as a result of the transfer to the Government of the Republic of China 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 Republic of China 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 Republic of China will return to the United States of America at the end of the present emergency, as determined by the President of the United States of America, 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 Republic of China full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the Republic of China 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 of the Republic of China 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 Republic of China, open to partic-

ipation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce; to the reduction of tariffs and other trade barriers; and, in general, to the attainment of economic objectives identical with those set forth in the Joint Declaration made on August 14, 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 second day of June, 1942.

For the Government of the United States of America:

CORDELL HULL,
Secretary of State of the United States of America.

For the Government of the Republic of China:

T. V. SOONG,
Minister for Foreign Affairs of China.

PSF
CF

Lend Lease

June 18, 1942

Respectfully referred to Honorable
E. R. Stettinius, Jr., Lend-Lease Admin-
istrator.

By direction of the President:

M. H. McINTYRE
Secretary to the President

hm

Transmitting copy of letter from Cong. A. J. Sabath, 6/4/42, to
the President, in re possibility that excessive stocks of materials
may be accumulating in the United Kingdom, etc., together with copy
of President's letter of 6/17/42 to Cong. Sabath. Original of letter
from Cong. Sabath retained for our files.

THIS CAN BE FILED.

H.L.H.

x 4117

Confidential
by
and Seal

WAR DEPARTMENT
WASHINGTON

June 18, 1942.

The President

The White House

Dear Mr. President:

I am transmitting herewith a table showing the availability of Military items under the Moscow Protocol as of May 31, 1942, and the estimated availability of such items for the month of June, 1942.

x 773
x 220

The table also indicates the estimated quantities of material that will not have been exported by June 30, even though available. Since deficiencies in the existing Protocol will not be made up after June 30, subsequent export of the unshipped balances will be credited against the second Protocol.

Faithfully yours,

Henry L. Stimson
SECRETARY OF WAR

Incl:
2 cys sched.
WD assign. to
USSR, 6/15/42.

x 207

C. F. Louis-Loe

WAR DEPARTMENT

STATUS OF MILITARY ITEMS UNDER THE MOSCOW PROTOCOL AS OF JUNE 30, 1942

AVAILABLE, as used herein, designates completed products in U. S. centers of production.

Protocol Number	Item	Required Availability by June 30, '42 Under Protocol	Quantities Made Available October 1, '41 to May 31, '42	To Be Made Available In June	Actual Quantities Floated Prior to June 1, '42	Estimated Total Quantities that can be Floated by June 30, '42	Estimated Balance to be Floated After June 30, '42, and to Apply Against Second Protocol	Comment
1.	Airplanes							
	Medium bombers B-25, w/armament and ammunition	72	77	0	56	77	0	
	Light bombers A-20, w/armament and ammunition	828	632	196	427	582	246	
	Pursuits P-40 w/armament and ammunition	900	752	148	492	800	100	
2.	Tanks							
	Medium, with armament and ammunition)	2,250	948	160	672	1,108	0	
	Light, with armament and ammunition)		996	148	891	1,144	0	
3.	Anti-Aircraft Guns							
	90mm, complete w/fire control equipment	152	4	0	4	4		None Available 148 short of Protocol

Franklin D. Roosevelt

DECLASSIFIED

Date- JAN 24 1972

Signature- *RHR*

~~SECRET~~

Protocol Number	Item	Required Availability by June 30, '42 Under Protocol	Quantities Made Available October 1, '41 to May 31, '42	To Be Made Available In June	Actual Quantities Floated Prior to June 1, '42	Estimated Total Quantities that can be Floated by June 30, '42	Estimated Balance to be Floated After June 30, '42, and to Apply Against Second Protocol	Comment
4.	Anti-Tank Guns, 37mm	756	63	0	63	63	None Available - 693 short of Protocol	
	Ammunition	Being supplied to match armament on a scale in accord with U. S. production. It is estimated that 15% of the total amount of ammunition made available will not be exported by June 30, 1942.						
6.	Trucks, 1/2 ton 4x4	5,000	7,001	0	5,639	7,001	0	
	Trucks, cargo	85,600	63,569	23,431	39,968	50,600	36,400	
7.	Telephone, field	108,000	72,500	35,500	44,173	100,000	8,000	
8.	Wire, field telephone (miles) (single strand)	562,000	436,917	90,000	367,304	496,000	66,000*	
25.	Armor plate (ton)	9,000	8,946	0	5,689	8,946	0	
42.	Toluol (lbs.)	39,600,000	33,031,966	7,451,584	26,000,000	39,760,600	722,900	
	T.N.T. (lbs.)	20,000,000	20,672,000	8,820,000	13,040,000	25,900,000*	3,592,000	
44.	Phenol (lbs.)	10,976,000	9,589,056	2,283,344	7,403,200	10,689,280	1,183,120	

*Of this, 35,083 will not be available June 30.

54 short of Protocol

*Includes 1,228,000 shipped in June, but to apply on Second Protocol

Franklin D. Roosevelt Library

DECLASSIFIED

Date- JAN 24 1972

Signature- RHP

~~SECRET~~

~~SECRET~~

Protocol Number	Item	Required Availability by June 30, '42 Under Protocol	Quantities Made Available October 1, '41 to May 31, '42	To Be Made Available In June	Actual Quantities Floated Prior to June 1, '42	Estimated Total Quantities that can be Floated by June 30, '42	Estimated Balance to be Floated After June 30, '42, and to Apply Against Second Protocol	Comment
46.	Ethylene Glycol (tons)	1,080	1,080	0	1,080	1,080	0	
47.	Sodium Bromide (lbs.)	2,016,000	1,789,660	306,000	1,466,480	1,989,120	106,540	
48.	Phosphorus (lbs.)	2,016,000	3,305,812	0	2,938,880	3,305,812	0	
49.	Dibutyl-phthalate (lbs.)	4,927,506	4,368,000	560,000	2,499,840	4,928,000	0	
50.	Dimethylaniline (lbs.)	2,688,000	2,072,000	616,000	1,379,840	2,495,360	202,640	
51.	Diphenylamine (lbs.)	2,016,000	1,892,070	245,310	1,207,360	2,098,880	38,500	
52.	Colloxylin (lbs.)	6,048,000	8,941,791	368,832	4,376,960	9,310,623	0	
53.	Machine Tools	Deliveries to continue as rapidly as possible to meet unfilled U.S.S.R. requests.						
55.	Forging and pressing equipment	"	"	"	"	"	"	"
64.	Leather (metric tons)	13,500	11,156	1,980	8,731	12,600	900*	*This amount will not be available June 30.
66.	Army shoes (prs.)	1,600,000	1,700,030	110,879	1,420,960	1,787,030	23,879	
67.	Army cloth (yds.) (wool and cotton)	1,000,000	1,697,843	197,390	1,406,181	1,760,000	135,233	

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JAN 24 1972

Date-

Signature-

RAP

~~SECRET~~

~~SECRET~~

MILITARY ITEMS IN ADDITION TO PROTOCOL

Item No.	Item	Quantities Made Available Oct. 1, '41 to May 31, '42	To Be Made Available In June	Total to Be Made Available By June 30, '42	Estimated Total Quantities that can be Floated by June 30, '42	Estimated balance to be Floated After June 30, '42	Comment
1.	Cars, Scout M3A1 w/armament	164	480	644	560	84	This item appears on the Second Protocol
2.	Truck, personnel carrier, M2 w/o armament	132	182	314	314	0	
3.	Sub-machine gun Cal. .45	72,376	39,000	111,376	111,376	0	This item appears on the Second Protocol
4.	Float, rubber, 6 ton capacity	903	2,097	3,000	2,136	864	
5.	Tarpaulin (yds.)	410,018	1,800,000	2,210,018	800,000	1,410,018	Corrected figures
6.	Airplanes, observation w/armament and ammunition	30	0	30	30	0	
7.	Tractors	411	555	966	873	93	All tractors furnished will apply against the Second Protocol per U.S.S.R. agreement
8.	Battery charging sets	307	1,820	2,127	1,707	420	This item appears on the Second Protocol

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DATE 10/11/2001 BY SP-6 BTJ/STW

Date- JAN 24 1972

Signature- RAB

~~SECRET~~

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

BF
CF *lend lease*
file

E. R. Stettinius, Jr.
Administrator

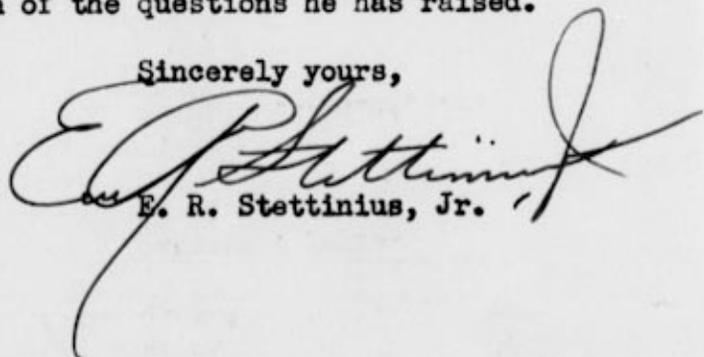
June 19, 1942

Mr. M. H. McIntyre
Secretary to the President
The White House
Washington, D. C.

Dear Mr. McIntyre:

Thank you for your note of June 18 enclosing a copy of the President's letter of the 17 to Congressman Sabath in reply to his communication with the President of June 4. In line with the last paragraph of the President's letter the Congressman has been in touch with us and we are going to sit down with him for a full discussion of the questions he has raised.

Sincerely yours,



E. R. Stettinius, Jr.

C. F.
Lind - Lind

THE WHITE HOUSE
WASHINGTON

June 23, 1942.

MEMORANDUM FOR

HARRY HOPKINS:

x 4117

TO READ AND RETURN FOR MY FILES.

F.D.R.

Letter from Hon. Thomas B. McCabe, Acting Administrator, Lend-Lease Administration, 6/17/42, to the President, marked "Secret", transmitting report of the status of the Soviet aid program as of 5/31/42. Copy of letter has been retained for our files.

x 4559
x 4193
x 220

~~SECRET~~

June 17, 1942

Dear Mr. President,

In compliance with your letter of March 17, 1942 requesting that you be kept advised as to the status of the Soviet aid program, we are transmitting herewith the report as of May 31, 1942.

The report shows the amount of each class of material that has been made available under the terms of the protocol and the proportion that has actually been shipped, subdivided according to that which has arrived, been sunk or is still en route.

Total exports to U.S.S.R. fell off sharply in May, as indicated by the first page of charts, due principally to convoy difficulties. Only 32 ships sailed during the month as compared with 78 sailings in April.

The prospect for improvement in the situation during June does not appear bright. From present indications, the number of sailings in June will not be much greater than in May.

Sincerely yours,

(Signed) Thomas B. McCabe

Thomas B. McCabe
Acting Administrator

The Honorable

The President of the United States

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

2 1972

THE WHITE HOUSE
WASHINGTON

File

June 23, 1942.

MEMORANDUM FOR

HARRY HOPKINS:

TO READ AND RETURN FOR MY FILES.

F.D.R.

June 23, 1942

READ BY MR. HOPKINS.

~~SECRET~~

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

E. R. Stettinius, Jr.
Administrator

June 17, 1942

Dear Mr. President,

In compliance with your letter of March 17, 1942 requesting that you be kept advised as to the status of the Soviet aid program, we are transmitting herewith the report as of May 31, 1942.

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Sincerely yours,

Thomas B. McCabe

Thomas B. McCabe
Acting Administrator

The Honorable

The President of the United States

DECLASSIFIED
State Dept. Letter, 14142
State Dept.
By J. Scheuble Date 11/14/78
By J. Scheuble Date 11/14/78

2 19/42

FOR DEFENSE



SECRET

STATUS OF THE SOVIET AID PROGRAM

AS OF MAY 31, 1942

Office of Lend-Lease Administration

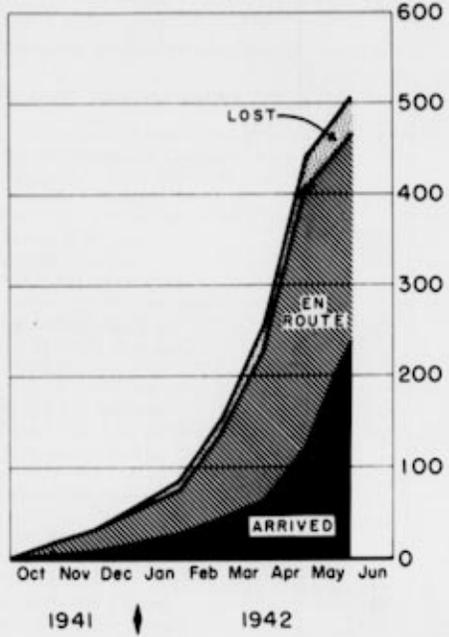
DECLASSIFIED
State Dept. Letter, 1-11-72
By: [Signature] Date: FEB 2 1972

STATUS OF THE SOVIET AID PROGRAM
As of May 31, 1942

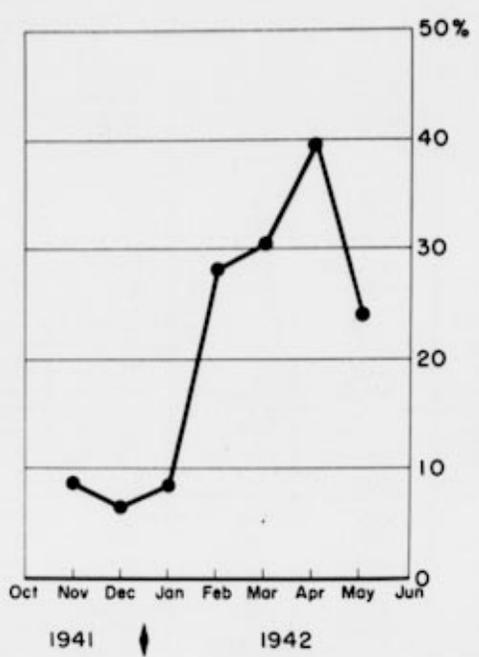


OFFICE OF LEND-LEASE ADMINISTRATION
Washington
June 16, 1942

EXPORTS TO U.S.S.R.
 CUMULATIVE SINCE OCTOBER 1, 1941
 Millions of Dollars

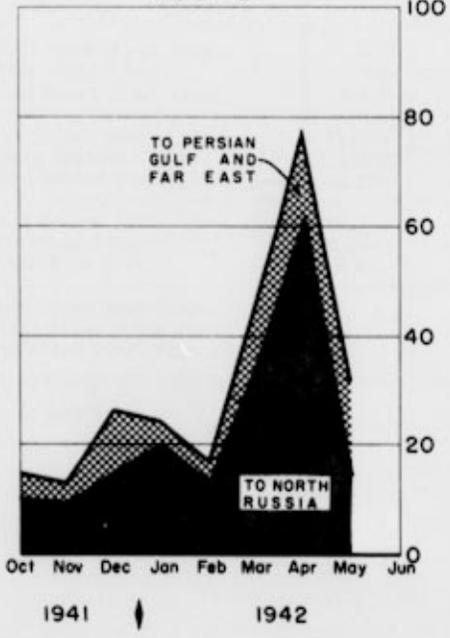


MONTHLY LEND-LEASE EXPORTS TO U.S.S.R.
 IN % OF TOTAL LEND-LEASE EXPORTS

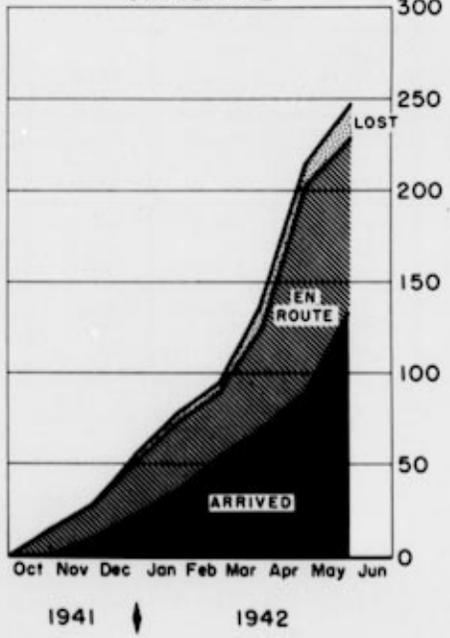


NUMBER OF SHIPS SAILING FOR U.S.S.R.

MONTHLY



CUMULATIVE



EXPORTS AND AVAILABILITY OF MATERIAL UNDER THE MOSCOW PROTOCOL
October 1, 1941 to June 30, 1942

Protocol Item and Number	Exports Oct. 1 to May 31	Arrived to May 31	Lost to May 31	Made Available to May 31	To be Made Available in June	Estimated Availability to June 30	Protocol Commitment
1A Planes - Medium Bombers B-25	53	36	2	77	0	77	900
1A Planes - Light Bombers A-20	431	304	0	485	196	681	
1B Planes - Pursuit P-40	492	254	95	689	148	837	
2A Tanks - Medium	672	376	114	948	160	1,108	1,125
2B Tanks - Light	891	420	76	996	148	1,144	1,125
3 Anti-Aircraft Guns	4	4	0	4	0	4	152
4 Anti-Tank Guns	63	0	0	63	0	63	756
6A Jeeps (1/4 Ton 4x4)	5,639	2,906	200	7,001	0	7,001	5,000
6B Trucks	35,067	16,636	3,953	63,569	23,431	87,000	85,600
7 Field Telephones	44,173	15,330	4,960	72,500	35,500	108,000	108,000
8 Field Tel. Cable (miles)	367,304	155,767	38,051	436,917	90,000	526,917	562,500
9 Underwater Cable (km)	0	0	0	0	318	318	450
10 Submarine Cable (km)	405	6	0	547	396	943	900
11A Aluminum (tons)	9,043	4,451	1,433	11,708	4,049	15,757	15,580*
11B Duraluminum (tons)	5,331	1,914	779	5,936	1,000	6,936	7,716*
14 Nickel (tons)	1,344	519	659	1,454	14	1,468	1,200
15 Molybdenum (tons)	3,920	2,185	1,101	4,261	0	4,261	2,700
18 Rolled Brass (tons)	34,866	21,228	4,902	44,671	6,862	51,533	45,000
20 Zinc (tons)	6,049	2,698	1,281	6,750	0	6,750	6,750
22 Copper Products (tons)	2,792	1,670	669	3,187	766	3,953	2,700
23 Ferrosilicon (tons)	2,525	558	133	2,525	379	2,904	2,700
24 Ferrochrome (tons)	1,049	186	102	1,349	203	1,552	1,800
25 Armor Plate (tons)	5,689	1,361	0	8,946	0	8,946	9,000
26 Hard Alloys & Cutting Tools (\$1,000)	1	0	0	-	-	-	900
28 High Speed Steel (tons)	491	223	3	749	815	1,564	900
29 Tool Steel (tons)	968	72	0	1,491	1,247	2,738	4,500
30 Calibrated Steel (tons)	5,808	1,899	43	24,112	21,549	45,661	0
31 Hot Rolled Steel (tons)	25,635	1,695	227	52,331	18,403	70,734	63,000
32 Steel Billets (tons)	12,901	4,643	76	30,124	32,560	62,684	72,000
33 Cold Rolled Steel Strip (tons)	21,823	4,475	1,317	44,850	14,945	59,795	72,000
34 Cold Rolled Steel Sheet (tons)	56,474	9,524	3,794	61,329	2,466	63,795	72,000
35 Tin Plate (tons)	31,824	16,373	4,447	31,824	604	32,428	36,000
36 Steel Wire (tons)	7,343	1,140	57	21,843	22,923	44,766	63,000
37 Steel Wire Rope (tons)	5	0	0	1,628	8,904	10,532	10,800
38 Steel Alloy Tubes (tons)	37	0	0	1,250	486	1,737	1,800
39 Stainless Steel Wire (tons)	0	0	0	11	27	38	180

* As modified

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

EXPORTS AND AVAILABILITY OF MATERIAL UNDER THE MOSCOW PROTOCOL
October 1, 1941 to June 30, 1942

Protocol Item and Number	Exports Oct. 1 to May 31	Arrived to May 31	Lost to May 31	Made Available to May 31	To Be Made Available In June	Estimated Availability to June 30	Protocol Commitment
40 Nickel Chrome Wire (tons)	163	115	8	175	20	195	180
41 Barbed Wire (tons)	35,791	17,926	4,805	35,791	574	36,365	36,000
42A Toluol (tons)	11,851	2,885	0	14,983	3,278	18,261	18,000
42B T.N.T. (tons)	6,528	2,868	869	9,377	4,264	13,641	10,000
44 Phenol (tons)	3,305	1,602	645	4,331	104	4,435	4,900
45 Petroleum Products (tons)	183,035	118,519	5,581	183,035	20,000	203,035	180,000
46 Ethylene Glycol (tons)	1,019	456	145	1,019	0	1,019	1,080
47 Sodium Bromide (tons)	652	289	115	812	139	951	900
48 Phosphorus (tons)	1,312	738	266	1,500	0	1,500	900
49 Dibutyl Phthalate (tons)	1,115	193	16	1,981	254	2,235	2,200
50 Dimethylaniline (tons)	616	127	181	940	279	1,219	1,200
51 Diphenylamine (tons)	539	342	27	858	102	960	900
52 Colloxylin (dry wt.tons)	1,954	989	132	2,636	167	2,803	2,700
53 Machine Tools (pieces)	2,604	1,412	312	2,920	732	3,652	
54 Electric Furnaces (pieces)	92	43	2	-	-	-	140
55 Forging & Press Equip. (pieces)	114	68	17	-	-	-	627
56 Misc. Ind. Equip. (\$1,000)	6,400	3,914	710	-	-	-	
58 Abrasives (\$1,000)	1,084	554	122	-	-	-	2,700
59 Graphite Electrodes (tons)	1,543	582	18	1,543	152	1,695	3,600
60 Graphite Crucibles (tons)	626	313	68	626	0	626	0
64 Sole Leather (tons)	8,731	3,766	1,424	11,156	1,500	12,656	13,500
66 Army Boots (1,000 prs.)	1,421	846	60	1,700	111	1,811	1,600
67 Army Cloth (1,000 yds)	1,406	993	160	1,698	197	1,895	1,000
68A Wheat (tons)	27,330	26,830	0	27,330	0	27,330	0
68B Wheat Flour (tons)	40,629	33,901	499	40,629	15,500	56,129	0
69 Sugar (tons)	60,375	34,820	362	60,375	25,000	85,375	0
71 Navy Items:							
Arming of U.S.S.R. Merchant Ships	14			14			13
Armament for Ice-Breakers	4			4			3
Diesel Engines for Mine- Sweepers	0			0	0	0	60
Diesel Engines for Small Boats	0			23	14	37	40
Engines for Torpedo Boats	126	76	0	270	20	290	50
Diesel Generators	0			2	56	58	150
72 Medical Items (\$1,000)	2,460	1,754	324	4,460	2,000	6,460	

DECLASSIFIED
State Dept. Letter, 1-11-
By J. Schauble Date FEB 2 1974

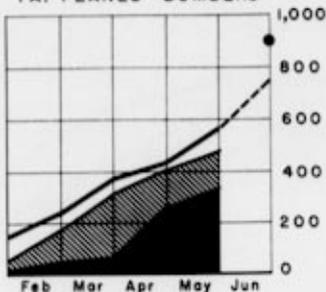
EXPORTS AND AVAILABILITY OF MATERIAL UNDER THE MOSCOW PROTOCOL

CUMULATIVE SINCE OCTOBER 1, 1941

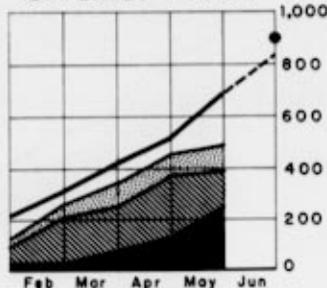
Exported
Lost
En Route
Arrived

● Protocol Commitment
— Quantity made available
- - - Scheduled to be available by June 30

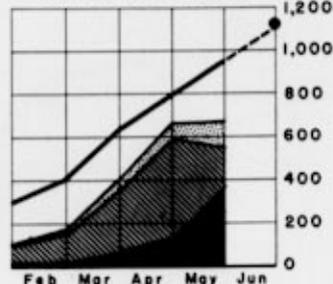
1A. PLANES - BOMBERS



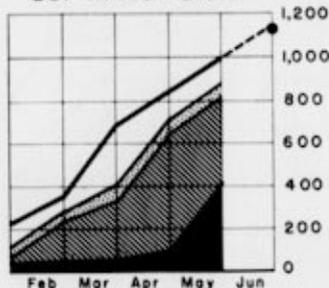
1B. PLANES - PURSUIT



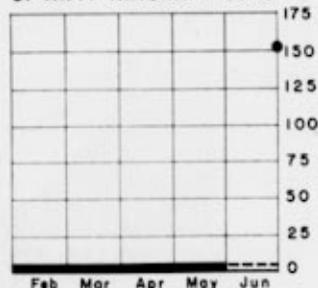
2A. TANKS - MEDIUM



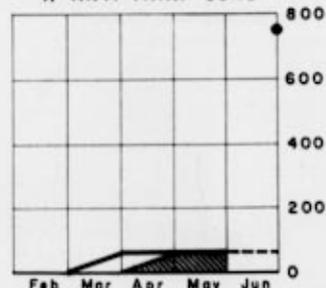
2B. TANKS - LIGHT



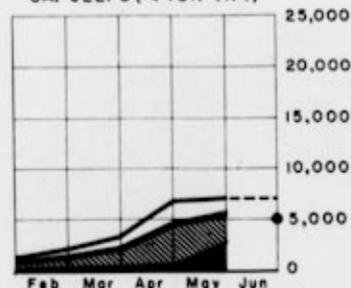
3. ANTI-AIRCRAFT GUNS



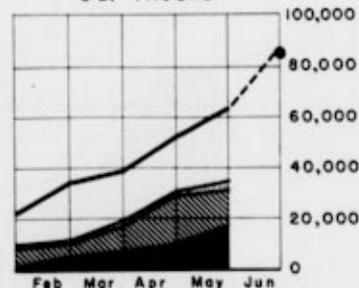
4. ANTI-TANK GUNS



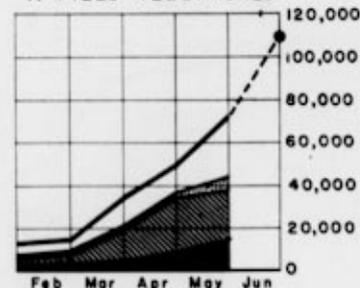
6A. JEEPS (1/4 TON 4X4)



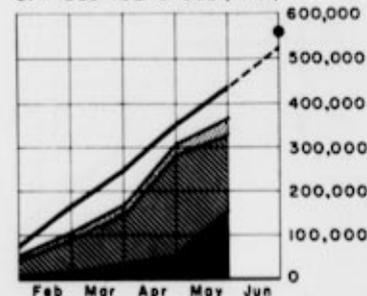
6B. TRUCKS



7. FIELD TELEPHONES



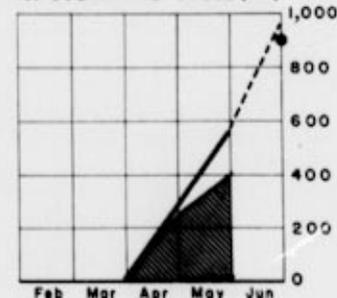
8. FIELD TEL CABLE (Miles)



9. UNDERWATER CABLE (km)

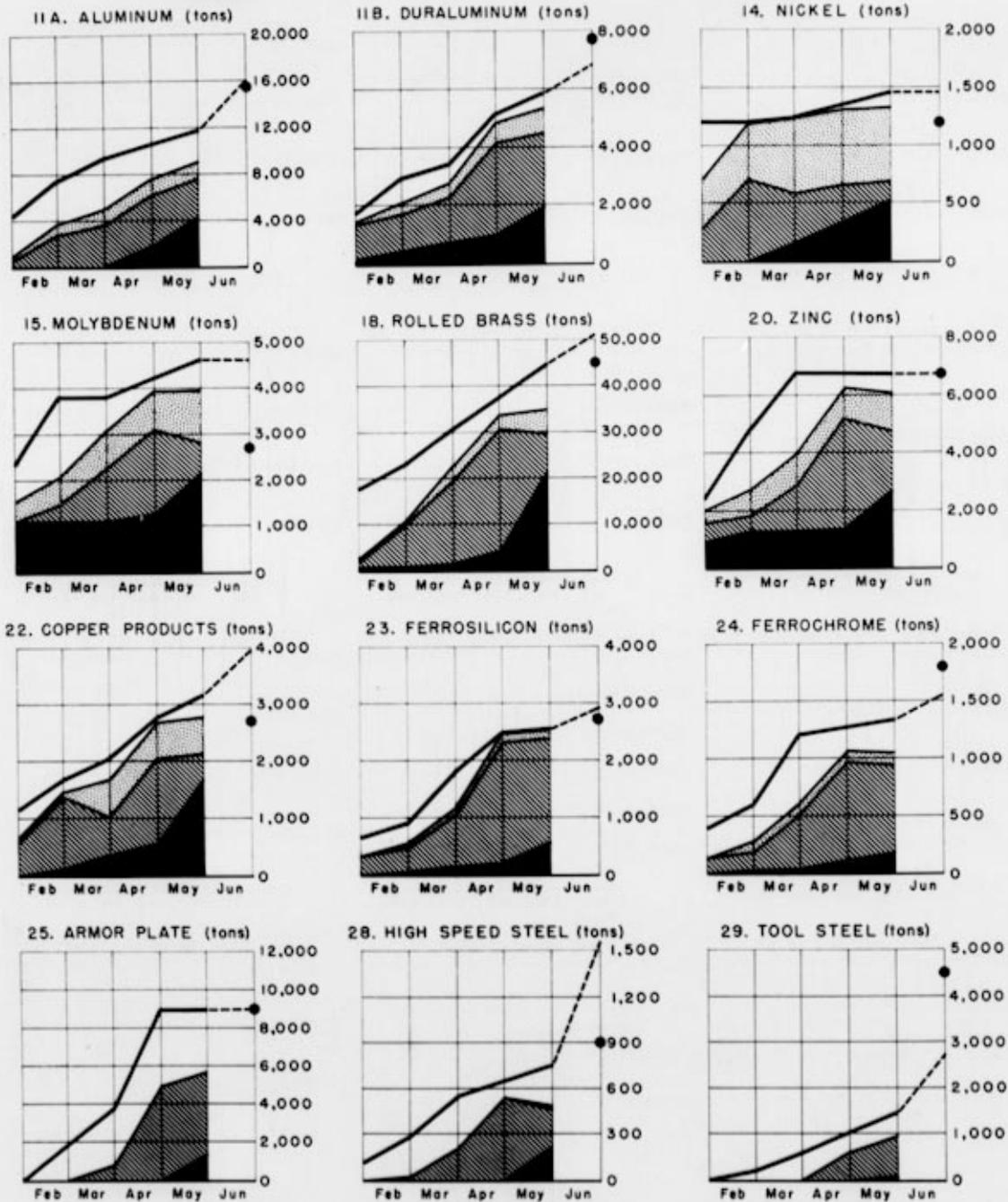
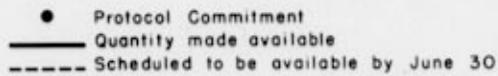


10. SUBMARINE CABLE (km)



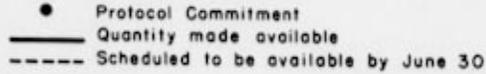
EXPORTS AND AVAILABILITY OF MATERIAL UNDER THE MOSCOW PROTOCOL

CUMULATIVE SINCE OCTOBER 1, 1941

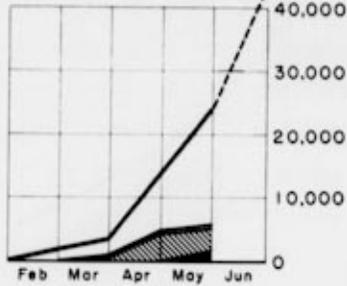


EXPORTS AND AVAILABILITY OF MATERIAL UNDER THE MOSCOW PROTOCOL

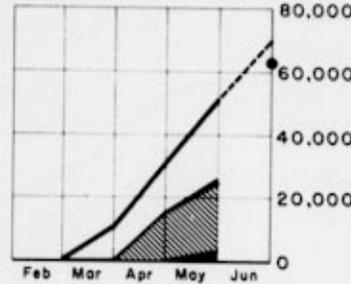
CUMULATIVE SINCE OCTOBER 1, 1941



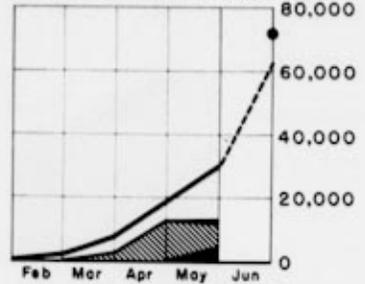
30. CALIBRATED STEEL (tons)



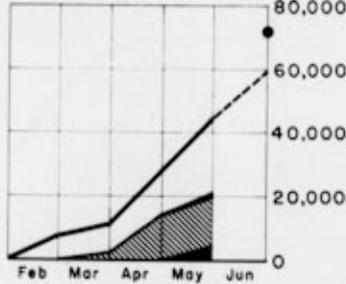
31. HOT ROLLED STEEL (tons)



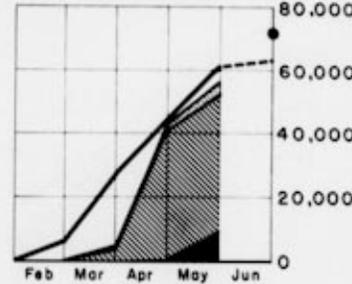
32. STEEL BILLETS (tons)



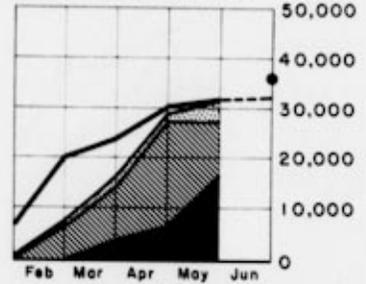
33. C. R. STEEL STRIP (tons)



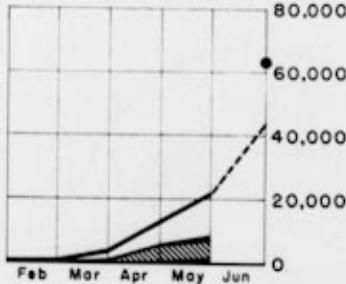
34. C. R. STEEL SHEET (tons)



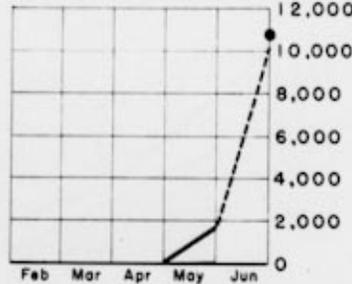
35. TIN PLATE (tons)



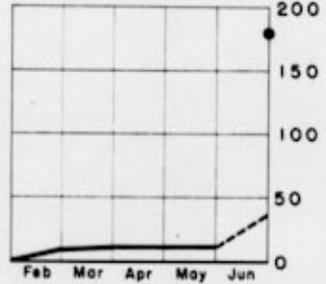
36. STEEL WIRE (tons)



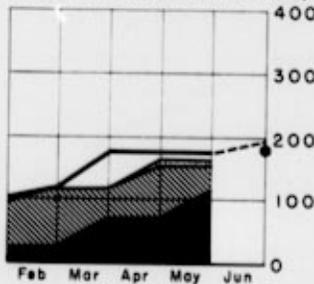
37. STEEL WIRE ROPE (tons)



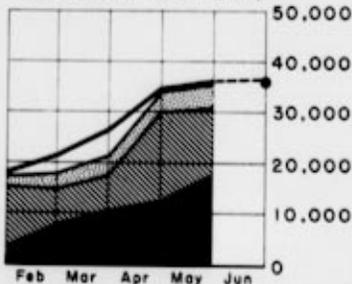
39. STAINLESS STEEL WIRE (tons)



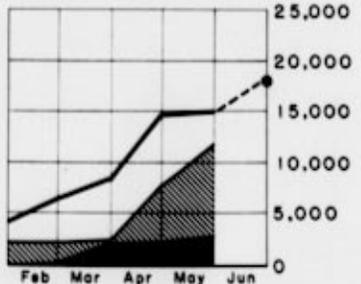
40. NICKEL CHROME WIRE (tons)



41. BARBED WIRE (tons)

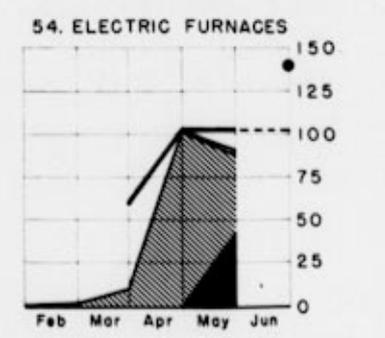
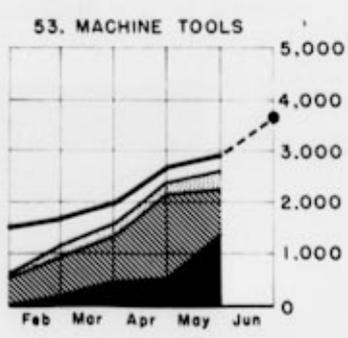
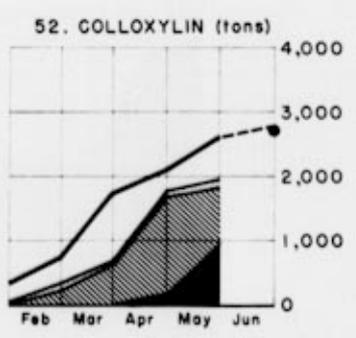
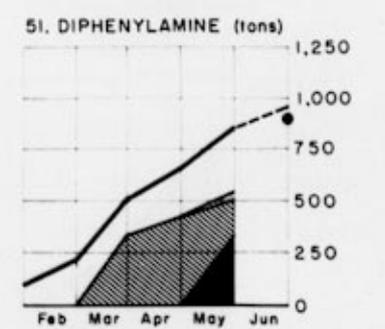
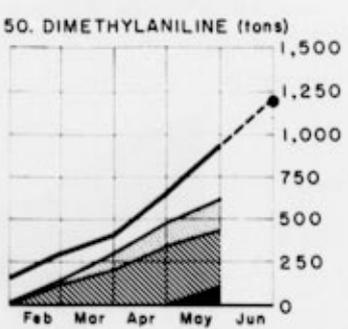
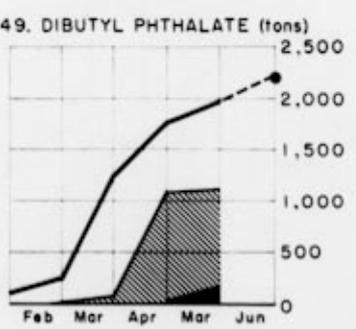
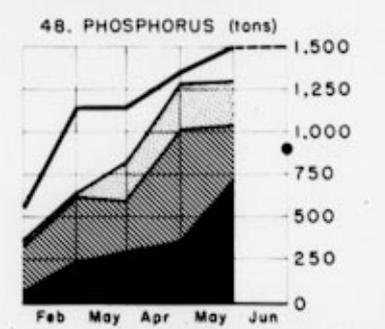
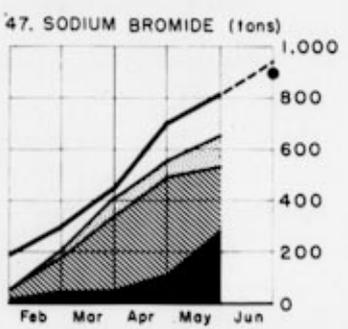
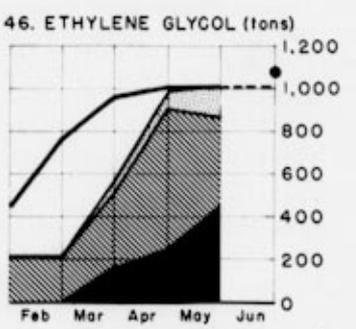
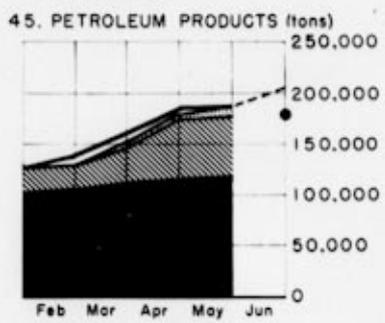
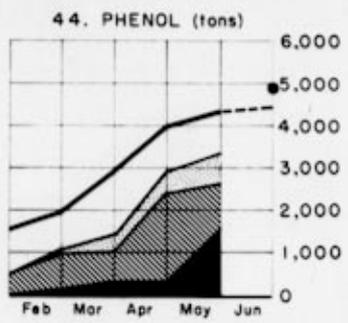
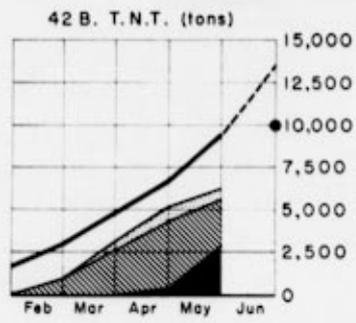
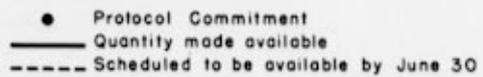


42 A. TOLUOL (tons)



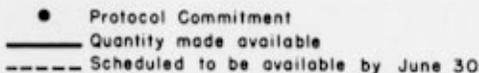
EXPORTS AND AVAILABILITY OF MATERIAL UNDER THE MOSCOW PROTOCOL

CUMULATIVE SINCE OCTOBER 1, 1941

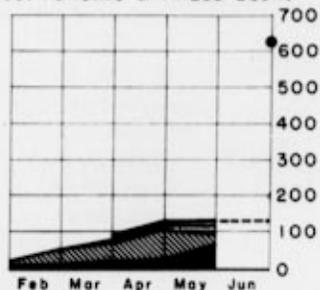


EXPORTS AND AVAILABILITY OF MATERIAL UNDER THE MOSCOW PROTOCOL

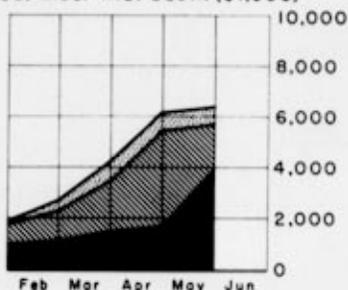
CUMULATIVE SINCE OCTOBER 1, 1942



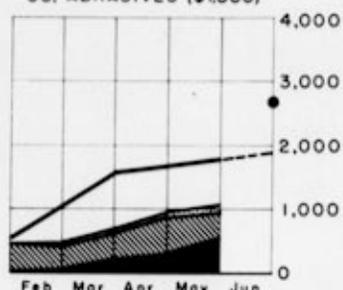
55. FORGING & PRESS EQUIP.



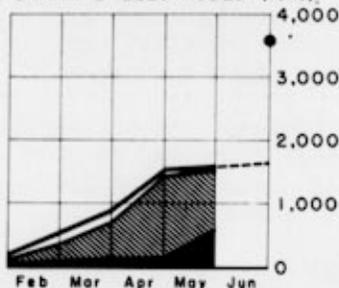
56. MISC. IND. EQUIP. (\$1,000)



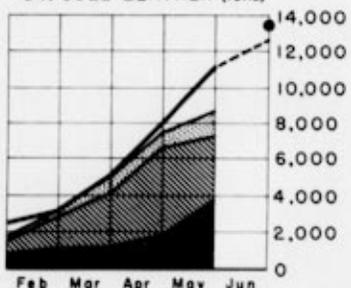
58. ABRASIVES (\$1,000)



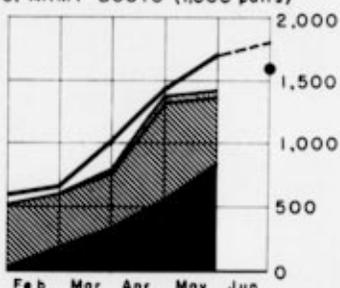
59. GRAPHITE ELECTRODES (tons)



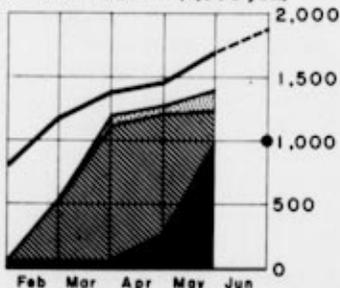
64. SOLE LEATHER (tons)



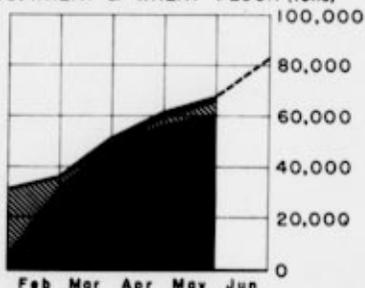
66. ARMY BOOTS (1,000 pairs)



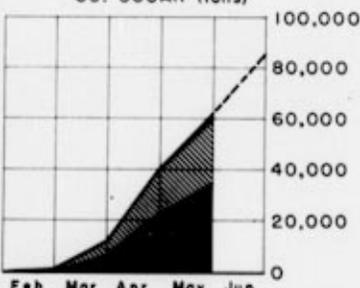
67. ARMY CLOTH (1,000 yds.)



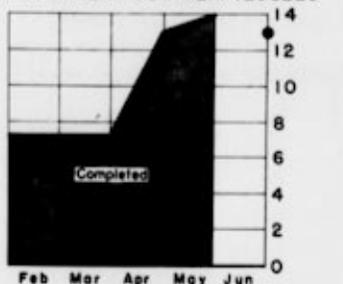
68. WHEAT & WHEAT FLOUR (tons)



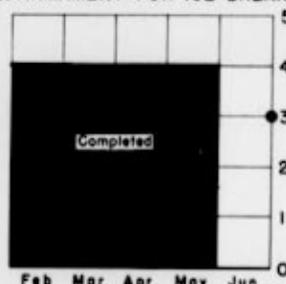
69. SUGAR (tons)



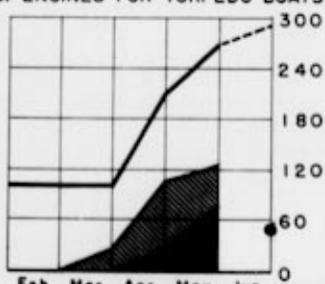
71A. ARMAMENT FOR MER. VESSELS



71B. ARMAMENT FOR ICE BREAKERS



71C. ENGINES FOR TORPEDO BOATS



EXPORTS OF NON-PROTOCOL ITEMS TO THE U.S.S.R.
 October 1, 1941 to May 31, 1942

Item	Quantity	Value
Military Items: (number)		
Ammunition	-	\$18,956,510
Observation Planes O-52	30	1,359,949
Personnel Carriers - 1/2 track	8	42,668
Tractors	-	-
Scout Cars M-3A1	-	-
Motorcycles, solo	-	-
Rubber Floats	-	-
81 mm Mortars	30	24,226
.45 Cal. Sub-Machine Guns	23,000	2,282,725
Army Equipment Webbing	-	297,022
Waterproof Duck	-	125,375
Other Steel*: (metric tons)		
R. R. Pails and Equipment	26,941	1,639,656
Oil Well Drilling Equipment	27,221	2,955,244
Other Steel Items	-	635,578
Foodstuffs: (metric tons)		
Canned Meats	31,113	23,937,130
Dry Salt Fat Backs	5,842	2,550,021
Lard	27,965	8,354,068
Other Pork Products	1,938	1,261,029
Dried Eggs	7,295	17,824,753
Dried Beans	11,812	1,540,440
Butter	1,354	1,034,974
Other Foods	4,942	1,374,300
Linseed Oil	16,033	4,244,674
Chemicals:		
Ethyl Fluid (gallons)	287,370	1,422,063
Metallic Sodium (metric tons)	986	286,365
Methanol (metric tons)	7,280	857,492
Other Chemicals and Oils	-	1,038,108
Tires and Tubes (number)	124,996	2,545,361
Miscellaneous	-	2,322,530
Total	-	\$98,912,261

* Steel not applicable to any particular Protocol category.

2 1972

~~SECRET~~

EXPORTS OF NON-PROTOCOL ITEMS TO THE U.S.S.R.
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Tires and Tubes (number)	124,996	2,545,361
Miscellaneous	-	2,322,530
Total	-	\$98,912,261

* Steel not applicable to any particular Protocol category.

PSF

C. F.
Lend-Lease

June 25, 1942

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 directly to the French Volunteer Forces (Free French) in New Caledonia, I hereby find that the defense of New Caledonia is vital to the defense of the United States.

Very sincerely yours,

(Signed) Franklin D. Roosevelt

The Honorable

E. R. Stettinius, Jr. x 4559

Lend-Lease Administrator

x 4193
x 203

THE WHITE HOUSE
WASHINGTON

June 25, 1942

MEMORANDUM FOR MISS TULLY:

I recommend that the President
sign this.

H.L.H. x 4117

June 18, 1942

TO: Mr. Harry L. Hopkins
FROM: Mr. E. R. Stettinius, Jr.
SUBJECT: Direct Lend-Lease Aid to Free French in New Caledonia.

1. As you know, Lend-Lease shipments and other shipments to New Caledonia are subject to the control of the Commanding General of the United States Army forces there. All Lend-Lease supplies which have or may be sent to New Caledonia come from this country or from Australia on a reverse lend-lease arrangement with the Australian government.

2. With American army or government authorities in control at both the origin and destination of the Lend-Lease supplies, there is no reason for requiring that the supplies be lend-leased by re-transfer from the United Kingdom after approval of each specific request in London.

3. I believe that the attached letter for the President authorizing direct transfer to the French Volunteer Forces in New Caledonia would be wise from both the military and political viewpoints.

4. The State Department has been consulted, and has no objection.

THE WHITE HOUSE
WASHINGTON

October 2, 1942

Dorothy:

These are the White House file
copies of the the memoranda the
President signed this afternoon.
I have dated them but have indicated
no signature as I'm not sure how you
do that.

Lois

*Lois
file*

October 2, 1942

b. 7.

Lend Lease

MEMORANDUM FOR THE CHAIRMAN, WAR PRODUCTION BOARD.

x4735

x220

x4193

Last May, with the concurrence of the British Prime Minister, I offered the Soviet Government a second protocol covering the flow of supplies from this country to the U.S.S.R. during the period July 1, 1942 to June 30, 1943.

Because of enemy action on convoys to North Russia, it has not been and it may not be feasible in the future to send the full tonnage of supplies contemplated in this protocol. It is therefore of particular importance that every effort be made to utilize to the maximum the supply routes that may be available to us.

To this end I desire that the following steps be taken:

a. That ships be made available to fill our quota of such convoys as may be sent to North Russia and also to lift all the cargo that can be cleared to Russia through the Persian Corridor.

b. That necessary arrangements be made, including the utilization of whatever production priorities or directives may be necessary, to insure sufficient priority cargoes, in accordance with protocol commitments, to load such ships as may be dispatched to Russia by all routes.

c. That airplanes be delivered in accordance with protocol schedules by the most expeditious means, whether by ship or flight.

d. That the project for the operation and enlargement of the transportation facilities of the Persian Corridor be given sufficient priority and support in the form of men, equipment and ships to insure its early and effective accomplishment.

x134
x4675

DECLASSIFIED
E.O. 11652, Sec. 11

By *RAP*
Date

MAR 21 1973

~~CONFIDENTIAL~~

It is further desired that a report be submitted to me by the 10th of each month showing the progress of the War Production Board in meeting these objectives and including any recommendations you may have for expediting aid to Russia.

Similar letters are being sent to -

Secretary of War
Secretary of the Navy
Secretary of the Treasury
Secretary of the Interior
Chairman, War Shipping Administration
Lend-Lease Administrator

DECLASSIFIED
E.O. 11652, Sec. 11

By: RAIP NARS Date

MAR 21 1973

October 2, 1942

MEMORANDUM FOR THE CHAIRMAN, WAR SHIPPING ADMINISTRATION. x4772

Last May, with the concurrence of the British Prime Minister, I offered the Soviet Government a second protocol covering the flow of supplies from this country to the U.S.S.R. during the period July 1, 1942 to June 30, 1943.

Because of enemy action on convoys to North Russia, it has not been and it may not be feasible in the future to send the full tonnage of supplies contemplated in this protocol. It is therefore of particular importance that every effort be made to utilize to the maximum the supply routes that may be available to us.

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d. That the project for the operation and enlargement of the transportation facilities of the Persian Corridor be given sufficient priority and support in the form of men, equipment and ships to insure its early and effective accomplishment.

DECLASSIFIED
E.O. 11652, Sec. 11

By RHP NARS Date MAR 21 1973



~~CONFIDENTIAL~~

It is further desired that a report be submitted to me by the 10th of each month showing the progress of the War Shipping Administration in meeting these objectives and including any recommendations you may have for expediting aid to Russia.

Similar letters are being sent to -

Secretary of War
Secretary of the Navy
Secretary of the Treasury
Secretary of the Interior
Chairman, War Production Board
Lend-Lease Administrator

DECLASSIFIED
E.O. 11652, Sec. 11

By RHP, NARS Date MAR 21 1973

~~CONFIDENTIAL~~

October 2, 1942

MEMORANDUM FOR LEND-LEASE ADMINISTRATOR. ^{x4559}

Last May, with the concurrence of the British Prime Minister, I offered the Soviet Government a second protocol covering the flow of supplies from this country to the U.S.S.R. during the period July 1, 1942 to June 30, 1943.

Because of enemy action on convoys to North Russia, it has not been and it may not be feasible in the future to send the full tonnage of supplies contemplated in this protocol. It is therefore of particular importance that every effort be made to utilize to the maximum the supply routes that may be available to us.

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a. That ships be made available to fill our quota of such convoys as may be sent to North Russia and also to lift all the cargo that can be cleared to Russia through the Persian Corridor.

b. That necessary arrangements be made, including the utilization of whatever production priorities or directives may be necessary, to insure sufficient priority cargoes, in accordance with protocol commitments, to load such ships as may be dispatched to Russia by all routes.

c. That airplanes be delivered in accordance with protocol schedules by the most expeditious means, whether by ship or flight.

d. That the project for the operation and enlargement of the transportation facilities of the Persian Corridor be given sufficient priority and support in the form of men, equipment and ships to insure its early and effective accomplishment.

DECLASSIFIED
E.O. 11652, Sec. 11

By RHP MAR 21 1973
NAAS Date

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

It is further desired that a report be submitted to me by the 10th of each month showing the progress of the Lend-Lease Administration in meeting these objectives and including any recommendations you may have for expediting aid to Russia.

Similar letters are being sent to -

Secretary of War
Secretary of the Navy
Secretary of the Treasury
Secretary of the Interior
Chairman, War Production Board
Chairman, War Shipping Administration

DECLASSIFIED
E.O. 11652, Sec. 11
By *RAT* Date MAR 21 1973

~~CONFIDENTIAL~~

CONFIDENTIAL

October 2, 1942

MEMORANDUM FOR THE SECRETARY OF THE INTERIOR. x6

Last May, with the concurrence of the British Prime Minister, I offered the Soviet Government a second protocol covering the flow of supplies from this country to the U. S. S. R. during the period July 1, 1942 to June 30, 1943.

Because of enemy action on convoys to North Russia, it has not been and it may not be feasible in the future to send the full tonnage of supplies contemplated in this protocol. It is therefore of particular importance that every effort be made to utilize to the maximum the supply routes that may be available to us.

To this end I desire that the following steps be taken:

a. That ships be made available to fill our quota of such convoys as may be sent to North Russia and also to lift all the cargo that can be cleared to Russia through the Persian Corridor.

b. That necessary arrangements be made, including the utilization of whatever production priorities or directives may be necessary, to insure sufficient priority cargoes, in accordance with protocol commitments, to load such ships as may be dispatched to Russia by all routes.

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d. That the project for the operation and enlargement of the transportation facilities of the Persian Corridor be given sufficient priority and support in the form of men, equipment and ships to insure its early and effective accomplishment.

CONFIDENTIAL

DECLASSIFIED
E.O. 11652, Sec. 11

By RHO, NARS Date

MAR 21 1973

~~CONFIDENTIAL~~

It is further desired that a report be submitted to me by the 10th of each month showing the progress of the Interior Department in meeting these objectives and including any recommendations you may have for expediting aid to Russia.

Similar letters are being sent to -

Secretary of War
Secretary of the Navy
Secretary of the Treasury
Chairman, War Production Board
Chairman, War Shipping Administration
Lend-Lease Administrator

DECLASSIFIED
E.O. 11652, Sec. 11

BY RMP DATE MAR 21 1973

~~CONFIDENTIAL~~

October 2, 1942

MEMORANDUM FOR THE SECRETARY OF THE TREASURY. *x 21*

Last May, with the concurrence of the British Prime Minister, I offered the Soviet Government a second protocol covering the flow of supplies from this country to the U.S.S.R. during the period July 1, 1942 to June 30, 1943.

Because of enemy action on convoys to North Russia, it has not been and it may not be feasible in the future to send the full tonnage of supplies contemplated in this protocol. It is therefore of particular importance that every effort be made to utilize to the maximum the supply routes that may be available to us.

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d. That the project for the operation and enlargement of the transportation facilities of the Persian Corridor be given sufficient priority and support in the form of men, equipment and ships to insure its early and effective accomplishment.

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 11652, Sec. 11

By *RAH* MAR 21 1973
NARS Date

~~CONFIDENTIAL~~

It is further desired that a report be submitted to me by the 10th of each month showing the progress of the Treasury Department in meeting these objectives and including any recommendations you may have for expediting aid to Russia.

Similar letters are being sent to -

Secretary of War
Secretary of the Navy
Secretary of the Interior
Chairman, War Production Board
Chairman, War Shipping Administration
Lend-Lease Administrator

DECLASSIFIED
E.O. 11652, Sec. 11

By RHP, NARS Date MAR 21 1973

~~CONFIDENTIAL~~

~~CONFIDENTIAL~~

October 2, 1942

MEMORANDUM FOR THE SECRETARY OF THE NAVY. x18

Last May, with the concurrence of the British Prime Minister, I offered the Soviet Government a second protocol covering the flow of supplies from this country to the U.S.S.R. during the period July 1, 1942 to June 30, 1943.

Because of enemy action on convoys to North Russia, it has not been and it may not be feasible in the future to send the full tonnage of supplies contemplated in this protocol. It is therefore of particular importance that every effort be made to utilize to the maximum the supply routes that may be available to us.

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d. That the project for the operation and enlargement of the transportation facilities of the Persian Corridor be given sufficient priority and support in the form of men, equipment and ships to insure its early and effective accomplishment.

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 11652, Sec. 11

By RHP, NARS Date _____

MAR 21 1973

~~CONFIDENTIAL~~

It is further desired that a report be submitted to me by the 10th of each month showing the progress of the Navy Department in meeting these objectives and including any recommendations you may have for expediting aid to Russia.

Similar letters are being sent to -

Secretary of War
Secretary of the Treasury
Secretary of the Interior
Chairman, War Production Board
Chairman, War Shipping Administration
Lend-Lease Administrator

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 11652, Sec. 11
By RAH NARS Date MAR 21 1973

CONFIDENTIAL

October 2, 1942

MEMORANDUM FOR THE SECRETARY OF WAR. X25

Last May, with the concurrence of the British Prime Minister, I offered the Soviet Government a second protocol covering the flow of supplies from this country to the U.S.S.R. during the period July 1, 1942 to June 30, 1943.

Because of enemy action on convoys to North Russia, it has not been and it may not be feasible in the future to send the full tonnage of supplies contemplated in this protocol. It is therefore of particular importance that every effort be made to utilize to the maximum the supply routes that may be available to us.

To this end I desire that the following steps be taken:

- a. That ships be made available to fill our quota of such convoys as may be sent to North Russia and also to lift all the cargo that can be cleared to Russia through the Persian Corridor.
- b. That necessary arrangements be made, including the utilization of whatever production priorities or directives may be necessary, to insure sufficient priority cargoes in accordance with protocol commitments to load such ships as may be dispatched to Russia by all routes.
- c. That airplanes be delivered in accordance with protocol schedules by the most expeditious means, whether by ship or flight.
- d. That the project for the operation and enlargement of the transportation facilities of the Persian Corridor be given sufficient priority and support in the form of men, equipment and ships to insure its early and effective accomplishment.

CONFIDENTIAL

DECLASSIFIED
E.O. 11652, Sec. 11

MAR 21 1973
By *RHP*, NARS Date

~~CONFIDENTIAL~~

It is further desired that a report be submitted to me by the 10th of each month showing the progress of the War Department in meeting these objectives and including any recommendations you may have for expediting aid to Russia.

Similar letters are being sent to -

Secretary of the Navy
Secretary of the Treasury
Secretary of the Interior
Chairman, War Production Board
Chairman, War Shipping Administration
Lend-Lease Administrator

MAR 21 1973

~~CONFIDENTIAL~~

file

THE SECRETARY OF THE TREASURY
WASHINGTON

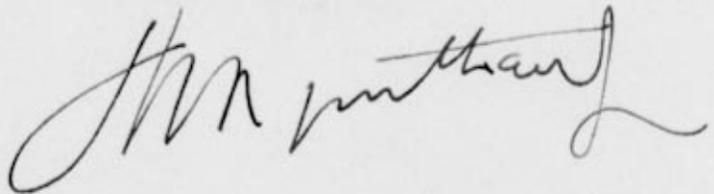
October 5, 1942

My dear Mr. President:

I beg to acknowledge receipt of your memorandum of October 2.

We will be glad to carry out your instructions, as outlined in this memorandum, as far as they affect the Treasury.

Sincerely yours,



The President,
The White House,
Washington, D. C.

C. F.
Lend Lease

fil →

~~CONFIDENTIAL~~

October 2, 1942

MEMORANDUM FOR THE SECRETARY OF AGRICULTURE. *x1*

x220

Last May, with the concurrence of the British Prime Minister, I offered the Soviet Government a second protocol covering the flow of supplies from this country to the U.S.S.R. during the period July 1, 1942 to June 30, 1943.

Because of enemy action on convoys to North Russia, it has not been and it may not be feasible in the future to send the full tonnage of supplies contemplated in this protocol. It is therefore of particular importance that every effort be made to utilize to the maximum the supply routes that may be available to us.

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d. That the project for the operation and enlargement of the transportation facilities of the Persian Corridor be given sufficient priority and support in the form of men, equipment and ships to insure its early and effective accomplishment.

x4193
x134

~~CONFIDENTIAL~~

DECLASSIFIED
E.O. 11652, Sec. 11

By *RHO* NARS Date

MAR 21 1973

It is further desired that a report be submitted to me by the 10th of each month showing the progress of the War Department in meeting these objectives and including any recommendations you may have for expediting aid to Russia.

Similar letters are being sent to -

- Secretary of War
- Secretary of the Navy
- Secretary of the Interior
- Chairman, War Production Board
- Chairman, War Shipping Administration
- Lend-Lease Administrator
- Secretary of the Treasury

THE COMBINED CHIEFS OF STAFF
WASHINGTON

x 4774

October 7, 1942

MEMORANDUM FOR MISS BERNEY:

The other day when we submitted directives for the President's signature to various departments and agencies with reference to Russian relief, we forgot the Department of Agriculture, and I am informed that the feelings of that Department have been somewhat hurt.

Will you please ask Mr. Hopkins to have the attached directive to the Department of Agriculture signed by the President? When it is signed, will you kindly send it direct to the Secretary of Agriculture?

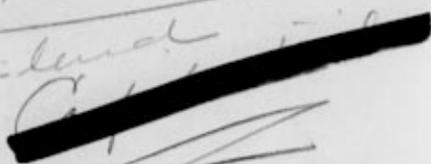
Many thanks.

J. H. B.

x4117

B.E.S.

Some-land



Cath

THE WHITE HOUSE
WASHINGTON

October 10, 1942.

MEMORANDUM FOR

HON. HARRY L. HOPKINS *H117

FOR YOUR INFORMATION

F. D. R.

October 17, 1942

THIS CAN BE FILED.

H.L.H.



H. L. G.

orig. 5-0

THE SECRETARY OF THE TREASURY
WASHINGTON

October 8, 1942

B. F.
Lend Lease

My dear Mr. President:

x220

In accordance with your memorandum of October 2nd there is attached a report providing the information concerning the availability of supplies for the Soviet Government.

The report lists the priority cargoes scheduled by the Lend-Lease Administration for October shipment, covering items purchased by the Treasury Procurement Division, totaling 86,326 tons, which will be met to the extent of 85,683 tons. There is on hand and will be produced during October 309,804 tons of materials other than priority cargo.

x4559

x21-7

Yours sincerely,

W. M. E. Muthaugh

x21

The President

The White House

x4193

TREASURY DEPARTMENT - U. S. S. R.

MATERIALS AVAILABLE FROM STORAGE AND PRODUCTION DURING MONTH OF OCTOBER 1942

(SHORT TON DESIGNATIONS)

COMMODITY	PRIORITY CARGOES SPECIFIED FOR OCT. SHIPMENT	A V A I L A B L E			BALANCE
		STORAGE	IN TRANSIT TO STORAGE	PRODUCTION	
STEEL BARS	7,000	14,910	4,074	3,620	15,604
SHEETS, STRIP, PLATES, SHAPES AND MISC.	14,815	73,668	15,456	22,747	97,056
SHELL STEEL	7,000	1,302	1,260	22,814	18,376
TOOL AND DIE STEEL	1,110	-	-	467 *	-
RAILROAD RAILS AND ACCESSORIES	-	17,598	5,838	2,675	26,111
RAILROAD WHEEL SETS	2,500	2,856	3,276	-	3,632
BARBED WIRE	-	9,282	378	1,167	10,827
CABLE (OTHER THAN COPPER)	222	-	-	222	-
WIRE PRODUCTS	5,740	29,022	4,956	19,744	47,982
PIPE AND TUBING	10,300	68,376	11,718	830	70,624
TIN PLATE	3,000	1,218	825	957	-
COPPER AND COPPER PRODUCTS	5,750	210	2,646	11,313	8,419
ZINC	3,500	-	-	3,500	-
ALUMINUM INGOTS AND SHEETS	2,500	-	-	2,500	-
NICKEL AND NICKEL PRODUCTS	380	-	-	380	-
FERROCHROMIUM	-	-	420	635	1,055
FERROSILICON	-	210	462	-	672
MOLYBDENUM	97	-	-	97	-
MAGNESIUM	-	-	-	1	1
COBALT	10	-	-	15	5
CHEMICALS	1,015	-	-	1,015	-
MERCURY	-	-	-	-	-
INDUSTRIAL AND CONSTRUCTION MACHINERY, ACCESSORIES AND PARTS	10,327	2,898	3,066	4,363	-
AUTOMOTIVE EQUIPMENT AND PARTS	303	84	42	177	-

COMMODITY	PRIORITY CARGOES SPECIFIED FOR OCT. SHIPMENT	A V A I L A B L E			BALANCE
		STORAGE	IN TRANSIT TO STORAGE	PRODUCTION	
TIRES AND TUBES	6,850	2,478	3,780	1,424	1,432
OIL FIELD MACHINERY	-	1,848	-	5	1,853
FIRE FIGHTING EQUIPMENT	-	-	-	90	90
GRAPHITE - METAL ELECTRODES	168	-	168	-	-
LEATHER AND LEATHER PRODUCTS	-	-	-	-	-
FURNITURE AND OFFICE EQUIPMENT	38	-	-	38	-
CLOTHING AND TEXTILES	-	-	-	-	-
RUBBER PRODUCTS	7	-	-	7	-
PLASTICS	22	-	-	22	-
RADIO EQUIPMENT	25	-	-	25	-
PRECISION INSTRUMENTS	1	-	-	1	-
PHOTOGRAPHIC EQUIPMENT	-	-	-	18	18
HAND AND MACHINE TOOLS	3,439	84	-	3,355	-
BALL AND ROLLER BEARINGS	110	-	-	278	168
PAPER AND PAPER PRODUCTS	-	924	4,620	935	6,479
MISC. SUPPLIES AND EQUIPMENT (GAS MASKS, DETONATION CORD, ETC.)	-	-	-	-	-
AIRCRAFT INSTRUMENTS	13	-	-	13	-
MEDICAL SUPPLIES & EQUIPMENT	42	42	-	-	-
GREASES AND PARAFFIN	42	-	42	-	-
	<u>86,328</u>	<u>227,010</u>	<u>63,027</u>	<u>105,450</u>	<u>309,804</u>

* The difference of 643 tons is caused by the inclusion of November and December allocations which have not yet been produced.

• Tonnage under load not included.

Russia folder
1-42

THE WHITE HOUSE
WASHINGTON

October 10, 1942.

MEMORANDUM FOR

HON. HARRY L. HOPKINS

FOR YOUR INFORMATION

F. D. R.

Letter to the President from Under Secretary Forrestal re progress made by the Navy Department in supplying material to the Soviet Government under the Second Protocol, covering the period from July 1, 1942 to June 30, 1943, together with memorandum of delivery of materials requisitioned by the Soviet Government.

THE SECRETARY OF THE NAVY
WASHINGTON

(SC)L11-7/EF61

58361

OCT 9 1942

Dear Mr. President:

Reference is made to your memorandum of October 2, 1942 directing that a report be submitted to you showing the progress made by the Navy Department in supplying material to the Soviet Government under the Second Protocol, covering the period from July 1, 1942 to June 30, 1943.

In connection with the action directed by you in subparagraph (b) of your memorandum, I have attached hereto a table showing the progress made by the Navy Department in supplying material requisitioned of it by the Soviet Government.

The action necessary to implement the directives in subparagraphs (a), (c), and (d), is the responsibility of agencies other than the Navy Department.

For your information I have in addition attached a table showing progress made in delivery of articles requisitioned by the Soviet Government not included in the Second Protocol.

Respectfully submitted,

James Forrestal

Acting

x18

The President,
The White House,
Washington, D. C.

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DOD DIR. 5200.9 (9/27/58)

Date- JAN 25 1972

Signature- *RMP*

STATUS OF DELIVERY OF MATERIALS REQUISITIONED BY THE SOVIET GOVERNMENT
OF THE NAVY DEPARTMENT UNDER THE PROVISIONS OF THE 2d PROTOCOL

ITEM	Amount Requested	Delivered Prior To July 1, 1942	Delivered Bet. July 1 & Sept. 30, 1942	Deliveries Scheduled For Oct. 1942	Deliveries Scheduled For Nov. 1942	Deliveries Scheduled For Dec. 1942	Balance To Be Delivered	Scheduled Time Of Deliveries Of Balance
Minesweepers	10	0	0	0	0	0	10	May 1943
Petroleum Products	308,000 short tons	47,471	8,430	54,000	55,200	51,815	91,065	June 1943
Motor Torpedo Boat Engines	226	20	152	10	10	10	24	March 1943
Motor Torpedo Boat Water & Oil Coolers	260	150	110	-	-	-	0	-
Diesel Engines & Spares, 1100 h.p. to 1600 h.p.	148	0	14	14	16	6	98	June 1943
Diesel Engines & Spares, 75 h.p. to 170 h.p.	189	13	22	8	0	123	23	May 1943
Diesel Generators	245	0	113	7	7	7	122	1943
Turbo Generators	41	0	4	0	0	0	37	1943
Gasoline Engines, 50 h.p. to 1200 h.p.	670	0	90	50	0	0	530	1943
Marine Engines	2	0	0	0	0	0	2	March 1943
Mechanical & Electrical Equipment for Tugs	3 sets	0	0	0	0	0	3	April 1943
Storage Batteries for Submarines	15	0	0	2	3	10	0	-
Radio Receivers	92	0	10	40	5	0	37	April 1943
Ship Radio Stations	21	0	0	0	0	0	21	1943
Radio Direction Finders	4	0	0	0	0	4	0	-
20 mm. A.A. Guns Complete	500	0	0	50	50	50	350	July 1943
20 mm. Ammunition	3,000,000	0	0	100,000	100,000	100,000	2,700,000	March 1945

STATUS OF DELIVERY OF MATERIALS REQUISITIONED BY THE SOVIET GOVERNMENT
OF THE NAVY DEPARTMENT NOT UNDER THE PROVISIONS OF THE 2d PROTOCOL

ITEM	Amount Requested	Delivered Prior To July 1, 1942	Delivered Bet. July 1 & Sept. 30 1942	Deliveries Scheduled For Oct. 1942	Deliveries Scheduled For Nov. 1942	Deliveries Scheduled For Dec. 1942	Balance To Be Delivered	Scheduled Time of Delivery Of Balance
Wooden Submarine Chasers	50	0	0	0	0	0	50	May 1943
Wooden Motor Torpedo Boats	30	0	0	0	0	0	30	Nov. 1943
Marine Pumps	324	0	0	0	0	0	324	1943
Electric Motors & Spares	540	0	0	0	4	60	476	1943
Electric Ventilating Sets	649	0	100	100	100	100	249	March 1943
Scripps Engines	66	0	0	0	0	0	0	May 1943
High Pressure Air Compressors	3	0	0	0	0	0	0	April 1943
Air Tanks	30	0	0	0	0	30	0	-
Sound Measuring Equipment	5	0	3	0	2	0	0	-
Electric Steering Gear	4	0	0	0	0	0	0	Jan. 1943
Fathometers	4	0	0	0	0	4	0	-
Rotary & Change-over Switches	4,400	0	0	0	0	0	4,400	1943
Potassium Tetraoxide	280 tons	0	27	30	30	30	163	June 1943
Linoleum	20,000 meters	0	5,000	5,000	5,000	5,000	0	-

10/8/42



DEPARTMENT OF AGRICULTURE
WASHINGTON

H L H

C. F. Lend Lease

~~SECRET AND CONFIDENTIAL~~

October 22, 1942.

File Confidential Lend-Lease

The President
The White House

Dear Mr. President:

x220

In your memorandum of October 2 you ask for a report on the progress made by the Department of Agriculture in meeting our commitments to the U.S.S.R. The Second Protocol provides for monthly shipments of 327,000 tons of agricultural commodities to the U.S.S.R. consisting of flour and wheat, 200,000 tons; sugar, 70,000 tons; canned meat, 10,000 tons; meat, 15,000 tons; lard, 12,000 tons; vegetable oil, 10,000 tons; and soap stock, 10,000 tons.

During the quarter ending September 30, deliveries of canned meats averaged only slightly less than the Protocol requirements. For the most part, however, shipments were far below the original program. Only 19,747 tons of flour were shipped compared with 300,000 tons projected for the period. Clearances of cured meat amounted to 233 tons whereas 45,000 tons were planned. Lard, vegetable oil, sugar and soap stock also lagged behind schedule.

The shortfall in the case of these items is partly due to the fact that the U.S.S.R. program has been broadened to include many items not originally scheduled. During the month of September, for example, shipments included 236 tons of canned milk, 981 tons of natural cheese, 2,153 tons of dried whole eggs and 647 tons of dried beans. The Soviet Government has requisitioned a wide range of commodities such as cereals, seeds, essential oils, tea, tomato powder and butter.

The main problem is not the lack of supplies but the inadequate shipping allotments for agricultural products. Since July 1, shipments of agricultural commodities to the U.S.S.R. have amounted to less than 90,000 tons including 13,136 tons of sugar shipped directly from Cuba. In September, clearances dropped to 14,574 tons which is lower than any month since the program got under way last January.

DECLASSIFIED MAR 21 1973

E.O. 11652, Sec. 3(E) and 5(D) or (E)

Agriculture Dept ltr, 11-8-72

x227

2-The President

October 22, 1942

Although we have ample supplies, shipments of wheat were discontinued some months ago in favor of more highly concentrated foods. In place of soap stock, we are supplying the processed product because it is more economical of space. Lard, cured meats, and sugar are all in short supply but no effort is being spared or will be spared to meet shipping requirements.

With increased shipping space and reasonable advance notice so that procurement can be planned a little ahead, we are confident that the Government's obligations under the Protocol can be met as far as agricultural commodities are concerned.

Sincerely yours,

Claude R. Wickard
Secretary

x1

Enclosure

~~SECRET AND CONFIDENTIAL~~

October 19, 1942

Shipments of Protocol Commodities
to the U.S.S.R. July - September 1942
Exclusive of Arctic Program

	Monthly Requirements Per Protocol	Clearances July, August, September
Flour and Wheat	200,000	19,747
Sugar	70,000	15,743
Canned Meat	10,000	23,533
Meat	15,000	233 ^{1/}
Lard	12,000	16,518 ^{2/}
Vegetable Oil	10,000	11,534
Soap Stock	10,000	218 ^{3/}
Totals	327,000	87,526

^{1/} Includes 102 tons beef extract delivered in Argentina.

^{2/} Includes 1,074 tons lard, fatbacks and tallow delivered in Argentina.

^{3/} Soap

RECLASSIFIED MAR 21 1973
E.O. 11652, Sec. 3(e) and (d) or (b)
Agriculture Dept Hqs, 11-8-72

OFFICE OF
PETROLEUM COORDINATOR FOR WAR
WASHINGTON

OCT 12 1942

My dear Mr. President:

I have received your memorandum of October 2 regarding the steps that you wish to have taken to assure the maximum flow of supplies from this country to the U.S.S.R. under the second protocol with the Soviet Government.

This Office will, of course, be guided by your instructions and, in accordance with your request, we shall be pleased to submit a report to you on the tenth of each month showing the progress that has been made. Our first report is enclosed.

Sincerely yours,

Harold G. Fikes
Petroleum Coordinator for War.

x4435

The President,
The White House.

x56

OFFICE OF
PETROLEUM COORDINATOR FOR WAR
WASHINGTON

DEPUTY COORDINATOR

October 10, 1942.

SUPPLIES FOR THE U.S.S.R.

REPORT TO THE PRESIDENT

PETROLEUM PRODUCTS

Since the inception of Lend-Lease aid to Russia the end of last year, the activities of the Office of Petroleum Coordinator for War in the furnishing of petroleum supplies to Russia have been devoted to making available or locating the products requested under the protocols, and to developing with the War Shipping Administration the availability of whatever tankers the Russian Government required to supplement its own limited tanker fleet. The actual purchase of the products, and their inspection, packaging, and transfer to shipside are handled by the Navy Bureau of Supplies and Accounts under arrangements that have been made with them by the Office of Lend-Lease Administration.

The inadequacy of supplies of aviation gasoline and of blending agents used in the manufacture of aviation gasoline has been and will undoubtedly continue to be the chief source of difficulty in our efforts to fulfill the Russians' requirements of petroleum products under the protocol. All other products can in general be made available for shipment as desired, with the exception of a lubricating oil additive used for the improvement of viscosity index. All requirements of aviation gasoline and blending agents are examined by the Aviation Petroleum Products Allocation Committee, which is under the jurisdiction of the Munitions Assignment Board, and the available supplies of these products are allocated by that Committee, with the approval of the Munitions Assignment Board.

In August 1942 it was found impossible, for the first time, to allocate the full quantities of these products requested by the Russians, for September shipment. Instead of 101,000 barrels of blending agent and 25,000 barrels of 100-octane aviation gasoline which



DECLASSIFIED MAR 21 1973

E.O. 11652, Sec. 3(E) and 5(D) or (E)

Interior Dept Hrs, 11-3-72

were requested, 51,000 barrels of the blending agent and 25,000 barrels of the aviation gasoline were finally allocated at the direction of the Munitions Assignment Board, after a previous less favorable allocation of the Aviation Petroleum Products Allocation Committee had been protested by this Office and by the Soviet Government Purchasing Commission. This means, in terms of 100-octane gasoline, that the Russians were allocated 56.8% of the quantity they asked for.

The Russians' request for shipment of these products in October is to be met in full, after an initial rejection of their request for an item of 80,000 barrels of blending agent for shipment from the Pacific Coast, because of the unavailability of the material. A review of this rejection by the Munitions Assignment Board has resulted in the decision that the Russians' situation justifies the moving of this product (in 400 tank cars) from the Gulf to Los Angeles.

As mentioned above, the only other product on which supply difficulties exist, and are expected to continue to exist, is the lubricating oil additive. They have called upon us to supply a total of 520,000 gallons between September 15 and November 15. Up to the moment, the maximum we have been able to promise is 216,000 gallons, but we have hopes of improving this figure. Production of this material in the United States is only at the rate of 150,000 gallons monthly and there is no stockpile to be drawn upon. Moreover, United States Army and Navy requirements are about 50,000 gallons monthly. An important component of this product is isobutylene, and every pound of this material used for the additive has to be taken from the aviation gasoline program.

The following tabulation summarizes the petroleum product shipments that have been made to the U.S.S.R. during the period June 22, 1941 (the date of the German invasion of Russia) to October 5, 1942:

Aviation Gasoline and Blending Agents	1,704,722	Bbls.
Motor Gasoline	719,532	"
Miscellaneous Naphtha and Kerosene	16,575	"
Gas Oil	129,877	"
Fuel Oil	27,831	"
Lubricating Oil	119,251	"
Grease	5,366	"
Tetraethyl Lead	<u>9,634</u>	"
Total	2,732,788	Bbls.
Ceresine	505	Tons

DECLASSIFIED MAR 21 1973

R.O. 11652, Sec 3(E) and 5(D) or (M)

Interior Dept Hqs 11-3-72

PETROLEUM REFINING PLANTS

The Soviet Government Purchasing Commission has completed the selection of the various processes to be incorporated in the plants which will be furnished under the protocols, and a formal requisition has been placed by them to cover the following:

1 complete new refinery on a new site to produce aviation gasoline, motor gasoline, and bunker fuel;

1 complete new plant to produce aviation gasoline, aviation lubricating oil, and high octane motor gasoline constituents to be attached to an existing refinery in the U.S.S.R.;

1 complete new refinery on a new site to produce motor gasoline and bunker fuel from a high sulphur crude;

1 complete refinery on a new site to produce motor gasoline and bunker fuel, which is to utilize the equipment of two refineries that will be dismantled in Texas;

2 electric crude desalting and dehydrating units.

A priority rating of AA-1 has been assigned to the requisition, and letters of intent have been issued by Treasury Procurement to E. B. Badger & Sons to proceed with the engineering and procurement of materials necessary for the construction of the plants. Initial orders for the equipment have been issued.

These plants, when placed in operation, will have a producing capacity of approximately -

100-Octane Number Aviation Gasoline	5,900 Bbls/Day
Aviation Lubricants	750 "
Motor Gasoline	16,500 "
Bunker Fuel	12,500 "
Oil-free Wax	10 Tons/Day

If desired, the 100 octane aviation gasoline could be blended with leaded straight-run gasoline, which is available in the U.S.S.R., to produce approximately two and a half barrels of 91 octane aviation gasoline from each barrel of the 100 octane product.

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E.O. 11652, Sec. 3(E) and 5(D) or (H)

Interior Dept Hqs, 11-3-72

PRODUCTION, DRILLING, AND OILFIELD EQUIPMENT
AND SPARE PARTS FOR EXISTING REFINERIES

All of the Soviet Government Purchasing Commission requisitions have been examined for utility and urgency and have been passed on to Lend-Lease and Treasury Procurement. Priority ratings of AA-1 have been assigned where necessary to obtain prompt delivery. The major portion of the equipment as listed in the protocol is covered by requisitions issued by the S.G.P.C. and is now in process of procurement and delivery for shipment.

The allotments of \$1,000,000 for pumps and compressors and \$1,500,000 for electrical equipment are almost exhausted by requisitions already issued, mainly because of the greatly increased requirements for these items on account of the removal of petroleum refining plants from the zones of military operation and their relocation at interior points.

RECOMMENDATIONS

As to recommendations:

Such delays as are occurring at this time in relation to petroleum for the U.S.S.R. result from:

- (a) Lack of shipping space, and
- (b) Limited availability of high octane aviation gasoline stocks in the United States.

Correction of these conditions lies in the direction of providing more shipping tonnage if there is any means by which this can be done, and further accelerating the construction of additional 100 octane refining capacity through making the necessary construction materials available.

Since the 100 octane program is a special responsibility of this Office, we stress the necessity for priorities or allocations that will actually make possible the completion of the plants being built. At the present time the program is being badly delayed because the materials are not forthcoming on the basis of such priority ratings as have been signed by WPB. Corrective action has been urged upon both Mr. Nelson and Mr. Eberstadt. We think this one of the most serious situations we have to face, not only as relates to further aid to Russia in terms of petroleum, but as to the United Nations' aviation requirements generally.

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E.O. 11652, Sec. 3(E) and 5(D) or (E)

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Interior Dept Hqs, 11-3-72



WAR SHIPPING ADMINISTRATION

WASHINGTON, D. C.

October 12, 1942.

MEMORANDUM FOR THE PRESIDENT.

Re: Russia.

In accordance with your memorandum of October 2nd, we are herewith submitting a report covering the shipping phases of the specific items referred to by you in regard to the Russian protocol.

As you know, consideration is being given to the practicability of dispatching ships loaded with protocol cargo via the Pacific route. If it is thought wise to make this test, it should be undertaken at first on a very modest scale, lest important war materiel fall in substantial volume into the hands of our enemies.

Respectfully submitted,

E. S. Land
E. S. Land,
Administrator.

L. W. Douglas
L. W. Douglas,
Deputy Administrator.

X4772

x99

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E.O. 11652, Sec. 3(E) and 5(D) or (G)

Commerce Dept Itc, 11-15-72



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WAR SHIPPING ADMINISTRATION
WASHINGTON

OCTOBER 12, 1942

MEMORANDUM FOR THE PRESIDENT

There have been no ships loaded for North Russia since early September when the last four of the twenty-five ships scheduled for PQ-19 left New York.

We are continuing to allocate ten ships per month to the Persian Gulf for Russian account exclusively. In the selection of these ships we have endeavored to name those with the largest cubic and deadweight tonnage because they serve the Russian requirements more satisfactorily. Since September first the following eleven ships have sailed from U. S. Ports to the Persian Gulf:

	<u>DWT</u>	<u>Cubic</u>	<u>Loaded</u>	<u>Sailed</u>
CAROLINIAN	10380	508958	7304	Sept. 6th
PENNSYLVANIAN	10175	486000	7079	" 10th
ALCOA PIONEER	9395	450000	7120	" 11th
MAUNA KEA	9100	440637	6558	" 13th
ENSLEY CITY	9399	477060	7452	" 17th
HORACE LUCKENBACH	11140	576681	9593	" 18th
ROBERT FULTON	10500	500245	8867	" 19th
VOLUNTEER	11850	538000	9490	" 24th
JONATHAN ELMER	10500	500245	8791	Oct. 6th
JAMES G. BLAINE	10500	500245	8320	" 8th
WILLIAM GRAYSON	10500	500245	8595	" 10th
	<u>113439</u>	<u>5478316</u>	<u>89169</u>	

There are four others loading, three of which will complete today and the other is expected to finish October 14th.

	<u>DWT</u>	<u>Cubic</u>	<u>Loading</u>	<u>Sailing</u>
JAMES SCHUREMAN	10500	500245	8700	Oct. 10/11th
STEEL ENGINEER	9370	478629	7500	" 10/11th
JOHN DRAYTON	10500	500245	8500	" 10/11th
JOHN W. BROWNE	10500	500245	8400	" 14/15th
	<u>40870</u>	<u>1,979,364</u>	<u>33,100</u>	

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
Commerce Dept. Letter, 11-16-72
By RHP, Date MAR 21 1973

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E.O. 11652, Sec. 3(E) and 5(D) or (E)

MAR 21 1973

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In addition to these fifteen, ten more ships are allocated for October. viz:

	<u>DWT</u>	<u>Cubic</u>	<u>Availability</u>
CAESAR RODNEY	10500	500245	October 13th
PRESIDENT BUCHANAN	13050	481700	" 15th
JULIA LUCKENBACH	9980	584000	" 20th
WILLIAM PATTERSON	10500	500245	" 20th
POELAU ROBLIAH	10914	557000	" 25th
SAMUEL JOHNSON	10500	500245	" 28th
ABIEL FOSTER	10500	500245	" 28th
* CARDINAL GIBBONS	10500	500245	" 30th
* GRACE ABBOTT	10500	500245	" 30th
* STEEL SCIENTIST	9400	478363	" 30th
	<u>106,344</u>	<u>510,253</u>	

* Or substitute steamer

There is usually an overlap from month to month because some ships selected for a given month do not always complete their loading until early the next month. This explains the apparent surplus of five ships for the months of September and October.

Considerable additional shipping space for the Persian Gulf has been made available to the Russians in vessels other than those specifically earmarked for them. For example, in August eleven ships carried for Russian account 24,701 tons of metals, 69 tons canned foods and 18 light bombers. In September two ships lifted 6,930 tons metals, 958 tons canned food, 6 light bombers and 196 trucks.

Besides the above we have done our utmost to help increase the capacity of the Persian Gulf ports by giving priority to shipments of locomotives, rolling stock, cranes, barges, etc.

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EO 11652, Sec. 3(E) and 5(D) or (E)
Commerce Dept. Letter 111652
By RHP, Date MAR 21 1973

DECLASSIFIED MAR 21 1973
EO 11652, Sec. 3(E) and 5(D) or (E)
~~SECRET~~

all of which went forward in ships exclusive of those assigned to the Russians. The record for three months up to September 30th shows approximately 1700 freight cars and 32 main line locomotives were shipped to this area.

At the moment trucks are high on the Russians' priority list. To supplement the number that are arriving in the Persian Gulf regularly by every steamer, we have asked the British to help by shipping immediately four hundred additional trucks from their Bombay assembly plant, W.S.A. agreeing to furnish the ship tonnage to make the transfer to the Persian Gulf. The prospects of fulfilment appear bright at this writing.

Finally, mention should be made of the seven ships which were requisitioned on the Pacific Coast during last August and early September by the W.S.A., and then with the aid of lend-lease funds immediately delivered with change of flag to the Russians. The latter originally intended to route these ships from the U. S. North Pacific through the Bering Sea to North Siberia and provide a new supply line to Archangel, but this plan was later changed because of ice conditions and the ships sent to Soviet Far Eastern ports which trade they are still in.

In order to assist in meeting the urgent Soviet need for blending agents and aviation gasoline, one U. S. tanker is being transferred to the Soviet flag and is scheduled to be available

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E.O. 11652, Sec. 3(E) and 5(D)

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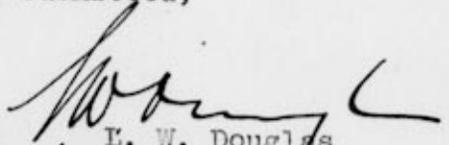
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E.O. 11652, Sec. 3(E) and 5(D) or (E)
Commerces Dept. Letter, 11-16-72
By RHP, Date MAR 21 1973

for loading at San Pedro on October 10, whence she will proceed to Nagaevo.

Respectfully submitted,



E. S. Land
Administrator



L. W. Douglas
Deputy Administrator

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E.O. 11652, Sec. 3(E) and 5(D) or (E)

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
Commerce Dept. Letter, 11-16-72
By RHP, Date MAR 21 1973

~~SECRET~~

TOI:

THESE ARE ALL READY FOR THE FILES.

LOIS

JRF

October 22, 1942

My dear Mr. President:

In accordance with your memorandum of October 2, 1942, requesting a monthly report showing the progress of the War Production Board in making goods available for export to Russia, I submit the following summary.

During July, August and September, the first quarter of the Second Protocol period, an estimated 470,000 short tons of materials, industrial equipment and machinery were made available for export to Russia. This quantity is in addition to some 430,000 short tons of materials, equipment and machinery awaiting export at the end of June, 1942. Of this total of approximately 900,000 tons, slightly less than 250,000 tons (net weight) were exported during the quarter just ended.

The Vice-Chairman on Program Determination has issued a determination which directs the Industry Operations Division to make available to the Union of Soviet Socialist Republics all items listed in the Protocol according to the delivery schedules specified in the Protocol, assigns an AA-1 preference rating to all Protocol items, directs the Director General for Operations to report immediately to him for further action any cases where an AA-1 rating will not insure delivery in accordance with the Protocol, and authorizes an acceleration of Protocol delivery schedules where special circumstances require.

In subsequent months we shall be able to furnish you with a more detailed report on our Russian supply activities.

Respectfully yours,

(Signed) D. M. Nelson
Donald M. Nelson

The President
The White House

x 4736

Russia folder
1-42

THE WHITE HOUSE
WASHINGTON

October 26, 1942

MEMORANDUM FOR

HON. HARRY L. HOPKINS x 4117

For your information.

Please return.

F. D. R.

Enclosures

Secret and Confidential let to the P.
10/22/42 re the P's memo of 10/2/42
asking for report on progress made
by Dept. of Agri. in meeting commit-
ments to the USSR. Encloses chart
of "Shipments of Protocol Commodities
to the USSR July - September 1942
Exclusive of Arctic Program" 10/19/42

x1
x4193

THE WHITE HOUSE
WASHINGTON

October 13, 1942

MEMORANDUM FOR MISS TULLY:

THESE CAN ALL BE FILED. NO
REPLY IS NECESSARY.

H.L.H.

THE WHITE HOUSE
WASHINGTON

October 10, 1942.

MEMORANDUM FOR

HON. HARRY L. HOPKINS

FOR YOUR INFORMATION OR
PREPARATION OF REPLY IF YOU DEEM ONE
NECESSARY.

F. D. R.

THE WHITE HOUSE
WASHINGTON

*Russia folder
1-42*

October 10, 1942.

MEMORANDUM FOR

HON. HARRY L. HOPKINS

FOR YOUR INFORMATION OR
PREPARATION OF REPLY IF YOU DEEM ONE
NECESSARY.

F. D. R.

Memorandum to the President from
Hon. E. R. Stettinius, Jr., dated Oct.
9, 1942, re SOVIET SUPPLY PROGRAM, en-
closing statement of the major factors
in the Soviet supply situation together
with recommendations.

Russia folder²

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

~~SECRET~~

E. R. Stettinius, Jr.
Administrator

October 9, 1942

M E M O R A N D U M

TO: The President
FROM: E. R. Stettinius, Jr.
SUBJECT: Soviet Supply Program

In accordance with your directive to me dated October 2, 1942, I have prepared a brief statement of the major factors in the Soviet supply situation together with my recommendations.

The regular monthly statistical report on the entire program will follow in due course as soon as the information has been gathered and correlated.

E. R. Stettinius, Jr.
x4559

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State Dept. Letter, 1-11-72



~~SECRET~~

October 9, 1942

THE SOVIET SUPPLY PROGRAM

I. The Status of the Program.

Shipping.

Twenty-nine American and Soviet vessels are now at sea awaiting allocation to the next convoy to Northern Russian ports. There has been no determination as to when the protection necessary to enable this convoy to proceed will be provided. At present, there are no plans for any subsequent convoy by this route.

Persian Gulf shipping is proceeding to the full extent permitted by the facilities involved. The current Persian Gulf schedule calls for ten vessels in October. All cargo for these vessels is expected to be available.

West Coast shipping to the Soviet Far East is increasing. The Soviets have been shipping by this route substantial quantities of war material and food. They estimate their ability to carry in their own vessels approximately 150,000 tons for October. To offset the decline in East Coast shipping for Northern Russian ports, the Soviets have requested assignment to their flag of not less than twenty American vessels. To release Soviet vessels now in Siberian coastal trade for trans-Pacific activity, the Soviets have asked for the construction of small wooden diesel coastal vessels in the United States. Both Soviet proposals are being studied by the War Shipping Administration and the Maritime Commission, as well as the War Production Board.

Inland Transportation and Storage.

Accumulation of items which cannot be shipped due to the decrease in Northern Russian convoys is demanding and receiving increasing attention. Anticipation of resumption on short notice of Northern Russian convoys has dictated a policy of retention of items manufactured for the Soviet Government rather than diversion to others. Storage facilities have been provided in numerous places, but these are beginning to prove inadequate. Considerable quantities of items are being held in railroad yards and depots.

Trans-shipment in the United Kingdom.

Convoy difficulties during the summer necessitated unloading of vessels in the United Kingdom, so as to release them for continued activity. Approximately two-third's of the items unloaded have either been sent

forward on vessels sailing to Northern Russian ports from the United Kingdom or diverted to British or American Army use. The Soviet Government has been advised that diversions will be replaced from the United States when increased shipping possibilities permit and if the Soviet Government desires replacement of the orders diverted.

Reporting of the Progress of the Program.

Reporting problems increase as the program progresses. Since the signing of the Moscow Protocol, some 6,000 requisitions have been filed and items to a value of nearly \$1,000,000,000 have been exported. Wartime strategy has necessitated detailed records respecting arrivals and losses not only of vessels but of categories of cargo. Providing information to all agencies of the Government on the progress of the Soviet Supply Program has become a major activity of this Administration.

II. Recommendations.

Shipping.

If it continues to be impossible to resume Northern Russian convoys, the only effective way of meeting original estimates of Protocol deliveries is to increase trans-Pacific shipments. The Soviet proposals for the transfer to the Soviet Government of American vessels and for the construction in the United States of wooden vessels to be used to release all possible Soviet vessels now engaged in Siberian coastal trade for trans-Pacific activity are recommended as feasible methods of aiding in the delivery of Protocol items into the Soviet Union by any and all practicable means.

Inland Transportation and Storage.

In view of the increasingly large accumulation of items awaiting resumption of Northern Russian convoys and the confusion developing from the fact that goods are stored in numerous warehouses and freight yards, it would seem advisable to create major depots for Soviet supplies on each coast to which all items may be sent, cataloged, and released on short notice as shipping is available.



Russia folder
1-42

THE WHITE HOUSE
WASHINGTON

October 13, 1942.

MEMORANDUM FOR

HON. HARRY L. HOPKINS

TO READ AND RETURN FOR MY
FILES.

F. D. R.

Letter to the President from the Acting Secretary of War, dated Oct. 10, 1942, enclosing first monthly report showing the progress of the War Department in meeting the Russian Protocol as requested in the President's memorandum of Oct. 2, 1942.

WAR DEPARTMENT
WASHINGTON

October 10, 1942.

The President,

The White House.

Dear Mr. President:

I submit herewith the first monthly report showing the progress of the War Department in meeting the Russian Protocol as requested in your memorandum of October 2, 1942.

The War Shipping Administration has advised me that ten ships per month are being allocated for the movement of Russian supplies to the Persian Gulf area, this quantity being fixed by a continuing survey of available port facilities. No cargo ships have been allocated to the northern route for the month of October, as yet, pending a decision as to the advisability of continued convoys to north Russia.

I find that the War Department has provided two-thirds of the items on the Protocol for which it is responsible on, or ahead of, schedule, while approximately one-third of these items are behind schedule. The necessary directives and priorities have been issued to accelerate the procurement of those items which are behind schedule. However, shipping conditions have prevented the shipment of the quantities made available for a number of the items behind schedule in delivery. I am confident that any deficiencies which now exist will be made up during the Protocol period.

The actual deliveries of aircraft to the U.S.S.R. are currently in arrears due to Russian indecision as to methods and routes of delivery. At a recent conference between representatives of the Army Air Forces and the U.S.S.R. plans were formulated and agreed upon to ferry airplanes via the southern and Alaskan routes in addition to the shipping made by water transportation. These methods should materially reduce the backlog of undelivered aircraft and should enable the current Protocol commitments to be met.

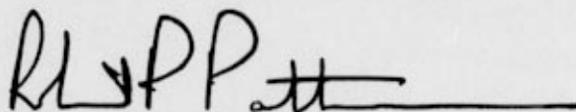
Every effort is being made to expand and improve the operation of the transportation facilities of the Persian Corridor, and we have agreed to take over from the United Kingdom the responsibility for the operation

of these facilities. Port, rail, and road improvements are currently under way and large quantities of railway equipment have been shipped for this purpose. On October 1, 1942, the War Department established the Persian Service Command under a Commanding General who is now enroute to the area to take personal charge. Schedules now call for the dispatch of 23,500 service troops and 160,000 ship tons of equipment to this area during the period November 1942 - January 1943. In addition, arrangements have been made to obtain fifty-seven diesel locomotives to ship to this area as the use of these locomotives will increase substantially the tonnage which can be handled by the railroad.

The War Department appreciates the importance of maintaining the Russian program and, particularly, exerting every effort to increase the tonnage which can be handled over the southern route.

There is attached hereto statistical data showing the status of projects in the Protocol and more detailed information with respect to the Persian Corridor.

Respectfully yours,

A handwritten signature in black ink, appearing to be 'R. L. P. H.', followed by a horizontal line.

ACTING SECRETARY OF WAR.

Incls:

Summaries of Tabulations
A, B, C, D, E, and F.

x 773

OCT 10 1942

The President,

The White House.

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Respectfully yours,

(Signed) ROBERT P. PATTERSON

ACTING SECRETARY OF WAR.

Incls:

Summaries of Tabulations
A, B, C, D, E, and F.