

Lead Lease: Dec. 1943

PETROLEUM ADMINISTRATION FOR WAR

WASHINGTON 25, D. C.

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*B.F.
Send Lense*

My dear Mr. President:

DEC 9 1943

I am pleased to enclose our December progress report to you on the subject of Supplies For The U.S.S.R.

As requested, a copy of this report has been forwarded directly to Major General J. H. Burns, Executive of The President's Soviet Protocol Committee.

Sincerely yours,

Harold L. Fisher

Petroleum Administrator for War.

The President,

The White House.

x4435

Enclosure.

PETROLEUM ADMINISTRATION FOR WAR

WASHINGTON

SUPPLIES FOR THE USSR

REPORT TO THE PRESIDENT

DEC 9 1943

PETROLEUM PRODUCTS

The Third Protocol as finally signed on October 19, in London, offers to the Russians 564,480 short tons of petroleum products, dependent upon ability to provide the type of product requested. Of this quantity, 120,000 tons are to be delivered for United States account from United Kingdom stocks at Abadan, Iran, and the United States will replace to the United Kingdom. Of the 444,480 tons to be supplied to Russia directly from this country, there have actually been shipped during the five-months period July 1 - November 30, 1943 approximately 242,833 tons. Of the 120,000 tons to be supplied from Abadan, there have actually been shipped during the three-months period July 1 - September 30, 1943 approximately 28,062 tons.

The Soviet Government Purchasing Commission has recently placed a requisition for 233,000 short tons of various petroleum products, to cover deliveries required within the next four months. This quantity added to the 242,833 tons shipped from this country and to the 28,062 tons shipped from Abadan, as shown above, is equivalent to 503,895 tons. This is only 60,585 tons less than the total Protocol offer for the year. The supplying of a quantity larger than that offered is, of course, in keeping with the wording and spirit of the Protocol, which states that: ". . . if conditions permit, the Governments of the United States, the United Kingdom and Canada, will be glad to review the schedules from time to time for the purpose of increasing the quantities to be provided and delivered."

Blending agents used in the manufacture of aviation gasoline, and finished aviation gasoline continue to be by far the most important class of petroleum products supplied to the Russians. The following tabulation shows shipments of these materials since the invasion of Russia, and represents a breakdown of the first item in the summary statement on the following page. As in that statement, shipments diverted to the United Kingdom while en route to Russia have been eliminated, and replacement shipments from the United Kingdom, as well as shipments from Abadan from July 1 to September 30, 1943, have been included. The increasing blending agent shipments are obviously significant, since one barrel of this material can be considered as roughly equivalent, when combined with appropriate base stock, to 2.5 barrels of 100 octane.

<u>Barrels 42's</u>	<u>Blending Agents</u>	<u>100 Octane Gasoline</u>	<u>95 Octane and below</u>	<u>Totals</u>
6/22/41 - 6/30/42	271,899	176,334	923,257	1,371,490
7/1/42 - 6/30/43	696,659	429,116	182,197	1,307,972
7/1/43 - 11/30/43	1,194,411	569,856	7,289	1,771,556
	2,162,969	1,175,306	1,112,743	4,451,018

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

Interior Dept ltr, 11-3-72
MAR 21 1973

The following tabulation summarizes the petroleum product shipments that have been made to the USSR during the period June 22, 1941 (the date of the German invasion of Russia) to November 30, 1943. As in the preceding tabulation, shipments diverted to the United Kingdom have been eliminated, and replacement shipments have been included. Also included are aviation gasoline and blending agents shipped from Abadan during July, August, and September, 1943. Replacement of the latter has been made or will be made by the United States to the United Kingdom.

Aviation Gasoline and Blending Agents	4,451,018	Bbls.
Motor Gasoline	852,368	"
Miscellaneous Naphtha and Kerosene	43,499	"
Gas Oil	352,682	"
Fuel Oil	27,831	"
Lubricating Oil	192,116	"
Grease	8,197	"
Tetraethyl lead	15,972	"
Lubricating Oil Additives	26,011	"
Total	5,969,694	Bbls.
 Ceresine and Paraffin Wax	 3,736	 Short tons

PETROLEUM REFINING PLANTS

The preliminary engineering on the Third Protocol Urgent Section is in process, with E. B. Badger & Sons Company again acting as the over-all engineer-architect, as in the case of the Second Protocol plants. Sections of this preliminary engineering have already been submitted by Badger to the Soviet Government Purchasing Commission for study by the Russian technologists. As soon as their approval is received, Treasury Procurement, the United States Government agency responsible for procurement of the entire program for the Foreign Economic Administration, will inform the contractor to proceed with final engineering and the placing of orders. This procedure of submitting preliminary engineering to the Russians as soon as it has been finished for each complete plant within the Urgent Section, is expected to expedite the completion of the program considerably.

This office is also continuing its technological work on the refining equipment desired under the Non-urgent Section of the Third Protocol. This Government's action on approval of this program cannot be undertaken until all the necessary data have been supplied by the Russians with regard to their requirements, and until the work of this office has been completed thereon. Naturally the matter is receiving the greatest possible care and dispatch.

OILFIELD EQUIPMENT

Estimates of Russian second quarter 1944 requirements of oilfield equipment

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

(exclusive of mechanical rubber, cable, and steel tubular goods, which are not handled by this office) have been prepared in this office and presented to the Foreign Economic Administration. These estimates, which are used as a basis for the allotment of critical materials under the Controlled Materials Plan, are prepared here because the Russians are not required to present statements of their equipment needs as is the case with American operators and the British. Up to this time, even an outline of their full Third Protocol requirements has not been received. However, we have been informed that the desired data will be forthcoming shortly.

A summary showing the September 30, 1943 status of all First and Second Protocol Lend-Lease allotments of oilfield equipment for the USSR has recently been completed and submitted to the Foreign Economic Administration. The total value of equipment ordered amounted to slightly over \$46,000,000, excluding oil country pipe released by the Foreign Economic Administration for United States operators' use. This summary shows 77% (by value) fabricated, and 38% actually shipped from this country.

We have called to the attention of the Foreign Economic Administration that some of the equipment being ordered by the Soviet Purchasing Commission does not appear to be required for practical use, and that other equipment appears to be desired for exploration operations that do not seem necessary to meet crude oil needs, based upon the limited data on the Russian situation which are available to us. Use of United States manufacturing facilities to produce such items is, in our estimation, to be avoided if they are not urgently required, inasmuch as the manufacturers' production capacity is needed for other equipment for the Russians, as well as for United States and other foreign operators.

RECOMMENDATIONS

We have no recommendations to make at this time.

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THE SECRETARY OF THE NAVY

WASHINGTON

PSF

L. F.
Lend Lease

9 DEC 1943

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Dear Mr. President:

In accordance with your memorandum of 2 October 1942, there is enclosed herewith a report as of 1 December 1943, showing the progress made by the Navy Department in supplying material to the Soviet Government under the Second Protocol covering the period 1 July 1942 to 30 September 1943.

There are also enclosed two additional reports on certain material requested by the Soviets and classified in the following categories:

- (a) Items not included in the Second Protocol
- (b) Items under the provisions of the Third Protocol

Respectfully submitted,

Frank Knox

Frank Knox

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The President
The White House

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Franklin D. Roosevelt Library

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DDO DIR. 5200.9 (9/27/68)

Date- JAN 25 1972

Signature- *RAH*

STATUS OF DELIVERY OF BALANCE OF MATERIALS REQUISITIONED
 BY THE SOVIET GOVERNMENT OF THE NAVY DEPARTMENT UNDER THE
 PROVISIONS OF THE SECOND PROTOCOL
 (ALL OTHER ITEMS HAVING BEEN DELIVERED)

ITEM	AMOUNT REQUESTED	DELIVERED PRIOR TO 1 JULY 1942	DELIVERED BETWEEN JULY '42 NOV. '43	DELIVERY SCHEDULE FOR DEC. 1943	DELIVERY SCHEDULE FOR JAN. 1944	DELIVERY SCHEDULE FOR FEB. 1944	BALANCE TO BE DELIVERED	SCHEDULE TIME OF DELIVERIES OF BALANCE
50 CALIBER TWIN MOUNTS HAND OPERATED MK 17 COMPLETE WITH CRADLE AND SPARE PARTS	200	0	180	20	0	0	0	
50 CALIBER GUNS COMPLETE WITH SPARE PARTS	450	0	360	90	0	0	0	
MARINE DIESEL ENGINES(170-1100 HP)	248	0	84	28	28	29	79	UNSCHEDULED
MARINE DIESEL GENERATORS	1,310	2	369	50	150	136	603	UNSCHEDULED
MECHANICAL AND ELECTRICAL EQUIPMENT FOR TUGS	3 SETS	0	PARTIAL	PARTIAL	COMPLETE	0	0	
ELECTRIC MOTORS	1,220	0	1,100	120	0	0	0	

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

ITEM	AMOUNT REQUESTED	DELIVERED	DELIVERY SCHEDULE FOR DEC. 1943	DELIVERY SCHEDULE FOR JAN. 1944	DELIVERY SCHEDULE FOR FEB. 1944	BALANCE TO BE DELIVERED	SCHEDULE TIME OF DELIVERIES OF BALANCE
SCRIPPS ENGINES	66	0	0	0	66	0	
AIR TANKS	15	0	15	0	0	0	
RADIO BEACONS	5	0	0	0	0	5	MARCH 1944
WINDLASSES WITH MOTORS	5	4	0	0	0	1	MARCH 1944
AUXILIARY EQUIPMENT FOR SHIPS	10 SETS	PARTIAL	PARTIAL	COMPLETE	0	0	
TOWING WINCHES 220 VOLTS	10	0	0	0	0	10	APRIL 1944
MARINE DIESEL ENGINES (1100-1600 H.P.)	50	0	0	0	0	50	UNSCHEDULED
MARINE DIESEL ENGINES (170-1100 H.P.)	230	0	0	0	0	230	UNSCHEDULED
MARINE DIESEL ENGINES (30-100 H.P.)	263	3	6	6	22	226	UNSCHEDULED
MARINE DIESEL GENERATORS	784	15	122	55	76	516	UNSCHEDULED
MARINE PUMPS	257	129	91	37	0	0	UNSCHEDULED
3"/50 D.P. EQUIPMENT	200	0	0	0	0	200	UNSCHEDULED
3"/50 CALIBER LOADING MACHINES MK 7 MOD 1	66	0	0	0	0	66	UNSCHEDULED
20 MM. AA GUNS COMPLETE	500	18	0	0	0	482	MARCH TO JUNE 1944
ROUNDS 20 MM AA AMMUNITIO N	2,500,000	0	0	0	0	2,500,000	MARCH TO JUNE 1944
50 CALIBER TWIN MOUNTS	800	0	150	150	150	350	150 ROUNDS PER MONTH
50 CALIBER AA MACHINE GUNS	1,600	0	300	300	300	700	300 PER MONTH
3"/50 A.A. AMMUNITION	154,000	0	0	0	0	154,000	UNSCHEDULED
3"/50 COMMON AMMUNITION	35,000	0	0	0	0	35,000	UNSCHEDULED
3"/50 ILLUMINATING AMMUNITION	10,000	0	0	0	0	10,000	UNSCHEDULED
50 CAL. TWIN MOUNTS MK 17 MOD 1	100	0	50	50	0	0	
50 CAL. AA MACHINE GUNS	300	0	50	50	50	150	50 PER MONTH
PETROLEUM PRODUCTS (SHORT TONS)	462,169	0	112,942	111,808	110,992	126,427	MARCH 1944

STATUS OF DELIVERY OF BALANCE OF MATERIALS REQUISITIONED
BY THE SOVIET GOVERNMENT OF THE NAVY DEPARTMENT
(NON-PROTOCOL ITEMS)

ITEM	AMOUNT REQUESTED	DELIVERED PRIOR TO 1 JULY '42	DELIVERED BETWEEN JULY 1942 NOV. 1943	DELIVERY SCHEDULE FOR DEC. 1943	DELIVERY SCHEDULE FOR JAN. 1944	DELIVERY SCHEDULE FOR FEB. 1944	BALANCE TO BE DELIVERED	SCHEDULE TIME OF DELIVERIES OF BALANCE
MARINE DIESEL ENGINES (1100-1600 H.P.)	18	0	8	6	4	0	0	
MARINE DIESEL ENGINES (75-170 H.P.)	802	0	65	0	0	0	737	UNSCHEDULED
MARINE DIESEL ENGINES (BELOW 75 H.P.)	802	0	32	50	50	60	610	UNSCHEDULED
MARINE GASOLINE ENGINES	2,757	0	730	310	240	170	1,307	UNSCHEDULED
MARINE PUMPS	451	0	0	0	26	67	358	UNSCHEDULED
RADIO RECEIVERS	348	0	93	0	0	0	255	UNSCHEDULED
STORAGE BATTERIES FOR SUBMARINES	50	0	6	1	2	3	38	UNSCHEDULED
WOODEN SUBMARINE CHASERS	126	0	68	3	3	3	49	MARCH 1944 TO SEPT. 1944
WOODEN MOTOR TORREDO BOATS	80	0	30	7	8	8	27	MARCH 1944 TO JULY 1944
TWIN SCREW TUG BOATS	15	0	0	0	0	0	15	UNSCHEDULED
ICE BREAKER "NORTHWIND"	1	0	0	1	0	0	0	
BEARINGS FOR PACKARD ENGINES	10	0	10	0	0	0	0	
OUTBOARD MOTORS	850	0	400	0	0	0	450	UNSCHEDULED
DIVING STATIONS	83	0	0	0	83	0	0	
LANTERNS AND FLASHERS	982	0	424	77	80	90	311	MARCH 1944
FORGINGS FOR PROPELLER SHAFTS AND COUPLINGS	3	0	0	0	0	0	3	MARCH 1944
DIVING EQUIPMENT	100	0	50	50	0	0	0	
ELECTRIC CRANES	4	0	4	0	0	0	0	
AIR VALVES	194	0	0	0	0	0	194	UNSCHEDULED
CENTRIFUGAL FANS	47	0	0	0	0	0	47	UNSCHEDULED
LIGHTING FIXTURES	1 LOT	0	PARTIAL	COMPLETE	0	0	0	
ELECTRICAL EQUIPMENT	6 LOTS	0	0	0	0	6 LOTS	0	

STATUS OF DELIVERY OF BALANCE OF MATERIALS REQUISITIONED
BY THE SOVIET GOVERNMENT OF THE NAVY DEPARTMENT
(NON-PROTOCOL ITEMS)

ITEM	AMOUNT REQUESTED	DELIVERED PRIOR TO 1 JULY '42	DELIVERED BETWEEN JULY 1942 NOV. 1943	DELIVERY SCHEDULE FOR DEC. 1943	DELIVERY SCHEDULE FOR JAN. 1944	DELIVERY SCHEDULE FOR FEB. 1944	BALANCE TO BE DELIVERED	SCHEDULE TIME Or DELIVERIES OF BALANCE
BUOYS	100	0	0	25	25	25	25	MARCH 1944
ACETYLENE GAS ACCUMULATORS	700	0	0	200	100	100	300	MARCH 1944
STEERING GEAR	35	0	0	0	0	0	35	MARCH & APR. 1944
DIVING COMPRESSORS	3	0	0	0	0	0	3	UNSCHEDULED
MOTOR TORPEDO BOAT WATER AND OIL COOLERS	950 EACH	0	424 EACH	240 EACH	240 EACH	46 EACH	0	
SHORE DIRECTION FINDERS	18	0	9	0	0	0	9	UNSCHEDULED
AIR TANKS	15	0	0	15	0	0	0	
POTASSIUM TETRAOXIDE	1,120,000 lbs.	0	732,100	58,000	40,450	58,000	231,450	UNSCHEDULED
ELECTRIC MOTORS	737	0	0	0	0	0	737	UNSCHEDULED
RADIO BEACONS	10	0	0	0	0	0	10	MARCH 1944
20 MM AA GUNS COMPLETE	1,500	0	1,500	0	0	0	0	
ROUNDS 20 MM AA AMMUNITION	8,000,000	0	7,590,540	100,000	100,000	100,000	109,460	MARCH 1944
5"/38 D.P. EQUIPMENTS; GUNS MK 30, HANDWHEEL BRACKETS NO POWER DRIVES	150	0	88	32	30	0	0	
5"/38 CAL. SINGLE LOADING MACHINE MK 14 MOD 4 AND SPARE PARTS	64	0	42	13	9	0	0	
5"/38 AA AMMUNITION	66,000	0	45,264	17,280	3,456	0	0	
5"/38 COMMON AMMUNITION	15,000	0	2,100	0	12,900	0	0	
5"/38 ILLUMINATING AMMUNITION	3,000	0	1,780	640	640	0	0	
5"/38 DUMMY DRILL AMMUNITION	688	0	344	344	0	0	0	
3"/50 D.P. EQUIPMENTS	300	0	281	19	0	0	0	
3"/50 CAL. LOADING MACHINES MK 7 MOD 1	100	0	75	25	0	0	0	
3"/50 AA AMMUNITION	283,500	0	246,657	36,843	0	0	0	
3"/50 DUMMY DRILL AMMUNITION	3,320	0	1,500	500	500	820	0	
3"/50 ILLUMINATING AMMUNITION	15,000	0	13,050	1,950	0	0	0	

STATUS OF DELIVERY OF BALANCE OF MATERIAL REQUISITIONED
 BY THE SOVIET GOVERNMENT OF THE NAVY DEPARTMENT
 (NON-PROTOCOL ITEMS)

ITEM	AMOUNT REQUESTED	DELIVERED PRIOR TO 1 JULY '42	DELIVERED BETWEEN JULY 1942 NOV. 1943	DELIVERY SCHEDULE FOR DEC. 1943	DELIVERY SCHEDULE FOR JAN. 1944	DELIVERY SCHEDULE FOR FEB. 1944	BALANCE TO BE DELIVERED	SCHEDULE TIME OF DELIVERIES OF BALANCE
F.S. MIXTURE FOR SMOKE SCREEN GENERATORS	19,200 gallons	0	7,700	0	0	0	11,500	UNSCHEDULED
SETS OF EQUIPMENT FOR FILLING SMOKE SCREEN GENERATORS	5	0	2	0	0	0	3	UNSCHEDULED
TORPEDO TUBE TESTING SETS MK 2	5	0	0	0	0	0	5	MARCH 1944
CRADLE SPIRAL SPRINGS FOR 20 MM AAG'S AND MOUNTS MK 4 AND MK 2	1,000	00	0	0	0	0	1,000	MARCH 1944

C. F.
Lend Lease

WAR SHIPPING ADMINISTRATION

December 10, 1943

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MEMORANDUM FOR THE PRESIDENT

I

Because of the large number of sailings for Murmansk and the White Sea, and of the substantial movement on the Pacific route, liftings of U.S.S.R. cargo in November reached a new high level of 564,814 long tons, compared with 440,771 long tons in October. As a result liftings on a cumulative basis since July 1 now stand at approximately 122 per cent of the target. This figure represents a substantial increase compared with a month ago.

Sailings in December are expected to exceed the large number in November, largely because of the heavy schedule on the Murmansk route. Departures on the Pacific and Persian Gulf routes are expected to be normal.

II

On the route to Murmansk and the White Sea, JW-54, the first convoy to sail from the United Kingdom since February 15, 1943, departed in two sections on November 14 and November 22 respectively, and arrived at Murmansk on November 24 and December 3 respectively. The W.S.A. contribution in this convoy consisted of ten liberty ships loaded in the United States with 66,266 long tons* and five liberty ships loaded in the United Kingdom with 24,836 long tons. (Exhibit A) The latter cargo consisted of material discharged in the United Kingdom from the frustrated convoys of last spring and stockpiled there. These

* This tonnage was loaded in the U.S. in October, and was included in our report for that month.

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By RHP, Date MAR 21 1973

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loadings, together with those of the B.M.W.T. ships, have not moved nearly all of the remaining U.S.S.R. stockpile. The British contribution to this convoy consisted of 14 dry cargo ships carrying 66,901 long tons. In addition they provided a tanker to carry 9,077 long tons of alcohol on American account, which was taken from stocks in the United Kingdom and will be later replaced, and which therefore counts as new November aid to Russia. They also provided the two fleet oilers. The entire convoy therefore consisted of 32 ships. All of our ships arrived safely.

Convoy JW-55 is expected to sail from the United Kingdom in mid-December. For this convoy we sailed from New York in November eighteen liberty ships carrying 127,615 long tons. (Exhibit B) One B.M.W.T. tanker also sailed from Baltimore carrying 8,124 long tons of alcohol on American account. The British are expected to use the remaining 16 places in the 35-ship convoy.

This convoy has on board 20 locomotives, the first to be shipped from the East Coast, and also numerous flat cars, P. T. boats, and pieces of heavy industrial machinery. To assist in discharging these heavy lifts the British are sending up the crane ship Empire Lapland, which has an eighty-ton lift. This ship will be an addition to the 100-ton Russian floating crane at Molotovsk and the British crane ship Empire Elgar of 50 tons capacity at Murmansk.

For JW-56, which sails from the United Kingdom in mid-January, we are planning to sail 27 liberty ships from New York in December. (Exhibit C) Because of the Russians' urgent need for locomotives we

are loading 58 on these vessels. There will also again be a British alcohol tanker ex U.S.A. in this convoy. The British are expected to again fill the remaining six places.

III

Our sailings on the Persian Gulf route in November amounted to 25 Soviet-Aid ships and one Persian Gulf Service Command ship, which together carried 193,546 long tons of Soviet cargo, 7,086 long tons of cargo for the P.G.S.C., and 3,765 long tons of cargo for the Bahrein Petroleum project. (Exhibit D) All of these ships were routed through the Mediterranean, on which route we have had no sinkings by enemy action since August.

The port position in the Persian Gulf is at present the best it has been in its recent history. Vessels normally proceed to discharge as soon as they arrive, and in most cases now require only from 18 to 22 days. Cargo discharged in the Gulf in November totalled 221,000 long tons for the Russians and 20,000 long tons for the P.G.S.C.

Sailings in December are expected to total about 25 ships. (Exhibit E) Our policy is to maintain the rate of allocation at 25 ships monthly, which rate it is estimated will keep the route fully employed.

IV

On the Pacific we have now entered a difficult period which will be complicated by ice and heavy lifts. Russian-flag sailings totalled 32 ships carrying 226,452 long tons, of which 16,665 long tons were from

Vancouver, B. C. The October sailings amounted to 27 ships carrying 180,643 long tons. This increase was due to the slow liquidation of the congestion at Russian outports mentioned in our previous report, and to the return of many of the ships which sailed in the large August and September programs. The off-balance position of the Russian merchant fleet was thus partially corrected. Sailings in December are forecast at about 36 ships carrying approximately 250,000 long tons.

In November the Tartar Straits began to freeze, and ships are now being routed through the Strait of La Perouse. Former American vessels are therefore being restricted mainly to cargoes of foodstuffs which they have been so far delivering successfully. The old Russian component of the fleet is, however, loading mainly industrial cargo, including locomotives.

In November the first locomotives to go by the Pacific route were shipped on the Maxim Gorky. The total for the month was 24. The movement is at present much handicapped because of the necessity of using only old Russian vessels, not many of which are suitable. At the Russians' request we have therefore decided to proceed with the conversion of five Russian ships to locomotive carriers. When finished these ships will be able to carry from 14 to 18 engines each, instead of the present deckloads of from four to six. The Army is also planning to construct an assembly plant and a locomotive loading facility at Portland. These improvements are of great importance since except for the 109 locomotives loaded and planned for the present northern convoy cycle, and for those which we hope to carry on next fall's convoys, all

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By RHP, Date *MAI, 21 1973*

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of the 1,746 locomotives which are expected to be produced by December 31, 1944 will probably have to move over the Pacific route.

One liberty tanker was transferred to Russian registry on November 13. To further assist the Russians in meeting their requirement for blending agent we will transfer a second liberty tanker in December, which will be the 70th ship to be transferred. This latter gain was, however, unfortunately offset by the grounding on November 15 in the Paramushiro area of the Mariupol, ex S.C.T. Dodd which was loaded with blending agent. It is feared that the Russians will be prevented by the Japanese from salvaging this vessel or her cargo.

Respectfully submitted,

E. S. Land *L. W. Douglas*
 E. S. Land L. W. Douglas
 Administrator Deputy Administrator

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x6. F. War Shipping Administration

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 Commerce Dept. Letter, 11-15-72
 By RHP, Date MAR 21 1973

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(Exhibit A)

W.S.A. SHIPS LOADED IN U.K. FOR JW-54 WITH FRUSTRATED CARGO

<u>Ship</u>	<u>D.W.T.</u>	<u>Cubic</u>	<u>Long Tons</u> <u>of Cargo</u>	<u>Loaded</u> <u>At</u>	<u>Sailed</u> <u>On</u>	<u>From</u>
1. Thomas Kearns	10,500	500,245	5,060	London	11/22	L. Ewe
2. William Windom	10,500	500,245	5,069	Manchester	11/14	L. Ewe
3. Gilbert Stuart	10,500	500,245	4,983	Manchester	11/14	L. Ewe
4. Arthur L. Perry	10,500	500,245	4,886	Leith	11/22	L. Ewe
5. Henry Villard	<u>10,500</u>	<u>500,245</u>	<u>4,838</u>	Cardiff	11/14	L. Ewe
Total	52,500	2,501,225	24,836			

Note: These vessels lifted previously frustrated cargo originating in the U.S. and temporarily stockpiled in U.K. This cargo is therefore not included in aid to Russia lifted in November.

(Exhibit B)

MURMANSK AND WHITE SEA SAILINGS - NOVEMBER, 1943

Tanker Loaded in U.K. for JW-54

<u>Ship</u>	<u>D.W.T.</u>	<u>U.S.S.R. Cargo</u> <u>Loaded</u>	<u>Sailed</u> <u>On</u>	<u>From</u>
1. Mydrecht ^{1/} (Du)	10,455	9,077	11/14	L. Ewe

Dry Cargo Ships Intended for JW-55

<u>Ship</u>	<u>D.W.T.</u>	<u>Cubic</u>	<u>Long Tons</u> <u>of Cargo</u>	<u>Sailed</u> <u>On</u>	<u>From</u>
<u>Departures in HX-266</u>					
1. Brockholst Livingston	10,500	500,245	6,984	11/13	N. Y.
2. Cardinal Gibbons	10,500	500,245	7,213	11/13	N. Y.
3. Collis P. Huntington	10,500	500,245	6,652	11/13	N. Y.
4. George Weems	10,500	500,245	7,134	11/13	N. Y.
5. Thomas Scott	10,500	500,245	7,174	11/13	N. Y.
6. John Wanamaker	10,500	500,245	7,053	11/13	N. Y.
7. Stage Door Canteen	10,500	500,245	7,206	11/13	N. Y.
8. Philip Livingston	10,500	500,245	7,182	11/13	N. Y.

Departures in HX-267

9. James Woodrow	10,500	500,245	7,615	11/19	N. Y.
10. Lewis Emery Jr.	10,500	500,245	7,192	11/19	N. Y.
11. Daniel Willard	10,500	500,245	6,836	11/19	N. Y.

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Commerce Dept. Letter, 11-15-72

By RHP, Date

MAR 21 1973

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(Exhibit B - continued)

MURMANSK AND WHITE SEA SAILINGS - NOVEMBER, 1943

Dry Cargo Ships Intended for JW-55

<u>Ship</u>	<u>D.W.T.</u>	<u>Cubic</u>	<u>Long Tons of Cargo</u>	<u>Sailed On</u>	<u>From</u>
<u>Departures in HX-267 (continued)</u>					
12. Bernard N. Baker	10,500	500,245	6,839	11/19	N. Y.
13. John Vining	10,500	500,245	6,613	11/19	N. Y.
14. Thomas U. Walter	10,500	500,245	7,283	11/19	N. Y.
15. Will Rogers	10,500	500,245	6,598	11/19	N. Y.
16. John J. Abel	10,500	500,245	7,165	11/19	N. Y.
17. James A. Farrell	10,500	500,245	7,793	11/19	N. Y.
<u>Departures in HX-268</u>					
18. Harold L. Winslow	<u>10,500</u>	<u>500,245</u>	<u>7,083</u>	11/26	N. Y.
Total	189,000	9,004,410	127,615		
<u>Tanker Departure in HX-266</u>					
19. Lucerna ^{2/}	<u>10,480</u>	<u>-</u>	<u>8,124</u>	11/3	Balt.
Grand Total	209,935	9,004,410	144,816		

1/ This ship, a B.M.W.T.-controlled vessel, lifted a cargo of alcohol on American Lend-Lease account from the U.K. stock. An equivalent amount was made available to the British in the United States. This cargo is therefore counted in November loadings of new cargo.

2/ The Lucerna, a British tanker, lifted a cargo of alcohol on U. S. account.

(Exhibit C)

EXPECTED SAILINGS TO MURMANSK AND WHITE SEA - DECEMBER, 1943

Ships Intended for JW-56

<u>Ship</u>	<u>D.W.T.</u>	<u>Cubic</u>	<u>Sailed on</u>	<u>From</u>
<u>Departures in HX-270</u>				
1. John A. Quitman	10,500	500,245	12/9	N. Y.
2. Paul Hamilton Hayne	10,500	500,245	12/9	N. Y.
3. Penelope Barker	10,500	500,245	12/9	N. Y.
4. Robert Lowry	10,500	500,245	12/9	N. Y.
5. Winfred L. Smith	10,500	500,245	12/9	N. Y.
6. Andrew G. Curtin	10,500	500,245	12/9	N. Y.
7. Richard H. Alvey	10,500	500,245	12/9	N. Y.
8. Charles A. McAllister	10,500	500,245	12/9	N. Y.
9. Henry Wynkoop	10,500	500,245	12/9	N. Y.
10. John H. B. Latrobe	10,500	500,245	12/9	N. Y.
11. William Tyler Page	10,500	500,245	12/9	N. Y.

			<u>Presentation</u>	
			<u>Date</u>	<u>At</u>
<u>To Depart in HX-271</u>				
12. Charles Scribner	10,500	500,245	11/26	N. Y.
13. Charles Bullfinch	10,500	500,245	11/29	N. Y.
14. Edwin L. Drake	10,500	500,245	11/29	N. Y.
15. Woodbridge N. Ferris	10,500	500,245	12/2	N. Y.
16. Jefferson Davis	10,500	500,245	11/28	N. Y.
17. Nathaniel Alexander	10,500	500,245	11/29	N. Y.
18. Thorstein Veblen	10,500	500,245	11/29	N. Y.
19. Joseph N. Nicolet	10,500	500,245	11/26	N. Y.

<u>To Depart in HX-272</u>				
20. John La Farge	10,500	500,245	12/8	N. Y.
21. Henry Bacon	10,500	500,245	12/8	N. Y.
22. Willard Hall	10,500	500,245	12/8	N. Y.
23. Henry Lomb	10,500	500,245	12/9	N. Y.
24. Samuel McIntyre	10,500	500,245	12/8	N. Y.
25. Abner Nash	10,500	500,245	12/8	N. Y.
26. Edward L. Grant	10,500	500,245	12/8	N. Y.
27. Albert C. Ritchie	10,500	500,245	12/8	N. Y.
Total	283,500	13,506,415		

<u>Tanker to Depart in HX-271</u>				
San Cirilo ^{1/}	12,150	-	12/5	Phila.
Grand Total	295,650	13,506,415		

^{1/} The San Cirilo, British tanker, is to lift a cargo of alcohol on U. S. account.

(Exhibit D) ~~CONFIDENTIAL~~

PERSIAN GULF SAILINGS - NOVEMBER, 1943

<u>Ship</u>	<u>D.W.T.</u>	<u>Cubic</u>	<u>U.S.S.R.</u> <u>Cargo Loaded</u>	<u>Sailed</u> <u>On</u>	<u>From</u>
SOVIET AID SHIPS					
<u>Departure in UGS-23</u>					
1. William Mayo	10,500	500,245	7,693	11/1	N. Y.

Note: Also sailing in UGS-23 were five ships which sailed from their loading ports in October and were included in that month's report.

Departures in UGS-24

2. James E. Howard	10,500	500,245	7,900	11/9	Phila.
3. Bigfoot Wallace	10,500	500,245	7,644	11/11	N. Y.
4. Pere Marquette	10,500	500,245	8,297	11/10	Phila.
5. Thomas L. Clingman	10,500	500,245	8,332	11/12	Phila.
6. Peter Zenger	10,500	500,245	7,866	11/13	Phila.
7. Ignatius Donnelly	10,500	500,245	8,459	11/17	Phila.
8. George Read	10,500	500,245	6,971	11/13	Phila.
9. Hubert H. Bancroft	10,500	500,245	8,126	11/11	N. Y.
10. George Gipp	10,500	500,245	7,004	11/13	Phila.

Departures in UGS-25

11. Viggo Hansteen	10,500	500,245	7,721	11/5	Phila.
12. George Gershwin	10,500	500,245	8,336	11/17	Phila.
13. U.S.O.	10,500	500,245	7,995	11/21	Phila.
14. Morton McCarver	10,500	500,245	8,218	11/20	Phila.
15. James M. Porter	10,500	500,245	8,194	11/20	Phila.
16. Robert Treat	10,500	500,245	7,228	11/21	Phila.
17. Richard Stockton	10,500	500,245	7,925	11/21	N. Y.
18. Albert Gallatin	10,500	500,245	7,944	11/21	N. Y.
19. Oran M. Roberts	10,500	500,245	7,618	11/21	N. Y.
20. Frank B. Kellogg	10,500	500,245	8,272	11/21	N. Y.

Departures in UGS-26

21. George D. Prentice	10,500	500,245	7,622	11/30	Phila.
22. Thomas Hill	10,500	500,245	4,169 ^{1/2}	11/28	Phila.
23. John A. Poor	10,500	500,245	8,149	11/28	Phila.
24. Nathan Hale	10,500	500,245	8,107	11/30	Phila.
25. Edward Livingston	10,500	500,245	7,756	11/29	Phila.
19. Total	262,500	12,506,125	193,546		

Note: Also departing in UGS-26 were four ships which sailed from their loading ports in December.

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Commerce Dept. Letter, 11-15-72
By RHP, Date

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(Exhibit D - continued)

PERSIAN GULF SAILINGS - NOVEMBER, 1943

<u>Ship</u>	<u>D.W.T.</u>	<u>Cubic</u>	<u>P.G.S.C. Cargo Loaded</u>	<u>Sailed On</u>	<u>From</u>
P.G.S.C. ALLOCATIONS					
26. John Marshall	<u>10,500</u>	<u>500,245</u>	<u>7,086</u>	11/26	Charleston
Grand Total	273,000	13,006,370	200,632		

1/ Also carried 3,765 long tons of cargo for the Bahrein Petroleum Project.

(Exhibit E)

EXPECTED SAILINGS TO PERSIAN GULF - DECEMBER, 1943

<u>Ship</u>	<u>D.W.T.</u>	<u>Cubic</u>	<u>Presentation Date</u>	<u>At</u>
<u>To Depart in UGS-26</u>				
1. Maria Mitchell	10,500	500,245	11/19	N. Y.
2. William Dunbar	10,500	500,245	11/19	N. Y.
3. Frederick L. Dau	10,500	500,245	11/19	N. Y.
4. William Eaton	10,500	500,245	11/19	N. Y.
<u>To Depart in UGS-27</u>				
5. Frank Springer	10,500	500,245	12/1	Phila.
6. Joseph A. Brown	10,500	500,245	11/30	Phila.
7. Francis Lewis	10,500	500,245	11/26	Phila.
8. Cleveland Abbe	10,500	500,245	11/30	Phila.
9. Benjamin Holt	10,500	500,245	11/26	Phila.
10. Frederick Newell	10,500	500,245	11/29	Phila.
11. Charles D. McIver	10,500	500,245	11/27	N. Y.
12. Wendell Phillips	10,500	500,245	11/29	N. Y.
<u>To Depart in UGS-28</u>				
13. James C. Cameron	10,500	500,245	12/6	Phila.
14. Hugh N. Smith	10,500	500,245	12/8	Phila.
15. Nonsuco	10,500	500,245	12/10	Phila.
16. Eli Whitney	10,500	500,245	12/3	Phila.
17. Hutchinson I. Cone	10,500	500,245	12/8	Phila.
18. Stephen T. Mather	10,500	500,245	12/9	Phila.
19. Billy Mitchell	10,500	500,245	12/8	N. Y.
20. Charles A. Warfield	10,500	500,245	12/8	N. Y.
21. Edward Canby	10,500	500,245	12/8	N. Y.

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(Exhibit E - continued)

EXPECTED SAILINGS TO PERSIAN GULF - DECEMBER, 1943

<u>Ship</u>	<u>D.W.T.</u>	<u>Cubic</u>	<u>Presentation Date</u>	<u>At</u>
<u>To Depart in UGS-29</u>				
22. Mark Hanna	10,500	500,245	12/15	Phila.
23. John F. Steffen	10,500	500,245	12/15	Phila.
24. Charles W. Peale	10,500	500,245	12/15	Phila.
25. Henry Gilbert Costin	<u>10,500</u>	<u>500,245</u>	12/15	N. Y.
Total	262,500	12,506,125		

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Commerce Dept. Letter, 11-16-72

By RHP, Date MAR 21 1973

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Foreign Economic Administration
~~OFFICE OF LEND LEASE ADMINISTRATION~~
FIVE-FIFTEEN 22d STREET NW.
WASHINGTON 25, D. C.

PSF

C. F.
Lease

File
copy

December 10, 1943

MEMORANDUM

TO: The President
FROM: Leo T. Crowley
SUBJECT: Soviet Supply Program

In accordance with your directive of October 2, 1942, to Mr. E. R. Stettinius, Jr., to the effect that you be advised monthly of the status of the Soviet Supply Program, I have prepared the attached brief statement of the major current factors as of today.

The regular monthly statistical report on the entire program for the period ended November 30, 1943, will follow in due course as soon as the information has been gathered and correlated.

Leo T. Crowley

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x5430

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

~~SECRET~~

December 10, 1943

SOVIET SUPPLY PROGRAM

I. Shipping

November exports from North America were the highest of any month to date, reaching approximately 566,000 long tons. This total represents 149% of the monthly rate required to meet Third Protocol schedules. The November increase over the 440,000 long tons exported in October was due primarily to the doubling of vessel departures for North Russian ports, making possible clearances of 145,000 long tons by this route. Persian Gulf shipments remained constant at approximately 195,000 long tons. The balance of 226,000 long tons moved across the Pacific.

December schedules call for shipments substantially greater than those of November.

II. The Character of Cargo

Food accounted for 32% of the tonnage of United States supplies. Metals accounted for 17%, and industrial equipment for 10%. Tanker shipments were large, amounting to 13% of total tonnage exported. Tankers lifted 35,000 long tons of alcohol and 26,000 long tons of petroleum products. The balance of 15,000 long tons consisted of toluol and vegetable oil.

III. Military Vehicles

Truck shipments reached the highest point to date with 12,319 vehicles exported. Other military vehicles, including jeeps, military tractors and motorcycles, accounted for an additional 4,302 units. There were 100 medium tanks.

Railway equipment has become important. Locomotives began to move in earnest with departures of 44 units. Railway flat cars reached 97. The Soviet representatives have asked for greatly increased shipments of locomotives and have requested redesigning of five of their vessels as locomotive carriers. This request has been approved in principle.

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

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IV. Airplanes

415 United States manufactured aircraft departed from North America during the month - 342 for United States Protocol account and 73 for United Kingdom account. Of the total, 58 were shipped by water to Murmansk, and 99 to the Persian Gulf. 47 planes departed over the South Atlantic Air Ferry Route and 211 from Fairbanks over the Alaskan-Siberian Air Ferry Route. At the month's end 119 aircraft were at Fairbanks awaiting delivery to Soviet pilots while 527 planes were in the Persian Gulf area awaiting assembly or servicing, before delivery.

V. Supplies

The policy of keeping production within limits of shipping probabilities is being continued. When items not scheduled in the Third Protocol are requested, the U.S.S.R. is asked to withdraw equivalent tonnage from scheduled programs. Increased quantities of aluminum and cartridge brass are now being planned on this basis.

Industrial equipment is scheduled at a rate expected to provide stocks at the end of the Third Protocol period of approximately 198,000 short tons. These stocks, plus equipment scheduled for delivery after June 30, 1944, will maintain a continuity of supply of industrial equipment after the termination of the Third Protocol. In addition to orders already placed, requests are now being considered for further deliveries after June 30, 1944.

The Army and Navy Supply Programs for 1944 and 1945 are in process of preparation. To assure continued supply of military and naval equipment after the end of the Third Protocol, estimates are being made and entered in the Program. Similar estimates for raw materials, industrial equipment, and food will be prepared shortly by this Administration to assure continuity of supply after the end of the Third Protocol.

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

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THE UNDER SECRETARY OF STATE
WASHINGTON

December 11, 1943

The President
The White House
Washington, D. C.

Dear Mr. President:

I am transmitting herewith a report which I have had prepared covering my two years of stewardship as Lend-Lease Administrator.

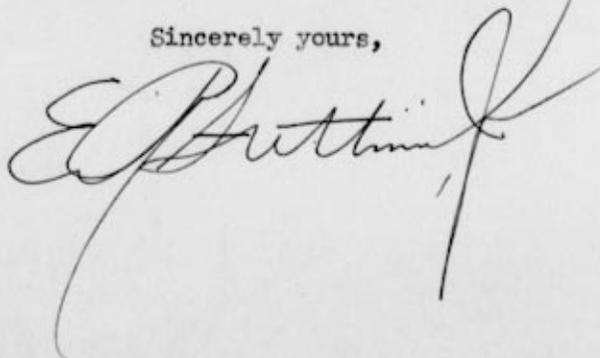
The development of the lend-lease concept and its application to meet the urgent needs of our Allies has been a challenging assignment --- one in which we were greatly aided by the sound foundations and policies established by Mr. Harry Hopkins and Major General James H. Burns prior to my appointment.

Since the spring of 1942, the furnishing of direct military supplies to our Allies has been exclusively in the hands of the Army and Navy, and these Departments are entitled to great credit for their efficient handling of that extremely important part of the lend-lease operation.

As far as the Lend-Lease Administration is concerned, whatever success the program has achieved, must in large measure be shared by the entire organization. The loyalty of the staff and our mutual devotion to the inspiring undertaking which you entrusted to us, made the Administration a smooth functioning team in the fullest sense of the word. I am happy that, as Under Secretary of State, I shall not be wholly removed from the lend-lease operation and from those who have done so much to make Lend-Lease an effective instrument of war.

I am grateful to you for the privilege of serving the Nation as Lend-Lease Administrator during these critical years.

Sincerely yours,

A large, elegant handwritten signature in dark ink, appearing to read "E. A. Tamm". The signature is written in a cursive style with long, sweeping lines, particularly in the tail of the final letter.

~~CONFIDENTIAL~~
~~CONFIDENTIAL~~

Report to the President
on Operations of
the Lend-Lease Administration
September 16, 1941 to September 25, 1943

Submitted by E. R. Stettinius, Jr.

PSF C.F.
Lend Lease

REPORT TO THE PRESIDENT

On Operations of the Lend-Lease Administration

September 11, 1941 to September 25, 1943

Submitted by E. R. Stettinius, Jr.

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Predecessor
Organization

Section I

ORGANIZATION FOUND BY THE ADMINISTRATOR

On August 28, 1941, the President announced that E. R. Stettinius, Jr., would become Lend-Lease Administrator and have administrative charge of the Lend-Lease program. At that time, Lend-Lease operations were being conducted by the Division of Defense Aid Reports, which Major General James H. Burns, with the assistance of Mr. Philip Young, was then directing. From September 16, when he was appointed Lend-Lease Administrator, to October 28, Mr. Stettinius directed the Division of Defense Aid Reports. This Division was abolished on the latter date by an executive order creating the Office of Lend-Lease Administration. At the same time the President re-named Mr. Stettinius Lend-Lease Administrator.

When the Administrator assumed the Lend-Lease responsibility, he found a small staff of approximately 185 people, the chief duty of which had been to supervise the efforts of the interested operating departments of the government in implementing the Lend-Lease program. All Lend-Lease purchasing operations, negotiations of contracts, detailed follow-up of production and dispatch of finished goods were handled by those government agencies best equipped to carry out the specific tasks under the general guidance of the Division of Defense Aid Reports.

The initial Lend-Lease appropriation of 7 billion dollars had been authorized on March 27, 1941. By September 11, 1941, over $6\frac{1}{2}$ billion of this amount had been allocated against approved requests for Lend-Lease aid, and over $3\frac{1}{2}$ billion dollars of legal commitments had been made. During this first six months period of operations, contracts had been placed and work started on nearly a billion dollars of bombardment aircraft; one-half billion dollars of new ways for merchant shipping were in progress; over a quarter of a billion dollars had been provided for facilities to speed the production of guns and other munitions; and, in addition, over 430 million dollars had been allocated for the purchase of milk, eggs and other agricultural products.

Funds for the purchase of goods approved by the Division of Defense Aid Reports were officially allocated to the procuring agencies by means of letters signed by the President, which contained a complete description of each requisition for which the allocation was to be made. It had become increasingly evident, however, that the President could not continue to sign these letters

because of the ever-increasing number necessary to carry on the growing Lend-Lease operation. The President was satisfied with the type of articles being requisitioned. The time was ripe for delegation of this and other authorities; and the appointment of Mr. Stettinius as Lend-Lease Administrator was made with the purpose of strengthening the central Lend-Lease organization for assumption of the new and greater responsibilities brought on by the natural growth of the Lend-Lease program.

New Organization

Section II

CREATION OF A NEW ORGANIZATION

One of the Administrator's first acts upon taking office was to authorize an over-all survey of Lend-Lease operations. For this purpose he immediately appointed a study group made up of men of ability and practical experience well qualified for the task. The group was headed by Mr. T. B. McCabe, its other members being Mr. William H. Brown, Mr. John E. Orchard, Mr. Norris Ferris and Mr. Charles L. Terrel. They were instructed to bear in mind that the central Lend-Lease organization was essentially a policy-making, coordinating, expediting, record-keeping and fiscal control unit.

No formal report was made to the Administrator, but informal recommendations and suggestions were submitted, both with respect to procedures and to the organization generally. Among other recommendations for reorganization, it was suggested that the following offices be established:

1. A Deputy Lend-Lease Administrator
2. An Assistant Deputy Lend-Lease Administrator
3. Five Assistant Administrators in charge of special functions
 - a. Clearance
 - b. Special Assignments
 - c. Expediting, Accounts, and Statistics
 - d. Storage and Transportation
 - e. Policies and Procedures

On November 22, 1941, the staff was given formal notification of the creation of the Clearance Division and of the Expediting, Accounts, and Statistics Division. The Clearance Division was given responsibility for all contacts with Foreign Missions and for the clearance of requisitions; it has subsequently been re-named the Foreign Liaison Division. Assistant Administrators were appointed as heads of these new divisions, under a Deputy and Assistant Deputy Administrator. Assistant Administrators were also appointed as

heads of two other new divisions, one for Russia and the Middle East and one for Storage and Transportation.

The original recommendations of the Study Group were substantially carried out. By January 1942, the new organization had been set up; and it has continued in much the same general form throughout the rest of the period covered by this report.

There have, however, been numerous significant additions to the organization. Toward the end of 1942, Mr. Bernhard Knollenberg was appointed Senior Deputy Administrator to assist the Administrator and to act on his behalf in his absence, and two Deputy Administrators were placed over the organization, one assuming charge of operations and the other taking responsibility for over-all planning. A China Division and a Liberated Areas Division have been added to the Foreign Liaison Division; a Missions Division was created; a Reverse Lend-Lease and Government Liaison Division was set up to deal with the problem of reciprocal aid. The Operations Division grew in size and importance, with the addition of a Requirements Division, a Transportation and Storage Division, and recently, a Requisitions Control and Materials Redistribution Division.

In April of 1942, a Policy Committee was set up to deal with questions of over-all policy with respect to Lend-Lease activities. The original membership consisted of Mr. Philip Young, Chairman, Mr. John L. Pratt, Mr. Arthur B. Van Buskirk, Mr. John E. Orchard, Mr. Frederic W. Ecker, Mr. Robert J. Lynch, Mr. Elton MacDonald, and Mr. Hayden Raynor, the latter being Executive Secretary. Subsequently, Mr. Reeve Schley and Mr. William V. Griffin were included in the membership. In October of 1942, this Committee was superseded by an Operations Committee.

Day-to-day operations of the Lend-Lease Administration have since been conducted under direction of the Deputy Administrator in Charge of Operations. By delegation of authority from the Administrator, the Deputy Administrator has, in consultation with the Operations Committee, exercised considerable autonomy respecting over-all operating problems and operating policies.

The membership of the Operations Committee is as follows:

Mr. Arthur B. VanBuskirk	- Deputy Administrator, in charge of Operations, Chairman
Major General Charles M. Wesson	- Senior Assistant Administrator
Mr. John E. Orchard	- Senior Assistant Administrator

Mr. L. J. Martin	- Senior Assistant Administrator
Mr. W. V. Griffin	- Senior Assistant Administrator
Mr. H. C. L. Miller	- Assistant Deputy Administrator
Mr. G. R. Rebmann, Jr.	- Assistant Administrator
Mr. Charles Denby	- Assistant Administrator
Mr. James W. Pope	- Executive Assistant to the Deputy Administrator
Mr. Hayden Raynor	- Executive Secretary

In practice, the following senior staff officials have been invited to attend meetings of the Operations Committee, and have usually sat with the Committee in its discussions:

Mr. Philip Young	- Deputy Administrator, in Charge of Development and Planning
Mr. John L. Pratt	- Consultant
Brig. Gen. George R. Spalding	-
Mr. George Ball	- Associate General Counsel

The Operations Committee has thus served as a focal point where current operating problems of consequence and important policies concerning operations could be considered by those primarily charged with operating responsibilities. This system has given the Deputy Administrator for Operations constant access to the opinions of his associates, who as important operating officials have participated in his decisions and been fully informed respecting them.

The Administrator and the Senior Deputy Administrator have been kept constantly informed of the decisions made by the Operations Committee, and have made it their practice to refer to the Committee matters of the character mentioned above.

A smaller group, known as the Clearance Committee, was established to bring about a more consistent and selective policy in the screening of requisitions.

Experience showed that, in light of its expanding activities and in light of the changing course of the war, the development of Lend-Lease policies called for the creation of a staff group devoted to planning and special study work. For this purpose, Mr. Philip Young was named Deputy Administrator in Charge of a Planning and Development Staff, and made responsible for research and the analysis of extraordinary problems confronting the Administrator. This consisted of anticipating and exploring Lend-Lease problems, working out practical solutions for operating officials and maintaining a proper perspective between immediate operations and long-range policies.

A chart showing the functions and responsibilities of the Office of Lend-Lease Administration, by major organization groups, appears at the end of this Section.

All these changes were dictated by the fact that the Lend Lease program was constantly expanding, and the Lend-Lease organization was encountering new problems as well as seeking to perform its existing functions more efficiently. The emergency period -- during which emphasis was almost exclusively placed upon speed in getting available materials and articles into the quickest and best war use and in inaugurating long-term production and procurement programs -- was succeeded by a period in which Lend-Lease settled down to steady operations.

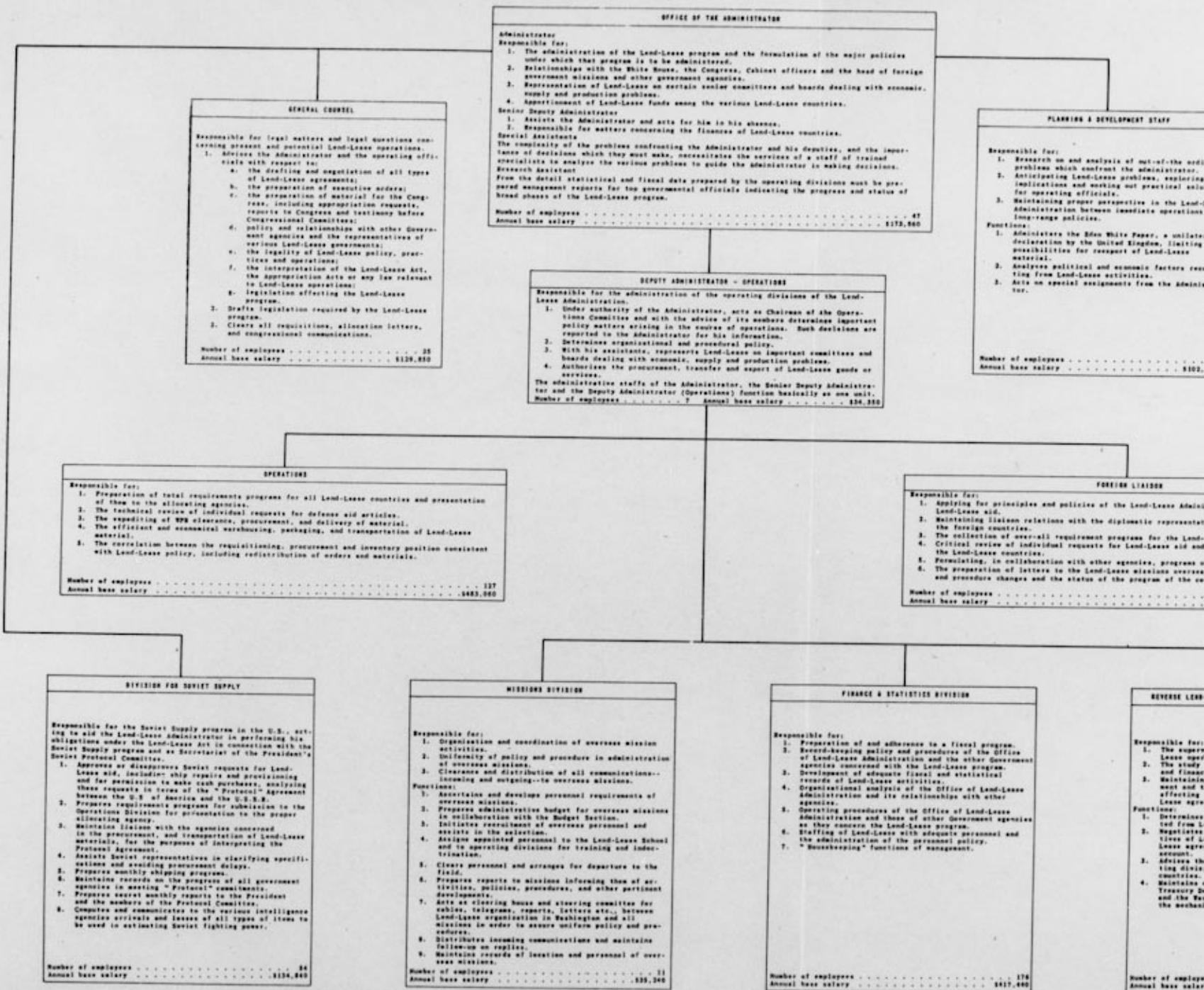
The early stages of Lend-Lease had necessarily involved large-scale preparation for future shipments, which meant that production programs and contracting activities made up the major part of the administrative work. For the first six months period, goods could not be exported unless they were already on hand or could be produced within 180 days.

As the planning period was replaced by a period of large actual shipments, the Lend-Lease operation came to be looked upon more and more from the quantitative standpoint. Moreover, experience lent a firmer basis for dealing with Lend-Lease problems. It was true that Lend-Lease volume continued to grow and that new problems never ceased to arise, but the lessons of experience facilitated all routine decisions; and as a result more opportunities for close control and scrutiny of the Lend-Lease program presented themselves.

The new organization set up by the Administrator has ironed out existing policies and procedures and formulated new ones to the point where the Lend-Lease program may now be said to be on a stable, "going concern" basis.

OFFICE OF LEND - LEASE ADMINISTRATION

FUNCTIONS AND RESPONSIBILITIES BY MAJOR ORGANIZATION GROUPS



Legislation

Section III

LEND-LEASE LEGISLATION

At the time when Mr. Stettinius became Lend-Lease Administrator, Congress had passed the Lend-Lease Act and the First Lend-Lease Appropriation of Seven Billion Dollars. The Administrator's first appearance before the Congress on Lend-Lease legislation was coincidental with the assumption of his new duties, the occasion being consideration of the Second Lend-Lease Appropriation Bill by the Subcommittee of the House Committee on Appropriations. The Administrator frankly stated that the Lend-Lease operation was new to him and that he did not feel qualified to add anything to what had already been said by officials of the Division of Defense Aid Reports. The Second Appropriation Bill, which called for \$5,985,000,000, was passed by a vote of 328 to 67 in the House and a vote of 59 to 13 in the Senate.

In February of 1942, the Third Lend-Lease Appropriation Bill, asking for \$5,425,000,000, was submitted to the Congress. After rather brief consideration by both Houses it was passed in the form requested, the vote being 371 to 0 in the House, with no record vote in the Senate.

By far the most important piece of Lend-Lease legislation enacted during the period covered by this report was the Extension of the Lend-Lease Act. Before the hearings on the Extension, considerable comment in the press predicted a thorough-going Congressional investigation of Lend-Lease operations. In the hearings themselves, the keynote was need for extensive discussion of all aspects of Lend-Lease to furnish the Congress and the American public the whole truth about an operation with which they were comparatively unfamiliar.

For a period of more than three weeks, witnesses appeared before the House Committee on Foreign Affairs responding to the most searching questions. Over 360 pages of printed testimony were recorded; 46 pages of printed testimony were recorded in the subsequent hearings before the Senate Committee on Foreign Relations. The final vote on the Extension was 407 to 6 in the House and 82 to 0 in the Senate.

This clear-cut endorsement of the conduct of the Lend-Lease operation was extremely heartening to the Lend-Lease organization, as was also the congratulatory statement appearing in the unanimous report of the House Foreign Affairs Committee.

The Fourth Lend-Lease Appropriation Bill was a further occasion for extensive Congressional hearings. It called for \$6,400,000,000 in new funds, of which the Congress granted all but \$150,000,000. The Fourth Lend-Lease Appropriation Bill passed the House by a vote of 309 to 4; there was no record vote in the Senate.

Relations with
Foreign Countries

Section IV

RELATIONS WITH FOREIGN COUNTRIES

A. Lend-Lease

Without the maintenance of close working relationships between representatives of Lend-Lease Governments and the Office of Lend-Lease Administration, a well-balanced and co-ordinated Lend-Lease program would have been impossible. Officials of the foreign governments were clearly in the best position to initiate accurate appraisals of their country's war needs. Officials of the United States Government were in the best position to pass judgment on the extent to which it was able to fill the needs of requisitioning foreign governments. In recognition of this, a unit was established in the Office of Lend-Lease Administration to carry on the task of maintaining necessary contacts between foreign governments and the Office of Lend-Lease Administration. This unit was originally called the Clearance Division, but later was renamed the Foreign Liaison Division.

1. British Empire

The first government to be declared eligible for Lend-Lease aid was the United Kingdom. This was done on March 11, 1941, the day the Lend-Lease Act was passed. On November 11, 1941, Australia, Canada, India, New Zealand, South Africa, and the British Colonies were also declared eligible for Lend-Lease aid. Lend-Lease Master Agreements with the United Kingdom, with Australia and with New Zealand were signed February 23, 1942. The provisions of these agreements clearly state the terms and conditions upon which Lend-Lease aid is deemed to be granted to the signatory governments. Negotiations leading up to execution of these agreements were conducted by the Department of State, with the advice of the Lend-Lease Administration and the Board of Economic Warfare. In appropriate instances other interested agencies, such as the War and Navy Departments were consulted. Subsequent agreements with other Lend-Lease governments have been patterned after these early agreements with the United Kingdom, Australia and New Zealand.

Provisions of the Master Agreements stipulate that certain benefits are to be provided by the foreign signatory government in the form of military contributions to American security

and in the form of reciprocal lend-lease aid.* A further benefit provided for in the agreements is an understanding as to the shape of future commercial and financial policy. The signatory governments are pledged to work collectively with all other countries of like mind for "the expansion by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples". The agreements also look toward full cooperation in the removal of trade discrimination, reduction of trade barriers and attainment of the purposes set forth in the Atlantic Charter.

The British Colonies and Southern Rhodesia have not yet signed Master Agreements, but Lend-Lease aid to these areas and reciprocal aid from them are accounted for by the British government as if they were integral parts of the United Kingdom. Thus, the Master Agreement signed by the United Kingdom on February 23, 1942, has full application.

Although Canada was declared eligible for lend-lease aid on November 11, 1941, none has yet been directly provided to her. Instead, the military and commercial supply relationship of the two countries has followed the lines established by the Hyde Park Agreement on April 20, 1941. The Hyde Park Agreement involved problems of international economic relations far broader than those which could be comprehended in the lend-lease program. The broad aims were:

1. Coordination of the production programs of the United States and Canada.
2. United States use of Canadian productive facilities and payment therefor with the purpose of assisting the Canadian government to purchase defense articles in the United States.
3. Lend-Lease by the United States to the United Kingdom of component parts to be used in equipment produced by Canada for Great Britain.

* The detailed account of reciprocal aid actually rendered pursuant to the agreements appears elsewhere in this report.

The two basic reasons for adoption of the agreement, rather than a lend-lease program, were the desire of both the Canadian and the United States governments not to disturb unnecessarily the close commercial relations between thousands of Canadian and United States business firms and the desire to maintain a proper balance of currency for both nations.

In order to coordinate at the policy level all the activities of the various British supply missions on this side of the Atlantic, a top organization known as the British Supply Council in North America was created.

The terms of reference given the British Supply Council by the War Cabinet were: "The Council in harmony with the Ambassador should deal with issues of policies concerning supply including, of course, all representations made to the United States Administration."

The British Supply Council consists of a Chairman and representatives and heads of the various British Supply Missions and British Military Delegations.

Also working in conjunction with the British Supply Council is the British civil War Cabinet secretariat in Washington, which was established early in 1943. This body occupies a position in relation to the Ambassador, the Resident Minister for Supply, and the heads of the U. S. Missions in Washington similar to that which the civil War Cabinet secretariat in London occupies in relation to Ministers.

Except in matters concerning the Middle East, the Secretariat has no executive functions but wherever necessary (a) coordinates the actual day to day work of the various U. K. Civil Missions and passes on to the heads of these Missions such information regarding the activities of other Missions as the latter furnish, (b) passes on to the heads of the Civil Missions such information regarding developments in the U. K. as may be furnished by the authorities in London, (c) provides, in cooperation with the Secretariat of the Joint Staff Mission, the necessary secretarial staff and assistance for the Supply Council and for committees of the U. K. Civil Missions in Washington which have already been set up or may be set up in the future to deal with such matters as supplies for French African Territories, post-war rehabilitation and relief, etc.

In Middle East supply matters, the Secretariat acts as the central British agency in Washington, working in close cooperation with the British Ministry of Supply Mission and the British Colonies Supply Mission.

The work of the foreign liaison unit in the Office of Lend-Lease Administration has required continual and active contact with the following British Missions:

a) The British Ministry of Supply Mission--British Army Staff (Supply) - The British Ministry of Supply Mission was established in August 1942, as successor to the British Purchasing Commission. This Mission reports to the Ministry of Supply in the United Kingdom and is responsible to it for the procurement of a wide range of supplies, including direct war material, machine tools, and most miscellaneous essential civilian supplies on behalf of other Ministries.

In December, 1942, the British Ministry of Supply Mission and the British Army Staff were linked in a new organization under the joint control of the Director General of the British Ministry of Supply Mission and the Commanding General of the British Army Staff. The British Army Staff act as military advisors to the British Ministry of Supply. In addition, the Deputy Quartermaster General deals with the acceptance and delivery of all Army stores procured through the U. S. War Department and insures that they are forwarded to theaters of war in good condition.

b) British Air Commission - The British Air Commission is responsible to the Ministry of Aircraft Production in the United Kingdom and represents the interest of that Ministry in the procurement of aircraft and air supplies in the U. S. The British Ministry of Supply is responsible in collaboration with the British Air Commission for the purchase of armaments and ammunition for use in aircraft.

c) British Merchant Shipping Mission - The British Merchant Shipping Mission is responsible to the Ministry of War Transport in the United Kingdom for the procurement of tonnage in the U. S. either by purchase under British contract, new construction under Lend-Lease terms, or by diversion of American Flag tonnage. The Mission concerns itself with all questions of British shipping policy and also deals with questions concerning oil and tankers.

d) British Ministry of War Transport - The function of the British Ministry of War Transport is to call forward from the U. S. inland points of production and assembly, and ship overseas, all stores required for British account in the United Kingdom or other theaters of war.

e) The British Food Mission - The British Food Mission is responsible to the Ministry of Food in the United Kingdom and deals with all matters in the U. S. relating to the procurement of food for the United Kingdom working in conjunction with the U. S. Department of Agriculture.

f) British Raw Materials Mission - The British Raw Materials Mission is responsible to the Ministry of Production in London. There are two Directorates: (a) Iron and steel, including ferro-alloys and (b) other raw materials.

In general, the Mission arranges for supply of raw materials under Lend-Lease. It acts as a research, investigating and coordinating body for information on British supplies and requirements for discussion by the Combined Raw Materials Board, whose decisions are made from the information obtained and from similar information about the U. S. position.

g) Board of Trade Delegation - The Board of Trade Delegation was established in October, 1942, when growing restrictions on United Kingdom production for civilian use was making Britain increasingly dependent upon the U. S. to maintain, at a minimum, her own civilian economy as well as that of all other countries whose needs the United Kingdom had been accustomed to serve. This Delegation formulates, in conjunction with American agencies concerned, export programs for meeting essential civilian requirements of non-Axis countries from the most economical sources. The Delegation discusses with U. S. Government agencies methods of control and production of civilian goods in the United Kingdom in relation to similar measures of control introduced in the U.S.A.

h) British Colonies Supply Mission - The British Colonies Supply Mission, which was established in November of 1942, superseded the Colonial Supply Liaison, which was organized in July of 1941. This Mission procures war materials and essential civilian goods for the British Colonies as distinct from the British Dominions. It is a branch of the Colonial Office in London and represents the entire Colonial Empire with the exception of Southern Rhodesia. Although Southern Rhodesia is classed as a Colony, it has established a mission of its own, having been represented in this country by the Southern Rhodesia Government Mission since September 17, 1941.

i) Other United Kingdom Missions - The Office of Lend-Lease Administration also has had contact with the following:

British Admiralty Delegation
 The British Air Force Delegation
 Joint Staff Mission
 U.K. Commercial Corporation Mission
 British Central Scientific Office

j) The Dominion Missions - The Dominions and India have their own Supply Missions in Washington responsible to their Governments. These Missions are as follows:

Australia War Supplies Procurement Mission
 Australia Military Mission
 Royal Australian Air Force Mission
 Canadian Department of Munitions and Supplies
 Indian Supply Mission
 New Zealand Supply Mission
 Southern Rhodesia Government Mission
 Union of South Africa Government Supply Mission

Supply problems common to the U. K. and Dominion Missions are coordinated through the Principal Commonwealth Supply Committee in Washington. This Committee is composed of a Chairman and the heads of the Dominion and Indian Missions. Heads of certain U.K. Missions are members and attend as necessary.

All of the above missions, with the exception of the Australian Military Mission and the Royal Australian Air Force Mission, represent their respective Governments as agents in the U.S. in the submission of requirements and the procurement of war materials and essential civilian goods for their respective countries. With the exception of Canadian Department of Munitions and Supplies requisitions, all requisitions originating from these Missions are processed through the constituent Missions of the British Supply Council.

This procedure developed as a result of (1) desire for coordination of Empire supply (2) the fact that in the early stages of Lend-Lease the United Kingdom was almost the only Empire claimant of supplies from the U. S. (3) the establishment of the dollar pool (4) the necessity for coordinating supply matters with over-all British military policy centered in London.

The Canadian Department of Munitions and Supplies is an exception to the general procedure and acts as an independent Procurement Mission. Unlike the other Dominion Missions, it

appears before the various Allocating Boards and Requirement Committees as the Dominion of Canada's claimant agent. This arrangement was an outcome of the Hyde Park Agreement.

The Australian Military Mission operates independently of the Commonwealth of Australia War Supplies Procurement Mission in placing Australian Army requirements before the Assignment Committees of the War Department, but they consult with and advise the Commonwealth of Australia War Supplies Procurement Mission on procurement matters.

The Royal Australia Air Force Mission operates in a similar manner to the Australia Military Mission in handling matters relating to the Australia Air Force.

In no case have Lend-Lease funds been used to support British supply missions, or the supply missions of any other foreign government.

Special Aspects of Lend-Lease to the British Empire

1. Food. The supplying of food to Britain has been, from the beginning, one of the most vital forms of defense aid provided under Lend-Lease. At the outbreak of the war the British Isles were producing approximately 40% of their total food requirements and importing 60%. Through a program of intensive cultivation, Britain has been able to increase her production to approximately 70% of her total needs and continues to import 30%.

In June, 1942, a joint statement was issued by the President of the United States and the Prime Minister of Great Britain stating that, "In principle the entire food resources of Great Britain and the United States will be deemed a common pool."

During the calendar year of 1942 approximately 3%, in terms of volume, of the total U. S. food supply was sent to Britain and her armed forces; during 1943 approximately 5% is being sent. These food shipments furnish only about 10% of Britain's total food requirements in terms of volume, but in terms of proteins and vitamins in the British diet they represent a considerably higher percentage.

In other parts of the Empire, notably, Australia and New Zealand, the production of food has been stimulated by Lend-Lease aid in the form of agricultural machinery, canning and dehydration equipment. Food from these areas goes to a substantial extent under reverse Lend-Lease to feed U. S. as well as other United Nations forces based in these countries. In addition, large quantities are exported to meet the needs of Britain and other Allied nations.

2. Coal Mining Development. Recent exhaustive studies, undertaken by both British and American authorities organized as sub-committees of the Combined Production and Resources Board both in London and in Washington, have disclosed a critical deficit in the supply of coal necessary for future military operations and essential civilian requirements in Europe. Present production from available sources in the U. S., the United Kingdom and elsewhere is inadequate to meet these requirements. With Lend-Lease assistance, coal mining machinery is being supplied to the United Kingdom, South Africa and India; and measures are being taken to stimulate production.

3. Development of Air Ferry Routes and Facilities. Among the earlier special reasons for Lend-Lease assistance was the necessity for facilitating rapid delivery of planes to Great Britain, and subsequently to the Middle East and Russia. To meet this need, Lend-Lease provided funds for the building and equipping of airports and the provision of other ferry route facilities. Supply and maintenance depots to service these planes and instruction in the up-keep and operation of the various types of planes being delivered were also made available with Lend-Lease funds.

4. Training of British Pilots in the United States. Air war made rapid expansion of all United Nations air forces of the utmost importance. Because of the lack of space in Great Britain and the facilities and equipment available here, the U.S. became one of the principle training grounds for British Army & Navy pilots. Lend-Lease funds have been used to maintain flying schools and to provide training planes, engines, spare parts, fuel, oil and flying clothing.

5. Housing and Training of British Sailors in the United States. Many of the naval and merchant vessels currently being launched in the U. S. are turned over to the British and

manned by them at U. S. shipyards or Navy yards. For special training in the types of equipment which go into these vessels, British sailors are brought to the U. S. and are housed and cared for during their training period at Lend-Lease expense. Gun crews awaiting ships and crews of British ships undergoing repairs likewise are housed and cared for.

6. Development of the Iran Railway. Prior to our entry into the war it became apparent that development of the Iran railway was necessary in order to increase the flow of supplies to Russia. Therefore, with the cooperation and assistance of the British, the facilities of this railway were greatly expanded. Rolling stock and engines were provided. Traffic-carrying capacity of the road was greatly increased by improvement of road beds, rebuilding and strengthening of bridges and construction of sidings and additional terminal facilities. Lend-Lease funds financed a substantial part of these improvements.

7. Rehabilitation of the Port of Massawa. At the time of the British retreat into Egypt, the prospect that the British Mediterranean Fleet might have to retire through the Suez Canal was very real. It was therefore decided to develop the port of Massawa in Eritrea. This port had been badly wrecked by the Italians at the close of the Ethiopian campaign; but with Lend-Lease aid the floating dock sunk in the harbor was raised, merchant ships were salvaged and port facilities were rehabilitated and expanded.

8. Barter Goods for Rescue of Pilots in Southwest Pacific. One of the most unique instances of Lend-Lease aid to Australia was the supply of 700,000 pounds of Emu Twist tobacco for use in bartering with the natives in the Southwest Pacific Islands. The natives in that area have for many years used this special brand of tobacco as money. Among other purposes served, the supplying of this tobacco to the natives enabled the Australian armed forces to obtain their help in rescuing Air Force pilots, both U. S. and Australian, who bailed out or were forced down in the Southwest Pacific Islands.

2. Russia

The U.S.S.R. was declared eligible for the receipt of Lend-Lease assistance on November 7, 1941. At the time Lend-Lease

assistance was extended, it was arranged in an exchange of cables between the President and Premier Stalin that a credit would be established under which the U.S.S.R. might obtain supplies in accordance with the Moscow Protocol of October 1, 1941 to a value of \$1,000,000,000. Provision was made in this exchange of cables for repayment of the loan beginning five years after the end of the war, payment to be completed during the following 10 year period.

In an exchange of communications by the President and Premier Stalin, dated February 13, February 20, and February 23, 1942, an additional credit of \$1,000,000,000 was extended on the same terms.

On June 11, 1942, a Master Agreement was executed by Ambassador Maxim Litvinov, on behalf of the U.S.S.R., and by the Secretary of State, on behalf of the United States, extending Lend-Lease aid to the U.S.S.R. upon terms similar to those in effect with the Government of the United Kingdom. There were exchanged simultaneously notes to the effect that the Master Lend-Lease Agreement replaced and rendered inoperative the two prior arrangements on the same subject between the U.S.S.R. and the U.S.A., set forth above.

The Lend-Lease Administration conducted its affairs in the early months of its relations with the U.S.S.R. through the Amtorg Trading Corporation, a corporation organized under the laws of New York. Affairs were conducted in accordance with a certificate filed with the Lend-Lease Administration on November 25, 1941 by the Soviet Charge'. The certificate stated that the Amtorg Trading Corporation was "a duly authorized representative of the Union of Soviet Socialist Republics, with full power of substitution and delegation, in securing and receiving aid from the United States of America or any department, agency or independent establishment thereof, under the Act of March 11, 1941, entitled 'An Act to Promote the Defense of the United States', and with authority to make commitments required of the U.S.S.R. by Sections 4 and 7 of that Act."

Under date of March 4, 1942, the Soviet Ambassador transmitted to the Acting Secretary of State the decision of the Soviet Government to create an official purchasing commission in the United States. Thereafter, the Lend-Lease Administration dealt entirely with this purchasing Commission, which was given the title of "The Government Purchasing Commission of the Soviet Union in the U.S.A."

Relations between the various United States Government agencies engaged in the Lend-Lease Program of Aid to the U.S.S.R. were placed upon a formal basis with the creation of a "President's Soviet Protocol Committee", under the directive of the President dated October 30, 1942. Pursuant to this Directive, the Lend-Lease Administration provided not only a member for the Committee, but the Secretary.

Policies governing the conduct of the supply of war materials to the U.S.S.R. under the terms of the Second and Third Protocols, which have been placed in effect following the termination of the Moscow Protocol on June 30, 1942, have been formulated by this Protocol Committee. In connection with furnishing a Secretary for the Committee, the Lend-Lease Administration has established a special reporting section which prepares statistical information on the progress of the Supply Program in all of the procurement agencies. Reports are submitted by this Statistical Section to the President and members of the Protocol Committee.

The Office of Lend-Lease Administration has provided supplies to the U.S.S.R. in a way which differs somewhat from that followed in supplying other Lend-Lease governments. Since supplies are provided in accordance with the terms of the various Protocols approved by the President, requisitions are screened only to the extent necessary to determine that they properly fall within the provisions of the Protocols. Long range projects not specifically listed in the Protocols but presented for consideration under its general provisions are measured by usual Lend-Lease policy standards or, where strategic or diplomatic considerations exist, are specifically approved by the Chairman of the Protocol Committee after receiving the recommendation of appropriate authorities.

Major emphasis in the Supply Program has been on items supplied by the War Department as weapons of war, including planes, tanks, anti-aircraft guns, small arms, field telephones, field telephone wire, radios, army shoes and cloth for uniforms, ammunition and explosives. The Lend-Lease Administration, in filling the Secretaryship of the Protocol Committee, has followed the supply of these items, along with naval items supplied by the Navy Department, such as marine engines, Cerlikon guns, marine pumps, and small Naval vessels. But its major responsibility has been with food, raw materials, industrial equipment, ship's supplies and ship repairs.

Certain special programs have been sponsored within the provisions of the Protocol. For two summers, vessels have been dispatched to the Arctic via the Bering Straits to supply the Arctic bases along the northern coast of Siberia. Food, raw materials to

be used in repairing and construction of vessels, and light industrial equipment for small-scale repair shops and industrial plants made up the shipments. During the summer of 1943, considerable quantities of supplies to the Soviet fishing fleet in the Pacific, on the Caspian and in the Arctic were forwarded to help alleviate the extreme shortage of food in the Soviet Union. Soviet fishing vessels and floating fish canneries were repaired and improved with the idea of increasing the catch and the preparation of it for distribution in the U.S.S.R.

3. China

Even prior to the Lend-Lease Act, China's need for material aid from this country in her fight against Japanese aggression was recognized. Japan's strangle hold on normal commercial channels of trade between China and the outside world so depleted China's purchasing power that she was forced to seek our aid. Loans totalling \$120,000,000 were made to the Chinese Government for purchases of war materials in the U.S. In 1938, under the sponsorship of our Treasury Department, the Universal Trading Corporation was charged with responsibility for administering expenditure of these funds. This corporation is a non-profit organization wholly owned by the Chinese Government and operated as their official cash purchase agency in this country under the control of the Chungking Ministry of Finance.

Chinese purchases in this country were not handled exclusively by Universal Trading Corporation, but as the war progressed and financial stringency increased business was more and more channelled through this organization.

Following passage of the Lend-Lease Act, China was declared eligible for Lend-Lease aid on May 6, 1941. A Lend-Lease Master Agreement substantially similar to the agreement with the United Kingdom was entered into with China on June 2, 1942.

To facilitate the handling of China's requirements under Lend-Lease there is maintained in Washington a Supply Agency of the Chinese Government called China Defense Supplies Incorporated. It is a United States corporation entirely Chinese government owned and operates under the chairmanship of China's Foreign Minister, Dr. T. V. Soong.

Despite the small volume of aid to China, either through cash purchase or Lend-Lease, there has been a close understanding between the Office of Lend-Lease Administration and the Chinese Government agencies.

Even before Pearl Harbor the problem of supply to China had been primarily one of transport. With the fall of Burma, in April 1942, came the interruption of supply shipments over the Burma Road, which was at that time the only available land route between China and the outside world. Until then, rather ambitious programs of supply had been under way; and large quantities of material, both cash purchase and Lend-Lease, were lost in Burma. Subsequent efforts of the Chinese and the Office of Lend-Lease Administration have been concentrated on careful selection of the most urgent and vital supplies for China capable of being flown into China by the gradually expanding air transport line over the Himalayas. In addition, there has been a careful building up of selected reserves of materials in India against the time when greater aid can be rendered over land and sea routes as they are reopened by military action.

By far the greater portion of Lend-Lease aid to China has been in the form of direct military supplies provided under the War Department program. Into this category fall air transport equipment, equipment and supplies for Chinese and U.S. Air Forces in China, ordnance, transport equipment, training equipment for the modern divisions now being trained in U.S. Army tactics in India, and radio and communications equipment for the Chinese Armies.

Physical restrictions on the volume of Lend-Lease aid to China have made handling of the China program most difficult. China's real and vital need is fully and sympathetically realized, but until supply routes are opened only a small percentage of requirements can be satisfied.

Most effective Lend-Lease aid to China has been the supply of planes and equipment to the A.V.G. under General Chennault and the establishment against almost unsurmountable odds of the growing Air Transport Service into China. Achievements of the Flying Tigers in the days following Pearl Harbor, the feats which did so much to offset loss of American prestige in China at that time, are today being supplemented by the unquestioned military supremacy of U.S. and Chinese air power in China and the maintenance of heavy schedules of air transport.

China has not only almost exhausted her supplies of war materials but also, owing to withdrawal into heretofore undeveloped areas, lacks the means of exploiting even what limited natural resources she controls. Non-military lend-lease aid has been programmed with the idea of helping China to develop these scant resources. Supplies for maintenance of salt wells, equipment and

materials for Chinese arsenals, equipment for the exploitation of the newly opened Yumen oil fields, engineering and other services for the development of her infant steel, chemical and other industrial plants have been sent within the limits of available transport. This has been done in an effort to afford a maximum of aid to her war effort with a minimum of tonnage to be transported.

Special emphasis has also been given to Lend-Lease sponsored personnel training programs for China.

4a. Fighting French Territories

On November 11, 1941, the defense of the Fighting French territories was declared vital to the defense of the United States. The Lend-Lease Administration was directed "to arrange for Lend-Lease Aid to the French Volunteer Forces (Free French) by way of retransfer from His Majesty's Government in the United Kingdom..." On September 3, 1942, a reverse Lend-Lease Agreement was signed with the Fighting French authorities. It therefore no longer seemed appropriate that Lend-Lease Aid to these territories should be granted on a retransfer basis through the British.

On October 6, 1942, it was further ordered that Lend-Lease assistance to the Fighting French territories should be arranged directly with the French National Committee. Those territories either included at the time of the President's declaration, or came to include, French Equatorial Africa, French Cameroons, St. Pierre, Miquelon, New Caledonia, Tahiti and other South Pacific islands, various ports in India, Syria, Lebanon, French Somaliland and Madagascar.

No Master Agreement has been signed with representatives of the Fighting French territories.

The French National Committee, until its merger into the French Committee of National Liberation, was represented in this country by a Delegate. This representative organized a Delegation by which relations with the Lend-Lease Administration have been conducted. The Department of State authorized the Delegate or his deputy to sign requisitions, and the Delegate in turn named his Chief of Purchasing as his deputy for this purpose. Most Lend-Lease relations with the Delegation were therefore conducted by the Chief of Purchasing, although all major matters of policy were discussed with the Delegate. When the French National Committee merged with the French Committee of National Liberation, Lend-Lease relations with the former Fighting French territories continued to be handled by the Delegate of the New Committee and by his deputies.

On the basis of the President's first directive that Lend-Lease assistance should be granted through the British on a retransfer basis to the Fighting French, most of the operation was worked out with British agencies. Until the directive of October 6, 1942, providing for direct aid, requisitions for materials destined for Fighting French areas were submitted by the British Supply Council. These requisitions specifically stated that the requested material was destined for Fighting French territories and requested permission to retransfer requested materials to appropriate Fighting French authorities.

The Department of State arranged with the British for the establishment of a joint Anglo-American Supply Program for various French territories, notably French Equatorial Africa, French Cameroons, and Madagascar. This also made it necessary for the Administration to work closely with the British Supply Council. The programs were considered by a Sub-committee of the Committee of the Combined Boards. The Office of Lend-Lease Administration therefore had close contact on these matters not only with the British but also with the Department of State, the Combined Boards and other U.S. government agencies.

With the exception of Syria, Lebanon and New Caledonia, most of the Fighting French territories have not been considered war zones. Under accepted Lend-Lease policy they therefore would not have been eligible for civilian goods on a straight Lend-Lease basis. However, as a result of arrangements made by various combined Anglo-American boards, most of these territories sold their products to the British. They therefore did not have dollars available to make purchases in this country.

The Office of Lend-Lease Administration was, on the one hand, reluctant to depart from its policy of not supplying civilian goods to non-war zones on a straight Lend-Lease basis; on the other hand, since arrangements made by American agencies were responsible for the lack of dollar resources of these territories, the Administration could not refuse to supply civilian goods to the areas, when it was clear that to do so would contribute directly to the war effort. A good example of this was the supply of certain items to stimulate rubber production in French Equatorial Africa and French Cameroons. This program was carefully supervised by British authorities, and the goods supplied were distributed under government auspices to insure the greatest possible effectiveness in bringing about increased production of rubber.

4b. French Territories

The American army moved into North Africa on November 7, 1942. On November 13, 1942, Lend-Lease aid to all French territories not subject to Axis control was authorized.

No master agreement has yet been signed with the French, but a modus vivendi for reciprocal Lend-Lease aid was signed on September 25, 1943. One provision of this Agreement created a franc account, which is to be used by the Army for purchases in the field wherever French government procurement is not possible. In addition, this franc account will be extended to cover purchases of strategic materials. Receipt of the currency making up the franc account is not recorded as reciprocal Lend-Lease aid, but the receipt of goods purchased with the currency is so recorded.

On December 19, 1942, a North African Economic Board was formed to handle all civilian matters in the area. The N.A.E.B. immediately allocated functions to each of the civilian government agencies and, on January 20, 1943, set up the Import Division under the direction of the Lend-Lease Administration. This Division was given responsibility for all supplies from the United States to North and West Africa and was given the added responsibility of controlling distribution of goods. 70 men were recruited in the United States and sent to North Africa during the first six months of 1943 to carry on this work.

At the time of invasion, the Army and the State Department had closed all communication channels to North Africa and placed all business on a government-to-government basis. This was done for security purposes and to expedite shipping. The needs of the area were urgent, and it was necessary to concentrate on rushing supplies there with the greatest possible speed.

Under the direction of the State Department, the Combined Committee for North and West African Affairs was organized. All dealings with French, North and West Africa were conducted on a joint British-American basis with full representation of both governments on the Combined Committee.

The Lend-Lease Administration was made responsible for chairmanship of a Supply Subcommittee and was charged with the problem of handling all supplies for the area. In view of the fact that there was no adequate representation in Washington for North and West Africa on Lend-Lease matters at that time, it became necessary for the Lend-Lease Administration to organize within itself a group to perform a programming function similar to that performed by the British or Soviet Supply Missions. The unit created for this purpose was organized on February 1, 1943, and was called the Liberated Areas Branch.

In the first phase, shipments were mostly of food supplies, clothing, textiles and shoes. Beginning in May, 1943, industrial

goods were added to this list.

In addition to supplying the immediate needs of the area, Lend-Lease has also supplied seeds, fertilizer, agricultural machinery and spare parts to assist in the production of food surpluses, so that future liberated areas can be supplied from North Africa with a saving in shipping space. American troops stationed in the area have been receiving fresh vegetables and other food supplies which otherwise would not have been available.

The Lend-Lease Administration has also assisted the French army in securing raw materials and semi-military items. Part of the force so supplied participated in the liberation of Corsica. The fact that Lend-Lease supplies were sent to North Africa in adequate amounts and with promptness was of considerable importance to the success of military operations in the theatre and subsequent operations in Sicily and Italy. A hostile population would have prolonged the initial invasion problems, and subsequent extended operations might have been seriously embarrassed by the presence of a hostile population athwart our supply lines.

Up to the first of July, all shipments of goods to the area were forwarded on Army Transports. Loading of cargo, selection of the port of destination and unloading was at all times under direct control of the Army, with the natural result that ships loaded partly with munitions and partly with civilian goods were routed and handled on the basis of military exigencies rather than civilian needs of the area. On July 1, responsibility for loading and routing of the ships was given to the War Shipping Administration, with the Army retaining control of unloading operations. This arrangement has made it possible to plan an orderly civilian goods shipping program for North Africa.

French holdings and accumulations of U.S. dollars have been sufficient to make full cash payment for civilian Lend-Lease goods possible. For approximately \$83,905,859 worth of goods shipped to October 31, 1943 we have received \$56,340,000 in payment, and the balance will be paid later. Plans are now being made for the establishment of a dollar fund in the United States to be used by the French for straight commercial purchases. It is expected that this program will relieve the Office of Lend-Lease Administration of the responsibility for procurement of numerous civilian items which it has heretofore handled.

On June 30, 1943, activities of the Liberated Areas Branch were narrowed to cover only North and West Africa, and the name "Liberated Areas Branch" transferred to a separate, new unit which

was responsible for Lend-Lease relationships with O.F.R.R.O. and for planning the supply of areas to be liberated in the future. The name of the old Branch was changed to the France Branch, and all of the French territories not under Axis domination were made its responsibility. This consolidated Lend-Lease operations with respect to the former Fighting French territories with those involving the North and West Africa areas. Unification of French factions in the French Committee for National Liberation in Algiers and establishment of accredited representation in the United States made the change possible.

At the end of the period covered by this report, plans were under way for establishing the French Supply Council in Washington under the French Committee for National Liberation. It was expected to take over its proper responsibility as a Supply Mission from the France Branch at an early date. The operations of the French Committee in Algiers have recently been expanding and the functions and responsibilities of the Import Division of N.A.E.B. have been lessened, with consequent reduction in personnel.

5. Iceland

The defense of Iceland was declared essential to the defense of the United States in mid-1941. The United States promised to assume responsibility for supply and transportation of imports necessary to the Icelandic economy. Upon receipt of these advices, the Prime Minister of Iceland invited the U.S. to use Iceland as a military base for operations. Troops disembarked in Reykjavik the first week in July 1941. The privilege of occupation was conditioned upon prompt execution of favorable trade agreements with the Icelandic Government.

Earlier, in April of 1940, Iceland had been occupied by the British. Because of the fact that she was cut off from her normal selling and buying markets in continental Europe, special trade agreements were signed with Great Britain. By the fall of 1941, several trends had become apparent: (1) Sales of fish, fish products and agricultural exportable surpluses had built up for Iceland a favorable sterling balance in London of over £6,000,000. (2) British production of industrial and civilian goods had shrunk below the point at which Britain could continue to supply Iceland with imports necessary to maintain her rather high standard of living. (3) Shrinkage of imports was pushing Iceland into an ever-tightening inflationary spiral. (4) "Blocked sterling accounts" were rapidly ceasing to be an incentive to Icelandic fishermen to face the dangers of catching and delivering the fish so vitally needed by England.

Iceland appointed a Minister to the United States for the first time in her history, and the Icelandic Government sent a Trade Delegation to Washington. Suggestions were made that U. S. shipments to Iceland be placed on a straight Lend-Lease basis, but these were rejected by Iceland as smacking of charity. On November 21, 1941 a Lend-Lease Agreement was signed with Iceland under which the U.S.A. promised to negotiate contracts to purchase Icelandic exports and to assist her in obtaining necessary imports. Prior to this date individual exporting firms had been attempting to secure priorities and export clearances by applying to the Office of Production Management and the Economic Defense Board through the Defense Aid Division of the State Department. It was determined that the Office of Lend-Lease Administration should be the government agency to minister to Iceland's economic problems, and on November 30 the State Department turned over its activities in this field to the Office of Lend-Lease Administration, even to the extent of delivering all files dealing with commercial matters.

On both the import and export side, administration of programs and spot items has been based on the following factors: (1) world conditions of supply and demand, (2) the fact that Iceland is in effect an "armed outpost of the U.S.A.", (3) the fact that Iceland is a friendly nation indirectly assisting the United Nations war effort, and (4) the fact that Iceland has enjoyed over 1000 years of national and individual democratic thought, life, and business operations.

U. S. exports to Iceland were approximately \$3,000,000 in 1940, and will be an estimated \$26,000,000 in 1943. Lend-Lease cash exports to Iceland have been put to the following major uses:

- 1) Municipal Heating Plant for Reykjavik now nearing completion.
- 2) Electric Utilities - maintenance and minor expansion. (Army uses a reported 28% of power output.)
- 3) Fishing industry maintained on fair level of efficiency.
 - A. Boats and gear.
 - B. Oil and meal reduction plants.
 - C. Fish freezing capacity amplified.
- 4) Agricultural industry maintained.
- 5) Cooperation between Icelanders and U.S.A. occupational forces.
 - A. Laundry and cleaning equipment of Icelanders expanded.
 - B. Spot purchases of food and some construction material.

6. Netherlands

Lend-Lease works with the Netherlands Purchasing Commission, the representatives of the Government-in-Exile, the Embassy and the Netherlands Financial, Economic and Shipping Mission on matters affecting Dutch finances, shipping and post-war plans.

The Kingdom of the Netherlands was declared eligible for Lend-Lease aid on August 21, 1941. A Master Agreement extending Lend-Lease aid to the Government for all military services, supplies and information was signed July 8, 1942. Shortly after the Lend-Lease Agreement was signed, the President presented the submarine chaser "Queen Wilhelmina" to the Dutch Queen in person.

At that time the Caribbean was infested with submarines, North Africa was still in Vichy French hands and large numbers of German "tourists" were reported in Dakar, just across from Brazil, all of which occasioned speculation as to the danger of invasion by the Nazis. In view of this situation, much American aid went for defense of the remaining Dutch possessions of Surinam (Dutch Guiana), which supplies approximately half of the bauxite used in making aluminum in this country, and the islands of Curacao and Aruba, where some of the world's largest oil refineries are located. We also assisted the Dutch in establishing through cash purchases a moderate stockpile of essential foods for the island civilian population. Torpedo patrol (PT) boats furnished to the Dutch on a Lend-Lease basis were instrumental in getting the U-boat menace under control in the Caribbean.

Lend-Lease funds also made it possible for the Dutch to open a flying school at Jackson, Mississippi; and its graduates are now flying "Lend-Lease" Mitchell bombers, under the command of General MacArthur, in attacks on the Japanese-held islands of the East Indies. There is also a Netherlands aviation unit in Great Britain, where American B-25s, acquired through Lend-Lease, are used by the Dutch in raids on Nazi-held Europe.

The Netherlands Royal Navy, which is serviced and equipped to a large extent under Lend-Lease, has played an important role in the war. Its boats, planes and submarines have taken part in numerous major engagements in the North Atlantic, the Mediterranean and the Southwest Pacific.

The facilities of Lend-Lease have been made available to the Netherlands Government in other ways. Perhaps one of the more important was in helping them to liquidate \$115,000,000 worth of

contracts they had placed with American private firms and which were outstanding at the time Java fell.

These contracts had been placed as a result of the efforts of the Netherlands Government to meet the desperate needs of their armed forces for equipment before Pearl Harbor. After the attack, the tempo of Dutch efforts was accelerated materially, but the problem of procurement was greatly complicated by limited manufacturing facilities and heavy buying for the U.S. armed forces. As a result, when the East Indies were occupied by the Japanese, the Dutch were committed for materials for which they had no immediate need and which tied up American productive facilities.

Faced with the problem of liquidating these contracts, the Dutch approached the U. S. Government. After some discussion, it was decided that the Netherlands Government would make the material available to the United States for distribution among the War Department, Navy Department, and other War Agencies and that all munitions would be made available for assignment by the Munitions Assignment Board. In all cases the Netherlands Government would be paid its contract cost out of Lend-Lease funds, with the various procuring agencies making the actual payments.

The general settlement agreement also involved certain goods on the high seas when the Netherlands East Indies fell. These goods were diverted to Australia and used by American, Australian and Dutch forces. The problem of following up disposition of these goods has been a considerable one. The fact that many government agencies have been involved, and the further fact that the goods were so varied and had so many individual histories, made this an exceedingly complex operation and one which, because of its enormous size, did not lend itself to swift execution. However, the job is now about 99% completed.

Since the Dutch had had the foresight to ship sizable quantities of gold and securities out of Holland and the East Indies before those territories fell into enemy hands and had also accumulated dollar exchange for Dutch exports of rubber, tin, petroleum, etc., they have been able to pay cash for all of their non-military requirements. Strictly military needs are for the most part supplied under Lend-Lease; but certain equipment not produced according to American standards was impossible to obtain from the War Department and could be procured only by direct negotiation with the supplier on a cash basis.

Of course, this steady drain on the Dutch Treasury cannot continue indefinitely, especially since the Government-in-Exile has no tax source of revenue. Consequently, conversations are in progress with the Treasury Department and the State Department with a view to alleviating the strain. Depending on the outcome of these negotiations, a revision of the Lend-Lease Master Agreement may be decided upon, designed to broaden the scope of Lend-Lease aid rendered to the Dutch.

The Netherlands Government is preparing for the tremendous task of rehabilitation when Holland is finally liberated. The assistance of the Office of Lend-Lease Administration in this task has been requested on several occasions. For instance, the Office of Lend-Lease Administration aided in making necessary arrangements with the Treasury Department and the War Production Board to supply part of the Dutch needs for silver to be used in coinage, so that the Government will have the old familiar type of money ready as soon as the country is liberated. This program should prove to be of inestimable value in psychological rehabilitation of the down-trodden Netherlands population. The silver was Lend-Leased with the stipulation that it be returned in kind as soon as possible after the war.

7. Belgium

On June 13, 1941, the defense of Belgium and its possessions was declared necessary to the defense of the United States. A Master Lend-Lease Agreement was signed by the respective Governments on June 16, 1942. This agreement extended Lend-Lease aid to the Belgian Government in the form of military services, supplies and information.

Lend-Lease contacts have been maintained with representatives of the Government-in-Exile, the Belgian Congo Purchasing Commission and the Belgian Embassy regarding current and post-war problems.

It will be recalled that when Belgium was overrun by the Germans, most of her armed forces were captured and interned. However, many have escaped to form infantry brigades and air squadrons which operate in England as branches of the British armed forces. As a result, Lend-Lease aid to Belgium has been largely confined to the Belgian Colonial Army recruited in the Congo. The Colonial Army collaborates with the British forces in the Middle East, and most of its military requirements are obtained from America by the British for retransfer to the Belgians. Under this arrangement, the British program the requirements and either requisition war

material or obtain it on assignment from the Munitions Assignment Board.

Up to the time of the defeat of the Nazis in North Africa, the Belgian Congo had been of tremendous importance to the United Nations, both strategically and as a source of essential raw materials. The Congo has one of the best transportation and communication systems in Central Africa and provided a channel through which various supplies travelled to and from the Near East throughout the period when the Mediterranean generally was closed to traffic. Economically, the Congo has been important to the United Nations as a source of essential raw materials including copper, tin, cobalt, manganese ores, industrial diamonds, palm oil, various fibres, rubber, etc. These materials have been sold for cash, thus providing the Belgians with dollar exchange.

Lend-Lease assistance to the Belgians has been more in the nature of aid in procurement of their industrial equipment and civilian requirements, primarily with a view to stimulating production of essential raw materials used in prosecution of the war. All of these purchases have been on a cash basis, obtained either in commercial channels or by means of the cash reimbursable requisition procedure.

Beginning with the second quarter of 1943, the Board of Economic Warfare became claimant agency for the Congo.

8. Norway

Although the Government of Norway was declared eligible for Lend-Lease aid on June 4, 1941, the Master Lend-Lease Agreement was not officially signed until July 11, 1942. This agreement extended Lend-Lease aid to the Government for all military services, supplies and information. However, its provisions differed from the agreements previously signed with most leading powers in that it was accompanied by an exchange of notes concerning aid to be furnished the Norwegian Merchant Marine.

Lend-Lease contacts are maintained with the Norwegian Government-in-Exile, the Embassy, the Royal Norwegian Purchasing Mission, the Royal Norwegian Navy, the Norwegian Shipping and Trade Mission, the Norwegian Public Health Service and the Royal Norwegian Air Force.

Inasmuch as Norway has been occupied by the Germans since April, 1940 and the country does not possess any colonies of importance, its principal remaining national asset is the Norwegian

Merchant Marine, which ranked as fourth largest in the world at the time she was invaded. This fleet has been operated throughout the war for the United Nations' common war effort and is the Government's sole source of revenue for paying obligations in various parts of the world. In view of this situation, it was agreed that installation of armaments and other protective devices, as well as ship repairs and replacement of merchant vessels, subsequent to December 7, 1941, would be provided under Lend-Lease. Thus far, ten ships have been transferred to the Norwegian Merchant Marine under Lend-Lease as replacements for some of those lost through enemy action.

The Norwegian Merchant Marine operates under charter to the British Ministry of War Transport and the War Shipping Administration. The fleet has played an important role in the war effort, as is borne out by the fact that during the "Battle of Britain" its vessels carried over 50% of the petroleum products imported into the British Isles. Its ships also were instrumental in getting large quantities of supplies through to our forces for the North African campaign.

Because of the special agreement covering the Merchant Marine and the Norwegian Government's desire to keep its Lend-Lease account down to a minimum, the Norwegians have paid cash for much material that probably could have been obtained on a straight Lend-Lease basis. For instance, dive bombers purchased for cash and operated from a Norwegian base previously located in Iceland have participated in convoy work and were active in the battles of the "Bismarck" and the "Prinz Eugen". Other planes, purchased for cash, maintain communication between London and Scandinavia and are used in carrying Norwegians who escape from Norway to safety in London, where they form their own military units.

At present there are a number of Norwegian fighter and bomber units fighting with the R.A.F. Their planes are supplied by England; but, under an arrangement recently completed, America will supply most of the necessary clothing and personal equipment for the flyers on a Lend-Lease basis. Most of the men comprising these groups have been trained at "Camp Little Norway", Canada, which has been established, equipped and maintained with Lend-Lease funds.

A few training planes, and other types, have been provided to Norway by the United States on a Lend-Lease basis.

The Royal Norwegian Navy operates in various theatres of war. In addition to convoy duty in the North Atlantic, these vessels

have participated in the North African, Sicilian and Italian campaigns. Equipment, maintenance and repairs for the Navy are furnished on a Lend-Lease basis. Recently the Navy arranged to establish a Norwegian Naval training base at Travers Island, near New York City. The lease, equipment and maintenance were obtained through Lend-Lease.

9. Poland

Poland was declared eligible for Lend-Lease aid on August 28, 1941, by Presidential proclamation. The Lend-Lease Agreement with Poland was signed on July 1, 1942.

In the early days of relations between the Polish government-in-exile and Lend-Lease, negotiations were handled on their behalf by the British Embassy and military missions, since the Polish Embassy did not have an adequate technical staff. The Washington Embassy is now more completely staffed, and relations are direct.

Poland was the first nation to feel the full impact of total war and is clearly deserving of all possible Lend-Lease aid. However, Germany's complete occupation has made the possibilities of aiding Poland very limited.

The initial aid given took the form of assisting the training program for Polish aviators which was being carried on in Canada. Throughout the period since Poland was declared eligible for aid, articles of a military nature have been lend-leased to Polish forces in the Middle East and England. Services of various sorts, such as the degaussing of Polish merchant and naval vessels, have also been rendered.

The most unusual form of Lend-Lease aid to Poland has been assistance in the feeding and clothing of approximately 56,000 Polish prisoners of war now held in Germany. From the beginning of the war, the British have been sending packages of food and other types of help to their soldiers held by the Germans, and since America entered the war, we have sent similar aid. The Polish Government in Exile, being very hard pressed for funds, was in no position to do the same. The Nazis exploited this situation in the prison camps, ostentatiously distributing food packages and clothing to British and other prisoners in the sight of the Poles, who were then invited to note that they were "forgotten" by their Allies. The attention of Lend-Lease was called to this situation and to the hardships which these men were undergoing, late in 1942. By agreement with the State Department, the Anglo-American Blockade

Committee, and with the indispensable and unflinching cooperation of the American and International Red Cross, it has been possible for Lend-Lease to provide these prisoners with very real assistance. One 11-pound package of food is furnished to each prisoner every month, and one complete set of clothing is provided each man every year.

The International Red Cross has developed a method of distribution which assures the delivery of these materials to the right man. They are shipped on neutral vessels to Marseilles, loaded on a train which is then sealed for Geneva and distributed to the prison camps from that city. On arrival at camp, each package is receipted for by the German camp commandant and by the prisoners' group leaders. Finally the prisoner signs a receipt when the package is delivered intact into his hands. Red Cross officials constantly visit and inspect the camps. Their frequent reports are full of heartening evidence that this aid not only serves the bodies but the spirits of these men who have been cut off from the world for four years.

10. Czechoslovakia

Czechoslovakia was declared eligible for Lend-Lease aid on January 5, 1942, and the Lend-Lease Master Agreement was signed on July 11, 1942.

Of all of the countries with Governments-in-Exile, we have been able to do the least for Czechoslovakia. The fact that the country is completely occupied and that it is wholly cut off from the outside world by other Nazi-held territory has brought about this unfortunate situation.

The Czech Ministry in Washington has not appointed any one official to be responsible for dealings with Lend-Lease. All negotiations to date have been carried on directly with the Minister.

Some small amount of aid has been given in the form of military articles to those Czech troops who are still carrying on the fight from various bases in the world, but this constitutes the entire story to date.

11. Yugoslavia

Yugoslavia was declared eligible for Lend-Lease assistance by the President's proclamation of November 11, 1941. A Lend-Lease Master Agreement was signed on July 24, 1942.

As in the case of the other occupied countries now represented by a Government-in-Exile, Yugoslavia was somewhat inadequately represented in Washington at the time of the invasion of the country and for a considerable period thereafter. The initial dealings with Lend-Lease, therefore, were largely conducted through British representatives. For well over a year, however, a Special Representative of the Embassy has been charged with over-all responsibility for Lend-Lease relations. On strictly military items, the Military Attache of the Embassy serves as liaison with the Office of Lend-Lease Administration and the War Department.

As in the case of the other occupied territories, it has been obviously difficult if not impossible to provide aid in significant amounts. Various articles and services have been provided to Yugoslav armed forces in England and the Middle East. We have also been able to assist materially in the training program for Yugoslav aviators in this country, which has recently been signally supplemented with the transfer of Liberator bombers by the President to Yugoslavia to be manned by the men trained here. It is anticipated that, as military activity increases in the Balkan and eastern Mediterranean areas, more direct assistance under Lend-Lease will become possible.

The most material aid has been provided in quite a different form. As in the case of Poland, large numbers of unfortunate former soldiers of Yugoslavia are now held as prisoners-of-war of Germany. Their number is estimated at 140,000. These men were in a position directly analogous to that of the Poles, which has been described. A scheme of providing direct aid to them exactly similar to that by which assistance is provided to Polish prisoners has been worked out. One 11-pound food package per month is shipped to each Yugoslav prisoner under Red Cross supervision and subject to all international safeguards provided by international law under the Geneva Convention. Further, one full set of clothing per man annually has been dispatched. International Red Cross reports indicate that this food and clothing can be considered the margin of safety which keeps these men alive.

12. Greece

Greece, in company with the United Kingdom, was declared eligible for Lend-Lease aid by Presidential proclamation on March 11, 1941, one month before Nazi occupation. The Lend-Lease Master Agreement was signed on July 10, 1942.

At the time when Greece became eligible for Lend-Lease aid, the country was inadequately represented in the United States as

far as technical experts were concerned. Accordingly, initial negotiations with Lend-Lease were conducted for the Embassy by the British Purchasing Mission, the first requests being for supplies of a wholly military character. However, since that time the size of the Embassy staff has been increased and contacts are now direct.

Military requisitions are handled by the Greek military and naval attaches, while the non-military problems are under the jurisdiction of the Chancellor of the Embassy.

Greece being an enemy-occupied country, our military aid to her has taken the form of arms, ammunition, ships and ship installations for those of her armed forces which have been able to carry on the war in other parts of the world.

Civilian aid to Greece has been directed toward alleviation of the unbelievable hardships visited upon her people as a result of the Nazi occupation. The story of the starvation and disease endured by the Greek people since the Nazi occupation is familiar to the Government and people of this country. Early in 1943, it was proposed that the Office of Lend-Lease Administration aid in the operation of a scheme for Greek relief which was worked out at that time. The State Department, in a letter from Assistant Secretary of State, Breckinridge Long, indicated its hearty endorsement of the program. From every point of view--humanitarian, political and military--it was clear that the type of aid proposed should be granted.

Relief for Greece has been directed ever since the time of occupation by a private organization, Greek War Relief Association, Inc. By late 1942, however, conditions were such that no private group could possibly carry on this work without Government assistance. An informal interdepartmental committee on Greek relief was established early in 1943. Under the chairmanship of an official of the Office of Foreign Relief and Rehabilitation, the committee is made up of representatives of the Department of State, (Division of Near Eastern Affairs), Office of Economic Warfare and the Lend-Lease Administration. Representatives of the British Embassy, the Canadian Legation and the American Red Cross attend meetings as observers, and officials of Greek War Relief are invited to attend on occasion.

An elaborate system of safeguards has been worked out with the various Governments concerned which now permits shipments of foodstuffs and medical supplies to occupied Greece on specially chartered neutral vessels. Considerable amounts of the materials are sent

under Lend-Lease, and Lend-Lease funds are used to pay the charter hire and war risk insurance expenses on the ten ships now operating. A neutral commission composed of Swiss and Swedish nationals supervises the distribution of the relief supplies after their arrival in Greece. Satisfactory evidence shows that the food and other supplies reach the people for whom they are intended and that the enemy is not benefiting from them.

13. Turkey

Turkey was declared eligible for Lend-Lease assistance on November 7, 1941, although public announcement of the fact was not made until December 3, 1941. A Master Agreement has been submitted and is in the hands of the Turkish Government at the present time but has not yet been signed.

Shortly after passage of the Lend-Lease Act in 1941, the British Government requested that all Lend-Lease aid to Turkey be extended by way of retransfer through the United Kingdom in order that American deliveries might be used to help the British meet their obligations to the Turkish Government under their Tri-Partite Agreement of October, 1939. Accordingly, until the latter part of 1942, practically all Lend-Lease aid was extended to Turkey in this manner.

Prior to the creation in July, 1942, of the British-American Coordinating Committee, with headquarters in Ankara, Turkey, there was no joint British-American organization to screen Turkish requests; and the British alone determined in a large measure what should be supplied to Turkey not only from the United Kingdom but from this country as well. The British-American Coordinating Committee is made up of government and military representatives of the United States and Great Britain. The Office of Lend-Lease Administration also has a representative in Ankara who is a member.

The military requirements which London referred to this country for supply were programmed by the British Army Staff, the British Admiralty Delegation or the British Air Commission in Washington; and the British were representatives for Turkey on the various joint boards. Assignments were made to the United Kingdom for retransfer to Turkey, and shipments were handled by the Movements Control Division of the various British Service Groups.

Non-military items referred to this country for supply were handled by the Allied Requirements Division of the British Supply Council in North America, which had responsibility for programming Turkey's requirements in the United States. Requisitions were likewise prepared by it and filed with the Office of Lend-Lease

Administration for items to be retransferred to Turkey. Provision was made that the Office of Lend-Lease Administration would be informed of all Turkish requests for Lend-Lease materials received by the British authorities in this country and was to be given the reasons for any disapproval by the British of such requests.

Direct Lend-Lease aid to Turkey was provided only in the case of cash-reimbursement transactions and with the understanding that there would be prior consultation by the American and British authorities regarding Turkey's need for the commodities concerned before any such transaction was approved by the American authorities.

There was considerable justification for the procedure adopted in the fact that Turkey is geographically a part of the Middle East area which has been declared to be primarily a British military responsibility. British armies were operating in Iran, Iraq and Egypt; British ships were carrying practically all cargo to surrounding Allied countries and it was felt that logistics and strategy were the prime factors in determining what should and could be supplied to Turkey. However, the Turkish Government expressed considerable dissatisfaction with this retransfer procedure. Therefore, during 1942, negotiations were undertaken which culminated in this procedure being replaced by direct Lend-Lease aid as to non-military items. In January, 1943, an agreement was reached on non-military items whereby requisitions were filed by the Turkish Supply Office direct with the Office of Lend-Lease Administration, thus replacing the retransfer procedure. The Office of Lend-Lease Administration now has responsibility for programming non-military requirements to be supplied from this country. In February, 1943, the Office of Lend-Lease Administration also assumed sole sponsorship of commercial items to be supplied from this country, so that in effect a new phase in Lend-Lease as well as commercial relationships with Turkey was inaugurated.

At the present time Turkish requests for military items are presented by the Navy, Army and Air Sections of the Turkish Ministry of National Defense to the proper British Service Attache in Ankara. The latter investigates these requests and forwards them with his recommendations to the British-American Coordinating Committee, which in turn forwards them to the Service ministries in London as well as in Washington. The source of supply is then decided upon by the Allied Supplies Council in London. If supply is to be from the United States, the items desired are referred either to the British Army Staff, British Air Commission or the British Admiralty Delegation, which then has responsibility for arranging procurement to fill the request.

In addition to the furnishing of direct military items under straight Lend-Lease as outlined above, requirements of Turkish Military Factories are provided under a similar procedure. Military Factory requirements are based on a so-called "Z" list, which sets forth the projected requirements of the Military Factories for such items as steel, chemicals, machine tools, refractories, etc., necessary for the production of ordnance materiel within Turkey. "Z" list requirements are prepared by the Turkish military authorities in conjunction with their production experts and are then presented to the BACC for screening. The recommendations of the BACC are then further scrutinized by the Allied Supplies Council before determination of the source of supply is made. Direct military items and Turkish Military Factory requirements are the only ones handled on a straight Lend-Lease basis.

In the case of assignable military items, the British submit bids before the Munitions Assignments Committee and assignments are made direct to Turkey. In the case of non-assignable items, requisitions are filed directly with the War or Navy Departments by the Turks under the direction of the appropriate British Service Divisions. No responsibility has been attached to the Office of Lend-Lease Administration on military requisitions in so far as procurement and shipment are concerned. However, it has been kept fully informed regarding military supplies leaving the United States.

Requests for non-military supplies made by the various Turkish Governmental agencies and bureaus are forwarded direct by the Turkish Central Bureau of Orders to the British-American Coordinating Committee in Ankara. These requests include all commercial orders to be placed in Allied markets, as well as the requirements of the various Turkish Governmental agencies. The Office of Lend-Lease Administration has been advised on all regular commercial orders which are for United States supply and have BACC approval and then has expedited their clearance with the Office of Economic Warfare and assisted in arranging shipment.

An analogous procedure was used for handling the programmed requirements of Turkish Governmental agencies where they met with BACC approval and the United States was designated to supply them. After being notified of these requirements, the Office of Lend-Lease Administration reviewed their availability as well as competing demands and advised the BACC of possible United States suppliers. This information was then made available to the Turkish Central Bureau of Orders which in turn let contracts in this country against such requirements. Where an item was in short supply - for instance, agricultural equipment - the Office of Lend-Lease Administration

sometimes deemed it advisable, in order to assure delivery to the Turks, to recommend that procurement be handled on a cash reimbursable basis. In such instances the Office of Lend-Lease Administration advised the Turkish Supply Office in this country to submit requisitions in accordance with the regular cash-reimbursement procedure.

The paucity of shipping space as well as the limited dock facilities available to Allied ships in the Middle East has necessarily limited the export program to Turkey. None the less, the program has enabled Turkey to operate her arsenals as well as to import sufficient of the prime necessities to enable her to maintain her domestic economy. It should be noted that, although Turkey is a neutral and not a belligerent, as contrasted with most recipients of Lend-Lease aid, the importance of this aid cannot be over-emphasized in view of Turkey's unique strategic position.

14. Middle East

Middle Eastern countries were declared eligible for Lend-Lease aid and signed Master Agreements as indicated below:

<u>Country</u>	<u>Date Declared Eligible for Lend-Lease</u>	<u>Date of Master Agreement</u>
Iran	March 10, 1942	Submitted, not yet signed
Iraq	May 1, 1942	Submitted, not yet signed
Egypt	November 11, 1941	Submitted, not yet signed
Saudi Arabia	February 18, 1943	None
Ethiopia	December 7, 1942	August 9, 1943

In contrast to the direct government-to-government basis on which Lend-Lease aid is handled in most cases, the Middle East is treated as a British-controlled geographical unit and all civilian supply for the area is handled through the Middle East Supply Council at Cairo. This organization was originally set up by the British in the spring of 1941. In May of 1942, it was placed on an Anglo-American basis; in July, a Lend-Lease representative arrived in Cairo and commenced taking active part in Middle East Supply Council operations. As additional representatives increased the size of the Lend-Lease mission, offices were established in Iran and Iraq.

The Middle East Supply Council receives and screens all but direct British military requirements for the area. It forwards these to London and to the United States where, through the British Civil Secretariat in Washington, civilian Lend-Lease requirements are presented to the Office of Lend-Lease Administration. All direct military Lend-Lease for all countries in the area has been presented by the British as part of their over-all military requirements.

Because certain problems of the Middle East are common to more than one of the countries, some Lend-Lease items, such as typhus vaccine, D.N.O.C. dust for an anti-locust campaign and Paris green for anti-malarial control have been sent out consigned to the Lend-Lease representative for use in whatever portion of the Middle East conditions warrant. All such materials have been of types needed to minimize epidemics which annually sweep over the area and which, if unchecked, might undermine civilian morale to the point of interfering with the military operation.

All Lend-Lease materials supplied to the Middle East have been requisitioned through the various British Missions in Washington. This has been necessary because none of the countries of the Middle East have missions in Washington adequately staffed to present requirements.

In order to funnel information going to and from the Middle East and to develop an American counterpart of the Middle East Supply Council in Cairo, the Combined Agency for Middle East Supply was established on October 1, 1943. This agency is made up of both American and British personnel and representatives of each of the Government agencies involved in supplying the Middle East with materials. The Agency also holds the program license for the Middle East and has taken over control of what was formerly the United Kingdom Commercial Corporation Mission in New York, with its functions of arranging for the commercial shipments to the area.

(a) Iran - The Lend-Lease mission arrived in Tehran, Iran, in September 1942. By far the largest amount of goods going into Iran are in transit shipments of goods for Russia. There are also large amounts used for maintenance and expansion of port facilities, the Iran railroads and trucking routes, comprising the supply line into the U.S.S.R. A limited quantity of supplies for branches of the Iranian Government purchased by them, or purchased directly from us by the Iranian Government, have also been sent. The remainder of the aid furnished has consisted almost entirely of agricultural equipment. No Lend-Lease civilian supplies went to Iran prior to 1943; and the civilian goods sent at the present time are consigned to a Lend-Lease representative, who turns them over to the Iranian Government, receiving payment in local currency. The Lend-Lease missions in the area work closely with the Persian Gulf Service Command and the American Advisors to the Iranian Government.

(b) Iraq - As in the case of Iran, most of the Lend-Lease goods for Iraq are British military shipments, and the small shipments of civilian goods have been mostly agricultural equipment. A

Lend-Lease representative was stationed at Bagdad in January 1943. Certain Iraqi Government departments (such as the Port Directorate) look to the British for supply of their requirements. For military reasons, the British have managed these essential facilities and have taken responsibility for furnishing necessary equipment. A portion of this has been supplied to the British for retransfer.

(c) Egypt - A Lend-Lease mission arrived in Egypt in July 1942. The Lend-Lease program for Egypt resembles that for Iraq in the procedure followed and the kinds of material supplied, although it involves considerably larger quantities. The first requisition submitted directly by the Egyptian Government is now being prepared. As in Iraq, the British control strategic services, notably the Egyptian State Railways; and Lend-Lease supplies for strategic services have gone forward as military requirements on retransfers from the United Kingdom.

(d) Saudi-Arabia - Saudi-Arabia was declared eligible for Lend-Lease aid in February of this year. Shortly thereafter a Lend-Lease representative stationed in Cairo went to Geidda and arranged an initial transaction involving the transfer of some 80 trucks to the Saudi-Arabian government. This transfer, plus two others involving additional trucks for civilian requirements, comprise the bulk of Lend-Lease aid to Saudi-Arabia. Our aid to Saudi-Arabia is handled on a direct government-to-government basis.

(e) Ethiopia - Ethiopia has been eligible for Lend-Lease aid since December 1942, but to date none has been supplied.

15. Liberia

Liberia was declared eligible for Lend-Lease aid on March 10, 1942. During the latter part of May, 1943, President Edwin Barclay of Liberia, accompanied by President-elect William V. S. Tubman, who will take office next January, visited the President of the United States. At the end of President Barclay's visit, on June 8, 1943, the Lend-Lease Master Agreement was signed in New York.

In the absence of a Liberian diplomatic representative in the United States of America, the Liberian Consul General of New York has been the accredited representative of the Government of Liberia in all matters pertaining to aid under the Lend-Lease Act.

Liberia is located on the bulge of the continent of Africa at the point nearest to South America. Thus, Liberia has

strategic importance to the war effort of the United States because of our need to use her landing fields and harbors in connection with the movement of planes from Natal across the South Atlantic.

Shortly after the declaration of her eligibility for Lend-Lease aid on March 10, 1942, a special agreement was entered into with Liberia, which described the aid the United States was prepared at the outset to extend, specifically providing for:

- (a) An expenditure on road construction of approximately \$1,000,000.
- (b) Assistance in organizing and training the Liberian forces.
- (c) Supply of arms and ammunition.
- (d) Protection by American forces of such defense areas as may be established under agreement.

As a result of this agreement, United States troops were permitted to land in Liberia. Liberia has since moved even further from her neutral position toward openly espousing the cause of the United Nations. Negotiations are now under way to permit the Navy Department to develop and fortify a Liberian port on the Atlantic, work on which is to be handled as a special Lend-Lease project.

All requisitions for materials supplied the Liberian Government to date have had to do with supplies procured by the War Department. The Office of Lend-Lease Administration has prepared the requisitions submitted, since the Liberian representatives are not adequately staffed for the purpose.

16. American Republics

On May 6, 1941, defense of the other twenty American Republics was declared vital to the defense of the United States of America. Thereafter, as indicated below, individual special agreements were signed with eighteen of these American Republics:

Bolivia	-	December 6, 1941
Brazil	-	March 3, 1942 (revised)
Chile	-	March 2, 1943
Colombia	-	March 17, 1942
Costa Rica	-	January 16, 1942
Cuba	-	November 7, 1941
Dominican Republic	-	August 2, 1941

Ecuador	-	April 6, 1942
El Salvador	-	February 2, 1942
Guatemala	-	November 16, 1942
Haiti	-	September 16, 1941
Honduras	-	February 28, 1942
Mexico	-	March 18, 1943 (revised)
Nicaragua	-	October 16, 1941
Paraguay	-	September 20, 1941
Peru	-	March 11, 1942
Uruguay	-	January 13, 1942
Venezuela	-	March 18, 1942

No Lend-Lease agreement has been formalized with the Republic of Panama, since the protection afforded by the Canal Zone defenses has made Lend-Lease aid to the area unnecessary. The Republic of Argentina, having failed to qualify, has not entered into a Lend-Lease agreement.

All Lend-Lease aid extended to the American Republics is either directly military in character or involves a strictly military end-use. As variously described within the body of the several agreements, such aid is limited to "armaments, munitions and articles of war". Unlike the Master Agreements covering the United Kingdom and most of the other Lend-Lease nations, all agreements with the American Republics state a specific dollar amount to which the value of aid furnished is limited. There is also incorporated in the agreements a cash reimbursement undertaking on the part of the individual governments, payable on a six-year amortization basis. This repayment commitment varies as between the governments, being based upon the ability of the individual country to pay. In one case it is as low as 2.73%; on the other hand, another government has agreed to pay 69.23%.

Lend-Lease purchasing representatives are present in Washington for all of the eighteen beneficiary republics. Certain of the smaller countries have vested this power directly in their ambassador or his deputy while, in the case of the larger republics, duly constituted commissions have been set up for this purpose. The list below sets forth the Lend-Lease purchasing agencies of each country:

Bolivia

Bolivian Army Purchasing Commission

Brazil

Brazilian Aeronautical Commission
 Brazilian Government Airplane Engine Factory
 Commission (New York)
 Brazilian Military Commission
 Brazilian Navy Purchasing Office

Chile

Chilean Air Force Commission
Chilean Military Mission
Chilean Naval Commission

Colombia

Military and Air Attache
Naval Attache

Costa Rica

Ambassador

Cuba

Military Attache
Naval Attache
Air Attache

Dominican Republic

Ambassador

Ecuador

Ambassador

Guatemala

Counselor of Embassy

Haiti

Ambassador

Honduras

Ambassador

Mexico

Military Attache
Naval Attache

Nicaragua

Ambassador

Paraguay

Military Attache

Peru

Air Attache
Peruvian Military Commission
Peruvian Naval Commission

El Salvador
Ambassador

Uruguay
Military Attache for Air

Venezuela
Military Attache

The Office of Lend-Lease Administration has not itself sent mission representatives to any of the American Republics. But whenever necessary, it can call upon the Department of State and, through it, the individual United States embassies established in the republics. In the cases of Brazil and Mexico, additional liaison on military matters has been established through representation in those countries by agents of their respective joint defense commissions established in Washington.

Aid extended to the Government of Brazil has included some special projects of particular importance:

Fairchild (PT-19A) airplane plant
North American (AT-6C) airplane plant
Brazilian Government Airplane Engine Factory
Military Optics Plant
Military Quartz Plant
CAP-4 Light Airplane plant

Further projects cover the maintenance and over-haul of the Brazilian Air Forces' ground and air materiel. Raw materials for the manufacture of ammunition, gas masks, and other military articles have been supplied to her arsenals as part of an over-all War Department defense project.

Although the American Republics have rendered generous and valuable contributions to the over-all United Nations war effort and have entered into contractual agreements for the furnishing of valuable strategic materials, no formal reciprocal Lend-Lease program with them has been developed.

17. Caribbean Area

In a series of conferences the Lend-Lease Administrator, the Under Secretary of State, the Under Secretary of the Interior, the Director of the Food Distribution Administration, the Under Secretary of the Navy, the Under Secretary of War, the American Chairman of the Anglo-American Caribbean Commission and the Director

of the Board of Economic Warfare agreed on the importance of coordinating their activities and pursuing a joint policy in the Caribbean area. In this connection, the Office of Lend-Lease Administration has supplemented the work of the Anglo-American Caribbean Commission and coordinated supply and economic relationships between American agencies and the French and Netherlands West Indies, as well as independent island republics.

Another function has been that of implementing the President's directive of August 19, 1942, which ordered the provision of emergency food reserves for the area. Actual operations of the program was conducted by the Food Distribution Administration, deliveries being made over the Land-Water Emergency Supply Route from Florida across the water passages between Cuba, Haiti, the Dominican Republic, Puerto Rico and others of the Leeward and Windward Islands. Emergency supplies have been sent by direct shipment whenever and wherever possible.

Since the economy of the Caribbean Area is largely based on sugar production and must be viewed as a single productive pool, the Office of Lend-Lease Administration has found itself concerned for the most part with sugar production projects relating to the Islands as a single producing unit. The Branch has been represented on the following committees which have held meetings at more or less regular intervals:

(a) The Caribbean Food Supply Committee - The agencies represented were the Board of Economic Warfare, Commodity Credit Corporation, Department of State, the British Supply Mission, the Dutch Supply Mission, the Division of Territories and Island Possessions of the Department of Interior and the Office of Lend-Lease Administration.

(b) Caribbean Shipping Committee - The Agencies represented were the Anglo-American Caribbean Commission, Department of State, Department of the Interior, Department of Agriculture, War Shipping Administration, British Ministry of War Transport, Canadian Shipping Mission, British Supply Mission, United States Navy and the Office of Lend-Lease Administration.

(c) The Sugar Subcommittee of the Combined Food Board.

The Office of Lend-Lease Administration has also assisted in the establishment of the Schooner Pool now functioning successfully in the Windward Islands, in the development of various industrial and other projects throughout the Caribbean and in the planning for supply of the area in conjunction with the Netherlands Economic, Financial and Shipping Mission and with the British Colonies Supply Mission.

The way of life of local populations in the Caribbean Area has been drastically altered by war-time construction of American bases in Jamaica, Trinidad, Saint Lucia and Puerto Rico and establishment of air bases and emergency landing fields in the Bahamas, British Guiana, Dutch Guiana, certain of the Windward and Leeward Islands, Cuba, Haiti and the Dominican Republic. Populations were displaced almost overnight, and long established economies such as those of Haiti and the British island colonies were converted into dependence on wages from these and other war emergency projects. Submarines took a heavy toll in the Caribbean in 1942 and, to a lesser extent, in 1943, with resulting dislocation of shipping services. This was solved in part by installation of the convoy system; but convoying involved new routings of ships, the omission of direct service to many ports, and delays. These and many other problems could only be handled by coordinated intergovernmental effort, in which the Office of Lend-Lease Administration has taken active part.

French Guiana was the first of the French Caribbean areas to break away from control of the Vichy Government. On request of the Secretary of State, the Office of Lend-Lease Administration helped relieve the shortage of supplies within a few days after the inhabitants declared their allegiance to the United Nations.

Again, when Martinique, Guadeloupe and the other French Islands transferred their allegiance to the French Committee of National Liberation at Algiers, emergency supplies were requested and were made immediately available. They were distributed on an equitable basis, without profiteering or speculation, as rapidly as the ships could be unloaded. In both of these cases the Office of Lend-Lease Administration has been reimbursed fully by the French authorities.

Special cooperation in stockpiling was requested by the Dutch authorities for the Dutch West Indies and Surinam to assure reserve supplies for use by the military and naval forces of the Netherlands and to insure adequate supplies of food and other necessities for employees of the important petroleum refineries as well. The assistance was provided without cost to the United States Treasury. Tankers and escort vessels engaged in war transport are re-actuated under arrangements made through the Office of Lend-Lease Administration in cooperation with the Department of Agriculture and the Netherlands Purchasing Commission. This operation is also handled without cost to the United States Treasury, the ships paying dollars for their supplies upon receipt.

One of the emergency projects for this area in which the Office of Lend-Lease Administration has taken part was commenced in connection with the Land-Water Emergency Supply Route. This project

was designed to connect a series of roads between Port-au-Prince, Haiti, and San Pedro de Macoric in the Dominican Republic. The building of less than fifty miles of new road would make possible a direct, sea-level highway for handling of supplies overland instead of by the long water route along the north or south coasts of Haiti.

The project was recommended by the Navy and the Anglo-American Caribbean Commission and was surveyed by the United States Army Engineers. The Land-Water Highway was never thought of as economically sound; but, as a measure for avoiding the danger of open sea transport during the submarine emergency, it permitted the Navy to conserve use of escort vessels at a time when these were badly needed elsewhere.

Least spectacular but most important of undertakings in the Caribbean Area was a plan to make each island as near self-supporting in food production as possible. In this way it was planned to reduce demands on water-borne transportation for food and supplies not produced on the islands because of preoccupation with more commercially profitable items such as sugar and fruit. The islands of the Caribbean now are actively cooperating in food production, and both Cuba and the Dominican Republic are becoming important exporters of other foods in addition to sugar.

18. Liberated Areas

As soon as the problem of providing for the civilian needs of areas liberated from Axis control became real, the Lend-Lease Administration took steps to meet whatever responsibilities of this nature it might be called upon to assume. By establishment in March 1943 of the Reoccupation Division, later re-named the Liberated Areas Division, the necessary administrative machinery was created and set in motion.

Since the division of responsibility between the several agencies interested in the liberated areas problem was not clear, it was necessary for Lend-Lease to work in close cooperation with other agencies, notably OFRRO, the State Department and the War Department. As a consequence, the policies and programs developed were in large part the product of joint deliberations. The decision that OFRRO would not go to Congress for an independent appropriation meant that Lend-Lease funds would have to be used for procurement of supplies for liberated areas. On the basis of conversations with OFRRO, the Office of Lend-Lease Administration requested that the sum of \$340,000,000 be included in Category 7 of its fourth appropriation for use in liberated areas, making it plain that as military

operations developed and the needs of liberated areas increased it might be necessary to draw upon the contingency reserve funds of Category 9. The funds were to be used for forward purchasing as recommended and programmed by OFRRO, subject to appropriate screening in accordance with established Lend-Lease standards.

The basic policy laid down by Mr. Stettinius before the House Appropriations Committee was that Lend-Lease funds would be utilized "for the procurement of certain types of medical supplies, food, clothing, and other necessities of life to be available to meet the emergency needs of the civilian population in liberated areas as determined by military and political necessity" and, more broadly, to back up and support the military forces in such other ways as might prove necessary, to maintain at least a bare civilian economy and to facilitate the production of goods useful to the United Nations.

It has been the settled operating policy of the Lend-Lease Administration on matters pertaining to liberated areas that:

1. Clearances with the War Department on all questions of programming and procurement for liberated areas be handled through the committees operating under the Office of Foreign Economic Coordination.
2. Lend-Lease supplies be made available to liberated areas only as a matter of military or political necessity pursuant to the following conditions:
 - a) During a period of military occupation, Lend-Lease supplies will be shipped to a liberated area only with approval of the military.
 - b) Except during a period of military occupation, Lend-Lease supplies will be shipped to liberated areas in accordance with the policies and procedures applicable to any other Lend-Lease area.

Another important policy which was established was that Lend-Lease countries should not utilize Lend-Lease supplies for relief and rehabilitation purposes in liberated areas without the specific approval of the Lend-Lease Administration.

B. Reverse Lend-Lease

When the Lend-Lease Administrator took office, no substantial amount of reciprocal aid had been accorded to the United States.

During the period of his stewardship, between September 1941 and October 1943, starting with the shipment of a few barrage balloons to protect our Pacific Coast immediately after Pearl Harbor and a few services to expeditionary troops in England, reverse Lend-Lease has grown steadily and rapidly. Through informal arrangements between offices in the field and by formal Agreements between Governments, the volume of reverse Lend-Lease aid has swelled until at the end of the two-year period covered by this report it reached a yearly rate exceeding a billion and a third dollars.

The principle of mutual aid which has operated so successfully in the British Isles since the early months of 1942 has been increasingly extended to other theaters where our allies find themselves in a position to meet the demands of American forces. Reciprocal Aid has been supplied the United States whenever and wherever need-to-receive and ability-to-give have been brought together. In all parts of the world--the United Kingdom, Russia, Australia, China, New Zealand, New Caledonia, Fiji, Iceland, India, the Belgian Congo, North Africa, British East and South Africa, Iran, Iraq, Syria, the Caribbean--American military and naval forces and merchant marine have received every type of available commodity or service which could satisfy their immediate or foreseeable future needs. As the flow of Lend-Lease goods going abroad has steadily increased, reciprocal benefits from our allies, also granted without payment, have grown steadily with the size of American forces overseas.

Reverse Lend-Lease aid is given without any particular consideration for a "balancing" against the amount of Lend-Lease aid received. The only relevant consideration has been capacity to give, with due regard, of course, for maintenance of a minimum international financial position. Our Armed Forces become one among many claimants against the total production of an ally; the share which we receive cannot be given to the Armed Forces of that ally, or to her civilian population, or be used in her export trade to pay for necessary imports.

Unlike Lend-Lease aid, which was cast in the pattern specified by the Act itself, Reciprocal Aid has grown on a relatively informal basis. This is clearly illustrated by the fact that the first

American soldiers in England in many cases received lodgings and food free of charge, the suppliers sending bills direct to the British Treasury without any formal instructions. As the needs of the American Forces expanded, methods were found to meet these new circumstances. In many cases, the Americans simply asked for supplies and gave a receipt for them. In other cases, a system developed whereby bills were rendered to the British Treasury rather than to the American Forces. Almost every day some new form of Reciprocal Aid is devised, and in many cases a new method of handling Reciprocal Aid accompanies it.

A good example of new methods being instituted to meet new demands is the case of War Shipping Administration's revolving fund in sterling. This is supplied by the British, and out of it War Shipping Administration pays for the repair and servicing of its boats in English waters. This method was found far more practical than a system of individual requisitions for each service rendered. In fact the system was so successful that it has been copied in North Africa, where the French have supplied the U. S. with a franc fund out of which to make such extraordinary purchases as do not fit into the pattern of general procurement.

Ever since the first occasion on which Reciprocal Aid was given to the United States, the problem of record-keeping has been annoyingly present. Basically, this problem is inherent in a war situation. Records, particularly records of monetary values, presuppose some sort of norm. In war time this norm is often extremely elusive, and the record-keeping of Reciprocal Aid has always been confronted with the four-fold question of cost, price, value and benefit.

Since the Army is the largest recipient of Reciprocal Aid, their directives on the matter of record-keeping are the most significant. The first of these, dated January 31, 1942, envisaged a record primarily for supplies and installations. The officers in the field were told to keep records complete with dollar values. On June 22, 1942, the basic Army directive concerning the record keeping of Reciprocal Aid was issued. This made provision for a bi-monthly report in which agreed or estimated values were to be placed on every article received.

After some experience with this system, many Army officers came to the conclusion that it placed an undue burden on the men in the field. Hence, after an agreement with the Administration in September, the October 22, 1942 directive was issued which instructed the field officers to report any agreed prices but removed the requirement of making estimates where agreed prices were not available. The directive simply instructed the field officers to keep an adequate

record of each article received so that at a future date an appropriate value might be assigned to it. In his testimony before Congress on February 2, 1943, Major Spiegelberg ably defended this procedure in presenting an estimate of the volume of Reciprocal Aid measured in ship tons. The Major maintained that to put a monetary value on each item would necessitate "half a division" of accountants and would add nothing to the collective war effort.

However, at the beginning of 1943, both in Congress on the one hand and in the Army and Lend-Lease Administration on the other, there was a growing conviction that the volume of Reciprocal Aid could never be adequately expressed in terms of numbers of articles. The Administrator had told the Congress that when valuations were available they would be given the Congress. Consequently, on June 24, 1943, after consultation with the Administrator, a directive was issued by the Army rescinding the October 22 directive and ordering that monetary values henceforward should be placed on every article received on Reciprocal Aid. Where the foreign government would not provide values, the officer in the field was instructed to take local market prices or make an estimate and to indicate what method had been used. Since the greatest proportion of Reciprocal Aid is rendered by Great Britain that country provided the most immediate problem.

The Army directive as issued was, however, actually more a pious hope than a practical order in so far as the U.K. was concerned. The U.S. Armed Forces regularly procured over 350,000 different items in that country. Without the cooperation of the British War Office, the task of writing a monetary value on every voucher, covering items from tacks to tanks, would obviously prove not only a Herculean, but an impossible task. With no adequate knowledge of the British cost and price structure, off-the-cuff estimates by the American army officers of such divergent benefits as cabbages and third class railroad accommodations would necessarily contain such a wide margin of error as to be worse than useless.

Being fully cognizant of his obligation to the Congress, the Administrator, after having studied the matter and discussed the problem from both the British and American angle, decided in July 1942 to send a Lend-Lease man to London to work with the Harriman Mission and U.S. Army for a solution of the difficulty. The purpose of this mission was three-fold. First, to persuade the British that raw materials purchased by the U.S. Government in the British Empire should come under Reciprocal Aid; second, to persuade the British that a British estimate should be given for all Lend-Lease aid rendered to date; and, finally, to persuade the British that a regular system of accounting with monetary values should be set up for the future.

After some deliberation, the British decided favorably on all three suggestions. On August 5, 1943 this announcement was to be presented to Parliament. A report was prepared in the form of a White Paper which was to be laid before Parliament at noon on August 5, 1943. The "White Paper on Mutual Aid" announced the gift of raw materials from the United Kingdom and the Colonies and gave a monetary estimate of the value of Reciprocal Aid to date. At the request of the American Government publication of this White Paper was postponed until November 11, 1943.

The third purpose of the Mission, namely the future valuation for Army records, was worked out in collaboration with the American General Purchasing Agent and the British War Office. It was discovered that the British categories fitted very well into the American scheme and the British would be able to report estimated values on some 200 categories of Reciprocal Aid on a quarterly basis.

The aid received from the British Commonwealth of Nations under reverse Lend-Lease has been made the subject of a special report from the President to the Congress dated November 11, 1943. It embodies figures to June 30, 1943 - the major part of the period covered by this report.

The Presidential report included, in the section on the United Kingdom, that portion of reverse Lend-Lease from the United Kingdom which was actually transferred within the British Isles. It did not include a wide range of goods and services made available to American forces, without payment, in the North African, Sicilian, and Italian battle areas, in British colonies throughout the world, and in areas under British military control.

For example, Reciprocal Aid in Fiji is the joint responsibility of the local government and the imperial government. The local government provides those facilities and services not involving appreciable outlays of cash--land, government-owned or leased, government public works, timber royalties. For its share the United Kingdom advanced in 1942 £500,000 to the Fiji Government to cover the cost of reverse Lend-Lease during the subsequent year. This money was expended for building materials and labor for construction projects and sugar for export to the U.S., fresh vegetables and fruits for the U.S. troops. On a monthly basis, they have received fruits in the amounts of 780,000 pounds of bananas, 40,000 pounds of papaws, and 20,000 pounds of pineapples; vegetables in the amounts of 100,000 pounds of sweet potatoes, 50,000 pounds of pumpkins, and 40,000 pounds of green corn. 125,367,514 pounds of sugar have been shipped to the United States from Fiji and Australia under reverse lend-lease. The value of this sugar is estimated at \$2,331,000.

The value of reverse lend-lease received from Fiji has been placed at just over \$5,000,000, a considerable contribution from an area of only 7,000 square miles.

In Iceland all reverse lend-lease received has been furnished by the United Kingdom. This reciprocal aid program was completed on February 8, 1943 when the United Kingdom, having turned over to the United States full military responsibility for Iceland, likewise relinquished the responsibility for supplying our troops in that area where British troops were no longer operative. Under the entire program, \$10,142,229 worth of supplies and services were transferred to our troops in Iceland, including more than 2,000,000 pounds of foodstuffs.

Our troops were also furnished with some military goods, cannons, weapons, ammunition, and other miscellaneous military items. Some trucks were provided and hundreds of thousands of gallons of fuel were turned over. The balance of the aid included transportation and storing facilities, camp site lend-lease and hutting for our troops and incidental construction services.

Despite the Bewley-Acheson correspondence, which specifically frees the British from obligation to provide reverse lend-lease in any of the leased bases, the United Kingdom has been providing our armed forces with supplies in Bermuda to the amount of over \$150,000 before June 30 of this year. The Army received, free of charge, both the labor and material needed to repair a floating plant. The Navy received repairs and alterations to naval vessels valued at \$72,000, as well as repairs of lesser craft, and supplies such as fuel, life-belts and anchors. War Shipping Administration received repairs on two of its merchant vessels. In a two months period in 1942, \$56,000 worth of motor vehicles and spare parts were turned over by the British to the American forces in Trinidad.

Throughout these eight bases, the British Government is undertaking as reverse Lend-Lease payments on lands leased from private individuals for the use of the United States armed forces in connection with the leased bases. Although a final figure on the compensation for these lands has not been reckoned, the Navy estimates that the sum will be approximately \$5,500,000.

The U. S. is also receiving increasing amounts of reciprocal aid from Russia, France, the Netherlands, Belgium, and others of the United Nations. The circumstances under which aid is received in these theatres has not until the present time made it possible to establish regular reporting systems. Since July 1 of this year, all Army Service Commands have been under instructions to report monetary values at bi-monthly intervals and it is

anticipated that in the near future it will be possible to render reports concerning all reciprocal aid comparable to the reports which have now become available from the United Kingdom and the British dominions.

However, there is already available a sufficient amount of information to indicate clearly the scope and diversity of the reverse lend-lease aid which the United States is receiving from her non-British allies.

The United States and Belgium signed a Master Agreement on June 16, 1942 and a Reciprocal Aid Agreement on January 30, 1943. Under the latter agreement, Belgium has provided our forces in the Congo with supplies, equipment, and labor used in Army construction. The dollar values of this aid total over \$240,000 through April 30, 1943.

Reciprocal aid relations between the United States and New Caledonia are governed by the terms of the Reciprocal Aid Agreement between the United States and Fighting France, signed September 3, 1942 at London. The most impressive single item received pursuant to this agreement has been \$265,000 worth of gun emplacements and aerodromes. New Caledonia is located on important shipping routes and our ships in that area have had the use of port facilities and have been furnished supplies, without charge to us.

American forces in New Caledonia are provided with free railway transportation under an arrangement whereby the United States Army agrees to rehabilitate and keep in operating condition a narrow gauge railroad which had fallen into disuse. Administration buildings and various areas of land for construction purposes have likewise been provided free of charge. The most recent figure valued the aid received in that area as \$315,000 up to March, 1943, but this figure probably is incomplete.

Reverse Lend-Lease in French Equatorial Africa is also governed by the agreement with Fighting France. At Fort Lamy in the Lake Chad District and at Banqui native labor has worked on construction and repair of airfields without cost to the United States.

Reverse Lend-Lease from the French in North Africa is governed by the Modus Vivendi made public in September of this year. The French are supplying 30,000 tons of flour and are now undertaking to supply 60,000 tons of fruit and vegetable produce. By the terms of the same agreement, the French are providing substantial amounts of raw materials for export to the United States without charge to our Government

On June 14, 1943 a Reciprocal Aid Agreement was signed with the Government of the Netherlands. This agreement is presently applicable to Surinam and Curacao, the only portions of the Dutch Empire not now occupied by the enemy.

The single report received to date, covering the period July 1 - August 31, 1943, indicates that reverse lend-lease aid in the value of \$10,300 was extended during these two months. This aid included railroad transportation, telephone and telegraph services, electric light and power, rentals, and construction.

Reciprocal Aid thus far received from Russia has been limited to the supply and servicing of ships and to the exchange of certain scientific and military information.

Russian authorities have made both routine and extraordinary expenditures in North Russian ports for ships controlled by Lend-Lease. Supplies and services thus provided include fuel, food, medical aid, shore transportation and port services. In most cases, American vessels carry round trip supplies of food and fuel because of shortages in the Murmansk-Archangel area.

The Soviet Government has provided comment on the battle performance of American tanks which has proved of value in ordnance plants. An American Synthetic Rubber Mission has also obtained considerable information for laboratory purposes in connection with our synthetic program.

Missions

Section V

LEND-LEASE MISSIONS ABROADA. Establishment of Missions

At the time of the appointment of the Lend-Lease Administrator, the Lend-Lease Administration had no mission personnel of its own abroad. Its field representation was dependent, for the most part, upon representatives of other government agencies concerned with Lend-Lease matters. However, the Harriman Mission in London was acting there in Lend-Lease matters and military representatives had been sent to Russia and to the Middle East to deal with supply problems.

On March 6, 1941, shortly before the passage of the Lend-Lease Act, Mr. W. Averell Harriman had been designated by the President as his personal representative in London, with the rank of Minister, to assist in all matters of supply to the British Empire and its Allies. With the progress of the war, this staff grew to include representatives of a number of Federal agencies, including OLLA, WPB, WSA, Department of Agriculture, and others; but, while the Mission studied all important requirements programs of the United Kingdom, it did not attempt to deal with the flow of ordinary Lend-Lease requisitions.

The first Moscow Protocol was signed in Moscow on October 1, 1941, after negotiations by a Mission headed by Mr. Harriman. The secretary of the mission, Colonel Faymonville, remained in Russia after the return of the Mission to handle supply matters arising under the protocol. On November 7, 1941, the Soviet Union was declared eligible for Lend-Lease aid; and Colonel Faymonville became Chief of the United States Supply Mission in USSR. While dealing with problems of supply to Russia, this Mission has remained essentially a military mission.

As the war progressed, and with increasing requests for Lend-Lease assistance from all parts of the world, it became evident that decisions with respect to need could not intelligently be made by the Lend-Lease Administration in Washington without a study of requirements and of problems of supply in the field. This need became particularly acute after the Japanese attack on Pearl Harbor and the advance of Japanese forces southward, when the importance of giving prompt and effective aid to Australia and New Zealand became apparent. The need for sending Lend-Lease representatives

into the area was particularly urgent because, in contrast with communication between the United Kingdom and this country, which was relatively easy, communication with Australia and New Zealand became very difficult. Accordingly, a Lend-Lease Mission of four men was dispatched to Australia early in March, 1942. Headquarters were first established in Melbourne but were moved in September, 1942, to Sydney, when the headquarters of the Army Service of Supply were moved to that city.

One of the members of the Australian Mission was assigned to New Zealand and established a mission there in June, 1942. Both the Australian and New Zealand missions have since been enlarged.

In February, 1942, a Lend-Lease representative was attached to the Embassy in Ankara, Turkey.

In June, 1942, a Lend-Lease Mission was dispatched to Cairo to deal with Lend-Lease matters coming within the jurisdiction of the Middle East Supply Center, which covers Egypt, Syria, Iraq, Iran, Saudi Arabia, the British mandated territories in the Middle East, and contiguous areas.

In August, 1942, a Lend-Lease Mission for Iran and Iraq was opened at Teheran. Although this was originally a separate and independent mission, in December, 1942, it came under the supervision of the Lend-Lease representative at Cairo.

A Lend-Lease Mission was sent to China in June, 1942, and with some interruptions has been maintained ever since. The problems of this Mission have been of a special nature, very different from the usual operating problems encountered by the other missions.

Lend-Lease has been represented in Iceland intermittently since December, 1941, sometimes through special agents sent by this Administration and at other times by means of a delegation of authority to the local representative of the Department of Agriculture.

A Lend-Lease Mission was established in South Africa in December, 1942, and has been maintained since that time.

On December 7, 1942, the Secretary of State advised the Lend-Lease Administrator that a special reoccupation mission in North Africa, with headquarters at Algiers, was being organized to assist the Chief Civil Affairs Officer in dealing with all non-military problems arising in that area. Two representatives of the Lend-Lease Administration were detailed to accompany this mission

to North Africa. The Lend-Lease representatives worked under the aegis of the North African Economic Board, created on December 19, 1942, by order of General Eisenhower for the purpose of supplying essential materials to the civilian population.

On January 20, 1943, General Eisenhower ordered the creation of the Import Division of the N.A.E.B. and charged it with responsibility for "initiating and preparing programs, and for the execution of approved programs relating to the importation and distribution of goods for civilian use". Due to the fact that the United States had no Lend-Lease Agreement with the provisional French Government in power at the time, goods shipped from the United States were not delivered to the recipient government at shipside, as was the case with other Lend-Lease shipments, but had to be shipped in convoy along with military supplies, met at the dock, warehoused, or transported inland under the supervision of Lend-Lease personnel. This necessitated the establishment within the Import Division of a Requirements Section, a Transportation Section, a Pricing and Distribution Section, and an Accounting and Record Section. The staff was eventually built up to include about 135 people, 70 of whom were from OLLA and the rest of whom were French and British military and civilian, U. S. Army, Navy, Coast Guard, and WAAC personnel.

Since the recognition by our Government in August, 1943, of the French Committee of National Liberation, many of the detailed duties have been gradually taken over by the French Government, and the Lend-Lease Mission has been in process of tapering off to, it is expected, about 30 members.

Branches were opened at Casablanca and Oran in January, 1943, in Dakar in February, and in Tunis in May. Subsequently the Dakar Mission became independent of Algiers, clearing through the N.A.E.B. only on matters of policy.

B. Functions of Lend-Lease Missions

The primary function of the Lend-Lease Missions is to study the requirements of the country so that they can make intelligent recommendations to the Administration with respect to the essential needs of the area. The determination of these needs involves studies of the economy of the countries, questions of source of supply, stockpiles, shipping, and other factors bearing upon the question of meeting minimum essential requirements. The missions

examine requisitions submitted by the foreign government and, with the aid of such technical advisers as may be available either in the personnel of the mission, among the American military forces, or in the foreign country, consider the essentiality, end use, and suitability of the articles required and study the possibility of substituting less critical materials, as well as the possibility of providing the same or equivalent articles from local production.

In carrying out the foregoing functions, the missions maintain the closest possible contact with the American military authorities in the area, and consult these authorities as to requirements. In New Zealand and Australia, where military forces are under the supreme command of American officers, all requisitions must be approved by representatives of these officers.

The Lend-Lease mission representatives act under the supervision and guidance of the American diplomatic representatives abroad. Communications from the missions to the Administrator pass through State Department channels so that the State Department and its representatives in the field are kept informed as to activities of the missions.

The missions, of course, also maintain close relations with representatives of other agencies in the field dealing with matters which affect the general supply problem. These include particularly representatives of OEW and WSA.

Finally, it is among the principal functions of the missions to maintain close liaison with the appropriate representatives of the foreign country to which they are accredited, keeping the foreign governments informed as to Lend-Lease policies and consulting with them respecting their requirements.

C. Reverse Lend-Lease

Reverse Lend-Lease in the field has consisted primarily of the supplying of goods and services to the American forces abroad. The Lend-Lease missions have cooperated with the appropriate American military officers in negotiating with the foreign government authorities for the provision of reciprocal aid. They have studied the availability of goods and services which might be furnished as reverse Lend-Lease and have cooperated with the American military authorities in obtaining the maximum of aid consistent with local resources.

In short, our foreign missions have become a most important part of our operating organization, and have contributed in substantial measure to the effectiveness of our work at home and to the maintenance of friendly relations abroad.

Other Agencies

Section VI

RELATIONS WITH OTHER UNITED STATES GOVERNMENT AGENCIES

In administering the Lend-Lease Act, it has been the steadfast policy of the Office of Lend-Lease Administration to utilize the services of other government agencies to the fullest possible extent, and to keep in close touch with these agencies. Thus, the Office of Lend-Lease Administration has sought and received the guidance of the State, War, and Navy Departments on questions pertaining to foreign policy and military affairs, and has made extensive use of the procurement services of existing government agencies. Much of the burden in matters such as implementation of United States foreign policy, allocation of production, procurement of goods and materials needed by the Lend-Lease countries, storage and transportation, record keeping and shipping of Lend-Lease goods abroad and other activities has been shouldered by other government agencies and departments. This policy has enabled the Office of Lend-Lease Administration itself to remain a small policy-forming group.

A. The Department of State

The Executive Order establishing the Office of Lend-Lease Administration authorized the State Department to negotiate Lend-Lease agreements with the advice of this Administration and the Office of Economic Warfare. This procedure has been applied not only to Lend-Lease master agreements but also to reciprocal aid agreements, supplementary agreements and special agreements.

Wherever policies of the Office of Lend-Lease Administration have involved inter-governmental relations and foreign policy, we have been guided by the advice and instructions of the Department of State. For this purpose a close liaison with the Department of State has been maintained on both the policy and operating levels. In line with this principle, a representative of the Department of State has regularly attended Executive Staff Meetings of the Office of Lend-Lease Administration in order to keep fully informed on current problems.

Matters involving the Eden-Winant White Paper of September 10, 1941 have been conducted in collaboration with representatives of the State Department.

With the increase in number of representatives of American civilian agencies in foreign countries and the resulting interplay of their problems, the State Department has taken the lead in a program for closer coordination of their activities. The Office of Lend-Lease Administration has welcomed the State Department's leadership and supervisory responsibility, fully appreciating that only by collaboration with the State Department can an integrated United States foreign policy be attained. This supervisory responsibility of the State Department has in some cases been carried out by the establishment of committees in Washington to deal with particular areas. The committees meet under State Department chairmanship for full discussion looking toward adoption of coordinated policies or programs.

While the line of demarcation between matters of foreign policy, as to which the Department of State properly exercises advisory and supervisory jurisdiction, and operating matters outside its jurisdiction, is not always an easy one to draw, problems of this kind have in all cases been approached and solved by officials of the State Department and of the Lend-Lease Administration in a spirit of mutual confidence and understanding.

B. Treasury Department

The guidance of the Treasury Department has often been a factor of the highest importance in making decisions on Lend-Lease matters. For example, the amount of aid furnished through credit Lend-Lease must be in part determined by the ability of the Lend-Lease country to pay cash for needed supplies, and the question of ability to pay cash is primarily one for the Treasury Department. Thus, as a result of Treasury Department guidance, it has been deemed appropriate in certain areas to require payment for Lend-Lease goods in United States dollars, or in local currency which our Armed Forces can utilize for local purchases.

The Lend-Leasing of silver for coinage has been a recurring problem on which the Treasury Department has worked closely with the Lend-Lease Administration. Collapse of the monetary systems in certain Lend-Lease countries has been averted by Lend-Leasing silver with the written understanding that it is to be returned in kind after the war.

The Procurement Division of the Treasury Department has acted as purchasing agent for the Lend-Lease Administration for other than military, agricultural, naval and maritime items.

Purchases are made pursuant to allocations or allotments of funds from Lend-Lease appropriations; commitment letters grant full authority to procure, transfer and export items covered by specific requisitions. In addition, the Procurement Division has assumed responsibility for the storage of Lend-Lease items procured but not shipped. At meetings held from time to time with officials of the Treasury Procurement Division, the important policies and procedures incident to its procurement and storage functions have been formulated after thorough discussion.

While the Office of Lend-Lease Administration has granted Treasury Procurement full authority to select producers, negotiate contracts and perform all other aspects of the procurement function, consultations are continually held between the two agencies on such policy matters as fees respecting patents, allocation of contracts to smaller war plants, the control of requisitions and inventories, and the redistribution of surplus materials.

C. War and Navy Departments

Before Pearl Harbor the principal relation between the Lend-Lease Administration and the War and Navy Departments was in connection with procurement of military or naval items. Since our entry into the War, the Office of Lend-Lease Administration has operated on the principle that it was set up as a vital arm of the war effort and, as such, should expand its close relationships with the War and Navy Departments.

Beginning early in 1942 the Service Departments have received direct appropriations from Congress for the purchase of military items furnished to Lend-Lease countries. The funds appropriated to the Office of Lend-Lease Administration have since been used to procure items intended either for indirect military use or to sustain the war production and fill the essential civilian needs of our Allies.

Representatives of the Lend-Lease Administration sit as observers on the Committees of the Munitions Assignment Board, and day-to-day contact is maintained with the International Aid Division of the War Department, where the bulk of the Lend-Lease military program is centralized. Thus, the Lend-Lease Administration has been in a position to keep informed of all phases of aid to the United Nations.

To insure thorough exchange of information, copies of requisitions forwarded to the War and Navy Departments are filed with the Lend-Lease Administration, and requisitions filed with the Lend-Lease Administration are made available for immediate inspection and comment to representatives of the War and Navy Departments, as well as the War Production Board. The War Department has followed a regular practice of having these requisitions inspected daily by its representatives, who offer valuable suggestions and keep the various interested branches of the War Department acquainted with developments in the Lend-Lease program. This method of operation has been particularly helpful in providing wider opportunities for conservation and substitution of material and in eliminating duplication between requisitions filed with the War or Navy Departments and the Lend-Lease Administration.

The advisability of furnishing Lend-Lease materials, especially those for construction of industrial or military projects abroad, is frequently dependent upon strategic considerations. In such cases, this Office has been guided by the views of the Chiefs of Staff or other appropriate military or naval authorities.

While it has often been a difficult matter to decide whether an item falls into the military category furnished by the Service Departments or into the essential non-military category furnished by the Lend-Lease Administration, this problem has in almost all cases been satisfactorily worked out through the medium of a Procurement Policy Board, consisting of representatives of the War Production Board, the War Department, the Navy Department, the Procurement Division of the Treasury Department and the Office of Lend-Lease Administration.

Lend-Lease Missions in the field have been operating under the general supervision of the local State Department representatives, but this Office has adhered to the policy that a Mission should maintain close liaison with United States military commanders in the area and seek their advice in all matters with which they are qualified to deal. In a number of instances, arrangements have been worked out whereby the local military authorities review regularly requests for Lend-Lease aid to civilians, so that the Office of Lend-Lease Administration may have the benefit of the military point of view in determining the necessity for such civilian aid.

At a time when nearly everything is in short supply, including shipping, the export of any item can have a serious effect, either directly or indirectly, upon the supply of essential items to the Armed Forces. Often a Lend-Lease country may request a particular article when supply of a substitute would interfere less with supplies for the Armed Forces. Representatives of the Armed Forces abroad have been extremely helpful to the Lend-Lease Administration in such cases.

Direct military lend-lease aid provided by the Army or Navy out of their own appropriations has made up the major part of the total dollar value of aid furnished to our Allies, and the proportion so provided has constantly risen until today it is nearly three-fourths of aid currently furnished.

D. War Production Board

In its role as claimant agency for the share of United States production to be set aside for Lend-Lease governments, the Office of Lend-Lease Administration has continuously maintained a close working relationship with the War Production Board. Except when it is determined that no check by the War Production Board is necessary before procurement is undertaken, requisitions for defense articles are submitted to the War Production Board for its approval.

The Office of Lend-Lease Administration has been represented on the various committees of the War Production Board, including the Requirements Committee, the Program Adjustment Committee and the various Divisional Requirements Committees. To these committees (to the Divisional Requirements Committees in the first instance) are presented all forward requirements for articles which are in short supply, or which present such supply problems that the War Production Board considers it advisable to keep fully informed as to all matters affecting the supply. The controls necessary to insure efficient distribution of supplies among the various claimant agencies are formulated in the Industry Divisions; and the initial decision as to application of these controls in a particular case is made by the Divisional Requirements Committees, the Office of Lend-Lease Administration taking active part through its appointed representative. Whenever there is a difference of opinion in the Divisional Requirements Committee, the case is referred to the Program Adjustment Committee, and in some instances to the Requirements Committee, for final determination.

Programs for future expenditure of Lend-Lease funds have in all cases been submitted to and carefully reviewed by experts in the War Production Board and their final approval obtained prior to submission of our appropriation bills to the Budget Bureau and the Congress.

E. Combined Boards

The Combined Raw Materials Board is responsible for surveying the United Nations supply and requirements positions as

to various critical materials. Its activities are therefore of direct concern to the Office of Lend-Lease Administration in day-to-day operations. Lend-Lease has been represented on the operating committee of the Combined Raw Materials Board and has thus been in a position to follow closely the studies of the Board and its decisions.

To a lesser extent, the Office of Lend-Lease Administration has been directly concerned with the activities of the Combined Production and Resources Board, which has sought to coordinate production of war materials in the United States, the United Kingdom and Canada. In the late summer of 1943, the Combined Production and Resources Board enlarged the scope and membership of its Non-Military Supplies Committee and invited this Office to appoint a representative. This has given us an opportunity to take an active part in the non-military work of the Board.

In addition, the Lend-Lease food supply program has required contact with the Combined Food Board.

F. Department of Agriculture

Until late 1942, the chief problem in lend-leasing food was to determine which agricultural products out of the ample supply available in this country could be used to best advantage in maintaining a minimum essential food supply in the British Isles and Russia. Shipping was the most critical factor during that period, and great stress was laid upon the development of dehydration and compression facilities designed to reduce the shipping bulk and weight of foods. During this era of surpluses, a close liaison was established and maintained between the British Food Mission and the Department of Agriculture, which has had responsibility for all procurement of agricultural products for the Office of Lend-Lease Administration. A similar liaison was later set up between the Russian Purchasing Mission and the Department. The main task of the Office of Lend-Lease Administration was to keep in touch with their activities and guide the flow of food supplies in channels consistent with Lend-Lease policies.

Toward the close of 1942, shortages developed in the domestic food situation; and in early 1943 the War Food Administration was established to take over responsibility for distribution of food, the Secretary of Agriculture being named War Food Administrator. The Food Requirements Committee in the

War Production Board was at the same time abolished. An Inter-Agency Food Requirements and Allocating Committee was set up under chairmanship of the Food Distribution Administrator, who consulted with this committee in recommending allocations of agricultural products. The Food Distribution Administrator's recommendation was referred to the War Food Administrator with any comments thereon which the Combined Food Board and the Food Advisory Committee (on which Lend-Lease was represented) saw fit to make. The decisions of the War Food Administrator in all matters of allocation were final. Despite the changes above mentioned, the close liaison which the British and Russian Purchasing Missions had established with the Department of Agriculture and later with the Food Distribution Administration continued, and the requirements of these countries for agricultural products were presented directly by them to the Food Distribution Administration.

During the early part of 1943, the Food Branch of the Office of Lend-Lease Administration was expanded to make possible more effective participation in the screening and presenting of lend-lease food requirements.

Orderly procurement of food requires long-range planning, and frequently procurement must take place far in advance of the time of actual use. The Food Distribution Administration has full responsibility for lend-lease food procurement and has normally exercised this responsibility through the Federal Surplus Commodities Corporation with funds furnished by the Commodity Credit Corporation. Advance purchases of seasonal crops and necessary stockpiling of certain foods have been carried out by the Food Distribution Administration when deemed advisable and have been financed largely by allocation of Lend-Lease funds. In this way, such government purchases of food products have been centralized in one organization and have been made for the benefit of various government agencies, although this procurement has been principally for Lend-Lease uses abroad.

In light of the more acute food shortages which developed during 1943, the Lend-Lease Administration decided to exercise closer supervision over the procurement activities of the Food Distribution Administration respecting Lend-Lease supplies. In September, 1943, the Office of War Mobilization, on the recommendation of a Lend-Lease review committee, directed that the Office of Lend-Lease Administration should act as sole claimant agency for agricultural products for Lend-Lease areas. It was the Lend-Lease Administration's aim to increase the staff handling Lend-Lease food matters in so far as necessary to fulfill added responsibilities, but at the same time to keep the increase of personnel at a minimum and utilize to the fullest possible extent the

expert knowledge of the Department of Agriculture and the War Food Administration.

The Office of Lend-Lease Administration has continually explored the possibilities of utilizing foodstuffs which have the highest nutritive value and take up the least shipping space. Likewise, of course, every effort has been made to furnish cheaper rather than more expensive foods and foods in ample supply rather than those in short supply.

Lend-Lease activities in the food supply field have involved many administrative difficulties but, measured by the results achieved--the purchase and delivery abroad of food to insure the health and productive energy of our allies--represent a vital contribution to the over-all war effort.

G. War Shipping Administration and Maritime Commission

The major Lend-Lease activity in providing defense services, as distinguished from defense articles, has been the construction and repair of vessels. This has been handled on our behalf by the Maritime Commission, with whom we have always enjoyed close and harmonious relations.

Our contacts with the War Shipping Administration have primarily involved their discharge of responsibility for calling Lend-Lease cargoes forward to port and their supervision of loading ships. Under authority from the Lend-Lease Administrator, since December 1, 1942, additional responsibilities in this field have been entrusted to the War Shipping Administration with beneficial results. More recently, the War Shipping Administration has acted as our agent in arranging for the transportation of goods on Army-controlled vessels.

Assumption of the above-described procurement and supervisory responsibilities by the Maritime Commission and the War Shipping Administration has enabled this Office to limit the personnel of its Storage and Transportation Division to a mere handful of people.

H. Office of Economic Warfare

As is more fully expressed elsewhere, the basic function of the Office of Lend-Lease Administration has been to supply to the

various Lend-Lease countries defense articles in amounts necessary for the prosecution of the war in so far as competing demands permit and to make every effort to see that supplies are delivered to the proper place at the proper time.

In the performance of these duties, the Office of Lend-Lease Administration has had to operate in close collaboration with the Office of Economic Warfare (formerly the Board of Economic Warfare). The objectives of both agencies in the control of exports has been identical, except for the fact that the Office of Economic Warfare has exerted its control in the field of private trade, while the Office of Lend-Lease Administration has regulated government-to-government transactions. Both agencies have exercised their authority to regulate exports in the interest of effective prosecution of the war.

From the outset, every effort has been made through consultation and maintenance of close liaison at operating levels to coordinate the activities of this Administration and the Office of Economic Warfare. An illustration of this is the agreement between the two agencies made in September 1942, under which it was provided that the Office of Lend-Lease Administration should present the requirements for both Lend-Lease and commercial supplies as to certain countries, and the Office of Economic Warfare should handle such requirements as to others. In general, this division of responsibility resulted in assignment to the Office of Economic Warfare of responsibility for the Latin American Republics and for European neutrals and their possessions. The Office of Lend-Lease Administration was to handle requirements for the remaining countries in the Eastern Hemisphere, the defense of which has been found by the President to be vital to the defense of the United States. This method of approach has proved satisfactory and has been kept sufficiently flexible to permit changes in responsibility whenever warranted by changed conditions. The last major change in responsibility was made in February, 1943.

Some months ago a system of program licenses was established through the cooperative effort of the Office of Economic Warfare and the Office of Lend-Lease Administration, whereby the necessity for individual export licenses was eliminated in many cases. A program covering all exports for a particular country, or group of countries, was drawn up and submitted to the War Production Board in so far as it concerned items which could not be exported without its approval. This office was given charge of drawing up certain of the programs, such as those for the British Empire, while the Office of Economic Warfare drew up others. The programs included both Lend-Lease and commercial exports. After approval was secured, the Office of Economic Warfare issued a single program license to the appropriate representative of the foreign countries, usually the foreign supply missions

in the United States. The license holder could then proceed to export goods up to the minimum allowed by the program.

There have been many situations in which the Office of Economic Warfare (or its predecessor, the Board of Economic Warfare) and this Administration were jointly concerned. In such instances, one agency or the other has often by agreement taken full responsibility for both, while in other cases joint effort has been deemed more advisable. Correlation of the activities of the two agencies has been materially aided in the past through membership of the Lend-Lease Administrator on the Board of Economic Warfare and through day-to-day liaison in operations. In foreign fields, the activities of the two agencies have been coordinated and supervised by representatives of the State Department.

By executive order, the Office of Economic Warfare has been authorized to supervise receipt by the United States of reciprocal aid and benefits other than arms or weapons of war and to determine "the terms upon which such aid shall be received, including the authorization of other government agencies to receive such aids and benefits". This covers acquisition of strategic materials, but does not cover goods and services furnished American troops abroad, and Office of Economic Warfare has not participated in handling this latter type of reciprocal aid.

Early this year a new procedure for procurement of strategic materials abroad was established by agreement between the Office of Economic Warfare and the Office of Lend-Lease Administration, under which the Office of Economic Warfare has determined what commodity is desired, handled its importation and determined the price at which it may be sold, and this Office has negotiated the obtaining of the commodity as reverse Lend-Lease, kept the accounts and received the net proceeds from sales from any commodity acquired by Lend-Lease in reverse. The State Department has played a vital role in all the negotiations with foreign governments.

Occasionally, through a government corporation such as the United States Commercial Corporation, OEW has purchased a commodity abroad which the Office of Lend-Lease Administration desired to acquire and send to a foreign country under Lend-Lease. Negotiations have then taken place between OLLA and OEW as to price and other details.

The lack of a clear division of responsibility between the Office of Economic Warfare and the Office of Lend-Lease Administration in certain fields of activity was initially a source of considerable friction between the two agencies, but the past year has

been marked by great steps toward clarification of these responsibilities and a very real desire on the part of the officials of both agencies to approach their common problems in a cooperative spirit and to minimize jurisdictional disputes. Establishment of the new Foreign Economic Administration should make this aim even easier to attain.

I. Office of Foreign Relief and Rehabilitation Operations

Pursuant to a directive of the President dated March 19, 1943, the Office of Foreign Relief and Rehabilitation Operations was ordered to "plan, coordinate and arrange for the administration of this Government's activities for the relief of victims of war in areas liberated from Axis control" through the provision of basic necessities, housing facilities and essential services. The supplies needed to accomplish this objective had to be procured with Lend-Lease funds on programs and requisitions submitted by OFRRO. Such programs have been subjected to Lend-Lease standards of eligibility.

Differences of opinion as to quantities and types of articles necessary for liberated areas and the advisability of stockpiling the articles in advance have sometimes arisen. Until recently this was accentuated by the fact that British and American military and civilian authorities had reached no agreement on the subject of the respective responsibilities of the two governments for relief and rehabilitation of the areas involved, and by the fact that the extent to which military authorities would assume initial responsibility in particular areas was undecided. Despite these difficulties, an agreement was reached with the Office of Foreign Relief and Rehabilitation Operations under which the two agencies collaborated in developing plans for, and determining the requirements of, liberated areas. A similar relationship was established with OEW on a less comprehensive and less formal basis. The Office of Lend-Lease Administration has actively participated in the shaping of OFRRO's programs and has exercised its customary screening functions in the formulation and clearance of requirements. It has similarly collaborated with OFRRO in working out problems concerning stockpiling, storage and shipment of supplies.

Pursuant to a letter dated June 3, 1943, from the President to the Secretary of State, procedures and administrative machinery were established to bring together the planning and operations of the several agencies concerned. Under the general auspices of the Office of Foreign Economic Coordination of the State Department, a series of committees were established, headed by a Policy Committee and a

Coordinating Committee under chairmanship of an Assistant Secretary of State, and with representatives from OFRRO, Office of Economic Warfare, Treasury, Lend-Lease and the Army and Navy. Within this framework, area committees with membership drawn from the above-named agencies were formed for all areas now under Axis control. On all these area committees the Office of Lend-Lease Administration has assumed special responsibility for shaping requirements programs.

Creation of the United Nations Relief and Rehabilitation Administration and of the Foreign Economic Administration should go far toward centralizing policy and operating responsibilities and toward terminating the confusion which, unfortunately, has heretofore pervaded this entire field of activity.

J. Petroleum Administration for War

The Petroleum Administrator for War has power to coordinate all federal activities concerned with the production, refining, transportation and marketing of petroleum and also has power to pass on any proposed action affecting the availability of petroleum and its products. This means that, for example, a proposed Lend-Lease shipment of an oil refinery to Russia must be cleared with the Petroleum Administrator for War. Likewise, programs covering petroleum products for Lend-Lease countries have been subject to approval of the Petroleum Administrator. The Lend-Lease Administrator held membership on the Petroleum Board of the Petroleum Administrator and has thus been in a position to keep in touch with the petroleum situation.

The advice of the Office of the Petroleum Administrator has been unfailingly sought in all matters subject to its jurisdiction, and the Office has been of great assistance in the solution of Lend-Lease problems in this field.

The Office of Lend-Lease Administration has also been represented on the Petroleum Requirements Committee in the Office of the Petroleum Administrator for War, which performs functions similar to those of the Requirements Committee of the War Production Board, and on the Foreign Petroleum Committee and the Foreign Petroleum Materials Committee.

K. Other Departments and Agencies

The foregoing are the departments and agencies with which the Lend-Lease Administration has primarily dealt. Our relations with

other war agencies have been uniformly excellent. In the Caribbean Area we have worked in closest cooperation with the Coordinator of Inter-American Affairs, as well as with the Office of Economic Warfare. Our rubber requirements have been processed through the Office of the Rubber Director. The Departments of Commerce and of the Interior, as well as the Reconstruction Finance Corporation and its subsidiary corporations, have been repeatedly helpful in the handling of problems involving mutual interest or responsibility.

Screening
of Requests

Section VII

SCREENING REQUESTS FOR LEND-LEASE AID

A. General

The Lend-Lease Act provides that "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--

"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."

The Defense Aid Supplemental Appropriation Act of March 27, 1941 and subsequent Acts have made funds available for the manufacture and procurement of such articles. The Executive Order of October 28, 1941 created the Office of Lend-Lease Administration "in order to provide for the more effective administration of those Acts in the interest of national defense" and required that "The Administrator shall make appropriate arrangements . . . for the review and clearance of Lend-Lease transactions."

Thus, the Office of Lend-Lease Administration was charged with two important functions. It had to see to it that articles needed for defense purposes and for the prosecution of the war effort got to areas the defense of which had been declared by the President to be vital to the defense of the United States. This had to be done rapidly and efficiently. In addition, the Office was responsible for reviewing and clearing Lend-Lease transactions to insure that articles sent out of the country were in fact needed in the areas to which they were to be sent for the sole object of fulfilling the purpose and provisions of the Lend-Lease Act.

In carrying out these functions, the Office of Lend-Lease Administration has submitted all requests from Lend-Lease governments to careful screening.

B. Purpose

The screening procedure will be described in detail below, but first it is appropriate to indicate what questions are considered in the course of screening requests.

The aspects of requests particularly examined in screening may be summarized as follows:

1. Will supply of the requested material to the requesting government contribute to the war effort?
2. What is the position of the requesting government with respect to dollars or other assets convertible into dollars?
3. What conditions exist in the area of destination?
4. Is there any material which it would be more advisable to supply than the requested material and which is nevertheless suitable for the indicated purpose?
5. Are the specifications correct?
6. Are the necessary raw materials and productive facilities available? If so, as between competing needs of Lend-Lease governments, should they be used to fill this request?
7. Is the material requested more readily or sensibly obtainable from some other area?
8. Can the material be shipped?

1. Contribution to the War Effort

To answer this question, the requesting government is asked to state in fullest possible detail the exact uses to which requested materials will be put. In the case of raw materials and semi-fabricated materials, the requesting government is required to indicate not only the immediate but the ultimate uses of such materials. Articles of primarily military nature (tanks, guns, planes, ammunition) are requested directly from the War Department or Navy Department, whose officials pass upon the need with an eye to the plans and requirements of the Combined Chiefs of Staff. In the case of civilian and semi-military goods (raw materials and components), which are the primary responsibility of the Office of Lend-

Lend-lease Administration, the requesting governments must supply information regarding stockpiles, rationing systems, distribution controls, quantities formerly used, quantities now required for specific periods, ability to fabricate raw materials, and ability to manufacture or produce finished articles.

Against this background of information, the requesting government must demonstrate, in terms of its war effort, its real need for the particular materials or objects requested.

2. Available Dollar Resources

It has been the settled policy of the Office of Lend-lease Administration not to supply materials on a straight Lend-lease basis if the recipient area or country has sufficient dollar resources to pay for goods. Hence, through appropriate United States agencies and through information supplied by foreign governments, the Administration keeps itself informed as to the amount of foreign exchange at the disposal of requesting governments and adjusts its treatment of requests to accord with changing situations.

For example, the defense of an area may be clearly vital to the defense of the United States, as in the case of New Caledonia, a military base in the Guadalcanal campaign. Such an area may have had only limited commercial relations with the United States, or none at all, and may have no available dollar exchange. Materials, if needed, would be supplied on a straight Lend-lease basis. The area might thereafter develop trade relations with the United States and acquire dollars as a result of trade. The appropriate authorities of the area would then be informed that supplies from this country must be purchased for cash and can no longer be supplied on a straight Lend-lease basis.

3. Area of Destination

A distinction has been made between war-zones and non-war-zones, since it is believed that certain types of goods, notably civilian consumer goods, make a clear contribution to the war effort in war areas, but not necessarily in non-war areas. The Office of Lend-lease Administration therefore works closely with other American agencies in determining how vital to the United Nations' war effort it is to maintain civilian strength in various areas. As the war progresses, the change in importance of areas is reflected in changing Lend-lease policy.

4. Essentiality of Materials

After need for a given item has been demonstrated, investigation is made to determine whether the materials requested are in fact proper for the indicated purpose. A staff of experts, thoroughly familiar with War Production Board limitation orders and the supply position of various materials here in the United States and elsewhere, studies requests to discover whether a material in more abundant supply could reasonably and appropriately be substituted for a requested material in short supply. More plentiful alloy metals have been substituted for those in short supply in producing alloy steel; non-alloy steels have been substituted for alloy, or vice versa, depending on which is in shorter supply; low grade steels have been substituted for high grade steels. The best known and perhaps the most spectacular change has been the substitution of dehydrated foods for normal food products. This has saved packing materials, refrigerating materials and preservatives and, above all, has saved very considerable shipping space.

5. Specifications

Specifications of a request are carefully examined to discover (a) whether they accord with standard American specifications (b) whether they accord with War Production Board limitation orders and regulations and (c) whether they can be so altered that, while the same purpose will be met, greater standardization, simplification and conservation may be achieved.

This is done to avoid delays and manpower waste involved in re-tooling and to save raw materials.

Examination is made not only in the case of complicated machines, where savings can be great, but also in the case of comparatively simple objects, where the savings, though less spectacular, in the aggregate may be greater. For example, the specifications of steel shapes have been frequently altered to make requests conform with American standards. Even the number of teeth requested on ordinary hand rakes has been altered to make a request conform to a War Production Board limitation order.

In some cases the Office of Lend-Lease Administration does approve of requested specifications departing either from American standards or from War Production Board regulations. In such cases, however, a particularly careful study of the requesting government's justification is made in order that the Office may be fully satisfied that the departure is essential.

6. Availability

Availability of a requested article does not mean absolute availability, but relative availability. Granted the need for requested material, the question arises, if the material is in short supply, whether that need is greater than other needs for the same material.

The weighing of Lend-Lease needs against other needs, such as those of the War and Navy Departments or of American civilian users, is properly the province of the War Production Board. The Office of Lend-Lease Administration gives that Board such assistance and cooperation as may be needed to make a decision.

However, determination of the degree of need as among various Lend-Lease countries does rest with this Office. All requests are weighed against other requests for similar objects submitted to the Administration to insure that materials will be sent to the place where they make the greatest contribution to the war effort.

7. Other Sources

Before approving a request, a study is made of outside sources of supply to determine whether a material can more readily or sensibly be supplied from sources other than the United States. Four aspects of the problem are especially considered:

(a) Are the resources, production facilities and labor of the requesting area being effectively used? Is it certain that a requested material cannot be obtained in the requesting area itself if its resources were more effectively used?

(b) Are there available other sources of supply for materials in short supply, the use of which would protect American resources?

(c) Can the requesting government obtain the requested supplies with its own currency or with foreign exchange other than dollars? The best example of this is the regular examination of British requests to determine whether the requested object is available from British Empire sources.

(d) Can sources nearer the place of destination be used in order to save shipping?

8. Shipping

The final question is whether or not the requested object can be shipped to its destination. Every effort is made to avoid using American materials, productive facilities and labor to produce objects which will clog storage facilities rather than get to the places where they are needed.

Inventories of unshipped items are compiled. If similar items are requested, a thorough investigation is made as to why the objects already supplied have not been put to use. When desirable, requests submitted by one foreign government are filled from materials already produced and held for another government without prospect of being shipped. In this way waste of productive effort is held to a minimum.

9. Conclusion

The above description of the screening process sets forth the ideal standards which have been developed and have become the constant aim of the Office of Lend-Lease Administration. However, during a war the emergency of need frequently makes speed an all-important factor. Delays may be costly in terms of both lives and materials. Hence the screening must be flexible to meet the exigencies of the situation dealt with. This was true in a great many instances in the months following Pearl Harbor; it remained true in some situations as the tide turned and the United Nations armies advanced. Except under unusual circumstances, however, requests for aid are submitted to the full screening process.

C. Procedure

The questions considered in the screening process having been discussed, it is further appropriate to describe the six principal stages in which the screening process is applied:

1. In the field;
2. In the appropriation stage;
3. In the program stage;
4. With other United States Government agencies;
5. In the pre-requisition stage;

6. In the requisition stage.

1. Examination in the Field

In almost all countries and areas to which Lend-Lease goods are sent, the Office of Lend-Lease Administration has either maintained its own representatives or utilized the services of representatives of other United States Government agencies, particularly representatives of the Departments of State, War and Navy. These United States Government representatives, whether attached to the Lend-Lease Administration or to other agencies, examine the over-all requirements programs of the areas in which they work and also examine specific individual requests submitted against established programs.

For example, in Australia and New Zealand, the over-all requirements programs are submitted to Lend-Lease representatives and also to representatives of the War or Navy Departments before submission in Washington to the Lend-Lease Administration. Also, in these countries, each specific request for Lend-Lease assistance is submitted to the American representatives in the areas before formal submission to Washington, and no request is approved in Washington unless it has prior approval of the American field representatives.

In other areas, for example, French Equatorial Africa and the French Cameroons, no specific request is approved unless it falls within a program approved by the American Consul General there. Specific requests, even for materials falling within established programs, are frequently referred back to the field representatives for additional information and examination. In the case of North and West Africa, no request is granted unless it has had prior approval of the North African Economic Board, made up of British and American representatives working under the direction of the American Commander-in-Chief of the area.

In Great Britain, the Harriman Mission has specifically examined all requests for machine tools and generally advised the Office of Lend-Lease Administration as to the urgency of British needs and preferable sources of supply.

2. The Appropriation Stage

In connection with submission of appropriation bills to Congress, the Administration has prepared the cost of materials by areas and by commodities which may be supplied on a Lend-Lease basis. These budgetary estimates have been discussed with other American agencies in order to find out whether the indicated amount

of materials could be supplied and also whether shipping would be available to export it. Thus the budget for petroleum products has been discussed with the Office of Petroleum Administration for War; the budget for agricultural products with the Department of Agriculture; the budget for other items with the War Production Board. All budgets have been discussed with the War Shipping Administration.

In connection with the fourth Lend-Lease appropriation, the original estimate was reduced by 19% in terms of dollars and by more than 30% in terms of dry cargo tonnage, as a result of the examination made by the Office of Lend-Lease Administration and consultations held with other American agencies.

3. The Program Stage

Countries eligible for Lend-Lease assistance have been required to submit programs by quarters and by commodities. In the case of countries for which the Administration has been claimant agency, these programs have included all commodities which the countries wish to obtain in this country, whether the country was to obtain them with Lend-Lease assistance or with cash. In the case of countries for which OEI rather than Lend-Lease has been the claimant agency, these programs have covered only the items which the countries expect to obtain with Lend-Lease assistance. The programs are generally submitted three or four months before the quarter first covered. For most areas, they have been submitted on special forms requesting information not only as to the items desired and quantity desired but also information regarding the amount of the item produced at home, the amount obtained from other areas, and the amount on hand. These programs have been carefully examined by the Administration and then, item by item, discussed with the War Production Board Commodity Divisions, with the Department of Agriculture, Petroleum Administration for War, or other interested agencies.

In respect to the items controlled by the War Production Board, they have been considered by the Divisional Requirements Committee, the Program Adjustment Committee and the Senior Requirements Committee, on all of which there are representatives of other claimant agencies, such as the War Department, Navy Department, Maritime Commission, Office of Economic Warfare and the Office of Civilian Supply. It is the job of these committees to consider the requirements submitted by all of these agencies and weigh the claims of one against another. Following approval by these Committees, the Lend-Lease Administration has notified the various Lend-Lease countries of the maximum amount of various items which may

be supplied either on Lend-Lease or a cash basis.

Whenever materials not formerly in short supply become scarce, the Administration requested new and revised programs which were submitted to the War Production Board Requirements Committees and other agencies for approval. The programs were revised every three months and have been continually subject to scrutiny not only by the Lend-Lease Administration, but also by the War Production Board and other similar agencies.

The programs have been submitted by foreign governments to the Administration and accompanied by detailed justifications and explanations of the uses to which the requested materials would be put. If the Administration was not satisfied with the explanations given and was unable to obtain satisfactory explanations, it did not request from War Production Board the allotment of material. The War Production Board Divisional Requirements Committees, in turn, when weighing these programs against those submitted by other claimant agencies, refused allocations to the Lend-Lease Administration unless satisfied both as to the quantity and the indicated uses.

4. Examination by Other United States Government Agencies

As has been indicated above in discussing the appropriation and the program stages, the Administration has worked very closely with other United States Government agencies when considering and examining the programs and requests for Lend-Lease countries. Specific requests have been examined by the War Department and by the Navy Department to determine the extent of interference with the supply programs of the services. They have also been examined by the Conservation Division of the War Production Board with a view to suggested substitutions and simplified specifications.

The requests for petroleum products and for equipment to be used in connection with petroleum refineries and petroleum establishments are examined by the Petroleum Administration for War. Requests for rubber are examined by the Office of the Rubber Director. Other agencies have been consulted when it was appropriate to do so.

In connection with the establishment of program licenses, the programs of Lend-Lease countries were reviewed by the Office of Economic Warfare.

5. Pre-requisition Stage

The authorities of certain areas, notably China, French Equatorial Africa, French Cameroons and Iceland, have submitted to

the Administration pre-requisitions before submitting formal requisitions for Lend-Lease assistance. These pre-requisitions have been carefully examined by various branches of the Office of Lend-Lease Administration, and also discussed with other American agencies. The submitting government has been informed that the request should be cancelled or changed, or might be accepted, according to circumstances.

In the case of China, very extensive discussions were carried on regarding specific requests before formal submission. Representatives of the War Production Board, the War Department and other appropriate agencies frequently participated with the result that, by the time a formal requisition was submitted, it had already been approved by all interested agencies.

6. In the Requisition Stage

Before any materials have been supplied on a Lend-Lease basis, the recipient has had to submit to the Administration a formal request for the materials, known as a requisition. As is indicated above, before any requisitions have been submitted, requests have already been carefully examined in the field, at the time the budget was established, at the time programs were established, and with other Government agencies. Nevertheless, each individual requisition has been subjected to a thorough examination before being approved. Examination has been made by the following units of this Office:

- (a) Foreign Liaison
- (b) Requirements and Control
- (c) General Counsel's Office
- (d) Clearance Office
- (e) Clearance Committee
- (f) Allocations Accounting
- (g) Finance Branch

After approval, requisitions are subject to further examination by the following:

- (h) Administrator's Office

(1) Procurement Control and Redistribution

Foreign Liaison - The appropriate branch of the Foreign Liaison Division determines:

1. whether a request falls within the program of the area in question,
2. whether it conforms to Lend-Lease policy,
3. whether supply of the requested material will contribute to the war effort,
4. whether the quantity requested has been budgeted,
5. whether immediate conditions both in this country and in the requesting area warrant supply,
6. whether it unnecessarily duplicates other requests,
7. whether the material can be supplied from the requesting area itself or from other areas,
8. whether the financial position of the requesting country warrants Lend-Lease assistance.

Requirements and Control - The appropriate commodity officer of the Requirements and Control Division determines whether the proper material has been requested, whether the specifications are correct, whether the requests conform to War Production Board regulations, whether the supply situation in this country warrants export, etc.

General Counsel's Office - The General Counsel's Office decides whether the requisition conforms legally to provisions of the Lend-Lease Act.

Clearance Office - The Clearance Office examines the requisition to see whether it has been given appropriate consideration by other Divisions of the Administration and whether it conforms with general Lend-Lease policy. The Clearance Office likewise examines all requisitions submitted by foreign governments to the War and Navy Departments to make certain that they do not duplicate requisitions submitted to the Office of Lend-Lease Administration and also to make certain that they conform with general Lend-Lease policies. It does not attempt to determine whether materials so

requested are genuinely needed and are available. Such considerations are left to the War and Navy Departments.

Clearance Committee - A special Clearance Committee, composed of the Senior Assistant Administrator in charge of all Foreign Liaison Divisions, a Senior Assistant Administrator in charge of the British Liaison Division, an Assistant Administrator in charge of the "Other United Nations" Liaison Division, the Chief Clearance Officer and a member of the General Counsel's Office, reviews all requisitions the approval of which may be open to question from a policy point of view. Requisitions are submitted to the Committee either by a Foreign Liaison Officer or by the Chief Clearance Officer, if a re-examination is felt desirable.

The Clearance Committee, on its own initiative or under the direction of the Operations Committee, continually revises policy to accord with changing world conditions. One of the most recent changes of policy concerned the lend-leasing of capital goods to the British Empire. It was adopted by the Operations Committee in October 1943, following several months' consideration. The new policy reads:

"Effective November 15, 1943, the following categories of items heretofore obtained on requisitions filed with the Lend-Lease Administration will be furnished to the British Empire only for cash (preferably through ordinary commercial channels unless in special cases procurement difficulties necessitate the use of Lend-Lease cash reimbursement procedure):

- (a) Projects of a permanent nature;
- (b) Machine tools;
- (c) Materials and equipment for the production and refining of petroleum, excluding drum sheets and pipe lines for direct military use;
- (d) Industrial equipment;
- (e) Portable electric and pneumatic tools."

Allocations Accounting - The Allocations Accounting Section checks requisitions to make sure that requests for allocated materials fall within allocations granted to the Administration by the War Production Board, Department of Agriculture or other allocating agencies.

Finance Branch - The Finance Branch examines requisitions to make certain that funds are available for procurement of the requested items.

Administrator's Office - If the requisition receives approval of all these branches and sections, it is then transferred to a Commitment Letter, executed by the Administrator or his Deputy, which gives legal authority to a government procurement agency to procure, transfer and export the requested goods and charge the cost to funds appropriated to the Administration by Congress.

Procurement Control and Redistribution - After approval by the Lend-Lease Administration, requisitions covering articles procured by Treasury Procurement and some others are sent to the War Production Board for review, rating and (in some cases) scheduling by appropriate Commodity Division and by the Foreign Division. Finally, before articles are exported from the country, they are subject to re-consideration with a view to redistribution, as will be discussed more fully in the following section.

D. Inventories and Materials Redistribution

In the early part of 1943, the Office of Lend-Lease Administration saw that stocks of certain types of materials procured upon the request of foreign governments and in storage in this country were in some instances excessive. The Administrator's directive dated December 1, 1942, which extended the Administration's control over Lend-Lease materials in the United States by postponing transfer to the foreign government until loading aboard ship, had greatly facilitated assumption of responsibility for controlling stocks of such materials.

The accumulation of stored material was attributable to at least four causes: (a) the usefulness of certain articles procured upon request had been outmoded by changes in warfare or by developments in science or production; (b) as a result of sinkings the United Nations merchant marine was not of sufficient capacity to carry all the needed cargo to all countries; (c) temporary diversions of available shipping from a Lend-Lease country to a critical theatre of war, and (d) the necessity for a foreign government to give shipping priority to one type of commodity at the expense of another, e.g., food as against steel, because of the changing conditions of war.

In addition to curbing new production of articles of which

there was a surplus, a Lend-Lease Redistribution Committee was appointed in February, 1943, for the purpose of reducing stocks intelligently in the light of conditions that might have caused the excess, and of putting idle surpluses to the best possible use in the total war effort. This committee surveyed the inventories from the standpoint of the need of the requisitioning government, present and prospective, and of the relation of the supply on hand to the possibilities of shipment. Articles of which there was found to be an unneeded surplus were reclaimed and diverted either to other Lend-Lease governments, to other departments of our own Government or back into American industry. In the case of all allocated materials, diversions within the United States were made through the Redistribution Division of the War Production Board to insure continuance of proper control and redistribution in channels where the need was most vital.

In July of this year, it was recognized that a similar problem existed in connection with cancellation or curtailment of pending orders for production of materials for the procurement of which Lend-Lease funds had been allocated. To deal with this problem an Orders Redistribution Committee was appointed. Its function was to cancel orders and recover the allocated funds when it determined that production was no longer needed, or to divert pending contracts to other Lend-Lease or domestic users.

Because of a similarity of the principles which guided the decisions of the Materials Redistribution Committee and the Orders Redistribution Committee, and because of a realization that the problems they faced would become increasingly important in the future, the functions of the two committees were transferred to a new operating division in September, 1943.

The main functions of this Division, known as the Procurement Control and Materials Redistribution Division, have been:

- (a) To maintain a correlation between the requisitioning, procurement and inventory position consistent with Lend-Lease policy.
- (b) To expedite requisitions through the various procuring agencies, with the exception of the Department of Agriculture.

The specific functions of the Materials Redistribution Branch of the Division have been:

- (a) To analyze Lend-Lease inventories for conformance to Lend-Lease policy.

- (b) To assume responsibility for the redistribution or other disposal of excess or immobile inventory.
- (c) To maintain operating records necessary for efficient conduct of the functions of the branch.
- (d) To determine initially and recommend to the Chairman of the Operations Committee through the Director of the Division responsibility for any monetary losses resulting from the redistribution of materials.

From the beginning of the redistribution activity to date, approximately 220,000 tons of materials have been diverted from the countries for which they were originally procured. The bulk of this was taken from stocks on hand for the Soviet Government, and the redistributions have been principally for domestic uses.

The difficulties of determining a reasonable stockpile are illustrated by the following examples: (1) From November, 1942, to March, 1943, shipping was diverted from the United Kingdom to North Africa. In spite of immediate curtailment in production British steel stocks increased in this country to a level greater than necessary. But by July of this year, practically all of this stockpile had been lifted and shipped when increased shipping was available. (2) About 10% of the steel originally diverted from the Soviet Government was subsequently returned to them and shipped. This reversal was due both to the fact that the success of their summer offensive changed their requirements and to the increase in shipping capacity to carry their needs to them.

E. Policy on Long Term Projects

The Office of Lend-Lease Administration has recognized that any decision to use Lend-Lease funds for construction of facilities or projects of enduring value should be weighed with special care from the standpoint of their contribution to the war and the postwar uses to which they might be put. This subject has had increasing attention over the period covered by this report.

For some time it has been required that all projects of this kind, whether for construction in the United States or abroad, be submitted to review by the Administrator before action was taken by a member of the staff. The Administrator has assigned these

cases for thorough consideration from a policy and technical standpoint to a Projects Review Group, whose membership has included a Project Engineer, with a request for recommendations as to appropriate action.

As the war entered its later phases, it was felt advisable to give projects closer scrutiny in the field, and all Lend-Lease missions were instructed to do so. Industrial engineers were detailed to the more important missions to assist in investigation and in the submission of complete data to Washington.

A definite policy on projects was formulated and announced on July 6, 1943, stating that no project for any Lend-Lease country would be approved except upon a strong showing that it would clearly contribute to the winning of the war. It further provided that emphasis would be placed on projects or equipment for projects which could be readily used either in the United States or other Lend-Lease countries in the event of interruption in shipping to the originally proposed destination and that the project should be of standard design in so far as possible.

Other factors considered in applying this policy have been the length of time necessary to fabricate the project, ship it and place it in operation in the country of destination. Preference has been given to projects as to which this could be accomplished within a period of 18 months or less. The Administrator laid down a flat rule that no project requiring more than 24 months to fabricate, ship and put into operation would be approved by the Lend-Lease Administration. The only exceptions made to this rule have been cases where strategic or diplomatic considerations were directly involved, in which instances the Administrator has sought the advice and recommendations of the appropriate authorities.

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Section VIII

LEND-LEASE AND FOREIGN TRADE

It was apparent almost from the beginning of Lend-Lease that its operations had a decided effect upon United States foreign trade. Established lines of United States goods were being furnished on a government-to-government basis under Lend-Lease instead of through private trade channels; completely new products were being introduced; and wherever Lend-Lease was operating there was inevitable displacement of the normal principal-agent relationships. Furthermore, there was widespread concern that the United Kingdom might use materials received under Lend-Lease in her own export trade in competition with American exporters. The manner in which these problems have been approached is set forth in this chapter.

A. Private Trade

The Office of Lend-Lease Administration has had under constant study the effect of its operations upon private trade, and has pursued a policy of interfering with private trade only to the extent necessary for the successful prosecution of the war. As a result it has been found possible to reduce cash reimbursable Lend-Lease aid to a very minor factor in our whole operation, to give greater recognition to trade names in procurement, to recognize the services in connection with Lend-Lease transactions which can be performed by export agents, and from time to time to restore to commercial channels those requirements for which government channels are no longer necessary.

The advice and experience of people engaged in foreign trade have been called upon by the Office of Lend-Lease Administration in meeting the varied export and import problems faced by the organization. These contacts with the foreign trade interests, previously maintained on an informal basis, were formalized in July 1943 by establishment of a Lend-Lease Foreign Trade Committee having a membership of some 18 persons. This group has already been of great assistance to us on such matters as the resumption of private trade to North Africa, finding sources of parts for captured German and Italian trucks, and unearthing additional textile production for Lend-Lease in Mexico.

B. Control of British Exports

In 1939 and 1940, the British embarked on an export drive as a means of obtaining the foreign exchange needed for filling abroad their tremendously increased requirements for war materials. Their military requirements from the United States were so far in excess of the commercial shipments which could be made to us by a nation at war that the government of the United Kingdom soon lacked the dollars with which to pay for what it obtained from us. This was one of the chief reasons for passage of the Lend-Lease Act.

After passage of the Act, United States business men, trade associations, and even some government departments, protested against the possibility of British exports of goods made from critical materials, the use of which was being restricted in this country. Conferences between representatives of the British government and our State Department, aided by the Office of Lend-Lease Administration, resulted in the issuance by the British on September 10, 1941, of a White Paper dealing with this problem.

This White Paper was a unilateral statement by the British Government of the export policy it would pursue with reference to materials secured from the United States, either under Lend-Lease or by direct cash purchases. Lend-Lease shipments themselves were not to be used for export. The statement further provided that, with certain minor exceptions, materials or products obtained from us and which were in short supply here would not be re-exported. Materials similar to those provided under Lend-Lease which were not in short supply in the United States were also to be controlled in such manner as to prevent United Kingdom exporters from entering new markets or extending their export trade at the expense of United States exporters.

In addition to control of exports, the White Paper set forth the general principles to be observed with respect to distribution of Lend-Lease materials. The arrangement rigorously excluded any opportunity for speculative profit by private interests.

This declaration was a broad undertaking and required discussion and agreement on policy interpretation, and the establishment of implementing procedure, both between the governments involved and between the various agencies within the governments.

The British requested United States cooperation in their attempt to develop efficient methods for administering their undertaking. There was no established channel through which the British could submit their questions to this Government, and the need for one was obvious. By agreement, Lend-Lease was designated as the United States Government agency in which responsibility for dealing with the British on White Paper problems should be centralized. A "White Paper Section" was set up in the Office of Lend-Lease Administration to carry out this responsibility. The following is a general statement of the activities of this Section:

- (1) To provide the British Board of Trade with current information regarding materials in short supply in the United States, and in agreement with them, list those items which are being obtained here by the U.K. and which therefore must be controlled as to export.
- (2) To Recommend to the Board of Trade waivers covering materials and products unobtainable in the United States and needed in the war effort or in the essential civilian economy in markets covered by the provisions of the White Paper . Such recommendations vary as to type. They may be (a) individual case waivers covering a single item or lot; (b) quota waivers covering exports considered necessary to the extent of a limited quantity and/or a period of time; (c) blanket waivers when there is need of an item which we have never manufactured and are therefore totally dependent upon imports for our requirements. These carry neither time nor quantity restrictions.
- (3) To participate in various "Combined Committees" handling problems of joint U.S. - U.K. export programs on both commodity and specific area bases. The White Paper principle is an important factor in the determination of sources of supply for requirements of all Allied or neutral countries. However, when more important factors dictate, White Paper waivers are recommended to cover the U.K. portion of such programs.
- (4) To cooperate with the British in checking observances of the White Paper . Complaints from United States industry are reviewed, ships' manifests covering arrivals in Western Hemisphere countries are checked, confidential statistics furnished us by the Board of

Trade are examined and all questionable items are discussed with the British.

- (5) To provide the Requirements and Liaison Divisions of the Office of Lend-Lease Administration with information which may be of assistance in the thorough screening of Lend-Lease requisitions.

This White Paper Section has worked closely with the Department of State, Office of Economic Warfare, War Production Board and other United States departments and agencies, with the British Embassy and the Board of Trade Delegation and with American industry, in a constant effort toward complete cooperation with the British and protection of American commercial interests, bearing in mind the most efficient utilization of material supplies, production facilities, labor and shipping in connection with the United Nations war effort.

Facilities

Section IX

PROJECTS AND FACILITIESA. Dehydrated Foods

The entry of the United States into the war was accompanied by need for vast supplies of dehydrated vegetables and other foods, the primary cause being the necessity for transporting ever-increasing quantities of foodstuffs both to our allies and to our own troops overseas by means of a critically inadequate merchant marine rapidly being diminished by enemy submarines.

This sudden demand for dehydrated foods found production facilities clearly insufficient, and in the case of dehydrated vegetables, practically non-existent. The Army Quartermaster Corps, with the support of the Lend-Lease Administration, therefore set about augmenting existing facilities on the one hand and virtually creating a new industry on the other. Wherever private enterprise was willing to expand to meet requirements, this was encouraged; and wherever the response did not meet essential requirements, Lend-Lease funds were employed to increase facilities, which were then leased to operating producers.

The dehydration of vegetables was a small industry without sufficient trained personnel to operate greatly expanded facilities. To meet this problem, the Office of Lend-Lease Administration appropriated \$30,000 to finance two dehydration schools, one at Albany, California, and the other in Rochester, New York. The services of leading authorities on the various phases of vegetable dehydration were obtained to provide instruction; and, in all, 250 trained operators were turned out from these schools.

By May of 1943, there were 105 vegetable dehydration plants ready for operation, with a further 85 under construction. At the present time, 181 vegetable dehydration plants are in operation.

A list of the dehydrated food facilities used in whole or in part to meet requirements of the Lend-Lease program follows:

<u>Type of Plant</u>	<u>Number</u>	<u>Total Capacity</u>
Vegetable Dehydrator	181	259,000,000 lbs.

Milk Powder Spray	205	383,900,000 lbs.
Milk Powder Roller	800	212,200,000 lbs.
Egg Drying	115	348,500,000 lbs.

The following is a list of the facilities for dehydrated food production financed in whole or in part by Lend-Lease:

<u>Type of Plant</u>	<u>Number</u>	<u>Total Cost</u>	<u>Total Capacity</u>
Vegetable Dehydrator	8	\$1,220,207	37,800,000 lbs.
Milk Powder Plants	16	3,345,552	69,500,000 lbs.
Raisin Drying	18	1,000,000	20,000 tons
Apple Drying	1	115,000	3,000,000 lbs.
Citrus Concentrates	2	1,410,000	1,700,000 gals.

These facilities have been leased to the operators, who have been amortizing them over the period of the lease. In the case of vegetable dehydration plants the amortization period agreed upon was five years; but, in the case of milk drying plants, which were believed to have a brighter post-war future, the agreed period was ten years.

To make even greater savings of shipping space, the process of compressing food into small compact blocks after dehydration has been studied and developed. Contracts were placed for compressed dehydrated foods, and an allocation of \$100,000 was made to carry out the program. The Department of Agriculture has developed the compression program at a cost of less than 1% of the allocation.

B. Expansion of Facilities

In order to meet the needs of our allies in their war efforts, it has been necessary to expand production and storage facilities in the United States. An important part of this expansion has been financed with Lend-Lease funds, \$869,500,000 of Lend-Lease funds having been allotted for this purpose. Facilities so financed are located in 162 cities or towns in 34 states of the Union. The types of facilities expanded and the percentage of funds authorized are:

1. Ammunition, explosives and shell loading	39.4%
2. Aircraft and aircraft parts and accessories	20.7%
3. Storage and terminal	13.5%
4. Shipbuilding and port development	11.3%
5. Tanks	6.6%

6. Guns and Mounts	4.0%
7. Ammonia and oleum	2.9%
8. Food processing, proving grounds, director control towers and chain cables	1.6%

The following exhibits show the dollar amounts of Lend-Lease funds invested in expansion of production, storage and other types of facilities as of May 31, 1943, together with the distribution of such funds by States.

C. Transportation and Storage Facilities

Soon after the Lend-Lease Act was passed, it became apparent that Lend-Lease, being essentially an overseas supply operation, would necessitate the building up of adequate export facilities. Significantly, one of the earliest allocations of funds by the President consisted of \$25,000 made available to the War Department on June 25, 1941 for a special survey of U. S. ports. At the same time it was realized that transportation facilities in overseas areas like the Middle East would have to be greatly expanded if Lend-Lease goods were to reach the desired destinations.

This dual program of building up the special transportation facilities needed both here and abroad for an overseas supply operation moved ahead rapidly. Prior to Pearl Harbor, a total of \$109,000,000 had been allocated for depots, port improvements, pipe lines and other transport facilities. During the remaining days of December, 1941, an additional \$145,000,000 was allocated for like purposes.

Thus, by the end of 1941 a total of \$254,000,000 had been made available under Lend-Lease for construction of facilities to handle the overseas supply job. These early undertakings later proved of great value, for by the time the flow of Lend-Lease goods became sizable the storage and transportation facilities were completed and ready for operation. These projects, when finished, also greatly aided our own armed forces, which in the days of peace had been precluded from organizing an overseas supply operation.

Mention of a few of the individual projects will give some impression of their scope. On August 1, 1941, an allocation of \$15,000,000 was made for depots at Voorheesville, N. Y., and Marietta, Pennsylvania, -- the first two units of what later became a network of "Holding and Reconsignment Points" backing up all principal ports. This was followed up on December 31, 1941 with an allocation of \$37,000,000 for part or all of the costs of an additional group of "H and R Points" at Yermo and Lathrop (California), Pasco (Washington), Richmond (Virginia), Montgomery (Alabama) and Shreveport (Louisiana). The most recent addition, the \$11,500,000 project at Auburn (Washington), approved on April 29, 1943, rounded out the group of "H and R Points" promoted and financed by Lend-Lease. The importance of these facilities in the total overseas war effort can hardly be overemphasized.

The need for port improvements in the United States also was foreseen at an early date. An ammunition loading pier at New

York was authorized on July 29, 1941, followed by allocation of funds for development of the Port of Embarkation at Oakland (California) on December 4, 1941 and for construction of a heavy lift pier at Boston on December 8, 1941.

Overseas, the emphasis was placed largely on railroads, pipe lines, highways and docks in Iraq and Iran, assembly plants, maintenance and repair bases and depots in the Red Sea area, and on aviation depot projects throughout Africa. Altogether some \$150,000,000 was allocated for these various purposes during October, November and December of 1941.

Once these major projects were initiated, there remained a number of smaller, but still important, opportunities for providing transportation services. Special storage facilities needed for "marrying" component parts of engineer's equipment or for holding spare parts inventories were made available. An example of this variety of assistance given was the allocation of \$1,000,000 to enable the Office of Defense Transportation to carry out its plan for creating emergency reserves of commercial warehouse space, thereby avoiding the use of scarce labor and materials for building new storage space. Unusual railroad and storage expenses caused by shifts of goods, due to war conditions, were met promptly so that congested ports or other areas could be quickly cleared.

In all of these various activities, the Lend-Lease point of view has been one of accepting responsibility for aiding the movement of goods to port. This has always been considered a first duty of the United States Government, which could not be evaded or shifted to the Lend-Lease countries. Complete United States control over its own transportation system has been a keynote of that policy. Overseas, every effort has been made to cooperate with our allies in opening up new transportation routes. Where the U. S. has been most vitally interested, as in developing the Southern supply route to Russia, this country has taken the lead.

At all times Lend-Lease has stood ready to contribute its full share of the cost of providing the necessary transportation facilities and services. Up to the end of September, 1943, the money contribution of Lend-Lease amounted to \$350,000,000.

D. Airfields

The President, by letter dated May 28, 1941, authorized the Secretary of War to take full responsibility for delivering

planes that were to be flown to England, to point of ultimate take-off. In order to comply with this request, the Secretary of War established the Air Corps Ferrying Command on June 3, 1941. The initial installation to carry out the flight delivery of airplanes was established at Wayne County Airport, Detroit, Michigan. Subsequent to the entry of the United States into the present conflict, the Ferrying Command was expanded so that it now serves every theatre of operations.

Funds were made available to the War Department in connection with this program in accordance with requests received from the Secretary of War. The initial allocation was requested on June 14, 1941 in the amount of \$197,600 for facilities at the Wayne County Airport. Subsequent funds were allocated as requested by the Secretary of War.

Up to August 31, 1943, the Lend-Lease investment in Ferrying Command facilities was as follows:

	<u>Inside the</u> <u>United States</u>	<u>Outside the</u> <u>United States</u>	<u>Total</u>
1. Acquisition of Land	\$ 260,000	-0-	\$ 260,000
2. Construction	29,986,000	\$50,829,000	80,815,000
3. Rentals of Land, Appertenances, and Facilities	<u>1,102,000</u>	<u>-0-</u>	<u>1,102,000</u>
Totals	\$31,348,000	\$50,829,000	\$82,177,000

In addition to the above amounts the sum of \$70,382,000 has been invested for the acquisition of equipment and operating and miscellaneous expenses in connection with this program.

E. Cargoes, Incorporated

Since Lend-Lease aid to be effective must be delivered, the Office of Lend-Lease Administration has taken great interest in new designs and forms of transportation equipment. Any suggestions of possible ways to break shipping bottlenecks, which have been such stumbling blocks to the Allied war effort, were welcomed and thoroughly explored.

Lend-Lease funds have been used to finance a program for construction of various types of small craft, including harbor tugs,

coasters, coastal tankers, small light-draft tow boats of special design, and small wood barges for use in shallow rivers. In addition, the building and testing of a shallow draft cargo vessel of novel design, originally known as the "Sea Otter," was undertaken with Lend-Lease funds.

Experiments on small-sized models of this vessel were not conclusive. Accordingly, it was determined to build a full-sized vessel for further development, and Lend-Lease funds made this possible. Tests on this first full-sized ship brought to light defects which called for redesigning. In order that the possibilities of a vessel of this type might be fully explored, the Lend-Lease Administration continued its help by financing the construction of a second full-scale model of a modified design, known as the "Seamobile."

The development of this type of ship has been entrusted to a corporation known as "Cargoes, Incorporated", under the control of a Board of Directors, on which the Navy Department, War Shipping Administration, War Department, War Production Board and the Office of Lend-Lease Administration are represented. All the stock in this corporation is owned by the Government.

In September of 1942, a letter of intent was given to the U. S. Shipbuilding Corporation to construct Seamobile I. Although Seamobile I was originally designed as a dry cargo vessel, it was decided in December of 1942 to redesign her as a tanker. The ship was launched in June of 1943 and delivered to Cargoes, Incorporated, early in August, 1943. Preliminary trials disclosed a need for modification of the rudder design. This was done and final trials were held in the middle of October 1943. As of October 25, 1943, the Trial Board was in process of preparing its report on the performance of the vessel and on the various features it embodied.

During all this period consideration had been given to the use of Cargoes, Incorporated, as a means for undertaking other developments associated with moving Lend-Lease goods to the theaters of war. In line with this, the charter of Cargoes, Incorporated, was broadened early in 1943 to include all methods of transport, as well as marine transport.

Cargoes, Inc., has considered various projects, but it has embarked on only three other than Seamobile. Two of these appeared at the outset to have real promise, but as work was begun misgivings developed. In light of these misgivings and in light of changing conditions in the war, the projects were dropped. The third project, involving development of helicopters in connec-

tion with the protection of cargo vessels, is presently being pushed to a conclusion.

As of October 25, 1943, the officers and directors of Cargoes, Inc., were as follows:

Directors

Richard W. Seabury, President	War Shipping Administration
Lewis W. Douglas, Vice President	War Shipping Administration
J. M. Juran, Secretary & Treasurer	Lend-Lease
Oscar Cox	Lend-Lease
General John Franklin	War Department
Gerard B. Lambert	War Production Board
Isador Lubin	White House
Fred Searls, Jr.	Office of War Mobilization
Adlai Stevenson	Navy Department

Officers not Directors

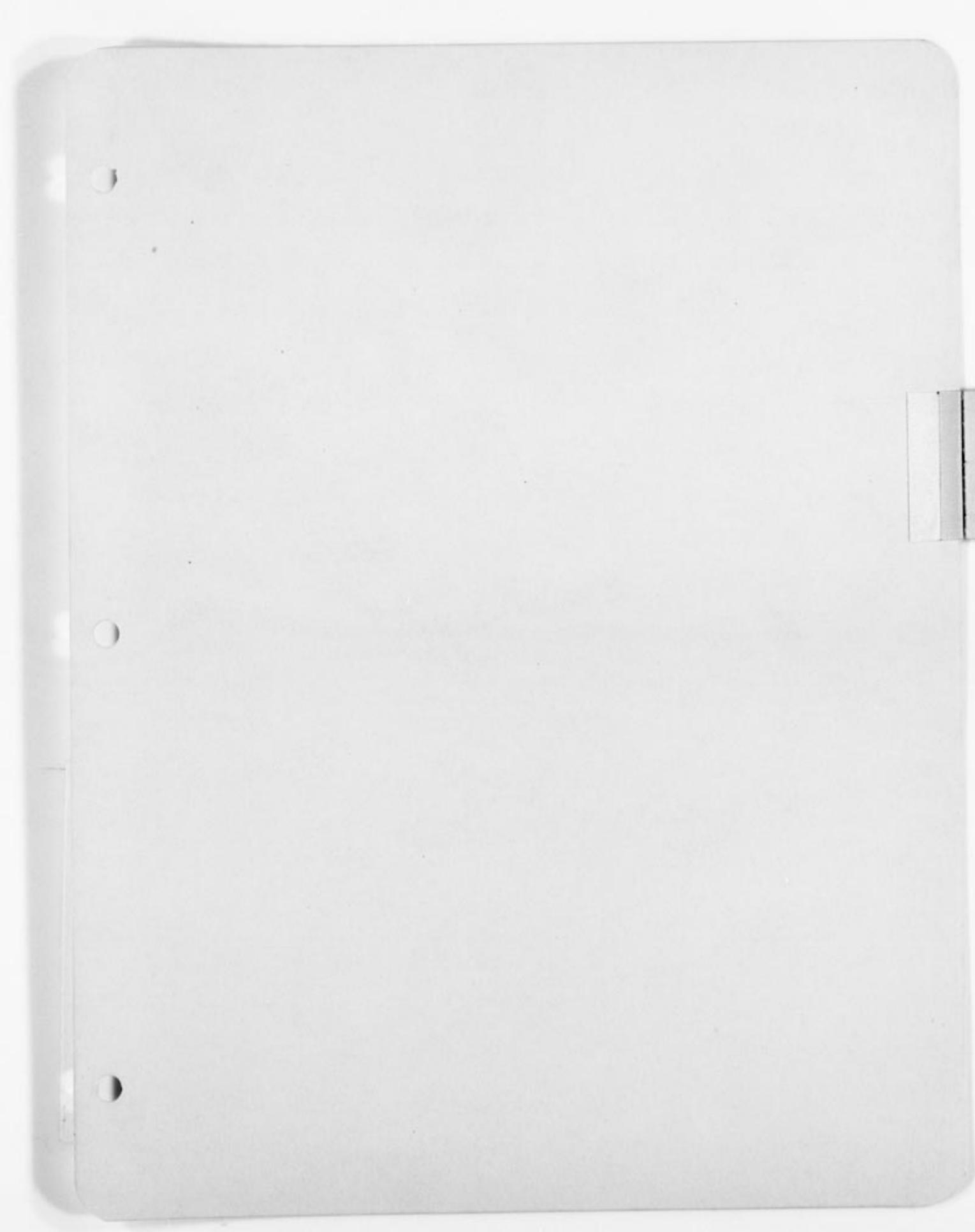
George Ball, General Counsel	Lend-Lease
Joseph Carr, Comptroller	Cargoes, Inc.
Mary B. Trenary, Asst. Secy.	Cargoes, Inc.

Also as of October 25, 1943, Cargoes had a total of nine employees on its pay roll for a total annual pay roll of \$36,250.

A summary of funds allocated to Cargoes appears on the next page.

CARGOES, INCORPORATED
 STATUS OF FUNDS
 September 30, 1943

Source of Funds	Funds Available	Disbursements	Funds on Hand 9-30-43
From Sale of Capital Stock, Common	\$ 1,000.00		\$ 1,000.00
From Sale of Capital Stock, Preferred	100,000.00		
Less: Administrative Disbursements		\$ 37,201.59	62,798.41
Allocations for Seamobile:			
Paid-in Surplus (10-4-42)	\$750,000		
Paid-in Surplus (5-15-43)	400,000		
Paid-in Surplus (9-21-43)	<u>100,000</u>		
Less: Seamobile Disbursements	1,250,000.00	1,119,446.36	130,553.64
Allocations for Catamarans:			
Paid-in Surplus (11-6-42)	\$500,000		
Less: Surplus Returned 4-28-43	<u>450,000</u>		
Less: Catamaran Disbursements	50,000.00	34,973.52	15,026.48
Allocations for Auxiliary Tugs:			
Paid-in Surplus (11-6-42)	\$6,900,000		
Less: Surplus Returned 4-28-43	<u>6,500,000</u>		
Less: Auxiliary Tug Disbursements	400,000.00	302,180.18	97,819.82
Allocations for Plastic Lifeboats:			
Paid-in Surplus (5-4-43)	15,000.00		15,000.00
Allocation for Helicopters:			
Paid-in Surplus (7-13-43)	500,000.00		
Less: Helicopter Disbursements		250.00	499,750.00
	\$2,316,000.00	\$1,494,051.65	\$821,948.35



Section X

RECORD KEEPING

A. Fiscal and Budgetary

During the hearings before the House Appropriations Subcommittee on the first Lend-Lease appropriation bill, the Director of the Bureau of the Budget was requested to advise the Subcommittee concerning the method to be utilized in obtaining reports of operations under the Lend-Lease Act. The Director said it was contemplated that the existing agencies of the Government, such as the War, Navy, Agriculture, and Treasury Departments, would be responsible for the procurement of defense articles from the funds appropriated and would account for these operations in the same manner as under their regular appropriations.

The Director stated, however, that it would be necessary to have a central agency coordinate and combine the results so that central reports of operations could be produced.

Immediately after the passage of the Lend-Lease Act, the General Accounting Office and the Treasury Department were requested by the Director of the Bureau of the Budget to designate representatives to serve on a committee, together with representatives of the Bureau of the Budget, for the purpose of developing a system of accounting for Lend-Lease operations. The committee, in accordance with the policy outlined by the Director of the Bureau of the Budget, developed a reporting system embodying a series of financial reports to be made to the central agency by those agencies receiving allocations. It also embodied a general ledger system of accounts in which would be summarized the data reported by the procuring agencies in connection with the data available in the central agency. No attempt was made by the committee to develop systems of accounts for the reporting agencies, since such systems were already in existence in each agency.

The reporting system provided for the following basic statements to be produced by the reporting agencies:

- a. A statement showing the status of appropriation-allocations, including the amounts allocated under each appropriation category, the amounts obligated, the amounts expended, and the resultant balances.
- b. A statement showing an analysis of obligations and expenditures by purpose classifications under Lend-Lease appropriation categories.

- c. A statement showing an analysis of expenditures under Lend-Lease appropriation categories, segregated by purpose classification, distributed according to defense articles delivered to foreign governments and to Federal agencies, defense articles on hand, acquisition and operation of facilities, losses of inventory and facilities, services, administrative and other expenses and undistributed charges.
- d. A schedule of obligations incurred in amounts of \$10,000 and over under Lend-Lease appropriation categories.
- e. A statement showing a schedule of the amounts of defense articles, segregated by purpose classification, delivered to foreign governments, procured from appropriations made prior to March 11, 1941.
- f. A statement showing the amounts of defense articles, segregated by purpose classification, procured from Lend-Lease appropriations, delivered to foreign governments.
- g. A statement showing the amounts of defense articles, segregated by purpose classification, procured from Lend-Lease appropriations, delivered to Federal agencies.
- h. A statement showing an analysis of obligations under Lend-Lease appropriations by the standard federal objective classification, that is, personal services, travel, etc.
- i. A statement showing a schedule of production facilities completed under Lend-Lease appropriations.

The above described reports constituted the regular periodic reports to be submitted to the central agency at prescribed intervals. In addition, certain other special reports, which were to be prepared when requested by the central agency, were prescribed.

The work of the committee resulted in the publication of a manual entitled "Instructions for the Preparation of Financial Reports by Agencies Receiving Allocations under the Defense Aid Supplemental Appropriation Act, 1941". The manual was published shortly after the creation of the Division of Defense Aid Reports; and, although prepared by the Committee previously mentioned, the manual was issued as an official document of the Division of Defense Aid Reports.

The study group appointed by Mr. Stettinius at the time

he became the Executive Director of the Division of Defense Aid Reports, for the purpose of making an over-all survey of Lend-Lease operations, considered among other matters the financial record keeping and reporting system. They recommended that the system be retained as originally established, since it was based upon the fundamental principle that the detailed operations should be handled by the several procuring agencies and that the central agency would serve as coordinating office. With a number of changes in detail, the accounting and reporting system as originally established is still in effect at the present time.

For the most part, the work of the Fiscal Section has been devoted to a constant review of procedures and a continual liaison with the several procuring agencies to the end that the fiscal figures will be as accurate as possible under the prevailing circumstances. Also, continuous efforts have been made to improve the internal accounting methods within the Office of Lend-Lease Administration.

Until the appointment of Mr. Stettinius as Administrator, all letters allocating funds to the various agencies had been personally signed by the President. This duty has ever since that time been entrusted to the Administrator.

For the purpose of maintaining an effective control over appropriations and the allocations authorized by the Administrator, records have been maintained in the Budget Section of the Office of Lend-Lease Administration. These records show the status of the Lend-Lease appropriations, the allocations which have been approved against the appropriations and the distribution of these items by procurement agency, by foreign government, and by appropriation category.

Originally, allocation letters were prepared on the basis of specific foreign government requisitions, a practice which soon proved to be cumbersome and time-consuming. Accordingly, a change was made whereby allocations were based upon foreign government programs containing lists of Lend-Lease articles to be procured for that government during a given period. This procedure, though an improvement over the former practice, retained certain inflexible features. The Bureau of the Budget subsequently approved the making of blanket allocations to procurement agencies to cover foreign government requirements under each of the various categories in the appropriation. This latter procedure has recently been revised so that prior approval by the Bureau of the Budget is no longer necessary for clearance of blanket allocations to the procurement agencies.

At one time, after allocations had been made to the procurement agency, the Office of Lend-Lease Administration had no means of currently ascertaining the status of funds against which requisitions were to be processed. The procurement agencies sent periodic reports which listed the requisitions established as encumbrances on their books of accounts and were accompanied by Form J, "Report of Requisition Estimates". This procedure has been replaced by a reporting system which makes it unnecessary to transmit the accompanying forms and discloses on the reporting form both the requisitions entered on the accounts for the foreign governments and the appropriation categories. This, together with maintenance of a supplementary record of "requisitions in transit" in our Budget Section, enables us to maintain at all times up-to-the-minute records of all requisitions being processed against the Defense Aid Allocations. As requisitions are reported by the procurement agency, they are removed from our "in transit" file. The revision has eliminated much burdensome detail.

There have also been established in recent months precise and current budget controls with respect to all positions established for this agency, including our overseas mission personnel. This has permitted prompt compliance with the reporting requirements of Public Law 49, as required in circulars issued by the Bureau of the Budget.

From the beginning of Lend-Lease, the procurement agencies have been required to secure a receipt from an authorized representative of the foreign government to cover all articles transferred, and the reports of aid rendered have been based upon these receipts. It soon became evident that, due to the enormous quantity of shipments, the agencies could not keep this record up-to-date. The records have lagged from one to four months behind actual transfers, with resulting under-statement of articles transferred ranging from \$200,000,000 to \$300,000,000.

To avoid this, large agencies such as the War and Navy Departments have had to use unreceipted shipping tickets as the basis of their reports. Even so, the burden has been too much to handle currently. The War Department, in an effort both to save manpower and improve their records, made a proposal to the Lend-Lease Administration to pick up the record of goods transferred from the ocean manifest or bill of lading at the time the goods were loaded on the vessel. This arrangement became effective October 1, 1943. A copy of this record was to be sent to the foreign government for checking and signature and thereafter recorded by the War Department.

It was hoped by this method to keep transfer records

current and to release a large number of employees for other duties.

The War Department has established a procedure whereby strategic military material is consigned to the Commanding General in a particular theater of operations with instructions regarding its ultimate disposition to a foreign government. The procedure provides that the foreign government will receipt for the material at the time of transfer to it by the Commanding General. Records of transfers will be reported to the War Department by the field office. At the present time, a report of material shipped is received and recorded as a shipment but not as a transfer. When reports of transfers are received, the "aid rendered" report will reflect the actual amount of such transfers.

It is no longer possible to segregate transfers of articles purchased from funds appropriated to the President from transfers of articles purchased from funds made available directly to the War and Navy Departments. This is due primarily to the manner in which the Combined Munitions Assignment Board allots the articles to the various foreign governments and to the War and Navy Departments. When the articles being manufactured are ready for delivery, the procuring agency, either War or Navy, informs the CMAB of the quantity to be assigned without reference to the identity of funds used to purchase the articles. Also component parts of defense articles may have been purchased with funds from several different appropriations, but the finished product may be assigned to a foreign country under Lend-Lease.

Another duty of the Fiscal Section has been to keep records of reciprocal aid received from Lend-Lease governments. Whenever any commodity, raw material or service has been received from any country as reciprocal aid, the fiscal section has been notified of the facts and has contacted the proper government agency to advise them of these facts and requested a report on prescribed forms as to any action taken by the agency in receiving the material and disposing of it.

Whenever articles originally purchased for a particular foreign government and still in the United States have been diverted from that government and consigned to another government or put to other uses, a record of this fact has been kept by the procuring agency and this record transmitted to the Office of Lend-Lease Administration to be made part of the fiscal record. This record includes the name of the foreign government for which the article was originally procured, the government organization or individual to which the article was diverted and its value. If the articles diverted were not turned over to another foreign government but were taken back by the procuring agency, the final disposition of the articles has likewise been reported.

It is a requirement under the Lend-Lease Act of March 11, 1941, that a foreign government receiving defense articles shall not transfer title or possession without the consent of the President. On November 6, 1941, blanket consent was given to the United Kingdom to retransfer articles to any government, the defense of which was declared by the President to be vital to the defense of the United States. This was amended on December 17, 1941 to read "to the Government of any Dominion, Colony or Ally such quantities of guns, ammunition, small arms and military equipment as his Majesty's Government may deem essential whenever such defense articles are to be used in theaters of actual military combat."

In cases where the transferee foreign country sold the articles retransferred, the Office of Lend-Lease Administration retained the right to determine as a matter of policy whether to collect. A record has been furnished by the foreign governments so that the value of the articles could be collected if that seemed advisable.

A procedure is now pending which provides for the use of forms requesting authority to retransfer where it has not been given on the requisition, as well as a form for reporting the value of items retransferred.

B. Statistics

The Lend-Lease Act provided that the President should "from time to time, but not less frequently than once every 90 days... transmit to the Congress a report of operations under this Act." One of the major objectives of the President in creating the Division of Defense Aid Reports was the establishment of an over-all statistical and fiscal reporting mechanism for the defense aid program.

The new agency envisaged the maintenance of basic records which would reveal not only the status of requests approved for foreign governments but also detailed progress of the implementing actions which followed. This involved a full record of contracts, forecasts of deliveries against those contracts, completion of the contracts and deliveries thereunder, as well as a record of inventories of such goods as long as they remained within the United States, and of exports and transfer receipts evidencing the transfer of the goods to the foreign government involved.

After the flow of necessary statistical documents had been received in the agency for a short period, it was discovered that the reporting operation was a huge task involving tremendous diffi-

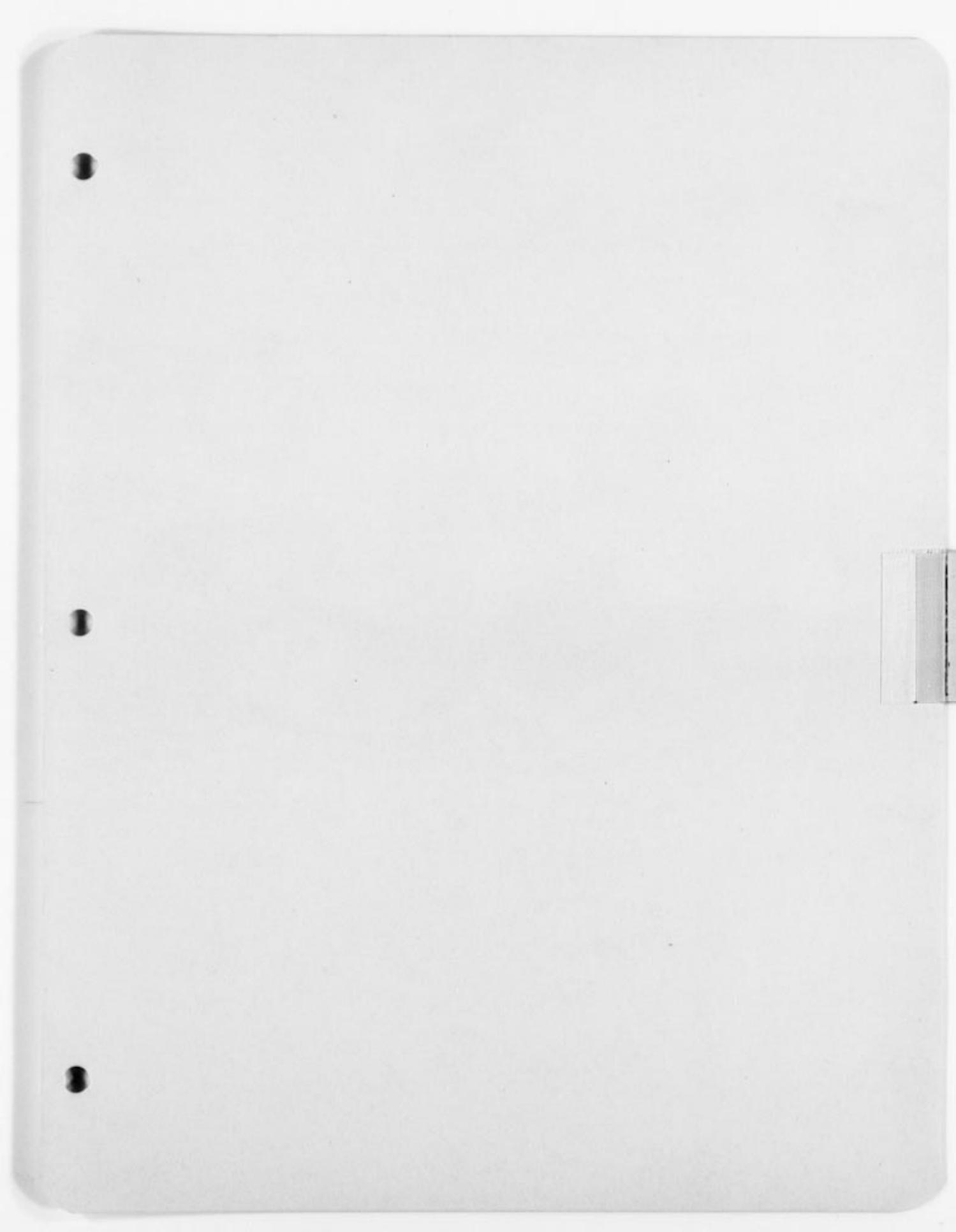
culties and probable duplication of work of other agencies. This was the situation at the time the Office of Lend-Lease Administration was created to replace the Division of Defense Aid Reports. The problems encountered in reporting were also present in other phases of the agency's statistical operation.

A group, appointed to survey the reporting problem approved the policy that all records should be kept in the various procurement and other agencies to the fullest extent possible and that these agencies should be required to report to the Office of Lend-Lease Administration periodically. The idea of this had been to avoid duplication of operating records and to restrict Lend-Lease reporting activities to the assembling of reports as management and policy guides and as the basis for the required 90-day reports to the Congress. As a result of the study group's recommendations, the Statistics Branch of the Office of Lend-Lease Administration declined in size from 110 down to 60 persons.

This general policy was followed until the changing aspects of the war caused gradual modification. In the early stages the major objective had been to get materials into the hands of our Allies as rapidly as possible; but, as the war entered its more dynamic stage, sudden changes in programs for world-wide needs became the governing factor. Careful control of Lend-Lease requirements, procurement and inventories became necessary in order to key the Lend-Lease program into the new over-all plan for controlling and programming the industrial economy of this and other countries.

To accomplish this the reporting plan was modified, but without basic change in its philosophy. Greater detail in reports was required, but the same reports were continued. Inventory and commodity reporting became important during this period as the basis for reassigning goods which had been procured or were in process of procurement when plans were either altered or abandoned entirely.

The compilation of statistics has also played an indispensable role in making possible full, responsive answers to public and congressional inquiries as to Lend-Lease policy and practice.



Section XI

LEND-LEASE PROGRAM TO DATE

On September 16, 1941, when the Lend-Lease Administrator was appointed, Lend-Lease Appropriations to the President amounted to \$7,000,000,000, allocations to procuring agencies \$6,281,000,000 and obligations to \$3,556,000,000.

Lend-lease aid to August 31, 1941 totaled \$373,000,000, including goods transferred valued at \$270,000,000 and services rendered valued at \$103,000,000. Exports of lend-lease goods from March 11, to August 31, 1941, a period of preparation and planning, totaled \$197,000,000. This last figure compares with exports of over \$1,000,000,000 a month during the last three months of Mr. Stettinius' stewardship of Lend-Lease, when the Lend-Lease program was fully under way and reaching new peaks.

A. Appropriations, Allocations and ObligationsAppropriations to the President

The total amount of lend-lease aid authorized by the Congress to September 30, 1943 is shown in Table 1. Tables and charts follow page 127.

Details of the four appropriations of funds made directly to the President for Lend-Lease use are shown in Table 2. The first two appropriations, those of March 27, 1941 and October 28, 1941, included provisions for military as well as non-military supplies. The two appropriations which were made after the United States entered the war, those of March 5, 1942 and June 14, 1943, provided only for services and supplies other than finished munitions.

Allocations, Obligations and Expenditures

Table 3 shows the disposition of Lend-Lease funds appropriated to the President from the beginning of the program in March, 1941 to September 30, 1943. The information is shown by category and also by procuring agency.

The monthly trend of allocations and obligations is shown in Table 4 and Chart 1. Similar information for the various procuring agencies is shown by Chart 2.

Total allocations to September 30, 1943 amounted to \$20,517,628,000, leaving a balance of \$4,153,000,000 still to be allocated. Obligations totaled \$16,718,854,000, leaving a balance of \$7,951,775,000 of funds which had been appropriated but which were still unobligated. Funds which had been allocated but remained unobligated amounted to \$3,798,774,000. Expenditures totaled \$13,579,740,000, leaving funds which had been obligated but were still unexpended of \$3,139,114,000.

During the first year of operations, the trend of allocations and obligations was sharply upward. From the late spring of 1942 until the middle of 1943, funds were being allocated and obligated at a somewhat lower rate. If obligations continued at the rate which prevailed during that period, approximately \$360,000,000 per month, the funds which have been appropriated to the President to date would not be obligated until near the end of 1945. There has been an acceleration in the rate in the last quarter, however. If obligations continue at the average rate of the last six months, it is estimated that \$4,694,000,000 will remain unobligated at June 30, 1944.

Monthly figures on obligations of Lend-Lease funds for agricultural and industrial commodities are shown in Table 5. Such obligations are compared in Chart 3 with appropriations, the 1943-44 budget and total obligations. The sharp rise in September brought the total for the last five months up to the amount anticipated in the budget.

Transfer Authorizations

Funds appropriated to the President for Lend-Lease use since our entry into the war have been earmarked for agricultural and industrial commodities and services. Military items and merchant ships to be supplied to allied nations are provided for in the acts appropriating funds for the War and Navy Departments and Maritime Commission authorizations for the transfer under Lend-Lease of articles and services up to a stated value. The total value of such transfers which have been authorized to date amounts to \$35,970,000,000, which represents only a maximum amount authorized to be expended from such appropriations for Lend-Lease aid. This amount does not include the value of ships which may be leased only for the duration of the war.

B. Total Lend-Lease Aid

All data on Lend-Lease aid include the amount of aid from funds appropriated to the President and also from appropriations to the War and Navy Departments and Maritime Commission.

From the beginning of the Lend-Lease program in March 1941 to September 30, 1943 we furnished to our allies aid amounting to \$16,431,000,000. Of this amount \$8,178,000,000 was furnished in the first 9 months of this year, compared with \$7,009,000,000 in the entire year 1942 and \$1,244,000,000 in the last ten months of 1941.

Monthly changes in aid are shown in Table 6 and Chart 4. A breakdown by type of aid is shown in Table 7.

Goods transferred to the end of September were valued at \$14,137,000,000. Munitions make up 61 percent of the total, while industrial items account for 24 percent and foodstuffs and other agricultural products for 15 percent. As shown by Table 8 and Chart 5, most of the increase in transfers has been in the munitions group. In the last quarter, munitions transfers averaged \$791,000,000 monthly, compared with transfers of industrial items of \$188,000,000 and transfers of agricultural products of \$105,000,000.

Services rendered amount to \$2,294,583,000. The most important item consists of rental and charter of ships, ferrying of aircraft and allied services, totaling \$1,251,328,000. This group of services reached a peak in August. The second largest item in the services category consists of expenditures of Lend-Lease funds for production facilities in the United States, which amounted to \$601,317,000 to September 30. Most of such expenditures were made by the end of 1942; construction of new facilities this year has been comparatively small. Servicing and repair of ships and similar items make up the third important item of services, amounting to \$359,377,000 to the end of September. Other services and costs of a miscellaneous nature, totaling \$82,561,000, comprise the remaining item in the services rendered category. Trends in the three most important groups of services are shown by Table 9 and Chart 6.

C. Goods Shipped

1. By Category

Total Lend-Lease exports of all countries to August 31, 1943 amounted to \$11,899,000,000. This includes goods acquired from appropriations to other agencies as well as to the President. The trend has been sharply upward and Lend-Lease exports have accounted for an increasingly large proportion of our total exports. Table 10 and Chart 7 show the changes which have occurred since the

beginning of the Lend-Lease program. Monthly data on exports by category are given in Table 11 and are shown graphically by Chart 8. Munitions have accounted for an increasingly large proportion of total exports.

2. By Geographic Area

In 1941 about three-fourths of all Lend-Lease goods went to the United Kingdom to aid in the Battle of Britain. The U.S.S.R. began receiving aid in substantial volume in 1942 and one-fourth of all goods exported to date have gone there. The proportion going to the Middle and Far East has increased slightly.

Total exports to date, by category and area, are shown in Table 12. Monthly changes are shown in Table 13 and Chart 9.

The world-wide distribution of Lend-Lease goods is indicated by Table 14, showing in detail the destination of exports.

Exports of munitions, industrial items and foodstuffs to the principal areas are shown in Tables 15, 16 and 17 and are shown graphically by Charts 10, 11 and 12.

All export data shown in this report are based on the detailed export statistics compiled by the U. S. Department of Commerce.

D. Reimbursable Aid

Policy on Reimbursable Aid

At the time when the Administrator was appointed procedure was already formulated to facilitate aid to countries the defense of which had been declared vital to the defense of the United States but whose available dollar resources rendered them ineligible for straight Lend-Lease aid. The need for such a procedure arose because these governments frequently found it difficult, if not impossible, to purchase the articles required through ordinary commercial channels. It was decided to meet this problem by using the Office of Lend-Lease Administration as a mechanism for furnishing the articles on a cash basis. Sections 3(b) and 6 (b) of the Lend-Lease Act provided clear authority for the procedure adopted.

The procedures whereby Reimbursable Aid has been furnished can be divided into the following three major categories:

1. Advance payment by foreign governments
2. Payment received for goods consigned to Lend-Lease representatives abroad and sold by them
3. Payment under agreements with Latin American countries.

1. Advance Payments by Foreign Governments - Under this procedure, which has been in effect since July, 1941, the foreign government submits to the Office of Lend-Lease Administration requisitions for the required articles, stating that the estimated cost of the articles will be advanced upon request. Upon receipt of the funds from the foreign government, immediate action is taken to transfer them to the procuring agency responsible for effecting the purchase. The procuring agency arranges for purchase of the articles requisitioned and makes payment with the foreign government's funds. No Lend-Lease funds enter into the transaction. Certain modifications of this procedure provide for purchase of the articles out of funds made available to the agency by Congress, followed by reimbursement out of funds advanced by the foreign government.

The first country to take advantage of this procedure was Brazil, which deposited \$950,000.00 to cover the estimated cost of certain trucks, jeeps, etc. Many other countries have since availed themselves of the procedure.

At first Reimbursable Aid was applied to cases of military items in most instances; but, as time went on, and particularly during the past eighteen months, non-military items increased in proportion, due primarily to the increasing difficulty of securing such articles in short supply through normal commercial channels.

During the past three years, total advance payments* by years have been as follows:

1941	\$9,175,645.85
1942	27,774,736.22
1943 to September 30	55,963,137.42
	<u>92,913,519.49</u>

Total advance payments* for the past three years, by country have been as follows:

* These are net figures with refunds to the foreign governments deducted. Refunds have been occasioned by inability to supply the material requisitioned or represent differences between estimated and actual cost.

Belgian Congo	\$5,352,894.69
Brazil	4,586,896.66
Canada	51,368,399.52
Chili	230,731.85
Costa Rica	53.50
Cuba	17,240.00
Dominican Republic	132,149.34
Ecuador	575.00
Fighting French	320,521.11
Guatemala	2,477.28
Haiti	11,080.95
Iceland	2,530,304.73
Netherlands	23,609,820.37
Norway	31,000.00
Peru	487,073.17
Union of South Africa	1,756,700.00
Southern Rhodesia	152,650.21
Turkey	1,869,357.19
United Kingdom - Colonies	451,203.42
Uruguay	2,390.50
	<u>92,913,519.49</u>

It is estimated that articles have been purchased and delivered to foreign governments under this procedure to a value of 75% of the net total advance payments.

2. Payment Received for Goods Sold Abroad - To facilitate supply of the critical needs of countries liberated from the enemy and countries until recently isolated from normal trade channels, plans were perfected whereby the Lend-Lease Administration consigned goods to its representatives in foreign countries for distribution according to the various needs arising. These arrangements have been mentioned in Section IV. In almost all instances, the goods distributed have been paid for by the foreign country and the funds accounted for in accordance with Section 6(b) of the Lend-Lease Act. This procedure has been used in the Middle East, in French North and West Africa and in French possessions in other parts of the world.

Often payment for the goods delivered has been made in the currency of the particular country. Where this occurred, the United States Treasury was notified through its local representative and made arrangements to sell the foreign currency for United States dollars.

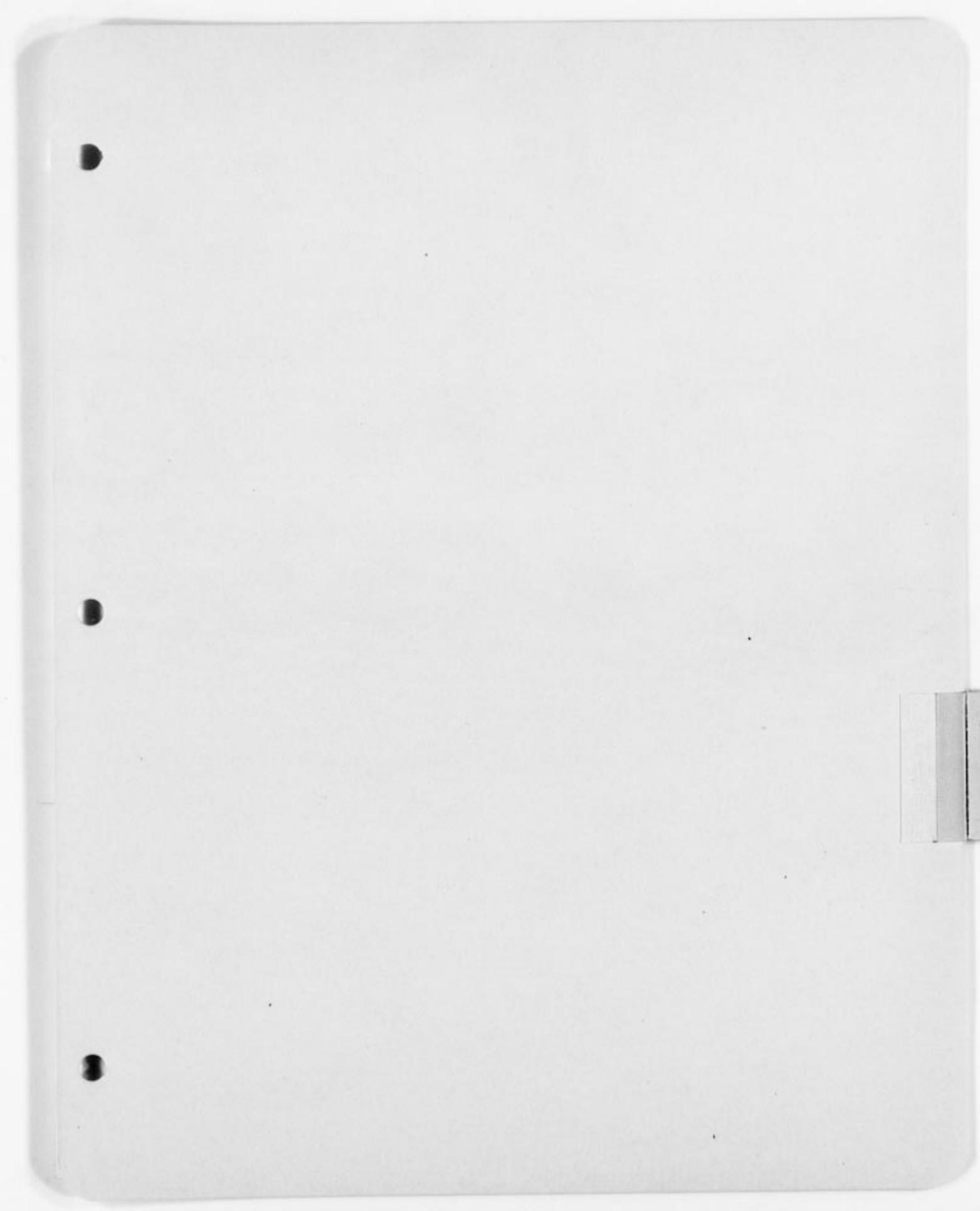
The following table shows the funds received under this procedure to October 6, 1943.

<u>Country</u>	<u>Currency Received</u>	<u>Dollar Value</u>
Egypt	Egy. Pounds 871,797.761	\$3,607,911.77
French Guiana	Franc 4,425,000.	95,013.63
Iran	Rials 5,994,185.10	187,318.28
Iraq	Dinar 55,367.603	223,823.54
Syria	Sy. Pounds 2,135,760.	928,591.30
French North and West Africa	U. S. Dollars	<u>41,340,000.00</u>
		\$46,382,658.52

3. Payment Under Agreements with Latin American Countries -
 Through the joint efforts of the State Department and the Office of Lend-Lease Administration, agreements have been entered into with most of the Latin American countries whereby they were to requisition articles needed on the basis of approved programs, and on certain specified dates were to reimburse the United States for an agreed percentage of the cost of goods delivered under the agreements.

The clause covering reimbursement is quoted below:

"The Government of the United States agrees to accord to the Government of the _____ a reduction of _____ percent in the scheduled cost of the materials delivered in compliance with the stipulations of the present agreement, and the Government of _____ promises to pay in dollars into the Treasury of the United States of America _____ percent of the scheduled cost of the materials delivered. The _____ shall not be required to pay more than a total of \$ _____ before January 1, 1943 with the amount increasing each year thereafter."



Section XII

PERSONNEL

A. Policy

The functions of the Office of Lend-Lease Administration being so varied and extensive in scope, it was necessary to select personnel very carefully. The work of the Agency demanded personnel with experience and the ability to deal with rapidly changing world problems, since Lend-Lease was a policy-making and planning organization rather than an operating unit.

Candidates for appointment were carefully screened by operating and administrative officials and personally interviewed by the Administrator, the Senior Assistant Administrator, the Division Head, or members of the Personnel Office, depending upon the salary and degree of responsibility attached to the particular position.

It was the settled policy of the Office of Lend-Lease Administration not to recruit draftable men, although exceptions to this policy were sometimes made in order to obtain the services of particularly qualified people for whom substitutes could not be found. In line with this policy, operating officials were encouraged to employ women in positions of responsibility and did so in numerous instances.

Some time ago a Salary Committee was formed consisting of the Operations Deputy Administrator, the Assistant Administrator in charge of finance and statistics, the Executive Assistant to the Administrator and the Personnel Director. All promotions have been presented to this committee for consideration, and the Administrator has acted in light of its recommendations. A rigid promotion policy was established, and exceptions to it required written justification. Whenever possible, vacancies were filled by promotions from within rather than by new appointments. No new appointees were accepted unless they met the "promotion from within" standards.

Because of the highly confidential nature of matters handled by the Administration, a Security Officer was appointed to see that people employed were trustworthy individuals and to insure internal security. The Security staff has always worked in the closest cooperation with the Personnel Office. The Security Officer and his staff have also worked in close cooperation with other investigatory agencies of the Government to develop character-investigation procedures.

Character investigations have been made in connection with new appointments, and internal security has been further promoted by means of posters, circulars, an adequate staff of uniformed guards and careful supervision of confidential records and files.

Steps were taken to maintain the morale of the Agency's staff by means of an extensive Employee Services program which included classes for the orientation of new employees, aid to employees in their housing and transportation problems and recreational activities. A nurse was constantly on duty and was available for home visits. A room with hospital beds and medical facilities was provided. Space was also allotted for a cafeteria within the building and a lounge for women employees.

The Agency has actively entered into drives for the benefit of the Red Cross, the War Fund, the Blood Donor's Service and other similar activities.

An adequately staffed Personnel Section was organized and has cooperated closely with the Civil Service Commission in connection with the classification of positions and the recruitment of personnel. In order to facilitate the processing of personnel actions and to maintain a close working relationship between the Personnel Section and operation officials, personnel representatives were appointed in all major divisions of the Agency.

Adequate personnel records have been established and maintained.

B. Number and Payroll

Although a gradual rise in the number of personnel has been necessary as programs and responsibilities developed, the Office of Lend-Lease Administration has consistently adhered to the policy of maintaining a small policy-making organization. The total number of administrative personnel has been kept below 600. Mission personnel expanded this year, rising to 139 in the last two months. Table 18 and Chart 13, in addition to showing the total number of personnel, also show the distribution by annual salary range.

Payroll data are given in Table 19 and Chart 14.

C. Draft Deferment

In handling draft deferment problems, the Lend-Lease Administration has scrupulously endeavored to comply with the intent of the Selective Service Act. It has employed and retained in its employment relatively few men who, under existing Selective Service Regulations, were subject to draft, and only when those men were regarded as having peculiar qualifications or experience which made their services essential.

The three men appointed to our Draft Deferment Committee are senior members of the staff, all of them over fifty years of age. Though they were entrusted with the formulation and administration of our draft deferment policy, the Administrator has given final approval to that policy and to all critical decisions under it.

The Lend-Lease draft policy was formulated as follows:

1. The primary objective of Lend-Lease is to aid the effective prosecution of the war. In reaching this objective, it is necessary and desirable to utilize the most competent and experienced people, and at the same time to minimize the number of people who are withheld from the draft.
2. In recruiting new men, either for domestic or foreign service, every effort should be made to find suitable candidates not presently subject to draft. Men who are subject to draft should be employed only in rare cases when it is judged improbable that their peculiar qualifications can be duplicated in men not subject to draft.
3. Where, from the standpoint of successful Lend-Lease operations, it is important to retain the services, here or abroad, of men now in the organization who are subject to draft and who have special training or qualifications, requests for such delays of induction as may be appropriate in each case, may be made by the Draft Deferment Committee, provided, however, that in the cases of men under 38, the Administrator shall have first given his approval of a request for occupational deferment or an initial request for permission to leave the country.

The results of the application of this policy are illustrated by the following statistics regarding the resident and

overseas staffs as of October 1, 1943:

Resident Staff

Total Employees -----	587
Women -----	332
Men over 38 -----	172
Men under 38 -----	83

Of the 83 under 38, 34 were classified IV-F; 2 were classified I-C (discharged from military service); 31 were deferred because of marriage or dependency.

Of the 83 under 38, only 5 had occupational deferment requested by the Lend-Lease Administration.

Over-seas Staff

Total Employees -----	130
Men over 38 -----	78
Men under 38 -----	52

Of those under 38, 14 were classified IV-F; 2 were classified I-C (discharged from military service); 13 were deferred because of marriage or dependency; 3 were unregistered because they went to Russia at 18 and before men of that age were required to register.

Of those under 38, only 5 had occupational deferment requested by Lend-Lease. 12 others were classed II-A or II-B by their Local Boards coincidentally with granting permission to leave the country, but without request from the Lend-Lease Administration.

D. Organization Charts

Organization of the Lend-Lease Administration in September 1941 is shown by the organization chart dated September 25, 1941. The organization which evolved during the next two years is shown by the chart dated September 1, 1943. These charts appear at the end of this report.

AMOUNTS OF LEND-LEASE AID AUTHORIZED

The amount of lend-lease aid that may be provided under the various acts is summarized as follows:

Lend-Lease Appropriations to the President

First Lend-Lease Appropriation	\$ 7,000,000,000
Second Lend-Lease Appropriation	5,985,000,000
Third Lend-Lease Appropriation (Fifth Supp. 1942)	5,425,000,000
Fourth Lend-Lease Appropriation	6,273,629,000
	\$24,683,629,000
Total	

Transfers Authorized From Other Appropriations

War Department - Third Supplemental, 1942	\$ 2,000,000,000
War Department - Fourth Supplemental, 1942	4,000,000,000
War Department - Fifth Supplemental, 1942	11,250,000,000
War Department - Sixth Supplemental, 1942	2,220,000,000
War Department - Military Appropriation Act, 1943	12,700,000,000
Navy Department - Second Supplemental, 1943	3,000,000,000
Departments other than War - Third Supplemental, 1942	800,000,000
	\$35,970,000,000
Total	

Note: In addition to the foregoing, Congress has with certain limitations authorized the leasing of ships of the Navy and merchant ships constructed with funds appropriated to the Maritime Commission without any numerical limitation as to the dollar value or the number of such ships which may be so leased. (See for example, Public Law 1, 78th Congress, approved February 19, 1943, and Public Law 11, 78th Congress, approved March 18, 1943.)

Table 1

LEND-LEASE APPROPRIATIONS
MILLIONS OF DOLLARS

Category	Amounts Appropriated					Adjusted Approps. Sept. 30 1943	% Change in Approps.*
	First Approp.	Second Approp.	Third Approp.	Fourth Approp.	Total		
1. Ordnance and Ordnance Stores	1,343	1,190	-	-	2,533	1,683	- 33.6
2. Aircraft and Aeronautical Mat'l	2,054	685	-	-	2,739	2,680	- 2.2
3. Tanks and Other Vehicles	362	385	129	-	876	749	- 14.5
4. Vessels and Watercraft	629	850	734	1,553	3,766	3,872	+ 2.8
5. Misc. Military Equipment	260	155	-	-	415	353	- 14.9
6. Production Facilities in U. S.	752	375	112	-	1,239	1,105	- 10.8
7. Agr. and Ind. Commodities	1,350	1,875	3,567	4,452	11,244	12,609	+ 12.1
8. Servicing, Repair of Ships, etc.	200	175	208	259	842	791	- 6.1
9. Services and Expenses	40	285	675	-	1,000	800	- 20.0
10. Administrative Expenses	10	10	-	9	29	29	0.0
	7,000	5,985	5,425	6,273	24,683	24,671	- 0.1

* The Lend-Lease Appropriation Acts provide that with the exception of the appropriation for Administrative Expenses, up to 20% of the consolidated appropriation for any category may be transferred by the President to the consolidated appropriation for any other category, but no consolidated appropriation may be increased by more than 30%. The Fourth Lend-Lease Appropriation Act provided an exception in the case of Ordnance and Ordnance Stores; certain transfers could be made from that category to Agricultural and Industrial Commodities.

Table 2

**ALLOCATIONS, OBLIGATIONS AND EXPENDITURES
LEND-LEASE FUNDS APPROPRIATED TO THE PRESIDENT**

Report as of Sept. 30, 1943

(Thousands of Dollars)

Appropriation Category	Adjusted Appropriations	Cumulative to September 30, 1943		
		Allocations	Obligations	Expenditures
Ordnance and Ordnance Stores	1,683,306	1,679,614	1,495,747	1,223,729
Aircraft and Aero. Material	2,679,625	2,667,886	2,491,108	2,007,211
Tanks and Other Vehicles	749,273	690,160	628,346	599,428
Watercraft	3,871,703	2,555,143	2,171,534	1,869,020
Misc. Military Equipment	353,288	353,273	303,140	234,931
Production Facilities	1,104,688	1,102,488	1,058,037	902,992
Agric. and Indust. Commodities	12,608,929	10,411,624	7,776,308	6,027,255
Servicing, Repair of Ships, etc.	790,818	624,113	467,197	454,971
Services and Expenses	800,000	408,896	304,158	237,181
Administrative Expenses	28,999	24,431	23,279	23,022
Total	24,670,629	20,517,628	16,718,854	13,579,740

Procuring Agency	Cumulative to September 30, 1943		
	Allocations	Obligations	Expenditures
War Department	5,742,286	5,282,427	4,571,727
Navy Department	3,239,841	2,445,952	1,843,514
Maritime Commission and War Shipping Admin.	2,437,458	1,979,231	1,920,965
Treasury Department	3,894,236	2,925,918	2,048,115
Department of Agriculture	5,185,586	4,069,953	3,182,365
Other	18,221	15,373	13,054
Total	20,517,628	16,718,854	13,579,740

Table 3

ALLOCATIONS AND OBLIGATIONS
OF LEND-LEASE FUNDS
APPROPRIATED TO THE PRESIDENT
ALL AGENCIES - MILLIONS OF DOLLARS

Month	Allocations		Obligations	
	Monthly	Cumulative	Monthly	Cumulative
Jan 1941				
Feb				
Mar	1,000	1,000	198	198
Apr	1,600	2,600	400	598
May	1,678	4,278	400	998
Jun	899	5,177	1,460	2,458
Jul	269	5,446	599	3,057
Aug	835	6,281	499	3,556
Sep *	175	6,456	747	4,303
Oct	315	6,771	510	4,813
Nov	2,415	9,186	430	5,243
Dec	2,141	11,327	1,027	6,270
Jan 1942	713	12,040	1,080	7,350
Feb	232	12,272	1,109	8,459
Mar	1,364	13,636	744	9,203
Apr	222	13,858	673	9,876
May	508	14,366	305	10,181
Jun	- 281	14,085	484	10,665
Jul	382	14,467	471	11,136
Aug	417	14,884	353	11,489
Sep	332	15,216	446	11,935
Oct	293	15,509	299	12,234
Nov	1,362	16,871	361	12,595
Dec	- 193	16,678	292	12,887
Jan 1943	- 2	16,676	308	13,195
Feb	337	17,013	376	13,571
Mar	211	17,224	401	13,972
Apr	106	17,330	238	14,210
May	43	17,373	358	14,568
Jun	1,873	19,246	522	15,090
Jul	746	19,992	218	15,308
Aug	221	20,213	464	15,772
Sep	305	20,518	947	16,719
Oct				
Nov				
Dec				

*LEND-LEASE ADMINISTRATOR APPOINTED

Table 4

OBLIGATIONS OF LEND-LEASE FUNDS
FOR AGRICULTURAL AND INDUSTRIAL COMMODITIES

THOUSANDS OF DOLLARS

	Monthly	Cumulative
Jan 1941		
Feb		
Mar		
Apr		
May		41,974
Jun	66,579	108,553
Jul	122,425	230,978
Aug	197,493	428,471
Sep *	213,649	642,120
Oct	147,705	789,825
Nov	140,373	930,198
Dec	266,720	1,196,918
Jan 1942	303,302	1,500,220
Feb	358,924	1,859,144
Mar	213,199	2,072,343
Apr	206,847	2,279,190
May	162,205	2,441,395
Jun	417,579	2,858,974
Jul	309,421	3,168,395
Aug	249,626	3,418,021
Sep	293,588	3,711,609
Oct	224,644	3,936,253
Nov	215,425	4,151,678
Dec	203,713	4,355,391
Jan 1943	260,129	4,615,520
Feb	344,263	4,959,783
Mar	366,283	5,326,066
Apr	254,300	5,580,366
May	320,172	5,900,538
Jun	500,207	6,400,745
Jul	177,154	6,577,899
Aug	301,648	6,879,547
Sep	896,761	7,776,308
Oct		
Nov		
Dec		

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 5

TOTAL
LEND-LEASE AID

MILLIONS OF DOLLARS

	Monthly			Cumulative		
	Goods	Services	Total	Goods	Services	Total
Jan 1941						
Feb						
Mar	6	4	10	6	4	10
Apr	20	8	28	26	12	38
May	35	10	45	61	22	83
Jun	41	22	63	102	44	146
Jul	73	28	101	175	72	247
Aug	95	31	126	270	103	373
Sep *	144	37	181	414	140	554
Oct	132	50	182	546	190	736
Nov	164	70	234	710	260	970
Dec	200	74	274	910	334	1,244
Jan 1942	220	102	322	1,130	436	1,566
Feb	260	128	388	1,390	564	1,954
Mar	362	106	468	1,752	670	2,422
Apr	455	99	554	2,207	769	2,976
May	394	55	449	2,601	824	3,425
Jun	459	89	548	3,060	913	3,973
Jul	504	91	595	3,564	1,004	4,568
Aug	446	114	560	4,010	1,118	5,128
Sep	544	99	643	4,554	1,217	5,771
Oct	680	235	915	5,234	1,452	6,686
Nov	620	190	810	5,854	1,642	7,496
Dec	694	63	757	6,548	1,705	8,253
Jan 1943	627	55	682	7,175	1,760	8,935
Feb	656	41	697	7,831	1,801	9,632
Mar	663	24	687	8,494	1,825	10,319
Apr	720	63	783	9,214	1,888	11,102
May	716	74	790	9,930	1,962	11,892
Jun	954	77	1,031	10,884	2,039	12,923
Jul	1,018	32	1,050	11,902	2,071	13,973
Aug	1,114	147	1,261	13,016	2,219	15,235
Sep	1,121	76	1,197	14,137	2,294	16,431
Oct						
Nov						
Dec						

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 6

TOTAL LEND-LEASE AID
MARCH 1941 THROUGH SEPTEMBER 30, 1943

	Amount	% of Total
<u>Goods Transferred:</u>		
Munitions	\$ 8,570,751,000	52.1%
Industrial Items	3,384,146,000	20.6
Foodstuffs, etc.	2,181,848,000	13.3
Total Transfers	14,136,745,000	86.0
<u>Services Rendered:</u>		
Servicing and Repair of Ships, etc.	359,377,000	2.2
Rental of Ships, Ferrying of Aircraft, etc.	1,251,328,000	7.6
Production Facilities in U. S.	601,317,000	3.7
Miscellaneous Expenses	82,561,000	0.5
Total Services	2,294,583,000	14.0
Total Lend-Lease Aid	\$16,431,328,000	100.0%

The above figures are exclusive of the value of goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The total value of such consignments to September 30, 1943 was \$383,933,000.

Table 7

GOODS TRANSFERRED
MILLIONS OF DOLLARS

Month	Munitions		Industrial Items		Foodstuffs, etc.	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
Jan 1941						
Feb						
Mar						
Apr						
May						
Jun						
Jul						
Aug						
Sep *						
Oct	14	169	56	134	61	242
Nov	39	208	74	208	52	294
Dec	59	267	64	272	77	371
Jan 1942	104	371	63	335	53	424
Feb	116	487	87	422	57	481
Mar	188	675	113	535	61	542
Apr	243	918	119	654	93	635
May	190	1,108	113	767	91	726
Jun	232	1,340	112	879	115	841
Jul	256	1,596	146	1,025	102	943
Aug	257	1,853	132	1,157	58	1,001
Sep	394	2,247	128	1,285	21	1,022
Oct	486	2,733	162	1,447	32	1,054
Nov	386	3,119	160	1,607	74	1,128
Dec	424	3,543	130	1,737	140	1,268
Jan 1943	379	3,922	137	1,874	111	1,379
Feb	372	4,294	214	2,088	70	1,449
Mar	391	4,685	166	2,254	106	1,555
Apr	479	5,164	166	2,420	75	1,630
May	463	5,627	163	2,583	90	1,720
Jun	570	6,197	237	2,820	147	1,867
Jul	728	6,925	158	2,978	132	1,999
Aug	872	7,797	152	3,130	90	2,089
Sep	774	8,571	254	3,384	93	2,182
Oct						
Nov						
Dec						

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 8

EXPORTS
SERVICES RENDERED
MILLIONS OF DOLLARS

Month	Servicing, Repair Of Ships, etc.		Rental of Ships, Ferrying of Aircraft, etc.		Production Facilities In U.S.	
	Monthly	Cumulative	Monthly	Cumulative	Monthly	Cumulative
Jan 1941						
Feb						
Mar						
Apr						
May						
Jun						
Jul						
Aug						
Sep *						
Oct	9	55	25	70	16	64
Nov	23	78	35	105	11	75
Dec	6	84	45	150	22	97
Jan 1942	29	113	29	179	44	141
Feb	13	126	85	264	29	170
Mar	11	137	22	286	70	240
Apr	14	151	53	339	30	270
May	6	157	32	371	13	283
Jun	23	180	45	416	13	296
Jul	16	196	38	454	34	330
Aug	22	218	52	506	33	363
Sep	10	228	53	559	47	410
Oct	16	244	120	679	79	489
Nov	12	256	117	796	55	544
Dec	10	266	39	835	10	554
Jan 1943	26	292	35	870	- 9	545
Feb	20	312	10	880	7	552
Mar	- 50	262	50	930	21	573
Apr	19	281	32	962	8	581
May	10	291	60	1,022	1	582
Jun	24	315	23	1,045	12	600
Jul	6	321	20	1,065	2	602
Aug	7	328	144	1,209	- 1	601
Sep	31	359	42	1,251	-	601
Oct						
Nov						
Dec						

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 9

EXPORTS FROM THE UNITED STATES
MILLIONS OF DOLLARS - MONTHLY

Month	Lend- Lease	Direct Purchase	Total
Jan 1941			
Feb			
Mar	1	355	356
Apr	6	382	388
May	16	368	384
Jun	35	295	330
Jul	72	295	367
Aug	67	394	461
Sep *	86	339	425
Oct	166	503	669
Nov	137	355	494
Dec	155	497	652
Jan 1942	176	308	484
Feb	194	284	478
Mar	329	299	628
Apr	424	292	716
May	305	226	531
Jun	403	241	644
Jul	422	225	647
Aug	434	280	714
Sep	471	265	736
Oct	558	239	797
Nov	557	226	783
Dec	605	266	871
Jan 1943	518	176	694
Feb	522	147	669
Mar	754	173	927
Apr	839	285	1,124
May	838	231	1,069
Jun	792	212	1,004
Jul	1,021	230	1,251
Aug	989	221	1,260
Sep	1,001		
Oct			
Nov			
Dec			

Includes value of planes flight delivered.

***LEND-LEASE ADMINISTRATOR APPOINTED**

Table 10

LEND-LEASE EXPORTS - BY CATEGORY
MILLIONS OF DOLLARS

Month	Munitions	Industrial Items	Foodstuffs Etc.	Total
Jan 1941				
Feb				
Mar	1	-	-	1
Apr	6	-	-	6
May	9	1	6	16
Jun	12	3	20	35
Jul	22	11	39	72
Aug	26	16	25	67
Sep *	20	23	42	85
Oct	39	51	76	166
Nov	33	42	64	139
Dec	38	43	73	154
Jan 1942	66	51	57	176
Feb	102	54	36	194
Mar	156	94	62	329
Apr	182	119	102	424
May	122	89	83	305
Jun	173	104	97	403
Jul	205	116	76	422
Aug	227	127	68	434
Sep	228	118	107	471
Oct	282	141	114	558
Nov	296	145	83	557
Dec	320	170	96	605
Jan 1943	268	143	93	522
Feb	235	134	111	523
Mar	384	176	152	754
Apr	512	205	122	839
May	512	189	121	822
Jun	425	209	158	792
Jul	641	225	155	1,021
Aug	516	273	200	989
Sep	550	245	206	1,001
Oct				
Nov				
Dec				

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 11

LEND-LEASE EXPORTS
MARCH 1941 THROUGH SEPTEMBER 30, 1943
MILLIONS OF DOLLARS

	United Kingdom	U.S.S.R.	Africa, Middle East & Med. Area	China, India, Australia & New Zealand	Other	Total
<u>Munitions</u>						
Ordnance	242	151	203	130	53	779
Ammunition	478	307	276	183	56	1,300
Aircraft & Parts	701	693	328	273	233	2,228
Tanks & Parts	473	204	368	134	32	1,211
Motor Vehicles & Parts	192	415	266	211	43	1,127
Watercraft	153	84	27	23	18	305
Total	2,239	1,854	1,468	954	435	6,950
<u>Industrial Items</u>						
Machinery	309	311	90	110	19	839
Metals	495	363	123	161	18	1,160
Petroleum Products	400	24	59	88	-	571
Other	271	186	139	102	27	725
Total	1,475	884	411	461	64	3,295
<u>Agricultural Products</u>						
Foods	1,490	490	118	34	11	2,143
Other Agric. Prods.	420	59	6	26	3	514
Total	1,910	549	124	60	14	2,657
Total Exports	5,624	3,287	2,003	1,475	513	12,902

The above figures and those in Table 5 do not include (1) articles transferred to foreign countries but used in the United States, such as trainer planes for the instruction of United States pilots; (2) some ships which leave the United States under their own power; (3) some goods consigned to United States commanding generals for subsequent transfer to lend-lease countries; (4) materials which have been transferred but not yet exported; (5) goods purchased outside the United States and sent directly to lend-lease countries; and (6) some other items of relatively small amount.

Table 12

LEND-LEASE EXPORTS - BY COUNTRY
MILLIONS OF DOLLARS

Month	United Kingdom	U.S.S.R.	Africa and Middle East	China, India, Australia, New Zealand	Other	Total
Jan 1941						
Feb						
Mar	-	-	-	-	1	1
Apr	1	-	1	-	4	6
May	9	-	5	1	1	16
Jun	26	-	6	1	2	35
Jul	49	-	19	1	3	72
Aug	46	-	14	5	2	67
Sep *	74	-	7	2	2	85
Oct	141	-	12	12	1	166
Nov	107	1	11	18	2	139
Dec	119	-	21	12	2	154
Jan 1942	103	15	24	19	13	174
Feb	78	55	26	21	12	192
Mar	138	96	25	46	7	312
Apr	128	160	45	55	15	403
May	134	70	37	46	7	294
Jun	183	109	35	35	12	374
Jul	155	103	62	57	20	397
Aug	146	148	55	56	17	422
Sep	208	96	69	67	13	453
Oct	218	113	97	83	26	537
Nov	181	185	90	55	13	524
Dec	195	164	110	97	20	586
Jan 1943	174	153	90	72	15	504
Feb	205	167	35	48	25	480
Mar	298	187	104	66	57	712
Apr	363	233	111	69	63	839
May	387	168	142	81	44	822
Jun	426	140	82	100	44	792
Jul	392	230	165	147	87	1,021
Aug	370	313	127	113	66	989
Sep	398	301	130	81	91	1,001
Oct						
Nov						
Dec						

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 13

VALUE OF LEND-LEASE EXPORTS
BY COUNTRY OF DESTINATION
MARCH 1941 THROUGH SEPTEMBER 30, 1943
THOUSANDS OF DOLLARS

Aden	1,076	Greenland	8
Algeria	190,243	Guatemala	829
Anglo-Egyptian Sudan	12,333	Haiti	390
Arabia Peninsula States	345	Honduras	86
Argentina	449	Hong Kong	18
Australia	556,670	Iceland	3,546
Bahamas	31,946	India	638,748
Bahrein	1,041	Iran	51,454
Barbados	384	Iraq	142,396
Belgian Congo	17,464	Jamaica	4,805
Bermuda	1,639	Leeward Islands	82
Bolivia	1,105	Libya	433
Brazil	71,763	Madagascar	438
British East Africa	44,197	Malta and Gozo	579
British Guiana	393	Mauritius	273
British Honduras	54	Mexico	7,411
British Malaya	8,790	Miquelon and St. Pierre	94
British Oceania	834	Mozambique	515
British South Africa	62	Netherlands Indies	23,714
Burma	3,427	Newfoundland and Labrador	993
Cameroon	1,852	New Guinea	70
Canada *	275,602	New Zealand	140,038
Ceylon	14,501	Nicaragua	362
Chile	9,446	Nigeria	17,617
China	111,832	Northern Rhodesia	380
Colombia	1,964	Palestine and Trans-Jordan	6,850
Costa Rica	86	Panama Canal Zone	1
Cuba	2,666	Panama, Republic of	-
Curacao	6,353	Paraguay	896
Cyprus	190	Peru	6,378
Dominican Republic	379	Portugal	2
Eastern Italian Africa	1,768	Seychelles and Dependencies	1
Ecuador	1,673	Southern Rhodesia	5,441
Egypt	1,207,778	St. Helena and Dependencies	1
Eire	123	Surinam	2,036
El Salvador	667	Syria	1,308
Ethiopia	4	Trinidad and Tobago	21,661
Falkland Islands	59	Tunisia	189
French Equatorial Africa	3,953	Turkey	86,443
French Morocco	25,569	Union of South Africa	133,559
French Oceania	869	U.S.S.R.	3,287,047
French West Africa	9,731	United Kingdom	5,624,197
French West Indies	2,193	Uruguay	1,860
Gambia and Sierra Leone	13,805	Venezuela	1,432
Gibraltar	5,938	Windward Islands	114
Gold Coast	36,181		
Greece	7,939		
		TOTAL - ALL COUNTRIES	12,902,031

* For U.K. account and cash reimbursement.

Table 14

LEND-LEASE EXPORTS OF MUNITIONS
MONTHLY IN MILLIONS OF DOLLARS

	United Kingdom	U.S.S.R.	Other Countries	Total
Jan 1941				
Feb				
Mar	-	-	1	1
Apr	1	-	5	6
May	3	-	6	9
Jun	6	-	6	12
Jul	4	-	18	22
Aug	9	-	17	26
Sep *	11	-	9	20
Oct	18	-	21	39
Nov	11	-	22	33
Dec	11	-	27	38
Jan 1942	15	9	42	66
Feb	19	42	41	102
Mar	32	64	60	156
Apr	24	78	80	182
May	35	34	53	122
Jun	43	79	51	173
Jul	35	74	96	205
Aug	39	106	82	227
Sep	64	56	108	228
Oct	67	66	149	282
Nov	70	120	106	296
Dec	79	86	155	320
Jan 1943	69	69	130	268
Feb	82	78	75	235
Mar	133	81	170	384
Apr	203	125	184	512
May	228	96	188	512
Jun	225	45	155	425
Jul	195	154	292	641
Aug	150	155	211	516
Sep	188	152	210	550
Oct				
Nov				
Dec				

*LEND-LEASE ADMINISTRATOR APPOINTED

Table 15

LEND-LEASE EXPORTS OF INDUSTRIAL ITEMS
MONTHLY IN MILLIONS OF DOLLARS

	United Kingdom	U.S.S.R.	Other Countries	Total
Jan 1941				
Feb				
Mar				
Apr				
May	-	-	1	1
Jun	3	-	-	3
Jul	9	-	2	11
Aug	14	-	2	16
Sep *	20	-	3	23
Oct	45	-	6	51
Nov	34	-	8	42
Dec	37	-	6	43
Jan 1942	32	4	15	51
Feb	26	11	17	54
Mar	56	20	18	94
Apr	48	42	29	119
May	47	18	24	89
Jun	61	19	24	104
Jul	62	18	36	116
Aug	55	34	38	127
Sep	59	22	37	118
Oct	61	35	45	141
Nov	47	50	48	145
Dec	63	43	64	170
Jan 1943	58	43	42	143
Feb	58	48	28	134
Mar	76	57	43	176
Apr	94	69	42	205
May	79	44	66	189
Jun	89	62	58	209
Jul	93	41	91	225
Aug	82	114	77	273
Sep	83	93	69	245
Oct				
Nov				
Dec				

*LEND-LEASE ADMINISTRATOR APPOINTED

Table 16

VALUE OF LEND-LEASE FOOD EXPORTS

MONTHLY IN THOUSANDS OF DOLLARS

	United Kingdom	U.S.S.R.	Other Countries	Total
Jan 1941				
Feb				
Mar				
Apr				
May	4,869	-	651	5,520
Jun	15,922	-	2,402	18,324
Jul	30,856	-	3,045	33,901
Aug	20,119	-	1,022	21,141
Sep *	30,212	-	604	30,816
Oct	52,433	-	571	53,004
Nov	52,348	-	269	52,617
Dec	63,784	-	596	64,380
Jan 1942	47,641	-	1,088	48,729
Feb	28,169	781	668	29,618
Mar	43,639	8,813	1,438	53,890
Apr	41,244	37,320	6,022	84,586
May	47,083	15,881	5,504	68,468
Jun	62,573	7,600	4,408	74,581
Jul	52,116	10,149	4,783	67,048
Aug	46,368	6,388	3,603	56,359
Sep	63,046	16,907	5,739	85,692
Oct	65,306	11,666	11,122	88,094
Nov	54,546	14,737	3,757	73,040
Dec	46,569	33,446	6,285	86,300
Jan 1943	40,863	40,067	3,502	84,432
Feb	54,138	36,695	3,166	93,999
Mar	69,492	41,968	13,036	124,496
Apr	52,432	35,033	8,537	96,002
May	62,256	25,899	10,899	99,054
Jun	64,805	29,054	11,094	104,953
Jul	71,555	30,298	13,265	115,118
Aug	94,737	38,248	16,166	149,151
Sep	104,748	49,124	20,279	174,151
Oct				
Nov				
Dec				

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 17

NUMBER OF EMPLOYEES IN LEND-LEASE ADMINISTRATION

Month	Total	Admin.	Mission	Number by Annual Salary Range*				
				\$1080-1999	\$2000-3999	\$4000-5999	\$6000-7999	\$8000-10,000
Jan 1941								
Feb								
Mar								
Apr								
May								
Jun								
Jul	88	88	-	50	14	3	4	1
Aug	148	148	-	99	18	6	6	1
Sep *	196	196	-	141	31	6	5	4
Oct	264	264	-	198	37	7	6	6
Nov	294	294	-	216	50	8	5	6
Dec	346	346	-	257	58	11	8	7
Jan 1942	383	383	-	273	69	13	10	13
Feb	407	407	-	279	77	16	18	13
Mar	436	426	10	290	85	17	25	15
Apr	445	435	10	286	98	19	23	16
May	446	437	9	273	100	24	31	16
Jun	436	426	10	257	102	26	32	17
Jul	460	450	10	256	116	49	17	21
Aug	470	459	11	259	120	50	18	22
Sep	456	445	11	251	118	46	22	18
Oct	503	492	11	269	127	61	22	23
Nov	507	497	10	258	134	66	24	24
Dec	501	491	10	252	129	62	27	30
Jan 1943	517	486	31	242	139	59	33	34
Feb	570	527	43	254	156	67	43	40
Mar	634	525	109	257	175	91	64	40
Apr	617	511	106	236	179	97	65	40
May	655	544	111	251	188	103	70	43
Jun	715	589	126	272	208	114	75	46
Jul	730	595	135	274	218	115	75	48
Aug	730	591	139	264	222	117	78	49
Sep	730	591	139	254	225	120	81	50
Oct	728	591	137	248	229	118	84	49
Nov								
Dec								

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 18

MONTHLY PAYROLL OF LEND-LEASE ADMINISTRATION

Month	Total	Admin.	Mission	Amount by Annual Salary Range				
				\$1080-1999	\$2000-3999	\$4000-5999	\$6000-7999	\$8000-10,000
Jan 1941								
Feb								
Mar								
Apr								
May								
Jun								
Jul	16,828	16,828	-	6,075	3,285	1,233	2,092	667
Aug	27,685	27,685	-	13,130	4,226	2,383	3,083	667
Sep *	34,143	34,143	-	17,265	6,993	2,383	2,502	2,813
Oct	44,686	44,686	-	24,500	7,743	2,767	3,042	4,147
Nov	50,133	50,133	-	26,840	11,509	3,151	2,500	4,146
Dec	59,955	59,955	-	31,870	13,118	4,300	4,083	4,813
Jan 1942	70,579	70,579	-	34,120	15,600	5,150	5,125	8,813
Feb	78,969	78,969	-	34,920	17,634	6,550	9,416	8,813
Mar	87,753	83,701	4,052	36,570	19,217	7,019	13,167	10,146
Apr	90,756	86,555	4,201	36,510	21,349	7,867	12,083	10,813
May	95,136	90,952	4,184	35,055	22,442	9,867	16,125	10,813
Jun	95,412	90,561	4,851	33,180	22,576	10,717	16,625	11,480
Jul	104,389	99,542	4,847	35,053	26,178	21,182	9,291	14,333
Aug	107,494	101,979	5,514	33,863	27,031	21,416	9,833	15,000
Sep	104,000	98,546	5,514	32,950	27,118	19,434	11,875	12,333
Oct	117,771	112,257	5,514	35,340	28,523	26,017	11,875	15,666
Nov	121,778	116,805	4,973	34,410	29,585	28,100	13,000	16,333
Dec	125,220	120,247	4,973	34,105	29,170	26,533	14,708	20,354
Jan 1943	134,556	117,421	17,135	32,956	31,727	25,449	17,957	22,936
Feb	152,321	129,415	22,906	34,450	34,974	28,849	23,375	27,000
Mar	180,319	127,654	52,665	35,040	38,957	41,601	34,750	27,000
Apr	177,001	128,373	48,628	32,440	40,483	41,766	35,208	27,104
May	188,609	137,830	50,779	34,715	42,558	44,316	37,916	29,104
Jun	204,315	146,511	57,804	37,485	46,299	48,782	40,645	31,104
Jul	208,615	146,715	61,900	37,695	48,399	49,249	40,645	32,625
Aug	210,735	147,072	63,662	36,460	48,871	49,949	42,270	33,187
Sep	214,203	150,090	64,112	35,225	49,961	51,266	43,895	33,854
Oct	213,933	150,516	63,416	34,530	50,578	50,282	45,520	33,020
Nov								
Dec								

* LEND-LEASE ADMINISTRATOR APPOINTED

Table 19

APPROPRIATIONS, ALLOCATIONS & OBLIGATIONS LEND-LEASE FUNDS APPROPRIATED TO PRESIDENT

CUMULATIVE SINCE BEGINNING OF PROGRAM

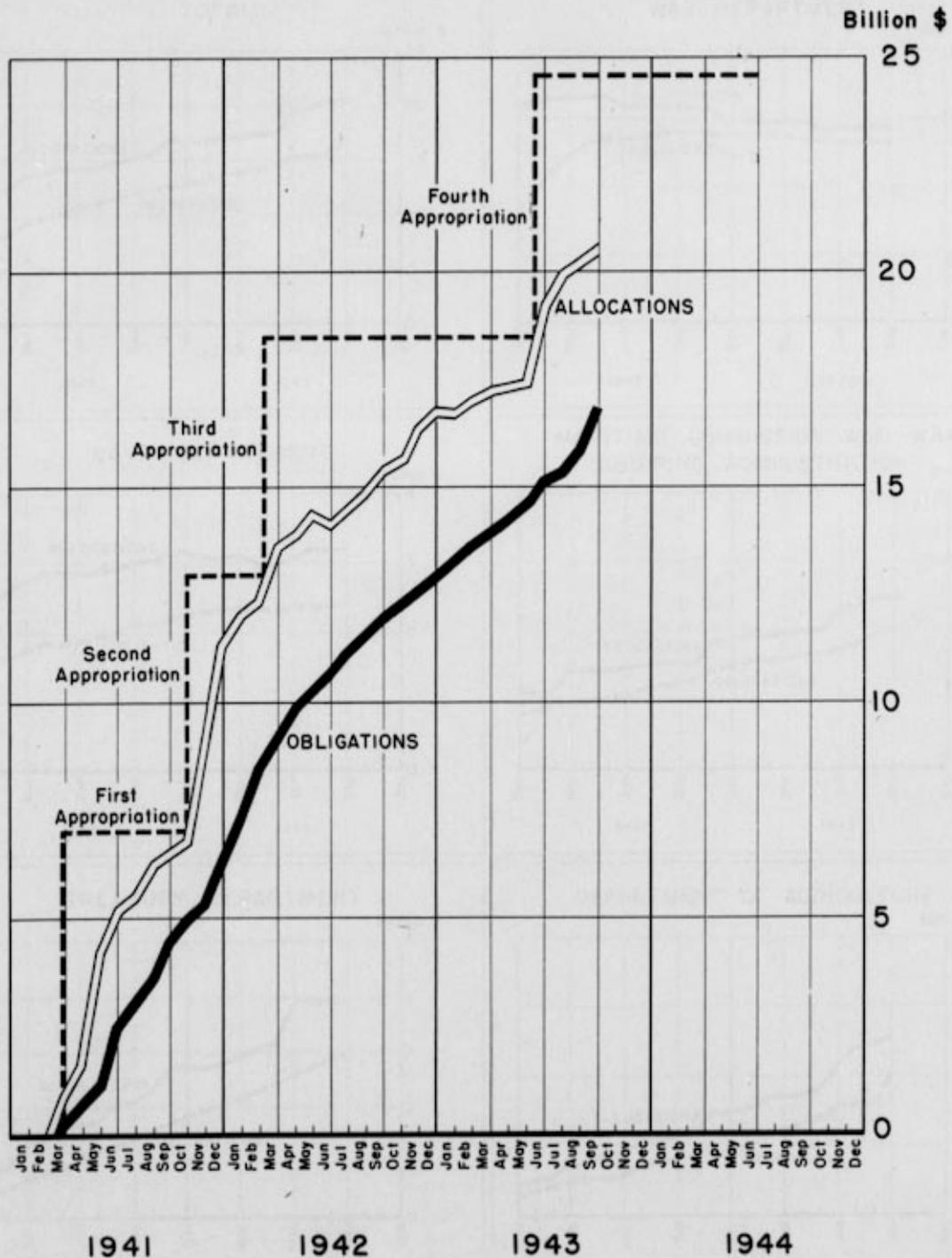


Chart 1

ALLOCATIONS AND OBLIGATIONS OF LEND-LEASE FUNDS APPROPRIATED TO THE PRESIDENT

CUMULATIVE SINCE BEGINNING OF PROGRAM

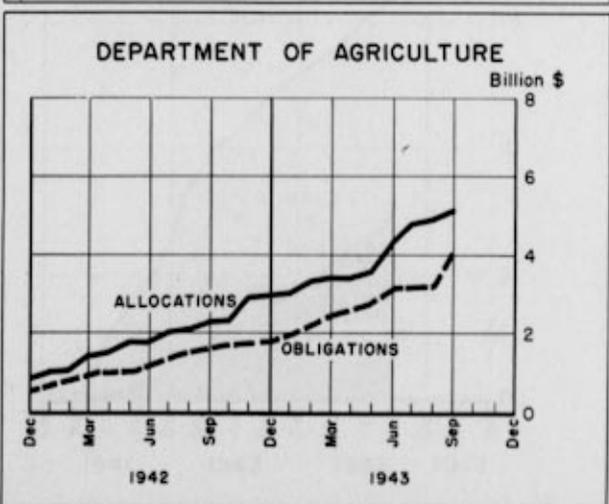
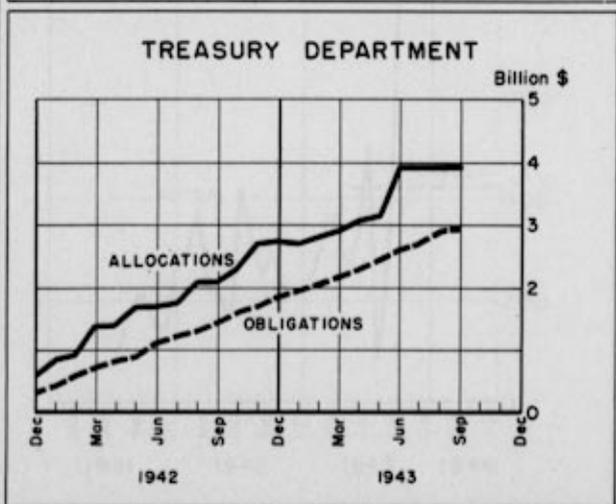
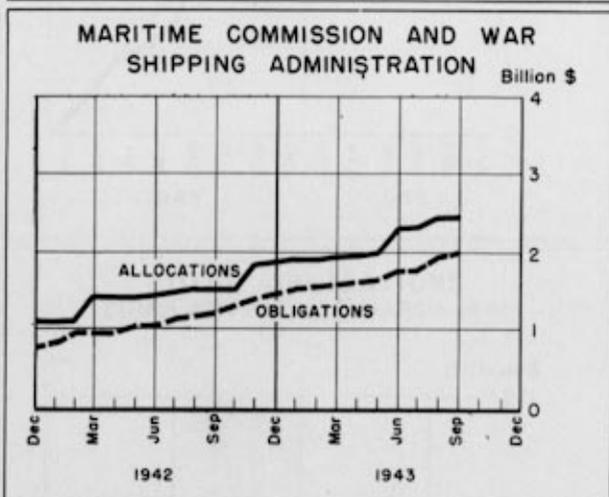
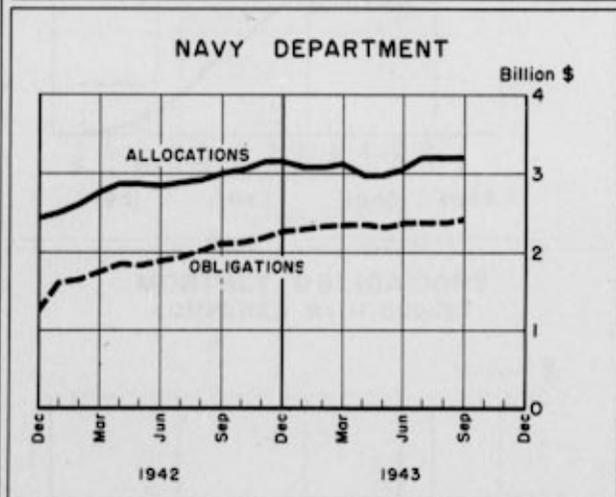
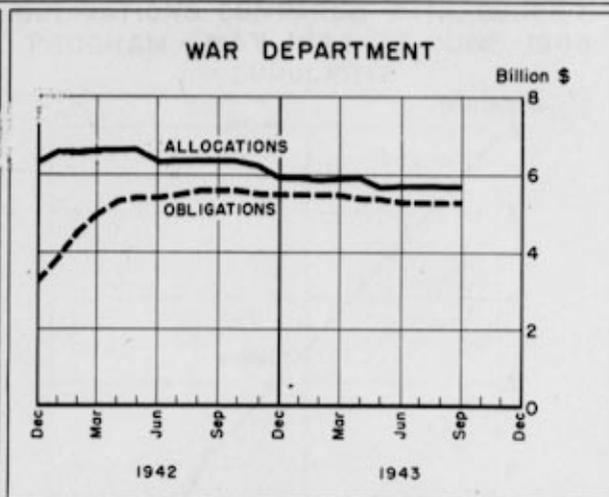
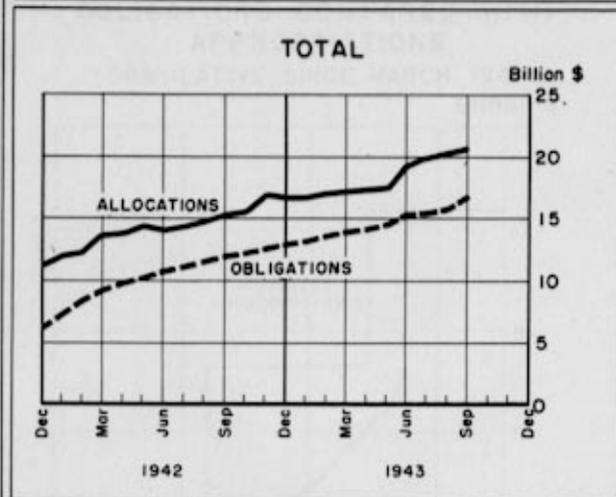
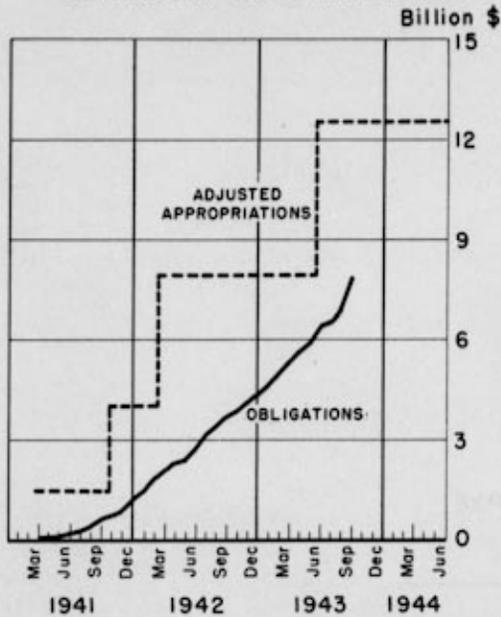


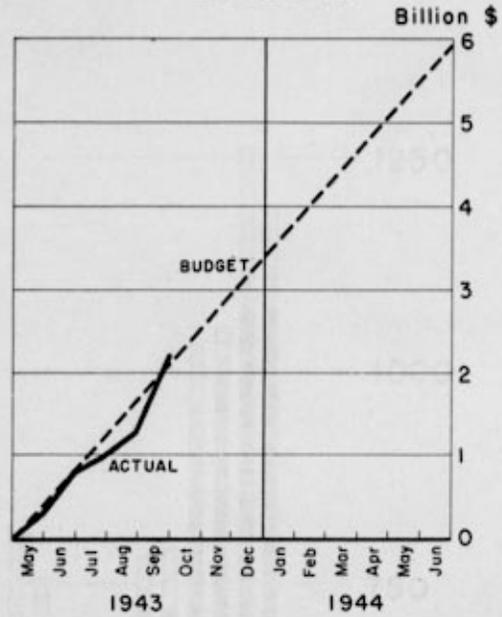
Chart 2

OBLIGATIONS OF LEND-LEASE FUNDS FOR AGRICULTURAL AND INDUSTRIAL COMMODITIES

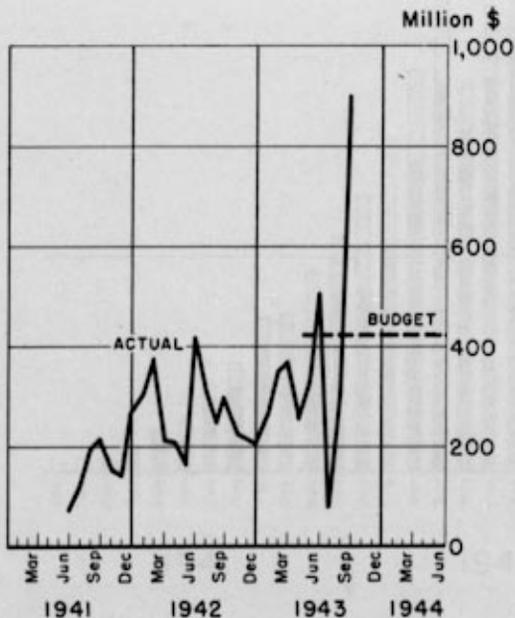
OBLIGATIONS COMPARED WITH APPROPRIATIONS
CUMULATIVE SINCE MARCH 1941



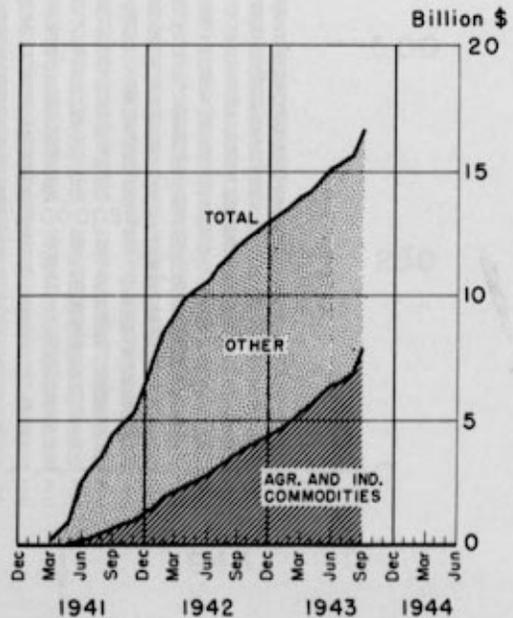
OBLIGATIONS COMPARED WITH BUDGET PROGRAM - MAY 1943 TO JUNE 1944
CUMULATIVE



MONTHLY OBLIGATIONS COMPARED WITH BUDGET



TOTAL OBLIGATIONS CUMULATIVE SINCE MARCH 1941



LEND-LEASE AID

MILLION \$
MONTHLY

1500

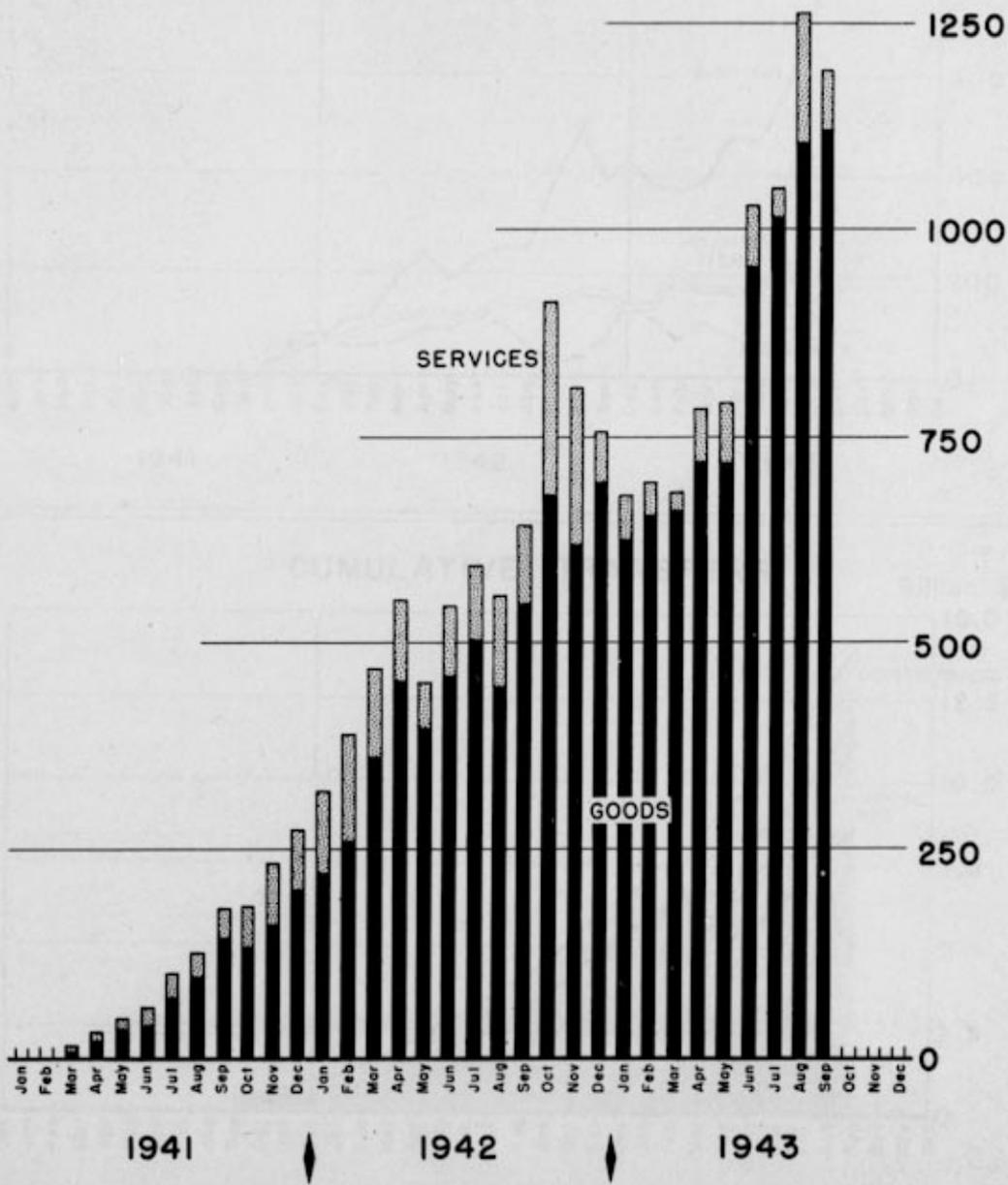
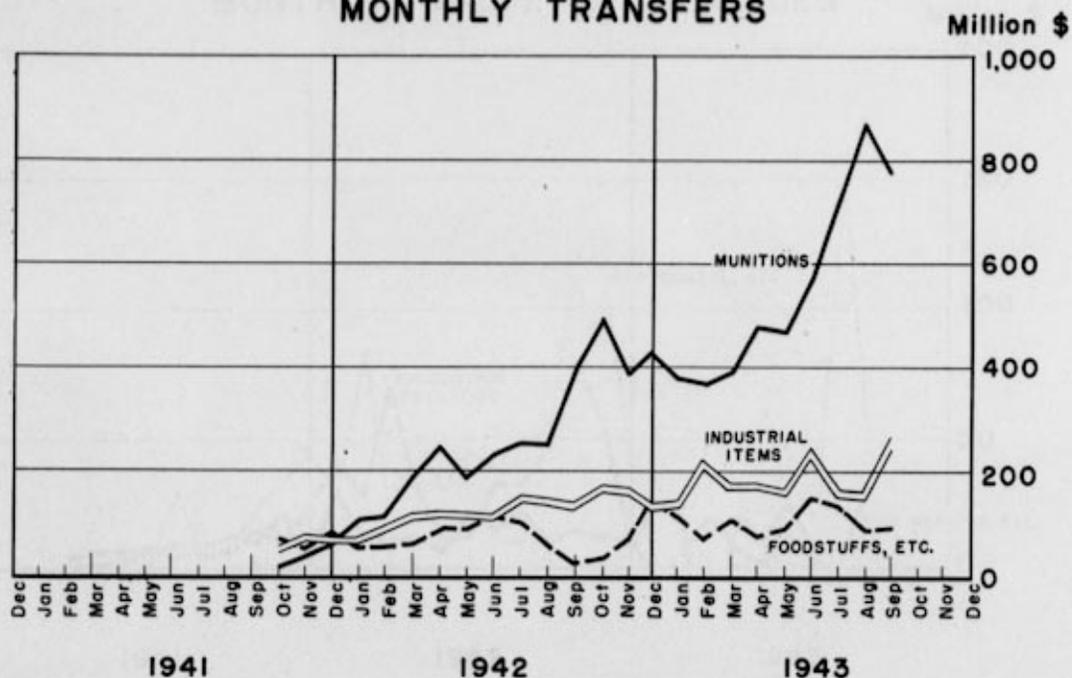


Chart 4

GOODS TRANSFERRED

MONTHLY TRANSFERS



CUMULATIVE TRANSFERS

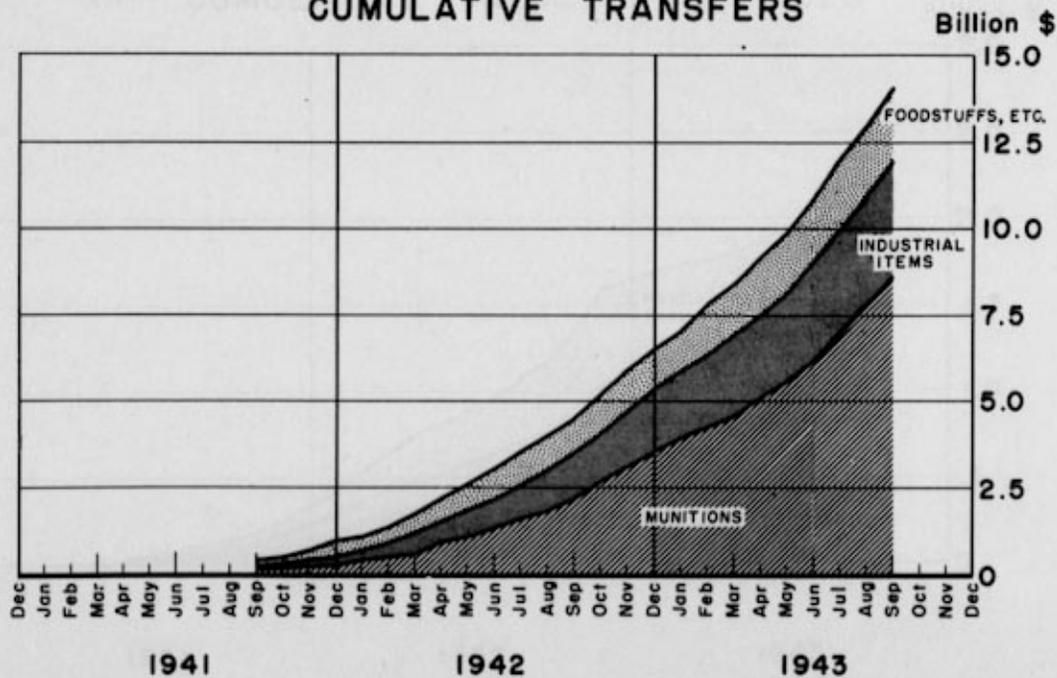
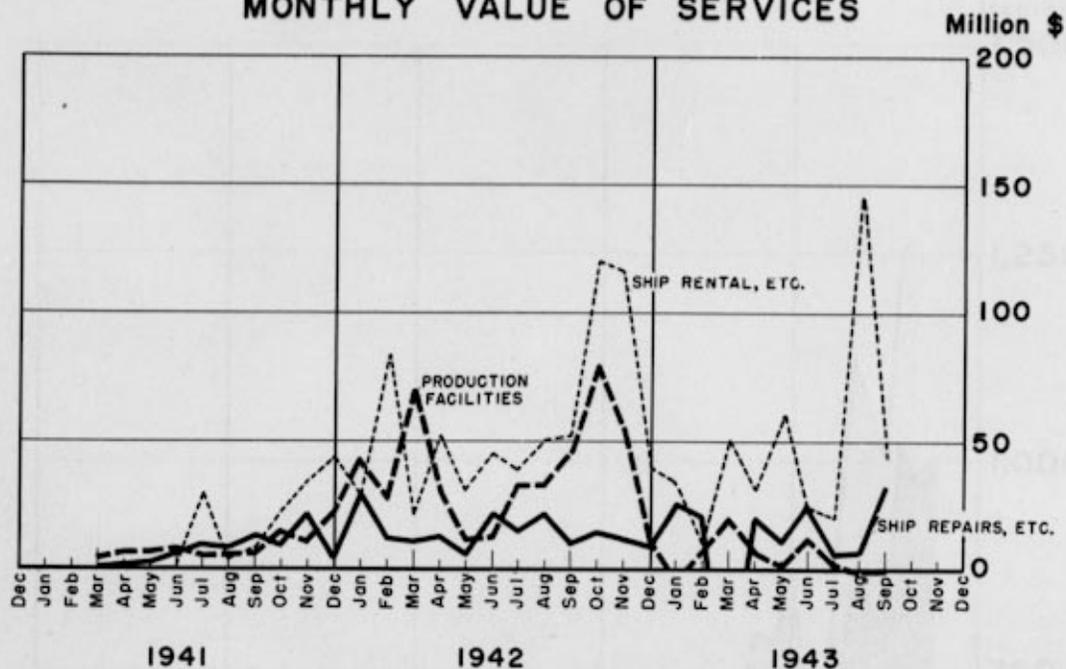


Chart 5

SERVICES RENDERED

MONTHLY VALUE OF SERVICES



CUMULATIVE VALUE OF SERVICES

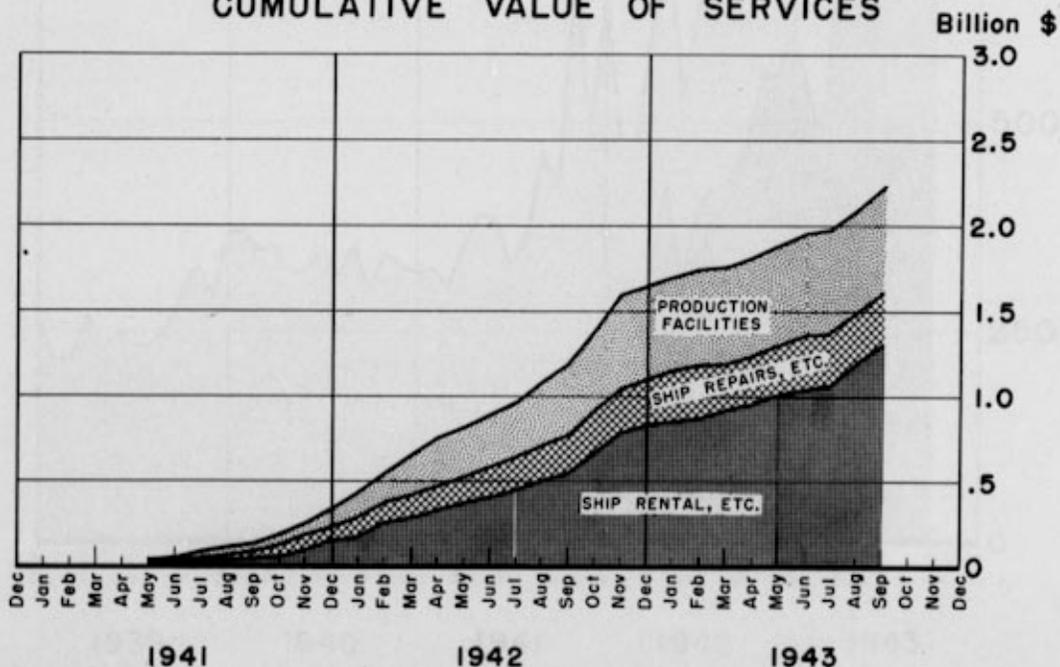


Chart 6

EXPORTS FROM THE U. S.

Million \$
Monthly
1,500

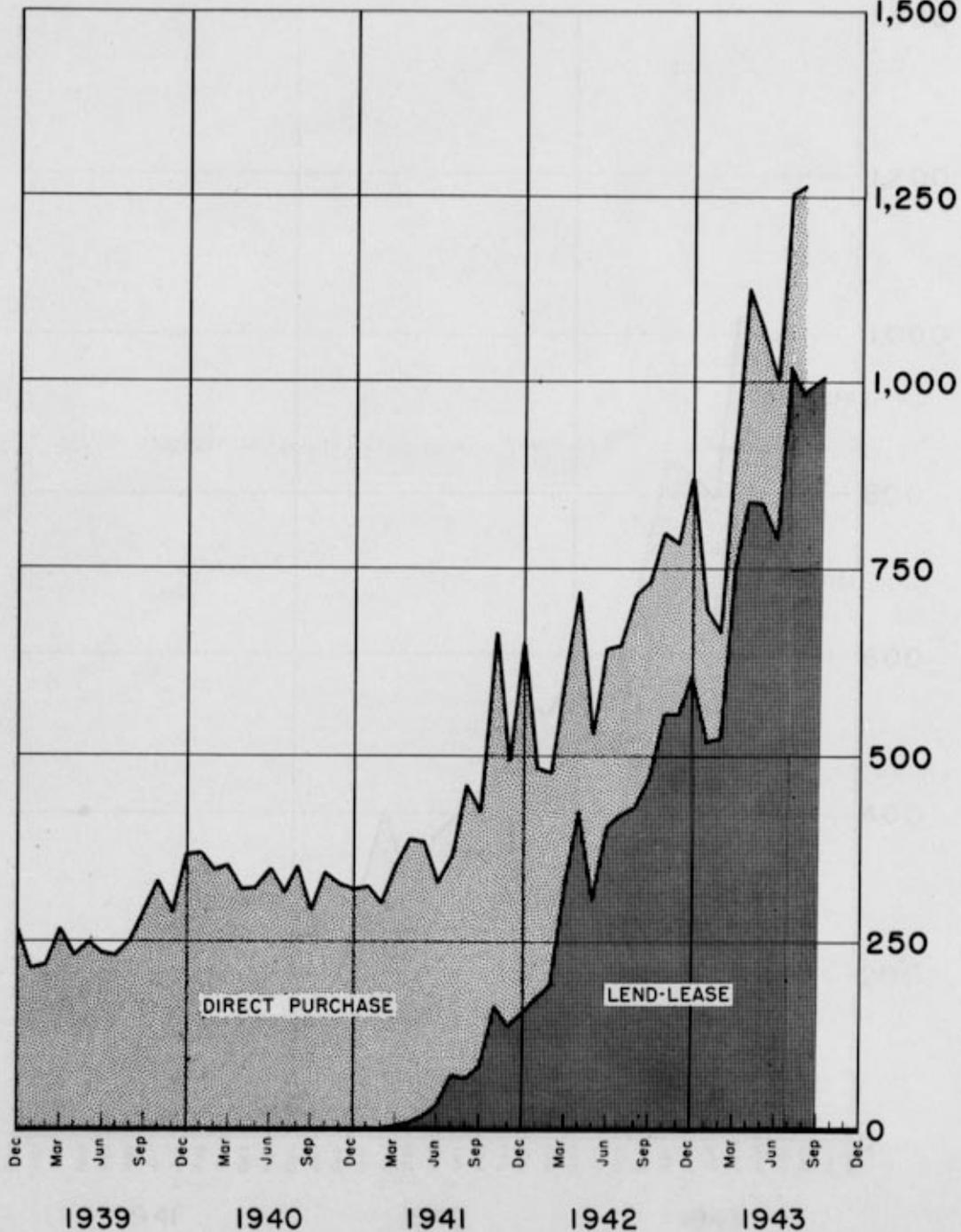


Chart 7

LEND-LEASE EXPORTS BY CATEGORY

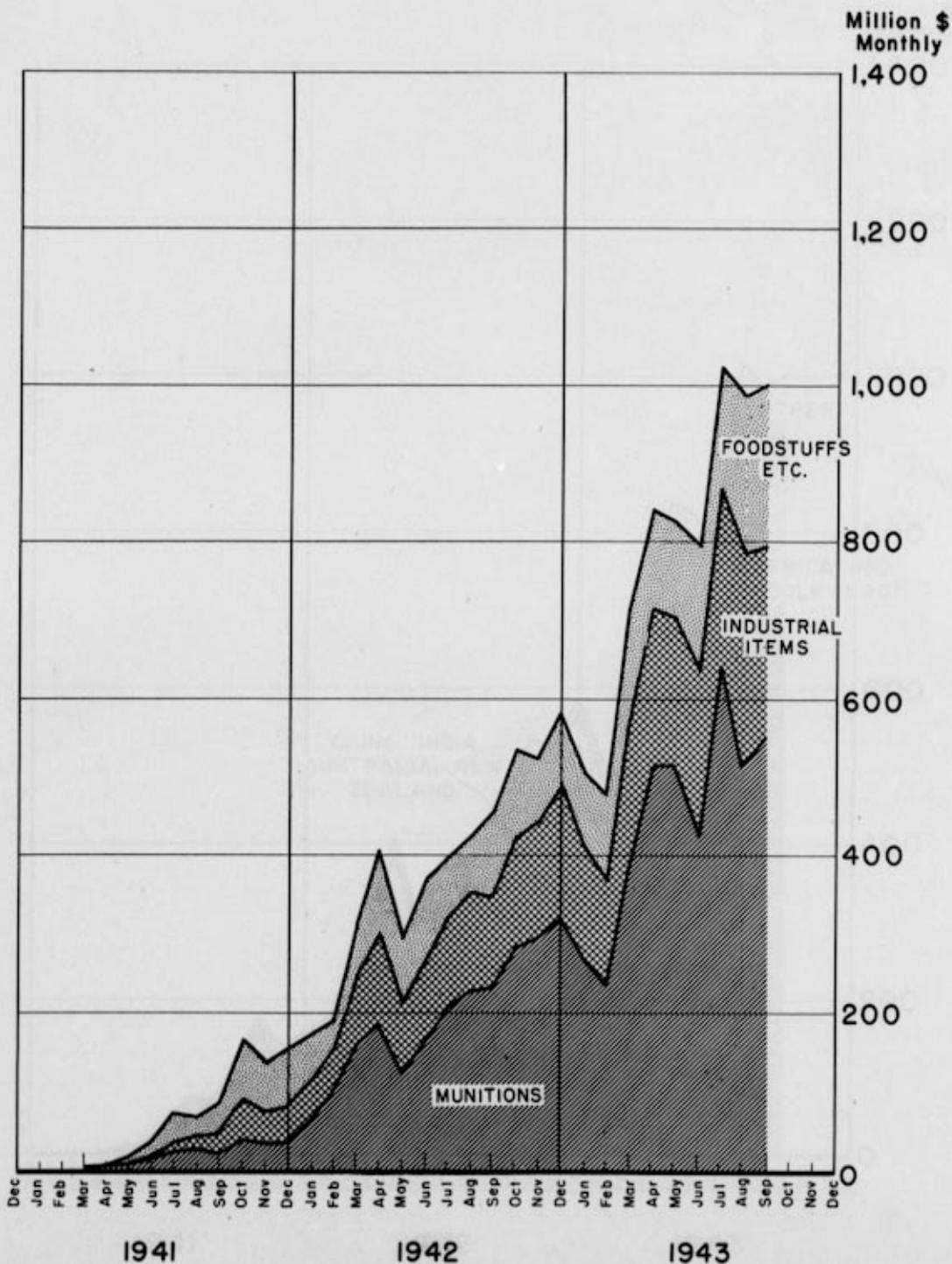


Chart 8

LEND-LEASE EXPORTS BY COUNTRY

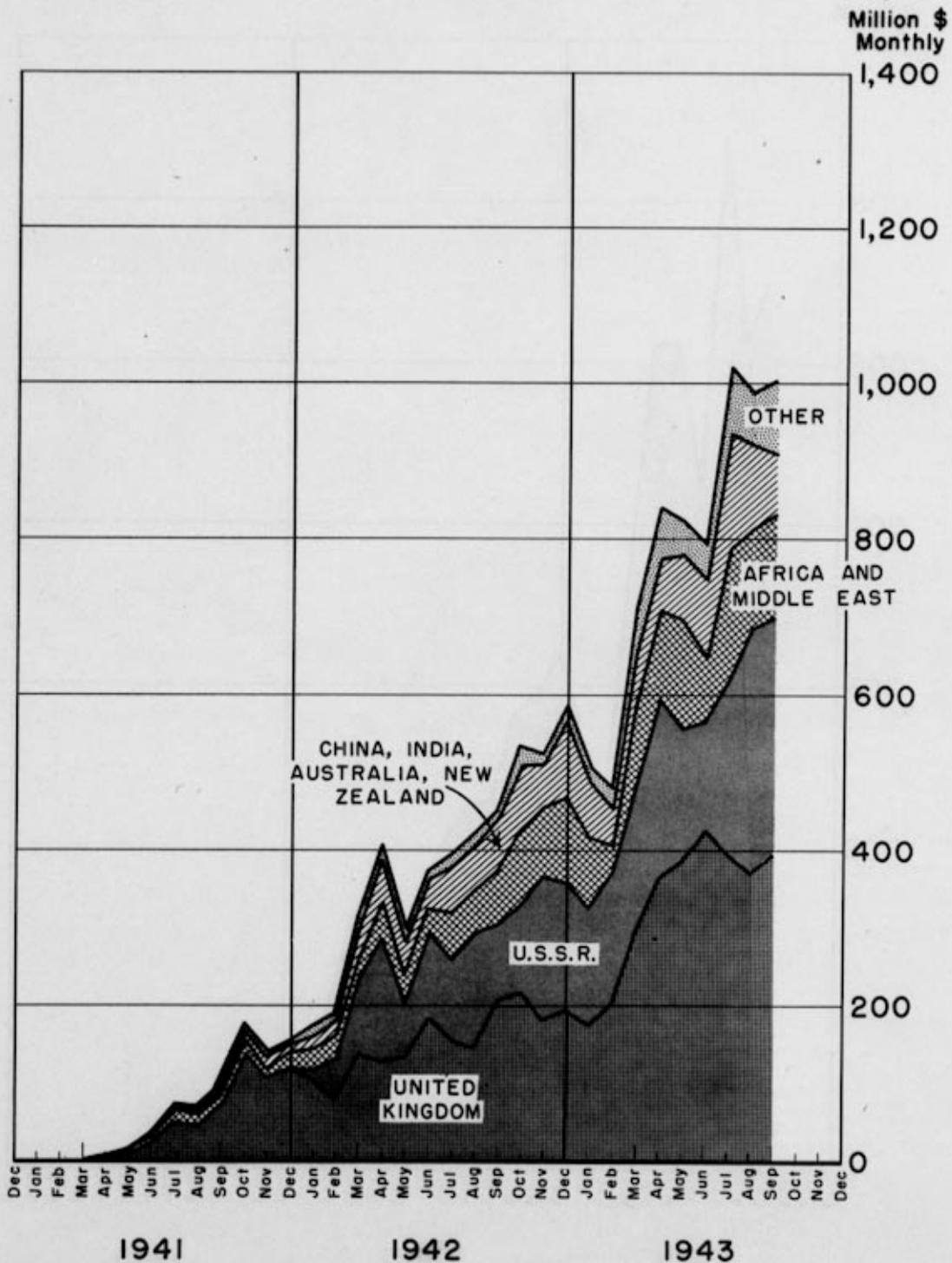


Chart 9

LEND-LEASE EXPORTS OF MUNITIONS

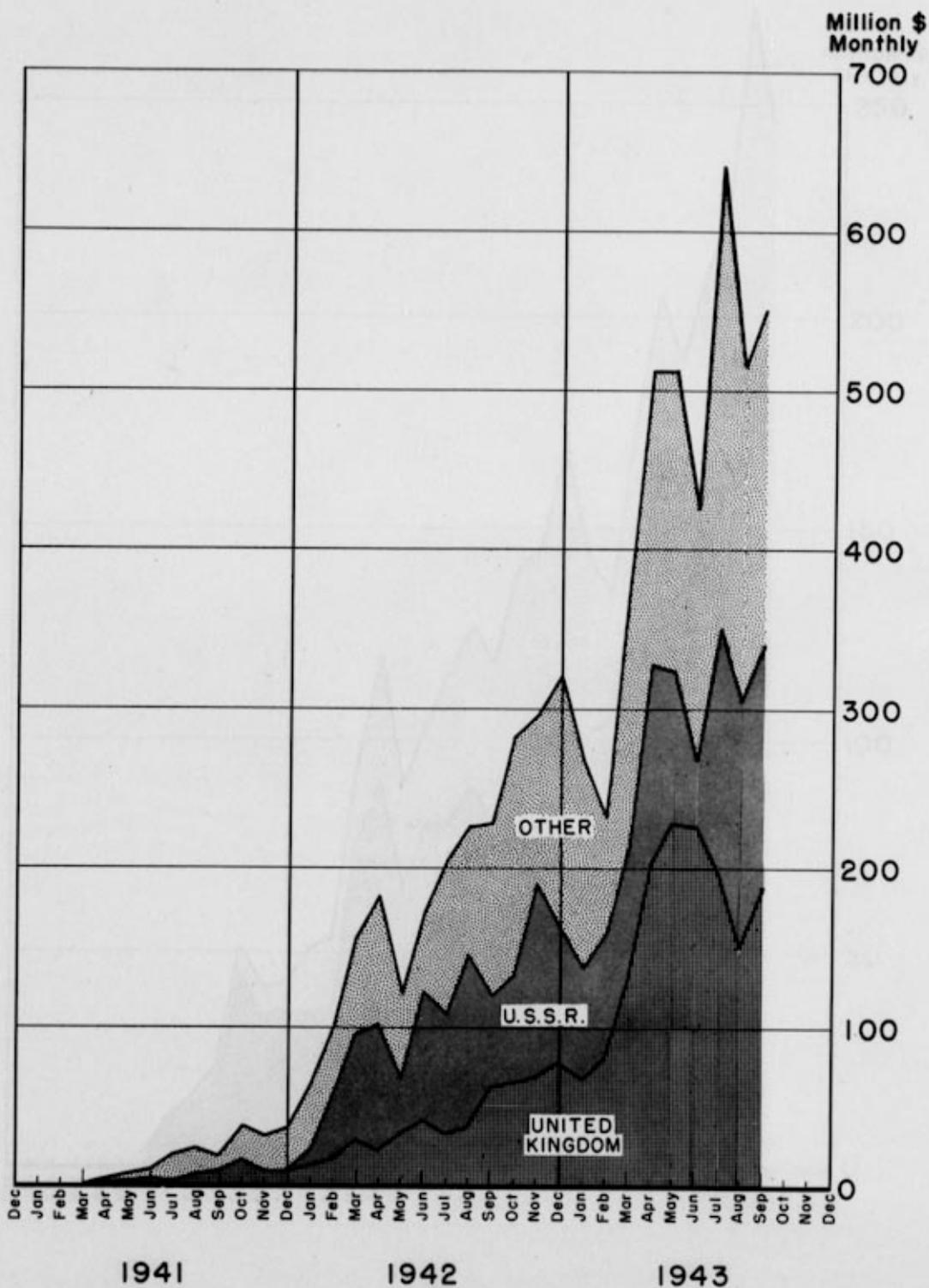


Chart 10

LEND-LEASE EXPORTS OF INDUSTRIAL ITEMS

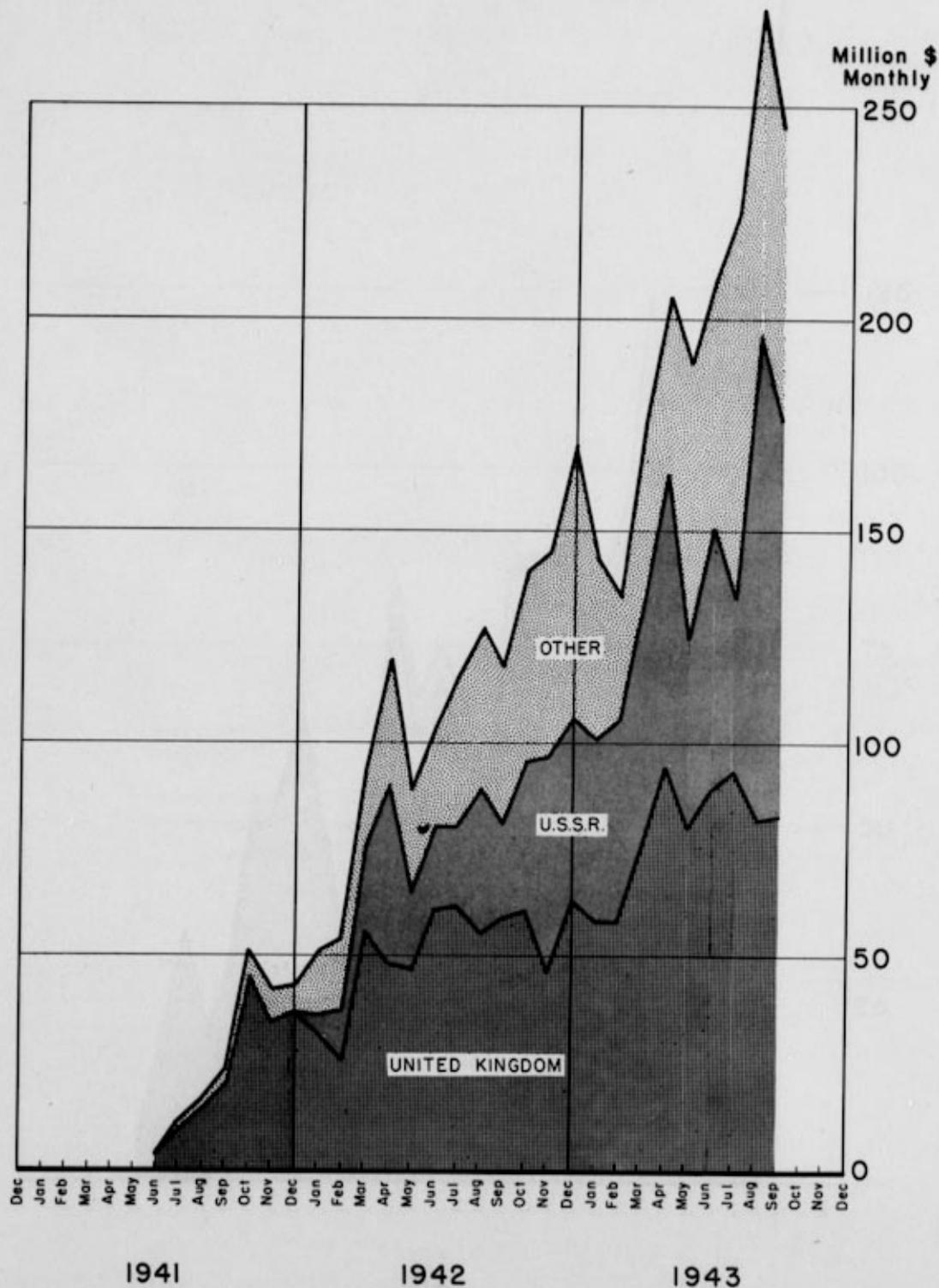


Chart 11

VALUE OF LEND-LEASE FOOD EXPORTS

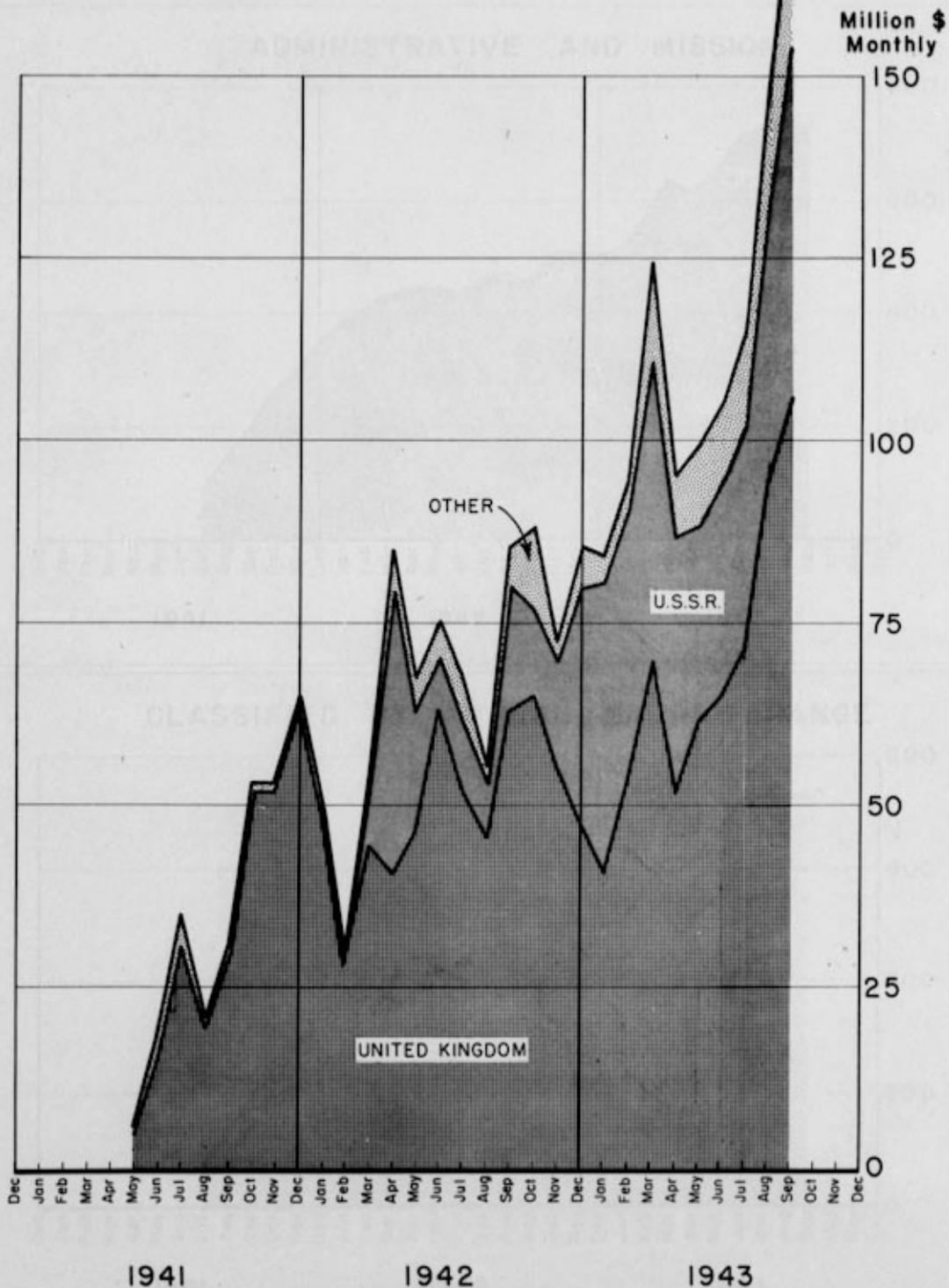
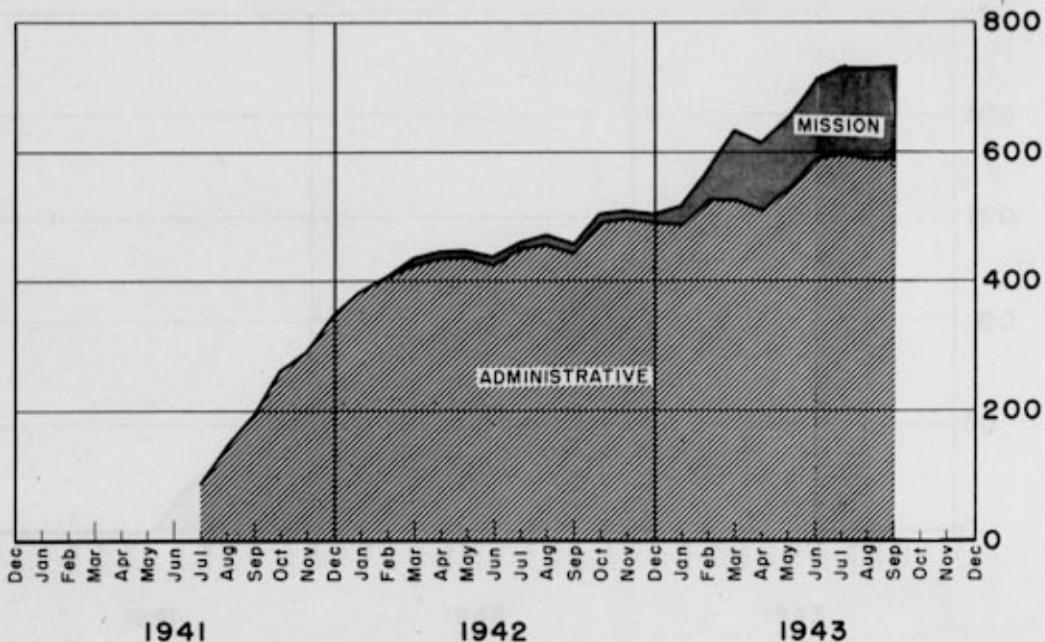


Chart 12

NUMBER OF EMPLOYEES IN LEND-LEASE ADMINISTRATION

ADMINISTRATIVE AND MISSION



CLASSIFIED BY ANNUAL SALARY RANGE

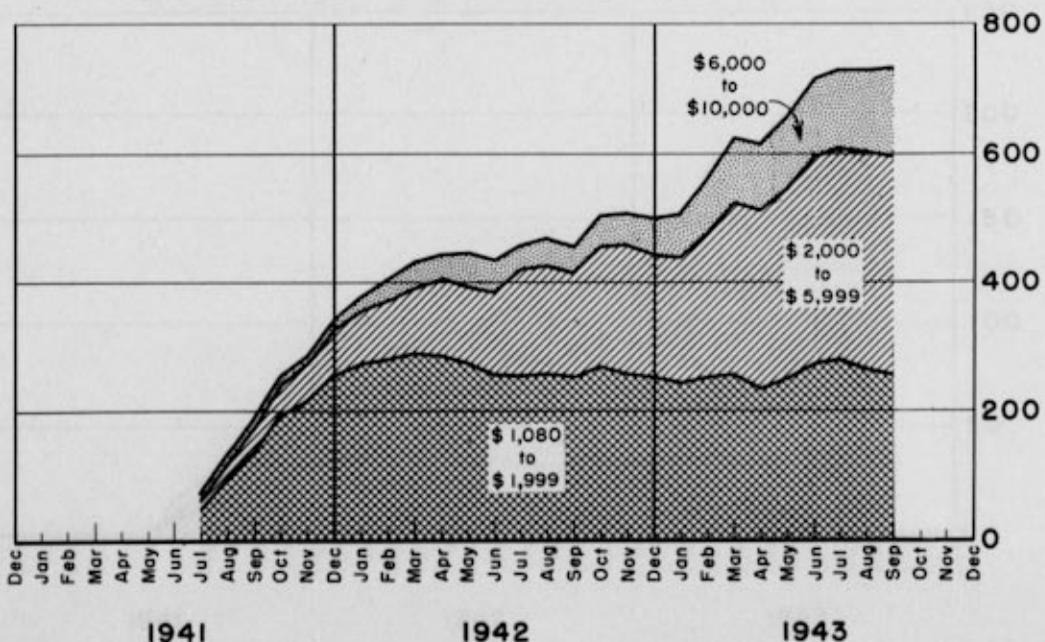
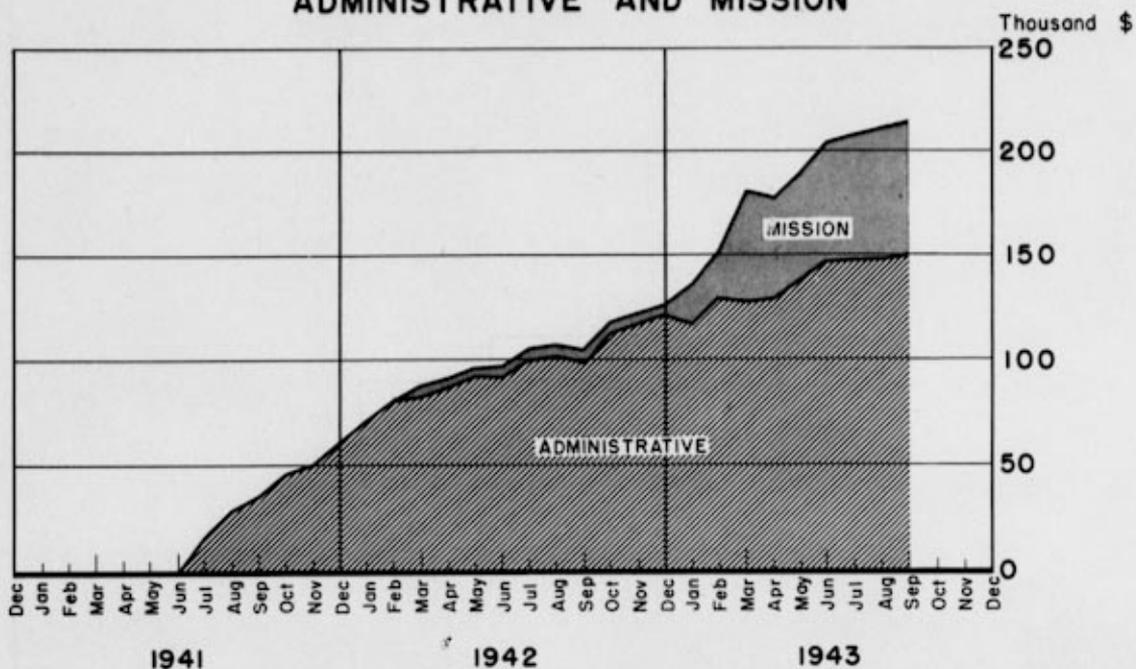


Chart 13

MONTHLY PAYROLL OF LEND-LEASE ADMINISTRATION

ADMINISTRATIVE AND MISSION



CLASSIFIED BY ANNUAL SALARY RANGE

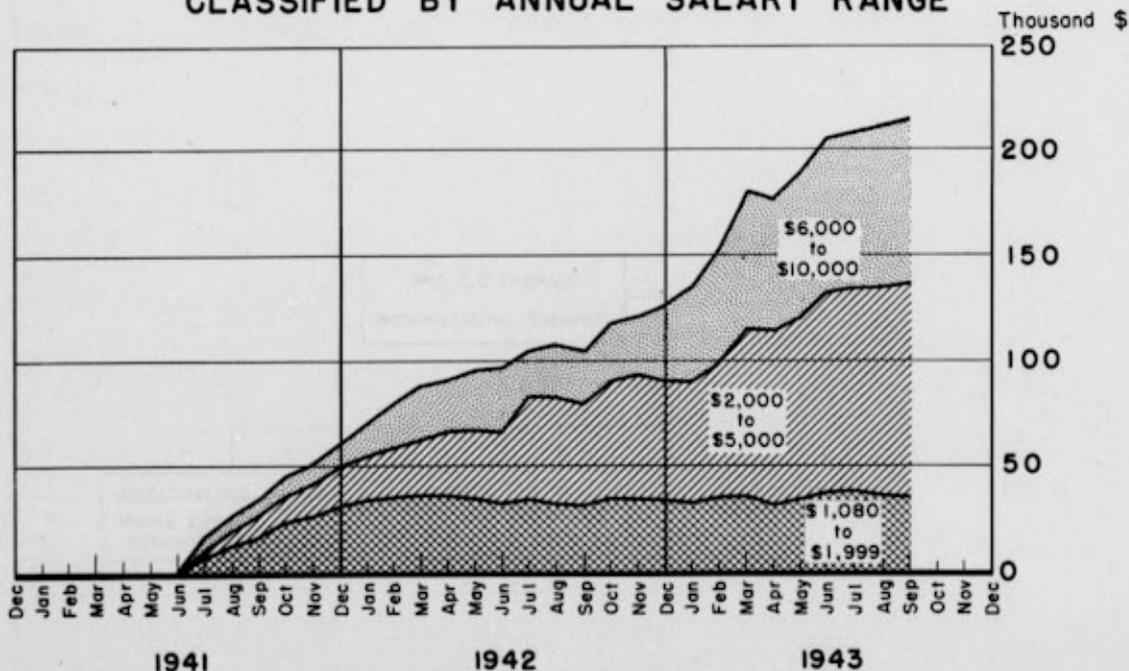
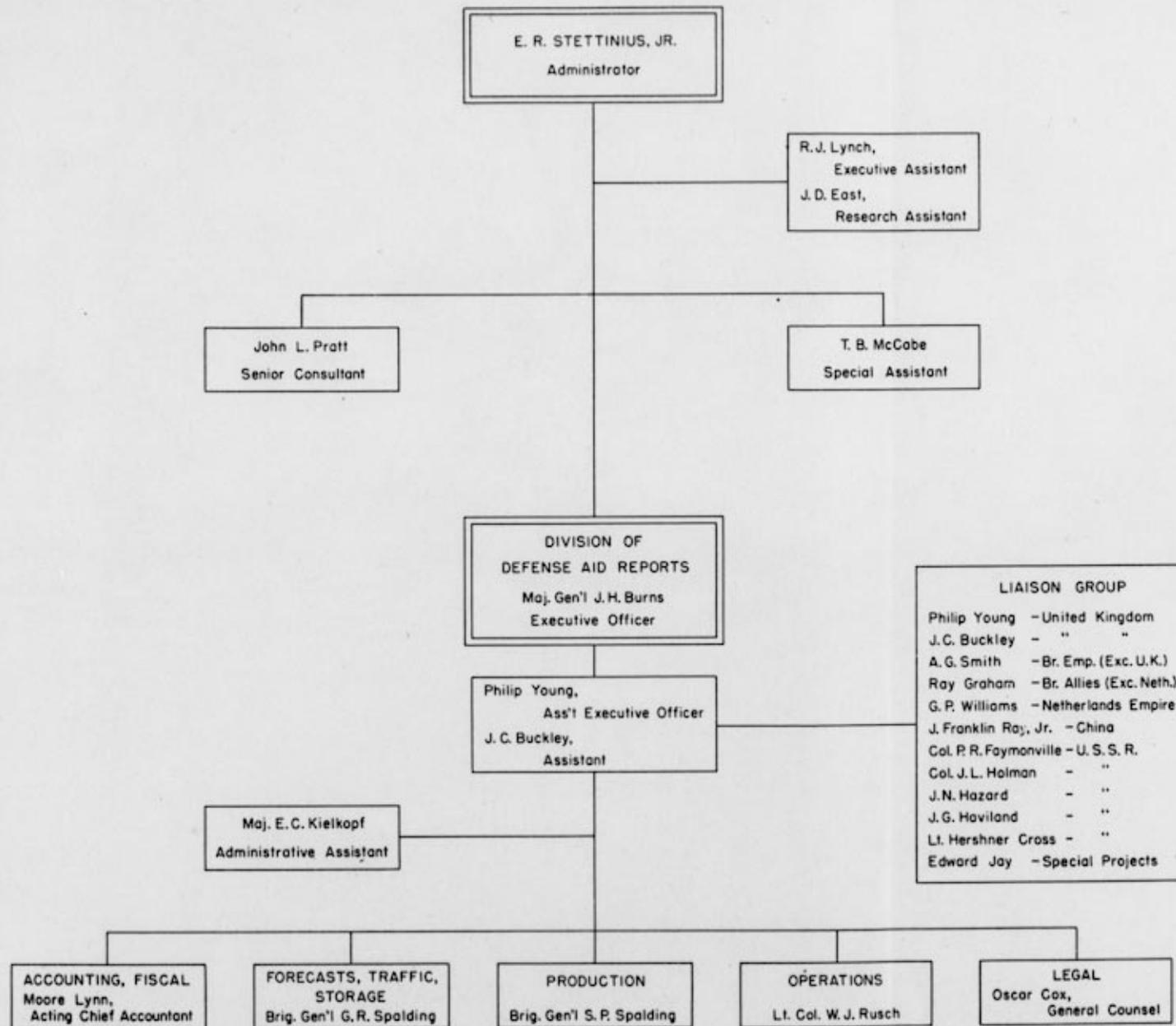


Chart 14

ORGANIZATION OF LEND-LEASE ADMINISTRATION



September 25, 1941

THIS OVERSIZE ITEM HAS BEEN
MICROFILMED IN SECTIONS.

OFFICE OF LEND-LEASE

SENIOR ASSISTANT ADMINISTRATOR
U.S.S.R. Supply
Major General Charles M. Weaver

CARDS, INCORPORATED
DIRECTOR
Richard W. Seabury - Pres.
Lewis M. Douglas - Vice Pres.
Joseph M. Jern - Secy-Treas.
Deputy Dir.
Brig. Gen. John M. Franklin
George S. Lambert
Walter Lahn
Frank Searle, Jr.
Alan E. Stevenson
Assistant
George W. Bell - General Counsel
Joseph Carr - Comptroller

GENERAL COUNSEL
Deputy Gen.
ASSOCIATE GENERAL COUNSEL
George W. Bell
ASSISTANT GENERAL COUNSEL
Edward E. Goodwin
Walter Hester
Orison Hester
Robert S. Stevens

CONSULTANT
John L. Ficht

LEND-LEASE ADMIN.
Edward A. Burns
SENIOR DEPUTY ADMIN.
Bertrand Auld

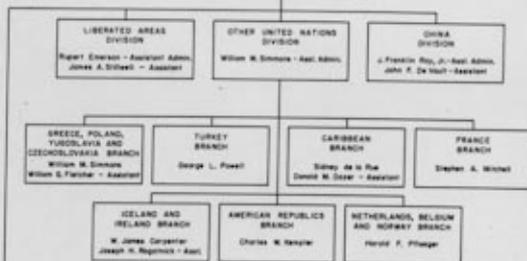
DEPUTY ADMIN.
Arthur S. Lee

EXECUTIVE ASSISTANT
James M. Pope

BRITISH EMPIRE
Senior Assistant Administrator
George T. Lawrence, Jr. - Assistant
Paul W. Bradford - Executive Officer

FOREIGN LIAISON
John E. Orchard
Senior Assistant Administrator
William M. Simons - Executive Assistant
Sidney de la Rue - Special Assistant

U.S.S.R. SUPPLY DIVISION
John A. Moore
Assistant Administrator



MISSIONS DIVISION
Samuel Bayles - Assistant Director
Loren Scherlock - Secretary

FINANCE AND STAFF DIVISION
Harry M. Keith - Asst.



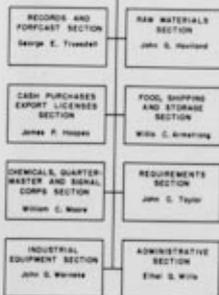
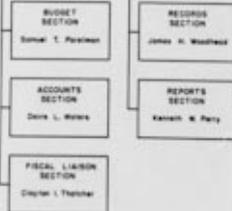
CLEARANCE SECTION
George Woodbridge
Kathryn H. Baker

REGULATIONS CONTROL SECTION
Joseph T. Dowling - Chief (Acting)



FINANCE BRANCH
Lawrence C. Woods

STATISTICS BRANCH
John Miles





File Confidential

PSF

C.F.
Lend Lease

THE SECRETARY OF THE TREASURY
WASHINGTON

12/27/43

DEC 13 1943

My dear Mr. President:

There is attached a report of Lend-Lease purchases made by the Treasury Procurement Division for the Soviet government indicating the availability of cargo for December.

x21-2

The inventory of materials in storage as of December 1, 1943 was 338,239 tons or 90,184 tons less than the November 1st inventory. Production scheduled for December shows an increase of 74,476 tons as compared with November.

Yours sincerely,

Mary Catherine
x21

The President
The White House



x220
x4199

TREASURY DEPARTMENT - U. S. S. R.

MATERIALS AVAILABLE FROM STORAGE AND PRODUCTION DURING DECEMBER, 1943

<u>COMMODITY</u>	<u>STORAGE</u> <u>DECEMBER 1, 1943</u>	<u>PRODUCTION</u> <u>DURING DECEMBER</u>	<u>TOTAL AVAILABLE</u>	<u>PRIORITY CARGOES</u> <u>TO PORT AREAS</u> <u>SPECIFIED TO DATE</u> <u>FOR DECEMBER</u>
AGRICULTURAL MACHINERY AND IMPLEMENTS		96	96	
ALUMINUM	807	13,776	14,583	5,544
BEARINGS	299	702	1,001	336
BRASS AND BRONZE	8,780	36,108	44,888	9,404
CHEMICALS	6,218	3,025	9,243	2,661
CLOTHING AND TEXTILES		58	58	
CONSTRUCTION MACHINERY		1,105	1,106	
COPPER IN VARIOUS FORMS	50,417	9,820	60,237	1,406
FERRO-ALLOYS	849	2,734	3,583	1,098
GRAPHITE PRODUCTS	763	4,945	5,708	
HAND AND CUTTING TOOLS		1,470	1,470	
INDUSTRIAL MACHINERY	96,794	28,019	124,813	13,347*
LEATHER AND LEATHER PRODUCTS		22	22	
NICKEL AND NICKEL PRODUCTS	205	124	329	329
NON-FERROUS METALS, OTHER		92	92	92
PAPER AND PAPER PRODUCTS	2,585	3,371	5,956	392
PLASTICS	3,516		3,516	
RUBBER	3,198	2,074	5,272	1,886
STEEL, ALLOY & SPECIAL	41,036	11,395	52,431	13,518
STEEL, CARBON	58,364	18,824	77,188	11,622
STEEL, PIPE AND TUBING	55,116	5,296	60,412	4,563
STEEL, RAILS	936		936	936
TIN PLATE	8,356	3,992	12,348	1,194
ZINC		1,139	1,139	1,139
TOTAL	338,239	148,187	486,426	69,467

*In addition, all available tonnage applicable to the Oil Refinery Program is classed as priority cargo for prompt shipment to ports.

DEC 13 1943

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Yours sincerely,

(Signed) H. Morgenthau, Jr.

The President

The White House

TREASURY DEPARTMENT - U. S. S. R.
MATERIALS AVAILABLE FROM STORAGE AND PRODUCTION DURING DECEMBER, 1943

<u>COMMODITY</u>	<u>STORAGE</u> <u>DECEMBER 1, 1943</u>	<u>PRODUCTION</u> <u>DURING DECEMBER</u>	<u>TOTAL AVAILABLE</u>	<u>PRIORITY CARGOES</u> <u>TO PORT AREAS</u> <u>SPECIFIED TO DATE</u> <u>FOR DECEMBER</u>
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ALUMINUM	807	13,776	14,583	5,544
BEARINGS	299	702	1,001	336
BRASS AND BRONZE	8,780	36,108	44,888	9,404
CHEMICALS	6,318	3,026	9,243	2,661
CLOTHING AND TEXTILES		58	58	
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C. F.
Lend Lease

file

WAR PRODUCTION BOARD

WASHINGTON, D. C.

December 16, 1943

~~SECRET~~
Disclosure Punishable Under Espionage Act

IN REPLY REFER TO:

My dear Mr. President:

Attached hereto is a tabulation showing the progress made during November, and during the five months ending November 30th, towards fulfilment of Third Protocol materials and equipment production programs for the Union of Soviet Socialist Republics. There is also attached a brief table indicating changes in the stocks situation.

In November, there was added to the Russian program an important quantity of metallurgical equipment, including a thirty-two inch rail and structural mill, a forty-six inch blooming mill for use with the rail mill, a fish plate and tie plate installation, coilers for strip, and miscellaneous equipment for blast furnaces, coke ovens, and coke plants.

It is anticipated that the rail and structural mill, with the accompanying blooming mill, will prove of great value to the USSR. The total cost of the project is about \$14,000,000. Production of the blooming mill is expected to be completed by July-August, 1944, and of the rail and structural mill by late 1944 or early 1945.

The rail mill will have a rated capacity of approximately 800,000 net tons of rails or structural shapes per year. Placing the mill in operation should, therefore, offset the inability of the USSR to secure an adequate supply of rails and accessories from this country and the United Kingdom because of shipping limitations.

Other parts of the Soviet Program are proceeding smoothly. In the case of certain types of industrial equipment, some difficulties are being experienced because of the present shortage of bearings. We are also finding it necessary to refuse to accept some requisitions for equipment to be delivered during the Third Protocol



x220
x4193

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Commerce Dept. Letter, 11-16-72
By RHP, Date MAR 21 1973

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Disclosure Punishable Under Espionage Act

~~SECRET~~
Disclosure Prohibited Under Espionage Act

period because the requisitions in question were not received sufficiently early to be worked into production schedules. Neither of these developments is seriously affecting the general progress of the program, however.

Respectfully yours,



Donald M. Nelson

x 4735

The President
The White House
Washington, D. C.

Attachments

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E.O. 11652, Sec. 3(E) and 5(D) or (E)
Commerce Dept. Letter, 11-15-72
By RHP, Date MAR 21 1973

~~SECRET~~
Disclosure Prohibited Under Espionage Act

~~SECRET~~
Blackburn's Faintly Visible Text

STOCKS HELD IN TREASURY AND ORDNANCE WAREHOUSES
AND DEPOTS ON USSR ACCOUNT a/

(Short Tons)

<u>Item</u>	<u>As of June 30</u>	<u>As of Oct. 31</u>	<u>As of Nov. 30</u>
<u>I. Materials</u>			
Aluminum	274	601	806
Nickel	47	X	X
Molybdenum	0	744 b/	0
Copper base alloys	17,588	8,599	8,930
Magnesium	154	0	0
Zinc	0	0	0
Copper Products	3,482	3,071	2,271
Ferro-Alloys	4,362	2,754	849
Steel	408,325	241,142	173,184
Copper Wire and Cable	43,323	58,767	48,056
Paper Products	2,471	2,910	2,585
Wire Cloth	81	71	85
Other Materials	6,522	4,488	3,532
Total Materials (Excluding Chemicals)	486,629	323,147	240,298
<u>II. Industrial Equipment</u>			
Machine Tools and Forging Presses & Hammers	26,960 c/	55,686 d/	49,749 e/
Power Equipment	9,773	20,107	19,747
Industrial Boilers	6,309	14,590	12,718
Misc. Electrical Equip.	4,183	7,331	8,164
Electric Furnaces	2,013	4,336	4,964
Oil Refinery Equipment	12,259	4,348	4,111
Tire Manufacturing Plant	2,244	1,553	1,153
Aluminum Mill	331	950	496
Various Indust. Machinery, n.e.s.	28,784	38,194	36,578
Bearings	99	457	299
Graphite Electrodes & Related Products	861	1,015	762

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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~~
Blackburn's Faintly Visible Text

SECRET
Declassify Pursuant to the Espionage Act

<u>Item</u>	<u>As of June 30</u>	<u>As of Oct. 31</u>	<u>As of Nov. 30</u>
<u>II. Industrial Equipment (Cont'd)</u>			
Abrasives	972	590	449
Instruments & Laboratory Equip.	701	869	564
Misc. (Incl. Treas. Procured Machine Tools)	734	2,146	1,471
Total Indust. Equip.	96,223	152,172	141,225
Tires and Tubes	4,575	2,470	2,044
Grand Total Excl. Chemicals	587,427	477,789	383,567

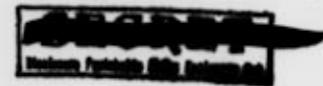
X - Less than 1 S.T.

- a/ Excludes materials and equipment in transit or at seaboard.
- b/ In transit
- c/ Stocks as of June 20, 1943
- d/ Stocks as of Oct. 20, 1943
- e/ Stocks as of Nov. 20, 1943

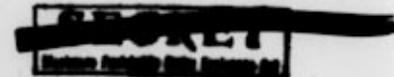
DECLASSIFIED
 E.O. 11652, Sec. 3(K) and 5(D) or (E)
 Commerce Dept. Letter, 11-15-72
 By RHP, Date **MAR 21 1973**

SECRET
Declassify Pursuant to the Espionage Act

STATUS OF MATERIALS AND EQUIPMENT PRODUCTION PROGRAMS, UNDER THE THIRD RUSSIAN PROTOCOL AS OF DECEMBER 1, 1943
(NOVEMBER DELIVERY DATA SUBJECT TO REVISION)



Protocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Nov. 1, 1943 - Nov. 30, 1943	Made Available at Mill in U.S.A. July 1, 1943 - Nov. 30, 1943	Percent of 3rd Prot. Program Completed as of Dec. 1, 1943	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Dec. 1, 1943 To Complete 3rd Protocol Prod. Program	Comments
<u>NON-FERROUS METALS</u>									
3	Aluminum (Ingot and Fabricated)	S.T.	35,760	8,786	38,466	108	257	(2,706 Excess)	Aluminum shipments to date consist of 1,164 S.T. rod; 554 S.T. hard tubing; 10,058 S.T. hard sheet; 18,290 S.T. primary ingot; and 8,400 S.T. secondary ingot.
4	Nickel								
A	Pig Nickel	S.T.	3,600	1,100	2,600	72	171	1,000	Includes shipment on U.S. account of 800 S.T. from U.K. stocks.
B	Nickel in Monel Scrap	S.T.	274	0	50	18	43	224	The 274 S.T. shown as the Third Protocol production program is the quantity selected by the U.S.S.R. out of a total of 600 S.T. originally offered.
C	Nickel in Steel and Other Non-Ferrous Products	S.T.	2,400	212	1,015	42	100	1,385	Contained nickel deliveries to date consist of 615 S.T. in steel; 183 S.T. in nichrome wire and strip; 192 S.T. in cupro-nickel strip; and 25 S.T. in various other products, including pure nickel products.
5	Molybdenum	S.T.	4,000	358	2,423	61	145	1,577	Molybdenum shipments have been accelerated in order to assist the U.S.S.R. in expanding its alloy steel production.
6	Copper, Electrolytic	S.T.	(121,400)	(11,315)	(40,204)	(33)	(79)	(81,196)	Electrolytic copper figures refer to copper contained in various materials requiring copper which are being supplied the U.S.S.R. Deliveries to date include 26,400 S.T. contained in copper base alloys; 5,043 S.T. contained in copper goods and tubes; 95 S.T. contained in bimetal; and 8,666 S.T. contained in wire mill products.



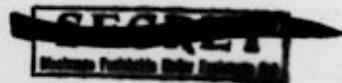


Pro- tocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Nov. 1, 1943 - Nov. 30, 1943	Made Available at Mill in U.S.A. July 1, 1943 - Nov. 30, 1943	Percent of 3rd Prot. Program Completed as of Dec. 1, 1943	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Dec. 1, 1943 To Complete 3rd Protocol Prod. Program	Comments
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NON-FERROUS METALS (Continued)

7	Copper Base Alloys	S.T.	107,520	12,402	38,265	36	86	69,255	} November shipments of copper base alloys reflect an acceleration to eliminate the deficit accumulated in the July-September period.	
8	Magnesium	S.T.	4,032	336	1,680	42	100	2,352		
9	Zinc	S.T.	13,440	1,120	5,600	42	100	7,840		
11	Copper Goods and Tubes	S.T.	15,000	1,368	5,044	34	81	9,956		
29	Special Non-Ferrous Alloy Wires	S.T.	73	12	54	74	176	19	} The Third Protocol provides that up to 269 S.T. of special non-ferrous wires may be ordered. Until the present, however, only 73 S.T. have been requisitioned. The Third Protocol production schedule is, therefore, limited to this amount. Deliveries to date include .2 S.T. of tungsten alloy wire; 1.6 S.T. of constantan wire; .2 S.T. of tantalum wire; 17.4 S.T. of alumin and chromel wire; 14.5 S.T. of monel, everdur and beryllium bronze wire; 4.5 S.T. of enamelled manganin wire; 14.6 S.T. of molybdenum wire; and 1.1 S.T. of round manganin wire.	
30	Nichrome Wire	S.T.	538	46	229	43	102	309		
94	Cobalt	S.T.	80.5	0	80.5	100	120	0		
Total Non-Ferrous Metals (Excluding Item 6, Copper, Electrolytic)			S.T.	186,717.5	25,740	95,506.5	51	121	91,211	} The production program shown is for the first half of the Third Protocol period; the ratio of actual deliveries to the Protocol schedule has, therefore, been adjusted to take this into account. The October shipment completed the full Protocol offering.

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E.O. 11652, (Sec. 5)(C) and (D) or (E)
Commerce Dept. Letter, 11-15-72
By RHP, Date MAR 21 1973



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 SECURITY INFORMATION

Protocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Nov. 1, 1943 - Nov. 30, 1943	Made Available at Mill in U.S.A. July 1, 1943 - Nov. 30, 1943	Percent of 3rd Prot. Program Completed as of Dec. 1, 1943	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Dec. 1, 1943 To Complete 3rd Protocol Prod. Program	Comments
<u>FERRO-ALLOYS</u>									
12	Ferrosilicon	S.T.	-	0	0	-	-	-	} Ferromolybdenum, ferrovanadium and ferrotungsten have been scheduled in the quantities shown as substitutes for an equivalent tonnage of ferrochrome and/or ferrosilicon. Except for this, Third Protocol ferrosilicon and ferrochrome offers (784 S.T. of ferrosilicon and 448 S.T. of ferrochrome per month) are still considered inactive.
13	Ferrochrome	S.T.	-	0	0	-	-	-	
85A	Ferromolybdenum	S.T.	1,120	560	560	-	-	560	
86	Ferrovanadium	S.T.	224	146	146	-	-	78	
87	Ferrotungsten	S.T.	840	0	0	-	-	840	
	Total Ferro-Alloys	S.T.	-	706	706	-	-	-	
<u>ALLOY STEEL</u>									
16	Polished Drill Rods								
B	High Speed	S.T.	96	6	48	50	119	48	
C	Other Alloy	S.T.	45	1	26	58	138	19	
17	High Speed Tool Steel	S.T.	4,480	726	3,205	72	171	1,275	
18	Tool Steel								
B	Alloy X12	S.T.	672	73	365	54	129	307	
C	Alloy X12M	S.T.	672	43	341	51	121	331	
D	Other Alloys	S.T.	4,850	824	3,056	63	150	1,794	
19	Cold Finished Bars	S.T.	11,200	1,637	5,907	53	126	5,293	
20	H.R. Alloy Bars and Billets	S.T.	67,267	7,490	28,853	43	102	38,414	
23	Stainless Steel								
A-B	Sheets and Strip	S.T.	3,007	304	1,665	55	131	1,342	
C	Bars	S.T.	756	85	297	39	93	459	
25	Steel Wire								
A	Ball Wire	S.T.	1,344	116	878	65	155	466	
B	Alloy 232	S.T.	1,344	196	542	40	95	802	
C	Other Alloy	S.T.	0	0	191	-	-	(191 Excess)	

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 E.O. 11652, Sec. 3(c) and (d) or (f)
 Commerce Dept. 11-15-82
 By RHP, Date MAR 21 1973

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 SECURITY INFORMATION

SECRET
 Production Programs Under Review

Protocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Nov. 1, 1943 - Nov. 30, 1943	Made Available at Mill in U.S.A. July 1, 1943 - Nov. 30, 1943	Percent of 3rd Prot. Program Completed as of Dec. 1, 1943	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Dec. 1, 1943 To Complete 3rd Protocol Prod. Program	Comments
ALLOY STEEL (Continued)									
27	Steel Alloy Tubes								
A	18% Cr. - 8% Ni.	S.T.	994	113	504	51	121	490	
B	14.5% Chrome	S.T.	8,625	489	3,725	43	102	4,900	
C-E	Carbon .5% Moly., Pipe Sizes	S.T.	0	0	9	-	-	(9 Excess)	
F	H.R. Ball Bearing Tubes	S.T.	5,376	752	2,133	40	95	3,243	
28	Stainless Steel Wire	S.T.	1,747	232	873	50	119	874	
29	Special Alloy Wire	S.T.	784	0	465	59	140	319	
	Total Alloy Steel	S.T.	113,259	13,087	53,083	47	120	60,176	
CARBON STEEL									
101-E	Rails, Accessories and Other Railway Material	S.T.	-	27,984	111,584	-	-	-	
10	Copper Clad Strip (Bimetal)	S.T.	-	0	0	-	-	-	
16A & 18A	Plain Carbon Tool Steel and Drill Rod	S.T.	-	756	3,604	-	-	-	
19D	Plain Carbon Bullet Core	S.T.	-	1,375	9,861	-	-	-	
24	Tinplate	S.T.	-	3,536	17,698	-	-	-	
	Other Carbon Steel	S.T.	-	4,691	23,298	-	-	-	
	Total Carbon Steel	S.T.	345,397	38,342	166,045	48	114	179,352	
CHEMICALS									
36	Phenol	S.T.	-	0	1,796	-	-	-	} Production programs for phenol, ethylene glycol, methanol and urotropine are being modified in the light of the stocks situation and realistic Soviet needs.
38	Ethylene Glycol	S.T.	-	725	1,000	-	-	-	
45	Methanol	S.T.	-	0	0	-	-	-	
46	Urotropine	S.T.	-	2,318	2,318	-	-	-	

SECRET
 Production Programs Under Review

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 Return to the Department

Pro- tocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Nov. 1, 1943 - Nov. 30, 1943	Made Available at Mill in U.S.A. July 1, 1943 - Nov. 30, 1943	Percent of 3rd Prot. Program Completed as of Dec. 1, 1943	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Dec. 1, 1943 To Complete 3rd Protocol Prod. Program	Comments
<u>CHEMICALS (Continued)</u>									
61A1	Glycerine	S.T.	6,720	0	7,189	107	255	(469 Excess)	Includes 5,332 S.T. shipped from the U.K. on U.S. account.
61A3	Caustic Soda	S.T.	40,320	2,565	18,581	46	110	21,739	
35A	Ethyl Alcohol	S.T.	107,520	28,806	74,665	69	164	32,855	
61A5	Acetone	S.T.	5,137	0	657	13	31	4,480	The production program has been adjusted to take into account the failure of Soviet representatives to requisition acetone for delivery during the first four months of the Third Protocol period. Except for the 657 S.T. delivered in July against an old requisition, the obligation to supply 2,240 S.T. between July 1 and October 31 is considered cancelled. During the remainder of the Protocol period production is scheduled to average 560 S.T. per month.
61A	Other Chemicals	S.T.	12,096	898	2,588	21	50	9,508	
Total Chemicals		S.T.	-	35,312	108,794	-	-	-	
<u>MARINE AND SUBMARINE CABLE</u>									
1	Marine Cable	KM.	784	3	170	22	52	614	Because of excessive stocks, the Third Protocol production schedule of marine and submarine cable has been reduced from a total of 1,800 Km. to a total of 1,103 Km.
2	Submarine Cable	KM.	319	0	119	37	88	200	
Total Marine and Submarine Cable		KM.	1,103	3	289	26	62	814	

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 E.O. 11652, Sec. 1.4(c) and 1.4(d) or (6)
 Commerce Dept. Letter, 11-15-72
 By RHP, Date

MAR 21 1973

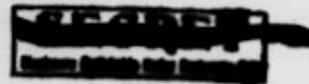
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 Security Information - Not to be Released

Pro- toool Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Nov. 1, 1943 - Nov. 30, 1943	Made Available at Mill in U.S.A. July 1, 1943 - Nov. 30, 1943	Percent of 3rd Prot. Program Completed as of Dec. 1, 1943	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Dec. 1, 1943 To Complete 3rd Protocol Prod. Program	Comments
<u>POWER AND RELATED CABLE</u>									
74	Insulated Cable and Wire (Copper Content)	S.T.	-	1,137	7,848	-	-	-	Because of excessive stocks, the Third Protocol production schedule of power and related cable has been reduced from 41,516 S.T. copper content to 21,000 S.T.
74A	Bare Cable and Wire (Copper Content)	S.T.	-	278	740	-	-	-	
	Total Power and Related Cable	S.T.	21,000	1,415	8,588	41	98	12,412	
<u>MISCELLANEOUS MATERIALS ITEMS</u>									
80	Sheet Fiber	S.T.	1,000	235	1,221	122	290	(221 Excess)	
83	Parchment Paper	S.T.	1,680	0	0	0	0	1,680	To date no requisitions have been submitted by Soviet representatives.
83A	Condenser Paper	S.T.	73	0	0	0	0	73	Because of delays in the submission of requisitions by Soviet representatives, production of condenser paper cannot be scheduled to begin before January 1, 1944. Because of a difficult supply situation, deliveries after January 1 will have to be limited to the average monthly amount originally offered in the Protocol (12.2 S.T.). The total Third Protocol program has consequently been reduced from 146 S.T. to 73 S.T.
83B	Cigarette Paper	S.T.	336	0	0	0	0	336	To date no requisitions have been submitted by Soviet representatives.
35	Other Materials and Their Products	\$	5,000,000	-	-	-	-	-	

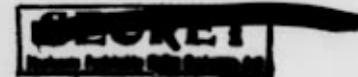
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 E.O. 11652, Sec. 2(X) and 2(D) or (E)
 Commerce Dept. Letter, 1114-72
 By RHP, Date MAR 21 1973

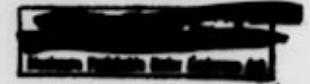
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Pro- toool Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Nov. 1, 1943 - Nov. 30, 1943	Made Available at Mill in U.S.A. July 1, 1943 - Nov. 30, 1943	Percent of 3rd Prot. Program Completed as of Dec. 1, 1943	Ratio of Actual Deliveries to Prot. Sched. (Prot.Sched.=100)	Balance to be Produced as of Dec. 1, 1943 To Complete 3rd Protocol Prod. Program	Comments
<u>INDUSTRIAL AND RELATED EQUIPMENT</u>									
15A	Cemented Carbide Tips and Blanks	\$	3,000,000	164,488	911,232	30	71	2,088,768	
15B	Small Cutting Tools	\$	15,000,000	922,068	4,360,906	29	69	10,639,094	
15C	Measuring Tools	\$	3,000,000	108,891	514,114	17	40	2,485,886	
67B	Abrasive Products	\$	4,000,000	390,178	2,187,080	55	131	1,812,920	
62	Machine Tools	\$	120,000,000	7,092,200	53,207,250	44	105	66,792,750	
63	Electric Furnaces	\$	12,000,000	153,926	2,024,135	17	40	9,975,865	
64A	Rolling Mills and Equipment	\$	16,000,000	152,383	693,800	4	10	15,306,200	
64B	Presses, Forges, Hammers and Related Equipment	\$	30,000,000	2,000,550	11,234,650	37	88	18,765,350	
64C	Wire Drawing Equipment	\$	2,000,000	0	23,757	1	2	1,976,243	
65	Various Industrial Equipment	\$	120,000,000	16,898,638	68,235,102	57	136	51,764,898	
66	Control Inst. and Testing Machines	\$	1,700,000	97,267	507,370	30	71	1,192,630	
69-70	Anti-Friction Bearings	\$	15,000,000	917,158	4,169,101	28	67	10,830,899	
111	Block Signal System	\$	14,591,500	1,007,484	1,265,659	9	21	13,325,841	
140	Power Equipment	\$	75,000,000	3,791,779	27,741,390	37	88	47,258,610	
	Total Industrial and Related Equipment	\$	431,291,500	33,697,010	177,075,546	41	98	254,215,954	

Deliveries of a number of industrial equipment items are behind schedule because of the long cycle required for production after placement of orders and, as pointed out previously, orders in these cases have been presented only recently or are still in process of being presented. With one or two exceptions, notably bearings, shipments of industrial equipment are taking place in accordance with planned schedules, i.e. schedules which will make possible meeting all offers to the U.S.S.R. insofar as the U.S.S.R. has taken advantage of the offers through submission of requisitions.

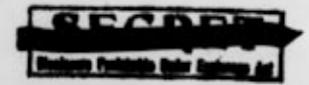




Pro- tocol Item No.	Item	Unit	3rd Protocol Production Program	Made Available at Mill in U.S.A. Nov. 1, 1943 - Nov. 30, 1943	Made Available at Mill in U.S.A. July 1, 1943 - Nov. 30, 1943	Percent of 3rd Prot. Program Completed as of Dec. 1, 1943	Ratio of Actual Deliveries to Prot.Sched. (Prot.Sched.=100)	Balance to be Produced as of Dec. 1, 1943 To Complete 3rd Protocol Prod. Program	Comments
<u>MISCELLANEOUS EQUIPMENT ITEMS</u>									
67A	Abrasive Grain	S.T.	4,000	565	2,228	56	133	1,772	
68A	Graphite Electrodes	S.T.	5,757	721	2,578	45	107	3,179	
68B	Other Graphite Goods	S.T.	1,691	112	551	33	79	1,140	
680	Graphite Powder	S.T.	1,120	220	917	82	195	203	
78	Tires, Tubes, Other Rubber Products (Rubber Content)	S.T.	40,320	3,069	15,974	40	95	24,346	
82	Metallic Cloth and Screen	\$	1,000,000	6,832	170,842	17	40	829,158	
84	Emergency Equipment	\$	25,000,000	-	-	-	-	-	The U.S. has offered to supply up to \$25,000,000 of Emergency Equip- ment provided the Soviet Govern- ment certifies the need for particu- lar items totaling this amount, and provided specifications are accept- able to the W.P.B. So far, few requisitions have been placed un- der this category.

War Production Board
 Foreign Division
 Review and Analysis Branch
 December 15, 1943

DECLASSIFIED
 E.O. 11652, Sec. 3(c) and 3(d) or (E)
 Commerce Dept. Letter, 11-16-72
 By NHP, Date MAR 21 1973



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C. F. Lend Lease

WAR FOOD ADMINISTRATION
WASHINGTON

OFFICE OF THE ADMINISTRATOR

~~SECRET AND CONFIDENTIAL~~

December 22, 1943.

REGRADED
UNCLASSIFIED

The President
The White House

Dear Mr. President:

November shipments of agricultural commodities to the USSR set a record with 173,388 net short tons shipped, the highest shipment in any one month since the start of the program. This November total exceeded by 26,390 tons the next highest monthly shipment of 146,991 tons in September 1943 and was 70,319 tons more than the October shipment.

A comparison of November shipments with those of the previous month shows an increase in all but a very few of the Protocol commodities. Exceeding the Protocol requirement by 8,074 tons was the November shipment of 28,981 tons of animal fats and fat cuts. Shipments of vegetable oil totaled 20,575 tons as compared with the shipment of 11,253 tons during October. The November shipment of 22,389 tons of canned meat showed an increase of 1,803 tons over that of the previous month; 5,805 tons of cured and smoked meat, an increase of 4,970 tons; 9,049 tons of butter, an increase of 5,358 tons.

Increased shipments during November were not restricted to these priority meat, fat and oil items, but included bulk items as well. The commodities second highest in quantities shipped during November were wheat and flour with 24,708 tons sent, an increase of 10,740 tons over the October total. Shipments of rice, cereals and legumes showed a gain of 10,133 tons with 16,933 tons sent in November.

The only commodities not showing increased shipments in November were sugar, dehydrated and concentrated soups, vegetables, cereals, concentrated soya products and soap. These decreases were so slight as to warrant little attention.

The unprecedented high November shipments to the USSR were the result of heavy shipments from the Atlantic Coast for the Northern USSR program added to the normal shipments from the Pacific Coast. It is expected that this heavy shipping schedule will be continued for the next two months at least.

The December delivery requests total 308,210 short tons. A change in the trend of requests shows a greatly increased request of 69,902 tons of wheat and flour, 44,500 tons more than was requested for November; 37,274 tons of rice, cereals and legume 11,809 tons above the November request and 30,308 tons of sugar, a 1,127 ton increase. The only other commodities showing an increased request are cured and smoked meat 3,360 tons requested as compared with 2,836 tons asked for November.

Respectfully,

Samuel B. Hill
Acting Administrator

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x 1-274
x 4193

Enclosure

SHIPMENT OF AGRICULTURAL COMMODITIES
TO THE U.S.S.R.
July 1, 1942 to November 30, 1943
(Net Short Tons)

Food Distribution Administration
Transportation and Warehousing Branch
Commodity Accountability Section
December 10, 1943

REGRADED
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Table 1

COMMODITY	Offered Against Monthly Requirements under 3rd Protocol	SUPPLIED AGAINST PROTOCOL							Requested For Dec. Delivery
		July 1, 1942 To Dec. 31, 1942	Jan. 1, 1943 To June 30, 1943	July 1, 1943 To 9/30/43	October 1943	November 1942	Cumulative To Nov. 30 1943		
I. PROTOCOL									
Wheat and Flour	71,560	45,566	123,231	37,830	13,978	24,708	245,313	69,602	
Rice, Cereals, & Legumes	38,572	46,430	107,647	32,930	6,800	16,933.3	210,740.3	37,274	
Sugar	40,768	32,831	81,340	63,825	14,604	13,153	205,753	30,318	
Canned Meat	20,906	59,809	128,291	67,693	20,586	22,389	298,768	32,836	
Cured & Smoked Meat	7,840	37,431	43,793.6	10,090.39	835	5,205	97,954.99	3,360	
Butter	3,658	6,890	4,109	18,064	3,691	9,049	41,803	9,520	
Animal Fats & Fat Cuts:	20,907	16,593	33,349	40,245	18,900	28,981	138,068	54,288	
Vegetable Oil	15,680	21,188	82,508	56,096	11,253	20,575	191,620	20,832	
Powder Milk	2,509	3,445	12,761	4,638	3,236	4,975	29,055	6,160	
Dried Eggs	3,658	7,364	14,922	5,538	2,174	6,053	36,051	11,859	
Canned Milk	1,254	896	4,925	3,800	455	1,230	11,306	1,120	
Dehy. & Conc. Soups, Veg. & Cereals	5,122	310	1,328	4,015	1,579	619	7,851	1,960	
Conc. Soya Products	8,362	-	-	666	270	-	936	-	
Cheese	15,680	3,799	660	1,936	877	2,277	9,549	3,360	
Tomato Paste	515	-	195	749	60	507	1,511	1,120	
Conc. Juices	515	6	692	1,341	.4	-	2,039.4	-	
Soap	1,045	2,545	2,393	791	98	.12	5,827.12	1,120	
II. Other Foods	-	21,997.2	25,811.11	19,466.20	3,665.68	16,126.53	87,066.72	23,481	
	258,551	307,100.2	667,955.71	369,713.59	103,062.08	173,380.95	1,621,212.53	308,210	

* This total does not include 92 tons of seeds for war relief in Russia.
It does include 86 tons of Pine Oil and Citric Acid.

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STATUS OF U.S.S.R. PROGRAM
As of November 30, 1943
(Net Short Tons)

Food Distribution Administration
Transportation and Warehousing Branch
Commodity Accountability Section
December 10, 1943

Table 2

COMMODITY	CLEARANCES									
	Cumulative	Cumulative	July 1, '42	Jan. 1943	July 1, '43:				Cumulative	Requested
	Action	To	Thru	To	Thru	October,	November,	To	For Dec.	
	Requisitions	6/30/42	Dec. 31, '42	6/30/43	9/30/43	1943	1943	11/30/43	Delivery	
Butter, Salted	55,433	2,300	6,890	4,109	18,064	3,691	9,049	44,103	9,520	
Whole Milk, Dry	9,427	-	361	300	2,548	1,853	1,232	6,294	560	
Skim Milk, Dry	38,640	-	3,084	12,461	2,090	1,383	3,743	22,761	5,600	
Sweetened Condensed Milk	12,422	-	896	4,925	3,745	455	1,230	11,251	1,120	
Evaporated Milk	33	-	-	-	55	-	-	55	-	
Cheese	10,307	-	3,799	116	1,376	342	2,081	7,714	-	
Processed Cheese	5,310	-	-	544	560	535	196	1,835	3,360	
Whole Eggs, Dried	70,740	8,961	7,364	14,922	5,538	2,174	6,053	45,012	11,859	
Milk, Unspecified	-	-	-	-	521	-	24	545	-	
Oleomargarine, Trop.	24,640	-	175	4,761	9,989	6,640	3,640	25,205	5,600	
Meat & Ration, Cnd.	417,313	43,627	59,364	120,678	67,693	20,586	22,387	334,335	32,836	
Soya Links, Cnd.	16,800	-	445	7,613	-	-	2	8,060	-	
Cured Pork	100,642	8,898	37,407	43,092	8,752	423	5,149	103,721	2,240	
Lard & Rendered Fat	285,818	32,390	16,593	33,349	18,676	4,040	13,410	118,458	26,454	
Fat Cuts	67,200	-	-	-	21,569	14,860	15,571	52,000	27,834	
Pork, Dehydrated	4,760	-	24	685	637	412	656	2,414	1,120	
Beef, Dehydrated	20	-	-	-	-	-	-	-	-	
Beef Extract	269	-	112	-	-	-	-	112	-	
Beef Sets, Dry	118	-	-	-	-	-	-	-	-	
Conc. Meats	6	-	-	-	-	-	-	-	-	
Conc. Foods	66	-	66	-	-	-	-	-	-	
Soya Flour & Grits	61,606	-	-	2,841	7,485	2,224	8,020	20,570	20,384	
Hard Smoked Salami	82	-	-	16	701.39	-	4	721.39	-	
Army Ration C	56	-	69	-	-	-	-	69	-	
Fish: Salmon	23	-	-	-	108	-	14	122	-	
Pilchards	22	-	-	-	-	-	22	22	-	
Vegetable Oil	217,024	18,575	19,840	66,139	42,534	3,570	15,596	166,254	15,008	
Shortening	32,509	-	1,148	11,605	3,973	1,043	1,339	18,708	-	

COMMODITY	CLEARANCES									
	Cumulative	Cumulative	July 1, '42	Jan. 1943	July 1, '43:				Cumulative	Requested
	Action	To	Thru	To	Thru	October,	November,	To	For Dec.	
Requisitions	6/30/42	Dec. 31, '42	6/30/43	9/30/43	1943	1943	11/30/43	Delivery		
Linseed Oil, Drying	642	-	25	3	-	-	-	28	224	
Soap Stock	11,200	-	-	-	-	-	-	-	-	
Laundry Soap	20,406	-	2,126	2,064	706	76	.12	4,972.12	1,120	
Toilet Soap	379	-	324	41	85	22	-	472	-	
Soap, Unspec.	-	-	95	288	-	-	-	383	-	
Stearin Candles	241	-	80	19	148	-	.12	247.12	-	
Beans, Dried	159,048	13,499	23,392	67,495	16,893	6,509	10,357	138,145	30,554	
Peas, Dried	12,121	.10	683	7,349	296	-	598	8,926.10	-	
Rice	56,796	-	13,290	9,377	10,848	224	3,477	37,216	6,720	
Oil Bearing Plant										
Seeds	448	-	-	-	-	-	-	-	-	
Tobacco Seed	.8	-	-	-	-	-	-	-	-	
Vegetable Seed	8,164	73	66	2,104	-	-	481	2,724	-	
Field Seed	12,888	-	-	6,955	-	-	.25	6,955.25	-	
Cryptostegia	15#	-	-	15#	-	-	-	15#	-	
Baked Beans	146	-	20	125	19	-	.13	164.13	6,238	
Wheat	123,200	29,298	-	-	-	-	-	29,298	63,364	
Wheat Flour	405,547	60,303	45,566	123,231	37,830	13,978	24,708	305,616	-	
Rye Flour	23,949	41	9,378	2,240	3,510	-	2,793	17,962	-	
Semolina	31,594	1,049	3,699	11,016	950	40	1,453	18,207	-	
Cracked Wheat	11,084	1,121	2,523	7,362	45	-	.15	11,051.15	-	
Barley, Pearl	1,337	-	917	1,880	935	-	.25	3,732.25	-	
Barley Cereal, Roasted	430	40	150	-	-	-	-	190	-	
Oat Cereal	32,622	2,352	4,322	10,530	2,918	27	1,048	21,197	-	
Cereals, Various	24,080	-	876	35	20	-	2,144	3,075	2,240	
Conc. Cereal Food	4,816	-	-	1,159	2,307	810	420	4,696	1,708	
Oil Cake	215	-	215	-	-	-	-	215	-	
Barley Fodder	16,557	1,393	2,230	45	3,137	-	10	6,824	-	
Oat Fodder	1,947	150	1,687	85	130	-	4	2,056	-	
Buckwheat Cereal	511	8	127	-	90	-	.05	225.05	-	
Mill Run	342	-	475	-	-	-	-	475	-	
Tomato Powder	336	-	-	20	-	-	-	20	-	
Onion Powder	421	-	-	55	18	10	35	118	-	
Hops	19	-	19	-	-	-	-	19	-	

COMMODITY	CLEARANCES									
	Cumulative	Cumulative	July 1, '42	Jan. 1943	July 1, '43:				Cumulative	Requested
	Action	To	Thru	To	Thru	October,	November,	To	For Dec.	
	Requisitions	6/30/42	Dec. 31, '42	6/30/43	9/30/43	1943	1943	11/30/43	Delivery	
Fruit, Canned	17	-	-	4	13	4	-	21	-	
Mixed Fruit, Dried	1,012	-	429	133	289	10	.36	861.36	-	
Fresh Lemons, Oranges: & Grapefruit	135	-	-	2	15	-	-	17	-	
Fresh Apples	4.5	-	-	-	35	-	-	35	-	
Conc. Lemon Juice	2,571	-	-	130	412	.4	-	542.4	-	
Conc. Orange Juice	672	-	6	562	864	-	-	1,432	-	
Conc. Grapefruit Juice	112	-	-	-	65	-	-	65	-	
Shelled Walnuts	3	-	3	-	-	-	-	3	-	
Kola Nuts	57	57	-	-	-	-	-	57	-	
Shelled Hazel Nuts	3,638	-	-	-	-	-	-	-	-	
Dried Soup Powder	4,145	-	-	25	487	741	744	1,997	-	
Dry Soup, Conc.	2,297	-	-	-	666	270	-	936	-	
Dehydrated Soup	2,520	-	310	-	609	480	199	1,598	252	
Dehy. Veg. Soup	2,699	-	-	-	601	289	-	890	560	
Onions, Dehy.	1,086	-	-	13	-	2	-	15	-	
Garlic, Dehy.	1,099	-	-	19	1	3	225	248	-	
Beets, Dehy.	278	-	-	-	-	.03	-	.03	-	
Irish Potatoes, Dehy.	2,952	-	-	97	348	126	431	1,002	101	
Carrots, Dehy.	634	-	-	40	24	4	55	123	-	
Cabbage, Dehy.	71	-	-	-	-	.03	-	.03	-	
Other Veg., Dehy.	1	-	-	-	125	-	.13	125.13	-	
Veg. & Soups, Cnd.	1,670	-	871	94	506.21	6	13.89	1,491.1	-	
Potatoes, Fresh	1,361	-	-	-	946	-	1	947	-	
Onions, Fresh	156	-	-	-	26	-	-	26	-	
Garlic, Fresh	16	-	-	2	35	-	-	37	-	
Tomato Paste or Puree:	3,767	-	-	195	749	60	507	1,511	1,120	
Sugar	497,726	85,127	32,224	81,038	54,458	7,610	2,790	263,247	30,318	
Tablet Sugar	43,280	-	607	302	9,367	6,994	10,363	27,633	-	
Tea	1,027	-	223	438	95	43	47	846	-	
Coffee	2,606	-	500	2,228	13	2	571	3,314	-	
Green Coffee Beans	2,240	-	-	-	541	-	-	541	-	
Cocoa	3	-	-	-	2.9	-	-	2.9	-	
Ascorbic Acid(Vit. C):	78	-	.7	19	.27	4	3	26.97	52	

COMMODITY	CLEARANCES									
	Cumulative	Cumulative	July 1, '42	Jan. 1943	July 1, '43	October,	November,	Cumulative	Requested	
	Action	To	Thru	To	Thru	1943	1943	To	For Dec.	
Requisitions	6/30/42	Dec. 31, '42	6/30/43	9/30/43	1943	1943	11/30/43	Delivery		
Ascorbic Acid Tab.	2,126,200 Tab.	-	500,000 Tab.	-	.27	-	-	500,000 Tab.	-	
Carotene	675 BIU	-	-	343 BIU	117 BIU	-	-	460 BIU	-	
Citric Acid	1,417	85	21	409	123.18	38	78	754.18	112	
Acetic Acid	68	-	144	-	-	-	-	144	-	
Vitamin A	47.5 M/m	-	-	12.62 M/m	13 M/m	-	-	25.62 M/m	.844 M/m	
Aneurin	13	-	-	15	2	-	-	17	-	
Riboflavin	56#	-	-	32.2#	-	-	-	32.2#	-	
Vitamin D	1,000 B/U	-	-	-	-	-	-	-	-	
Essential Oils	28	-	4	19	-	-	1.10	24.10	-	
Banana Powder	56	-	-	-	-	-	-	-	-	
Fruit Extract	64	-	-	2	1	.5	.38	3.88	-	
Citric Extract	29	-	28	-	-	-	-	28	-	
Cornstarch	392	-	358	8	26	-	-	392	-	
Yeast, Dry	458	-	6	315	123.50	124	40	608.50	-	
Vitaminized Yeast	11	-	-	-	-	-	-	-	-	
Yeast Tablets	16 M/T	-	-	7.19 M/T	5.61 M/T	-	20 M/T	32.80 M/T	-	
Gelatin	2	-	.4	.21	.48	1	-	2.09	-	
Vanilla	.2	-	.3	2#	12#	-	-	14# .3	-	
Vanillin	23	-	-	2#	9.34	.12	-	9.46	-	
Salt	2,340	-	1,394	112	183	-	137	1,826	-	
Pepper	362	-	4	2	173	76	21	276	-	
Other Spices /b	110	-	27	37	16.85	5	64	149.85	-	
Soya Sauce	4.5	-	4	-	-	-	-	4	-	
Fruit Syrup	1	-	.8	-	-	-	-	.8	-	
Vinegar	215	-	-	18	123	41	58	240	-	
Macaroni	81	-	-	39	79	-	6	124	-	
Chocolate-Ration D	397	-	-	3	13	201	9	226	-	
Army Ration K	1,904	-	-	-	418	-	-	418	-	
Chicory	3	-	-	.2	-	-	3	3.2	-	
Coffee Substitute	22	-	-	-	1.6	-	-	1.6	-	
Tobacco	.6	-	-	-	-	-	-	-	-	
Baking Soda	22	-	13	.7	2.6	-	7	23.3	-	

COMMODITY	CLEARANCES									
	Cumulative	Cumulative	July 1, '42	Jan. 1943	July 1, '43	October,	November,	Cumulative	Requested	
	Action	To	Thru	To	Thru	October,	November,	To	For Dec.	
Requisitions	6/30/42	Dec. 31, '42	6/30/43	9/30/43	1943	1943	11/30/43	Delivery		
Nutritional Yeast	78	-	-	-	-	-	-	-	-	
Cucumber Pickle	66	-	-	-	25	-	42	67	-	
Alcohol	.91	-	-	-	-	-	-	-	-	
Almonds	432#	-	-	-	384#	-	.02	384#	-	
Bean Sacks	1.2	-	-	-	-	-	-	-	-	
Pine Oil	13	-	-	-	-	-	8	8	-	
Nicotinic Acid	39	-	-	-	7#	-	-	7#	32	
Ergosterol	.84	-	-	-	-	-	-	-	-	
TOTAL	2,980,893.15	309,347.10	307,100.2	667,955.71	369,713.59	103,062.08	173,380.95	1,930,559.63	308,210	
	503#	-	-	51.2#	403#	-	-	454.2#	-	
	47.5 M/m	-	-	12.62 M/m	13 M/m	-	-	25.62 M/m	.844 M/m	
	-	-	-	7.19 M/T	5.61 M/T	-	20 M/T	32.80 M/T	-	
	675 BIU	-	-	343 BIU	117 BIU	-	-	460 BIU	-	
	2,126,200 Tab.	-	500,000 Tab.	-	-	-	-	500,000 Tab.	-	
	1,000 B/U	-	-	-	-	-	-	-	-	

a Lard, tallow, oleo oil and rendered pork fat.

b Other spices includes cinnamon, mustard, all spice, coriander, ginger, laurel leaves, mustard seed and poppy seed, anise, bay leaves, and cloves.

FOREIGN ECONOMIC ADMINISTRATION
~~OFFICE OF LEND-LEASE ADMINISTRATION~~

FIVE-FIFTEEN 22d STREET NW.

WASHINGTON 25, D. C.

PSF

Mr Latta
20 file

L. F.
Lend Lease

December 27, 1943

MEMORANDUM

To: The President

From: Bernhard Knollenberg
Executive Advisor
to the Administrator

Subject: Status of the Soviet Aid Program

I am transmitting herewith the secret report on the status of the Soviet Aid Program, as of November 30, 1943.

This report summarizes the aid furnished to the Soviet Union in the period covered by the First and Second Protocols and the first five months of the Third Protocol.

Bernhard Knollenberg.

x5430
x220
x4193

STATUS OF THE SOVIET AID PROGRAM
AS OF NOVEMBER 30, 1943



DECLASSIFIED
State Dept. Letter, 1-11-78
By J. Schmale Date **FEB**

2 1972

Foreign Economic Administration
~~Office of Lend-Lease Administration~~
Washington, D. C.

PERFORMANCE DURING NOVEMBER 1943

November shipments from United States and Canadian ports totaled 566,100 long tons, the largest total for any month since the beginning of the First Protocol and 149 percent of the monthly requirement under the Third Protocol. Shipments during the first five months of the Third Protocol period have totaled 2,323,500 long tons, - 122 percent of Protocol rate.

Cargo shipped is summarized as follows:

	November		July - November	
	Tons	Percent	Tons	Percent
U. S. SUPPLIES				
Trucks & Other Vehicles	64,600	11	248,800	11
Metals	92,100	16	419,300	18
Chemicals & Explosives	70,500	13	223,600	9
Petroleum Products	32,300	6	228,900	10
Industrial Equipment	57,900	10	246,900	11
Food	173,600	31	653,200	28
Other U. S. Supplies	51,400	9	226,000	10
U. S. Total	542,400	96	2,246,700	97
CANADIAN SUPPLIES	18,500	3	55,100	2
BRITISH SUPPLIES	5,200	1	21,700	1
TOTAL	566,100*	100	2,323,500*	100
*Shipped in Tankers	58,600	10	229,700	10

Shipments during December are expected to exceed 650,000 long tons with foodstuffs comprising larger proportions of the total.

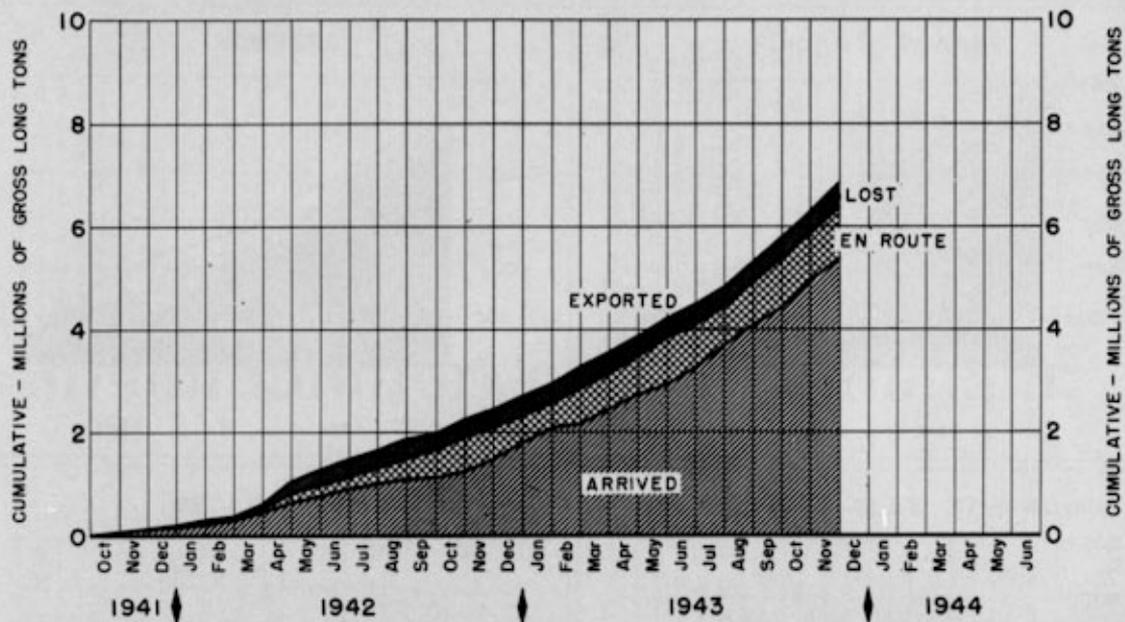
Present stocks and production schedules are expected to provide sufficient cargo despite the fact that shipments are exceeding Protocol schedules.

During November 416 aircraft departed from North America for the Soviet Union, 343 for U. S. Protocol account and 73 for U. K. account. Of the total departed, 58 were shipped by water to Murmansk, 99 by water to the Persian Gulf, 44 by air via the South Atlantic and 211 departed from Fairbanks over the Alaskan-Siberian ferry route.

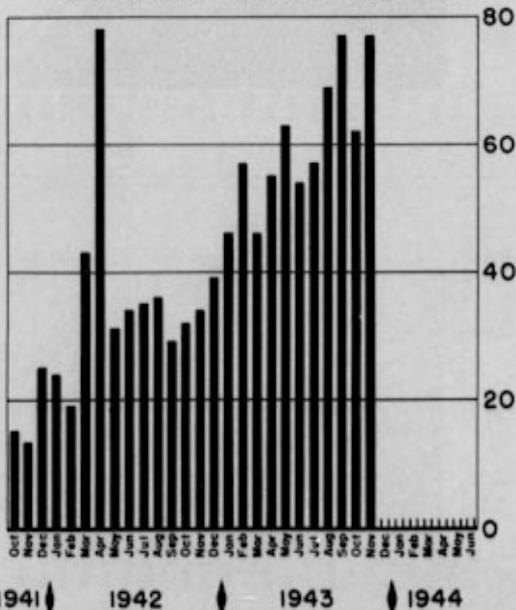
Foreign Economic Administration
December 21, 1943

SHIPMENTS TO U. S. S. R.

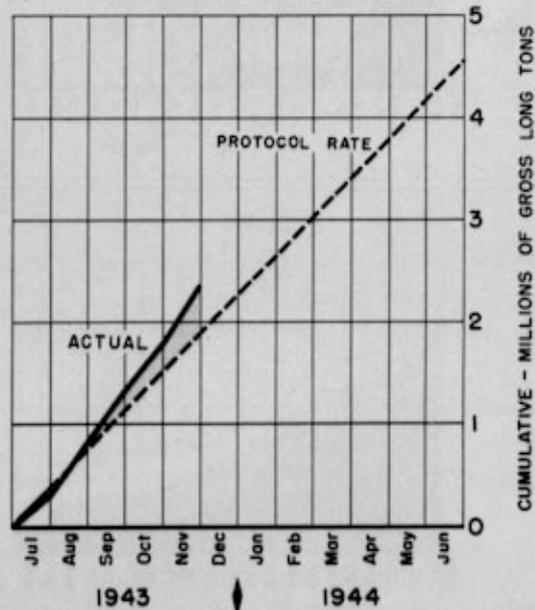
SHIPMENTS, ARRIVALS AND LOSSES



NUMBER OF SHIPS SAILING EACH MONTH



THIRD PROTOCOL CLEARANCES FROM U. S. PORTS

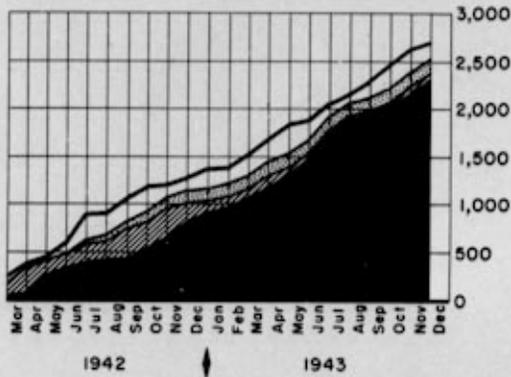


EXPORTS AND AVAILABILITY OF SELECTED ITEMS CUMULATIVE SINCE OCTOBER 1, 1941

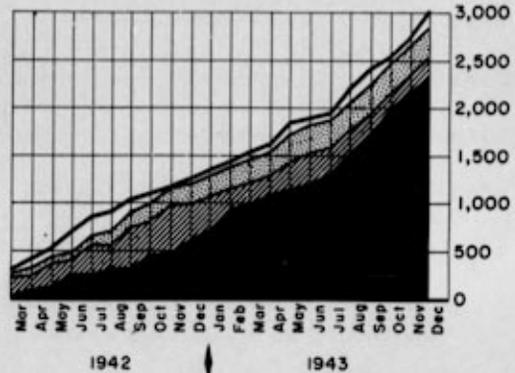


— Quantity made available at U.S. centers of production

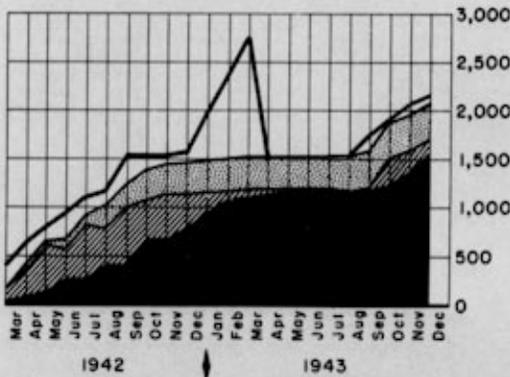
BOMBERS



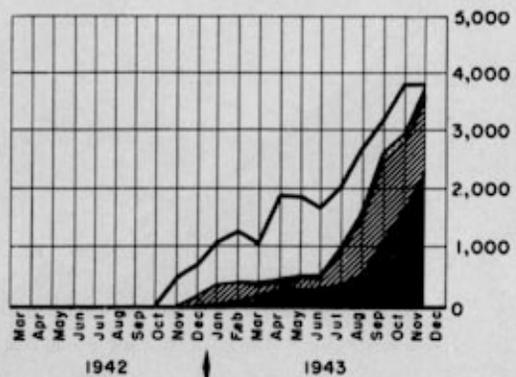
PURSUIT PLANES



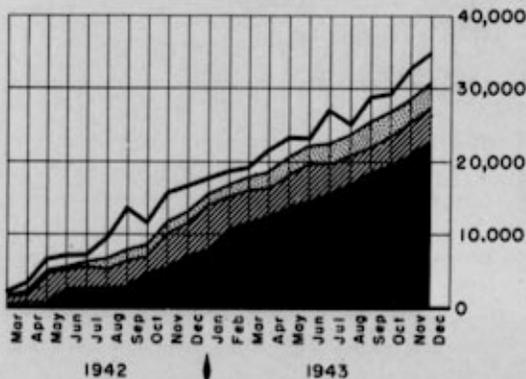
MEDIUM TANKS



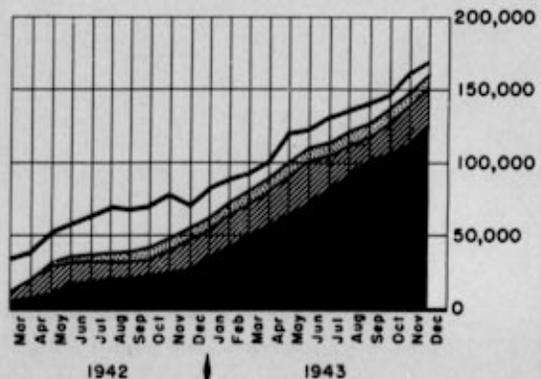
ANTIAIRCRAFT GUNS 37 & 40 mm



JEEPS



TRUCKS

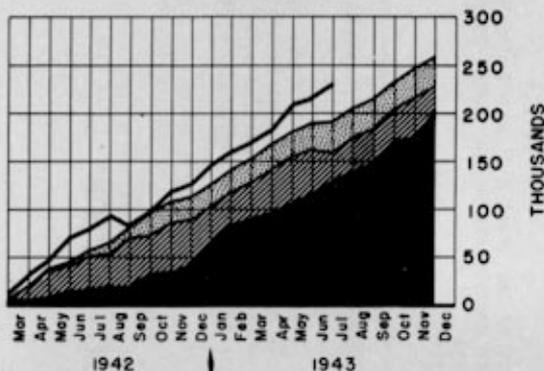


EXPORTS AND AVAILABILITY OF SELECTED ITEMS CUMULATIVE SINCE OCTOBER 1, 1941

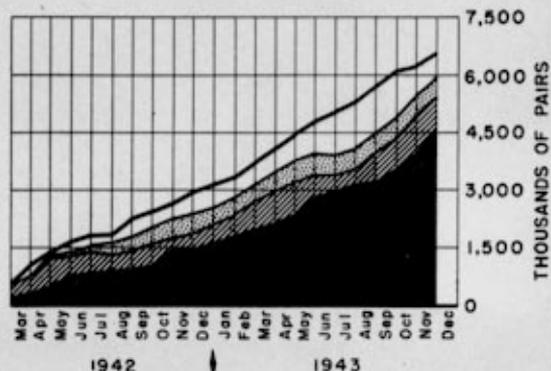


Quantity made available at U.S. centers of production

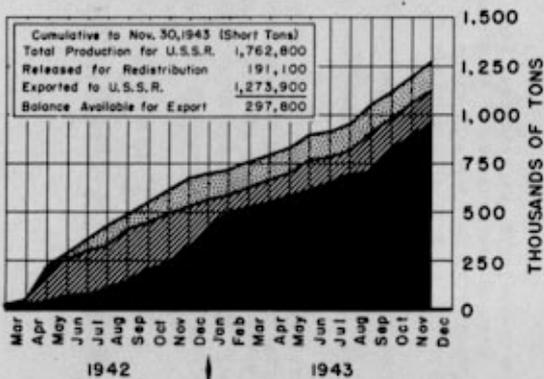
FIELD TELEPHONES



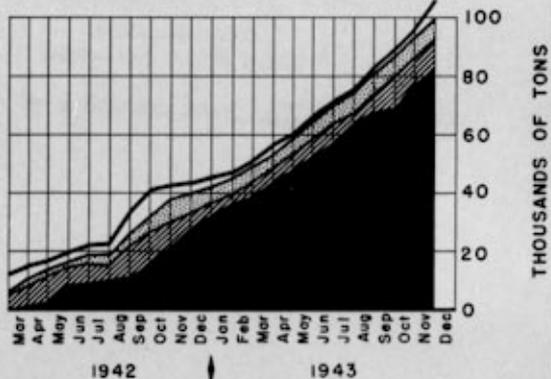
ARMY BOOTS



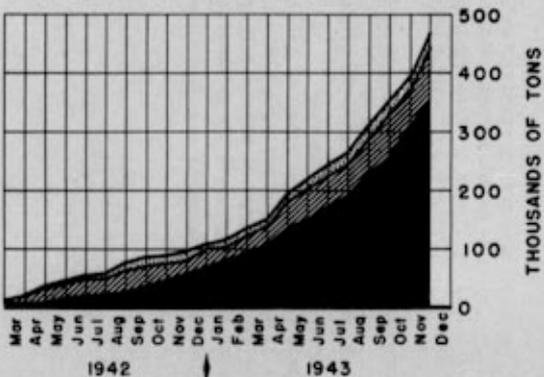
STEEL AND STEEL PRODUCTS



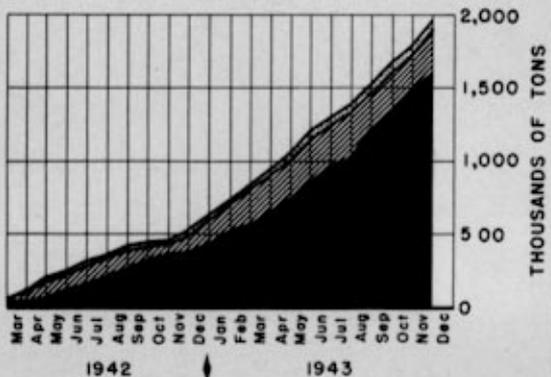
ALUMINUM AND DURALUMINUM



CHEMICALS AND EXPLOSIVES



FOODS



AIRCRAFT DELIVERIES TO U.S.S.R.

October 1, 1941 to November 30, 1943

Protocol requirements are considered filled upon delivery of aircraft from factories.

Departure points from North America are: U.S. ports for water shipments, Fairbanks for flight-deliveries via the Alaskan-Siberian Ferry Route, and Miami, Florida or adjacent fields for flight deliveries via the South Atlantic. Planes shipped by water to North Russia are considered delivered upon arrival at Murmansk or Archangel. Planes shipped by water to the Persian Gulf are assembled at Abadan and with planes arriving there over the South Atlantic Ferry Route are delivered at Abadan to U.S.S.R. pilots. Alaskan-Siberian Ferry route planes are delivered to Soviet pilots at Fairbanks.

With the exception of 99 P-40 fighters shipped from U.S. ports in September 1941 and arrived in North Russia in November and December 1941, the above schedule includes all aircraft departed from the U.S. for direct delivery to the U.S.S.R. Aircraft shipped from the U.S. intended for use in the United Kingdom but retransferred from the United Kingdom to the U.S.S.R. are not included.

	Delivered at Factories	In North America Nov. 30, 1943		Lost in North America		Departed North America	Lost After Departure	Diverted to Others	En Route N.A. to Destination 11/30/43	Arrived at Destination	Delivered to USSR at Destination
		In U.S.	In Canada and Alaska	In U.S.	In Canada and Alaska						
BY ROUTES											
Alaskan-Siberian Ferry Route	2,810	187	149(119*)	45	32	2,397	0	0	0	2,397	2,397
South Atlantic Ferry Route to Abadan	774	3	0	13	0	758	36	1	49	672	622
Water to North Russia	1,378	61	0	0	0	1,317	304	1	102	910	910
Water to Persian Gulf Assembly at Abadan	2,986	69	0	0	0	2,917	175	0	106	2,636	2,339
Total	7,948	320	149(119*)	58	32	7,389	515	2	257	6,615	6,166
U.S. PROTOCOL ACCOUNTS											
Pursuit Planes											
P-40 Alsb	50	0	0(0*)	0	2	48	0	0	0	48	48
P-40 North Russia, water	1,050	61	0	0	0	989	242	1	99	647	647
P-40 Persian Gulf, water	621	0	0	0	0	621	25	0	7	589	-
P-39 Alsb	485	4	11(8*)	0	8	457	0	0	0	457	457
P-39 North Russia, water	57	0	0	0	0	57	7	0	0	50	50
P-39 Persian Gulf, water	745	69	0	0	0	676	28	0	99	549	-
P-47 Alsb	3	0	0	0	0	3	0	0	0	3	3
Total Pursuit Planes	3,011	134	11(8*)	5	10	2,851	302	1	205	2,343	-
Light Bombers											
A-20 Alsb	874	28(a)	41(39*)	15	6	784	0	0	0	784	784
A-20 South Atlantic	646	3	0	13	0	630	32	1	49	548	498
A-20 North Russia, water	165	0	0	0	0	165	39	0	0	126	126
A-20 Persian Gulf, water	637	0	0	0	0	637	79	0	0	558	558
Total Light Bombers	2,322	31(a)	41(39*)	28	6	2,216	150	1	49	2,016	1,966
Medium Bombers											
B-25 Alsb	237	34(b)	28(21*)	0	1	374	0	0	0	174	174
B-25 South Atlantic	128	0	0	0	0	128	4	0	0	124	124
B-25 North Russia, water	5	0	0	0	0	5	0	0	0	5	5
Total Medium Bombers	370	34(b)	28(21*)	0	1	307	4	0	0	303	303
Heavy Bombers											
B-24 Alsb	1(e)	0	0	0	0	1	0	0	0	1	1
Cargo Planes											
C-47 Alsb	187	35	10(9*)	1	0	141	0	0	0	141	141
Observation Planes											
O-52 North Russia, water	30	0	0	0	0	30	11	0	0	19	19
Advanced Trainers											
A-7-6-C North Russia, water	8	0	0	0	0	8	0	0	3	5	5
A-7-6-C Persian Gulf, water	22	0	0	0	0	22	0	0	0	22	19
Total Advanced Trainers	30	0	0	0	0	30	0	0	3	27	24
U.K. PROTOCOL ACCOUNTS (Under Reciprocal Agreements)											
P-40 Persian Gulf, water	300	0	0	0	0	300	0	0	0	300	300
P-39 Alsb	943	86(d)	59(42*)	24	12	762	0	0	0	762	762
P-39 North Russia, water	35	0	0	0	0	35	5	0	0	30	30
P-39 Persian Gulf, water	540	0	0	0	0	540	43	0	0	497	-
Total (Pursuits)	1,818	86(d)	59(42*)	24	12	1,637	48	0	0	1,589	-
REIMBURSEMENT ACCOUNT											
P-39 Alsb	30	0	0	0	3	27	0	0	0	27	27
P-39 North Russia, water	28	0	0	0	0	28	0	0	0	28	28
P-39 Persian Gulf, water	121	0	0	0	0	121	0	0	0	121	-
Total (Pursuits)	179	0	0	0	3	176	0	0	0	176	-

* At Fairbanks

(a) Includes 3 aircraft refused by U.S.S.R. at Fairbanks returned to Great Falls.

(b) Includes 2 aircraft refused by U.S.S.R. at Fairbanks returned to Great Falls.

(c) One heavy bomber carrying a U.S. Mission because stranded in Siberia and was transferred to the Soviet Government.

(d) Includes 2 aircraft departed from Great Falls for Fairbanks but forced down at Cut Bank, U.S. because of weather.

DECLASSIFIED
 Grant Inq. Letter, 11/28
 By: A. Schaeuble Date: FEB 2 1972

EXPORTS AND AVAILABILITY

As of November 30, 1943

Ref.	Item	Third Protocol Performance July 1, 1943 to November 30, 1943		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to November 30, 1943						
		Made Available a	Offered to be Made Available b	November During October 1943	During Third Protocol Period 7/1/43 to 11/30/43	Made Available c	Exported	Arrived d	Lost	Diverted to Others After Export e	In U. S. Awaiting Forwarding f	Balance En Route Nov. 30, 1943 g
MILITARY ITEMS												
Aircraft f												
For U.S. Protocol Account												
I 1A	Pursuit Planes	1,064	1,000			3,011	2,851					
I 1B	Light Bombers	500	500			2,322	2,216					
I 1C	Medium Bombers	150	125			370	307					
I 1D	Heavy Bombers	0	0			1	1					
I 1E	Cargo Planes	107	100			187	161					
I 1F	Advanced Trainers	0	0			30	30					
I 1G	Observation Planes	0	0			30	30					
For U.S. Protocol Accounts Under Reciprocal Agreements												
I 1A	Pursuit Planes	668	750			1,418	1,437					
For Reimbursement Account												
I 1A	Pursuit Planes	0	0			179	176					
Tanks f												
I 2A	Light Tanks	0	0	0	0	1,680	1,680	1,237	443	0	0	0
I 2B	Medium Tanks	623	834	100	527	2,159	2,063	1,550	362	0	0	151
Guns, Etc.												
I 3A	AA 90 mm.	96	0	24	108	200	196	128	8	0	20	40
I 4A	AA 40 mm.	2,181	0	782	3,246	3,356	3,321	1,969	132	0	0	1,220
I 4B	AA 37 mm.	0	0	0	0	424	424	308	16	0	68	32
I 4C	AA 50 cal. mg.	1,100	0	200	725	1,900	1,523	623	0	0	400	400
I 5B	AT 37 mm.	0	0	0	0	63	63	35	28	0	0	0
I 5C	Tank Destroyers (AT 57 mm.-Self-propelled mount)	650	0	225	611	650	611	154	0	0	0	457
I 5D	Tank Destroyers (AT 3" Self-propelled mount)	50	0	10	50	52	52	2	0	0	0	50
I 6A	Submachine Guns .45 cal.	0	0	0	0	132,783	132,783	109,593	23,190	0	0	0
I 6B	Rocket Launchers	0	0	0	0	3,000	3,000	3,000	0	0	0	0
I 6C	Mortars, 81 mm.	0	0	0	0	30	30	30	0	0	0	0
I 6D	Pistols & Revolvers	2,450	0	1,450	7,950	8,950	7,950	6,500	0	0	0	1,450
Ammunition is being supplied for all weapons furnished by the U. S. in accordance with standards prescribed for U. S. Forces. Additional ammunition has been furnished for weapons of Soviet manufacture.												
Trucks (With equipment & spare parts including tires)												
I 10A	Cargo & Weapons Carriers (3/4 ton)	2,100	//	492	898	6,904	5,566	4,456	0	598	0	492
I 10B	Trucks (1 1/2 ton)	23,250	//	8,566	26,744	82,693	81,007	59,855	5,794	1,826	1,446	12,086
I 10C	Trucks (2 1/2 ton)	19,754	//	3,881	18,806	79,130	74,270	59,515	3,976	704	3,418	6,657
I 10D	Trucks (5 ton and over)	0	//	0	0	54	54	54	0	0	0	0
I 10E	Tank Transporters (20 ton & 40 ton)	234	//	78	172	290	268	162	16	0	0	70
Total Trucks												
		45,318	90,000	12,397	46,620	169,071	161,125	124,062	9,786	3,128	4,864	19,305
Other Vehicles												
I 9A	Armored Scout Cars	850	(4,500g)	210	580	1,764	1,494	1,010	168	0	0	316
I 9B	Jeeps (1/2 ton 4wd)	9,868	//	1,951	8,201	34,800	30,651	23,004	3,434	1,378	0	2,835
I 9C	Personnel Carriers (1/2 truck)	230	//	66	109	559	438	297	49	0	0	92
I 9E	Cargo Carriers (1 1/2 ton 1/2 truck)	2	//	0	2	2	2	2	0	0	0	0
I 17	Motorcycles	5,440	5,000	1,688	5,674	17,560	17,074	12,316	1,664	1,100	0	2,194
I 10F	Tank Recovery Units	97	//	29	62	97	62	25	0	0	0	37
I 34	Field Repair Trucks	241	//	62	505	1,400	809	670	3	0	0	136
I 18	Military Tractors	1,142	1,000	217	960	4,190	2,831	2,210	205	0	155	261
Signal Equipment												
I 20A	Radio Stations (Over 1 KW)	10	7	1	1	**	**					
I 20B	Radio Stations (1 KW & Under)	6,865	6,784	1,462	4,892	**	**					
I 20C	Radio Receivers	813	354	0	378	**	**					
I 26	Radio Beacons	101	0	45	45	**	**					
I 27	Radio Direction Finding Sets	60	34	3	28	**	**					
I 32	Radio Parts & Access. (\$1000)	695	1,250	**	**	**	**					
I 28	Radio Measuring & Testing Equip. (\$1000)	603	979	**	**	**	**					
I 23	Radio Tubes (1000 units)	603	979	**	**	**	**					
I 11	Field Telephones	54,064	41,667	10,315	69,922	**	258,213	204,030	30,648	600	11,600	11,335
I 12	Field Telephone Wire (miles)	79,382	125,000	38,564	142,716	**	821,070	637,657	126,258	0	12,604	44,551
I 24	Gas Driven Generators	**	2,500	0	3,104	**	16,167	13,794	103	0	0	270
I 31A	Dry Cells for Radios	**	0	0	81,188	**	106,188	99,268	0	0	0	6,920
I 31B	Flashlights with Dry Cells	**	0	0	420,000	**	445,000	385,000	0	0	0	60,000
Explosives												
I 14A	Smokeless Powder (tons)	40,634	30,000	10,584	46,947	88,057	85,545	60,127	4,439	0	5,369	15,610
I 14B	Nitroglycerine Powder (tons)	254	0	15	15	254	15	0	0	0	0	15
I 13B	T.N.T. (tons)	16,350	11,200	5,928	27,574	73,711	61,442	47,349	3,649	250	2,452	7,742
I 61A	Dynamite (Ammonite) (tons)	11,976	0h	1,018	8,299	21,803	16,610	13,592	0	0	0	1,018
Total Explosives (tons)												
		69,600	41,200	17,545	82,835	183,671	161,612	121,068	8,088	250	7,821	24,385
Other Military Items												
I 35A	Pneumatic Floats	0	0	0	0	3,000	3,000	2,398	552	0	50	0
I 35C	Marked Wire Cutters (\$1000)	**	0	0	138	**	438	438	0	0	0	0
I 35E	Smoke Pots	**	0	66,000	211,632	**	216,632	137,804	0	0	0	78,828
Quartermaster Items												
II 71A	Leather (tons)	5,114	7,500 l	2,190	7,625	34,401	31,321	22,992	4,615	774	0	2,960
II 72A	Army Boots (1000 pr)	1,566	1,500	458	1,975	6,634	5,957	4,648	555	0	256	498
II 72B	Inf Boots (1000 pr)	75	0	6	49	200	106	96	0	0	4	6
II 71B	Leather Belts (1000 units)	408	0	**	**	1,788	**	**	**	**	**	**
II 71C	Leather Jackets (1000 units)	35	0	**	**	175	**	**	**	**	**	**
II 73A	Woolen Cloth (1000 yds)	5,277	7,500	2,496	10,732	24,642	19,344	13,800	963	0	1,089	3,492
II 73B	Cotton Cloth (1000 yds)	21,792	10,417	4,933	16,719	111,507	37,106	27,918	1,228	0	1,478	6,488
II 75	Webbing (1000 yds)	14,360	10,417	2,091	3,811	58,010	25,498	18,291	2,207	0	2,027	5,973
II 76	Tarpaulin & Duck (1000 yds)	1,358	1,250	**	**	9,337	**	**	**	**	**	**
II 73C	Other M. Textiles (\$1000)	1,307	0	497	1,573	4,712	2,625	1,751	169	0	3	702
II 73D	GM Apparel (\$1000)	2,035	0	1,029	2,149	6,780	4,898	2,699	47	0	896	1,256
Medical Supplies												
V	Drugs, Instruments, Equip. (\$1000)	2,485	5,000	**	**	21,380	**	**	**	**	**	**
Protocol Items Only												

Notes: All tons are 2000 lbs. net weight.

** Data not available

a From production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities repossessed or diverted before export.

b Offerings selected by U.S.-S.R. are in excess of the aggregate of shipping commitments and reassemblage stocks. Production control provisions of the Protocol are being exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.

c From production or assignments after deductions of quantities repossessed or diverted before export.

d Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.

e 1943 shipments discharged in U.S. considered as awaiting forwarding when other data is not yet available.

f Ammunition, spare parts and other equipment supplied in accordance with U.S. standards.

g Additional offering of Second Protocol items not made available by June 30, 1943.

h Offerings under negotiation.

i A portion of this commitment is being met by supply of leather products.

Ref.	Item	Third Protocol Performance July 1, 1943 to November 30, 1943		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to November 30, 1943						
		Made Available a	Offered to be Made Available b	During October 1943	During Third Protocol Period 7/1/43 to 11/30/43	Made Available c	Exported	Arrived d	Lost	Diverted to Others After Export e	In U. K. Awaiting Forwarding f	Balance on Hand Nov. 30 1943 g
MATERIALS												
Non-Ferrous Metals (Unit - tons)												
II 3	Aluminum Ingots	25,890	14,900	4,703	21,575	43,970	59,655	49,094	4,533	0	0	6,028
II 3A	Duralumin	9,795		2,261	7,917	42,921	40,337	33,579	2,393	0	14	4,351
II 4A	Pig Nickel	1,500	1,500	0	1,410	6,222	5,905	4,745	808	0	0	331
II 4B	Nickel Metal Scrap	77	* 397	0	75	77	75	75	0	0	0	0
II 4C	Basic Products of Nickel	18	J, K	8	10	126	114	94	13	0	0	0
II 5	Molybdenum Concentrates	2,079	1,669	888	2,069	10,450	10,440	7,627	1,430	0	0	1,383
II 6	Copper, Electrolytic	0	a	0	141	1,146	1,144	1,144	0	0	0	0
II 7	Brass, Bronze, etc.	38,033	44,800	8,482	37,311	190,956	170,442	134,530	13,997	0	5,209	16,706
II 11	Copper Tubes, etc.	5,129	6,250	1,263	5,791	23,258	20,163	16,644	1,193	36	284	2,006
II 8	Magnesium	1,680	1,680	637	1,934	3,697	3,502	2,716	0	0	0	786
II 9	Zinc Slabs	6,860	5,600	1,992	6,860	48,120	46,120	42,044	2,323	0	0	1,753
II 29	Special Non-Ferrous Wires	44	112	13	79	435	393	368	4	0	0	18
II 30A	Nichrome Wire and Strip	229	225	0	158	958	714	92	0	0	0	60
II 30B	Basic Nichrome Products	13	J, K	0	75	508	502	465	0	0	25	12
II 49	Mercury	0	0	2	30	895	895	895	0	0	0	0
II 58	Carbon	0	0	0	0	18	17	17	0	0	0	0
II 61A-13	Metallurgical Sodium	172	0	0	0	1,279	1,103	845	258	0	0	0
II 88	Manganese	0	0	0	11	11	11	11	0	0	0	0
II 89	Lead	0	0	0	34	43	43	9	0	0	0	34
II 90	Tin	0	0	0	8	10	10	10	0	0	0	0
II 91	Aluminum, Tin & Nickel Foil	64	0	64	64	214	214	146	4	0	0	64
II 92	Rabbit Skin	0	0	0	5	106	106	86	20	0	0	0
II 93	Cadmium	0	0	0	0	201	201	201	0	0	0	0
II 94	Cobalt	81	67	4	57	249	203	176	0	0	0	27
Total Non-Ferrous Metals		91,664	-	20,017	85,617	393,866	350,461	296,236	27,088	36	5,525	33,566
II 35B	Misc. Non-Ferrous Metals and Products (\$1,000)	4	J	0	3	13	13	13	0	0	0	0
Copper Cable and Wire												
II 1	Marine Cable (miles)	69	311	16	213	1,350	1,117	803	127	0	92	95
II 2	Submarine Cable (miles)	74	156	0	255	839	833	783	50	0	0	0
II 74	Insulated Cable (\$1,000)	11,692	(5,000)M	3,360	6,833	35,357	16,763	12,162	218	0	866	3,517
II 74A	Bare Copper Cable and Wire (\$1,000)	263	(8,335)M	7	201	1,563	1,176	1,085	0	0	80	11
Ferro-Alloys (Unit - tons)												
II 12	Ferro-Silicon	38	/	307	2,489	8,284	6,446	4,368	1,049	0	28	1,001
II 13	Ferro-Chrome	0	/	0	1,760	4,113	3,745	2,412	494	0	0	839
II 85	Ferro-Phosphorus	0	/	0	0	4	4	4	0	0	0	0
II 86	Ferro-Vanadium	0	/	0	0	2	2	2	0	0	0	0
II 87	Ferro-Tungsten	0	/	0	0	2	2	2	0	0	0	0
II 87A	Ferro-Molybdenum	0	/	0	0	0	0	0	0	0	0	0
Total Ferro-Alloys		38	4,928	307	4,249	12,405	10,199	6,788	1,543	0	28	1,840
Ferrous Metals and Products (Unit - tons)												
II 10	Rivets	526	/	4,642	9,494	19,817	15,036	9,483	60	0	288	5,205
II 14	Armor Plate	0	/	0	0	8,951	8,951	5,787	2,897	267	0	0
II 16	Polished Drill Rods	114	/	38	93	370	283	213	2	0	10	58
II 17	High Speed Tool Steel	2,779	/	586	1,611	7,729	6,207	4,947	386	0	83	791
II 18	Tool Steel	5,914	/	1,474	5,165	20,803	18,165	14,113	883	29	446	2,698
II 19	Cold Finished Bars	16,020p	/	10,559	26,329	121,815p	97,080	73,707	6,433	280	3,024	13,636
II 20	H.R. Aircraft Steel	24,384	/	5,771	35,886	137,920p	97,322	87,281	1,517	0	657	7,867
II 21	Cr.-Si.Mn. Billets	(-) 4,093p	/	0	3	83,518p	79,288	65,908	29,653	431	3,214	654
II 22	Cold Rolled Sheets	389	/	73	378	85,397p	81,221	49,074	9,081	1,709	699	86
II 22A	Cold Rolled Strip	(-) 27,007p	/	783	1,037	75,707p	66,173	51,783	11,266	797	1,089	1,218
II 23	Stainless Steel	1,833	/	320	1,888	7,147	5,624	4,936	70	0	1	617
II 24	Template	17,874	/	2,163	6,403	96,837	82,117	64,007	10,611	970	1,902	4,627
II 25	Steel Wire	(-) 27,067p	/	3,767	12,996	85,867p	68,678	54,882	5,052	672	968	7,104
II 26	Wire Rope	3,854p	/	1,864	6,184	29,425p	21,084	17,999	789	0	344	2,552
II 27	Steel Alloy Tubes	11,547	/	2,972	8,319	33,200	16,210	12,011	52	0	105	4,042
II 28	Stainless Steel Wire	389	/	14	167	2,607	2,469	2,279	94	13	44	39
II 31	Barbed Wire & Staples	(-) 6,483p	/	328	1,772	48,021p	47,477	35,039	10,538	203	99	1,998
II 32	Pipe and Tubing	16,854p	/	627	23,236	141,238p	83,860	60,405	15,918	1,571	288	5,678
II 33	S.R. Sheets and Plates	11,380p	/	11,977	49,275	189,152p	160,858	115,117	18,642	1,533	4,383	21,183
II 34	Bolts, Nuts, Rivets, etc.	1,590	/	465	2,945	11,715	6,876	6,370	0	0	0	506
II 35D	Aircraft Landing Mate	8,533	/	0	8,533	8,533	8,533	8,533	0	0	0	0
II 101	S.R. Rails and Accessories	109,342	/	16,947	124,167	273,262	235,244	179,444	20,474	1,421	618	33,287
II 102	Mounted Sets, Wheels & Axles	0	/	4,773	19,558	24,075	21,680	13,130	90	0	911	7,549
II 103	Car Axles	0	/	4,795	6,064	35,910	25,750	18,025	927	0	4,050	4,768
II 104	Locomotive & Car Wheel Tires	541	/	742	5,656	13,519	11,240	9,359	53	0	484	1,344
II 105	Roller Steel Car Wheels	86	/	49	4,272	8,658	6,106	5,544	0	0	512	50
II 107	Locomotive Axles	0	/	0	141	255	183	183	0	0	0	0
II 108	Electric Locomotive Axles	0	/	0	300	222	222	222	0	0	0	0
Total Steel		7,765p	208,333	78,706	362,112	1,571,768p	1,277,937	967,181	145,488	9,892	24,219	127,157

Note p: The following, released from U.S. S.R. export stocks for redistribution to others have been deducted from amounts made available.

II-19 Cold Finished Bars	Jul.- Oct. 1941- Nov. 1943		II-22A Cold Rolled Strip	Jul.- Oct. 1941- Nov. 1943		II-32 Pipe and Tubing	Jul.- Oct. 1941- Nov. 1943	
	945	956		28,164	28,164		(-15,291)	60,376
II-20 H.R. Aircraft Steel	0	73	II-25 Steel Wire	31,896	31,896	II-33 H.R. Sheets & Plates	1,119	17,364
II-21 Cr.-Si.Mn. Billets	4,141	30,866	II-26 Wire Rope	350	430	Total Released		
II-22 Cold Rolled Sheets	345	3,305	II-31 Barbed Wire & Staples	6,586	17,127	58,555 191,097		

Notes: All tons are 2,000 lbs. net weight.

- a Estimated
- b From production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities reprocessed or diverted before export.
- c Offerings selected by U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control no monthly schedules are quoted in the Protocol have been exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol are being computed on the basis of proportional time elapsed.
- d From production or assignments after deductions of quantities reprocessed or diverted before export.
- e Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.
- f 1943 shipments discharged in U.K. considered as awaiting forwarding when other data is not yet available.
- g Value of orders accepted for Third Protocol chargeable to blanket offering for "Other Materials".
- h Contained nickel chargeable to offering to 11/30/43 of 1,000 s.t. of nickel contained in steel and nickel products.
- i Offering included in blanket offering to 11/30/43 of 56,000 s.t. of copper in various forms.
- j Data not available in units of offering.
- k Production control has been exercised. Other ferro-alloys are being substituted for ferro-silicon and ferro-chrome originally offered.

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 Date: 10/15/2001
 By: A. Schaefer/DLM
 FEB 2 1974

Ref.	Item	Third Protocol Performance July 1, 1943 to November 30, 1943		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to November 30, 1943						
		Made Available a	Offered to be Made Available b	During October 1943	During Third Protocol Period 7/1/43 to 11/30/43	Made Available c	Exported d	Arrived d	Lost	Diverted to Others After Export e	In U. K. Awaiting Forwarding f	Balance En Route Nov. 30 1943 g
II 35A1	Chains and Anchors (tons)	1,145	J	0	1,099	2,108	1,636	1,626	0	0	0	10
II 35A	Misc. Ferrous Metals & Products (\$1000)	990	J	78	713	2,024	1,534	1,380	30	0	0	124
II 37	PETROLEUM PRODUCTS (tons)											
	From U. S.	247,749	150,000	35,986	247,749	4	647,459	502,422	10,706	87,989	0	46,262
	From Abroad (Replacements to U.K. from U.S.)	50,483	30,000	10,653	50,483	4	56,115	56,115	0	0	0	0
	Replacements for Diversions to Others											
	Shipped from U.S.	31,667				4	(31,867)	(31,867)	0	0	0	0
	Add'l Allocations from U.S. Included in Exports Above											
						(29,971)						
	Chemicals											
II 61A5	acetone (tons)	685	2,800	0	660	1,686	1,567	1,298	0	0	0	269
II 38A	alcohol from U.S. (tons)	68,285	44,800	29,954	66,154	88,678	86,300	56,402	159	0	0	29,739
	alcohol from U.K. (tons)	10,165		10,165	10,165	10,165	10,165	10,165	0	0	0	0
	(Replacement to U.K. from U.S.)											
II 61A3	Caustic Soda (tons)	18,411	16,800	1,222	18,560	45,933	42,406	38,859	707	0	0	2,840
II 38	Ethylene Glycol (tons)	1,792	1,400	841	3,570	8,744	8,301	5,736	0	0	0	1,818
II 61A1	Glycerine from U.S. (tons)	2,131	2,800	129	3,081	11,816	10,248	9,797	0	301	0	150
	Glycerine retransferred from U.S.	5,600		**	**	5,600	**	**				
II 45	Methanol (tons)	18	2,800	1,552	2,221	17,228	15,240	9,671	2,963	371	683	1,552
II 36	Phenol (tons)	1,942	5,000	1,741	5,038	19,543	19,500	14,645	1,576	170	0	2,681
II 61A25	Potassium Tetraoxide (tons)	121	21	10	14	366	182	172	0	0	0	10
II 13A	Toluol (tons)	15,520	14,187	7,598	20,402	57,824	56,179	43,421	2,991	359	1,810	7,598
II 46	Urotropine (tons)	2,318	2,800	821	3,736	10,395	9,245	6,945	358	25	201	1,736
	Other Chemicals											
II 48	Ammonia Chloride (tons)	0		0	75	4,805	726	726	0	0	0	0
II 61A23	Ammonia Nitrate (tons)	(-2,406)		0	0	3,394	3,394	2,602	113	0	0	699
II 51	Ammonia Sulpho Cyanate (tons)	0		0	0	3	3	3	0	0	0	0
II 61A9	Aniline Oil (tons)	(-) 742		0	0	4,970	3,521	2,466	927	16	112	0
II 61	Anthracene (tons)	0		0	0	9	9	9	0	0	0	0
II 54	Barium Peroxide (tons)	1		0	0	332	106	106	0	0	0	0
II 61A21	Black Dyes (tons)	0		282	510	752	669	333	0	0	0	336
II 61A27	Boric Acid (tons)	0		0	0	560	459	292	167	0	0	0
II 61A8	Calcium Carbide (tons)	112		0	186	368	354	354	0	0	0	0
II 61A24	Carbon & Lamp Blacks (tons)	0		0	0	2,251	2,251	2,251	0	0	0	0
II 52	Centralite (tons)	866		75	484	1,537	993	871	0	0	0	122
II 61A26	Citric Acid (tons wet)	* 239		78	239	* 752	752	597	56	0	0	99
II 44	Collonin (tons wet)	0		0	0	8,136	4,766	3,231	1,339	86	110	0
II 59	Cresol (tons)	0		0	0	441	292	231	61	0	0	0
II 61A17	Dibutyl Phthalate (tons)	48		259	861	5,288	4,188	2,892	859	70	0	367
II 61A17	Dioethylene Glycol (tons)	50		0	167	418	362	362	0	0	0	0
II 42	Dimethylamine (tons)	0		0	52	* 2,510	2,302	1,797	420	0	0	19
II 43	Diphenylamine (tons)	0		0	3	2,080	1,489	1,233	256	0	0	0
II 61A16	Ethylene Chlorohydrins (tons)	200		80	101	231	112	32	0	0	0	80
II 61A10	Ethylene Dichloride (tons)	0		0	319	4,415	1,768	1,768	0	0	0	0
II 61A27	Formaldehyde (tons)	0		0	0	960	478	432	82	0	0	0
II 61A22	Naphthene Acid (tons)	0		0	0	600	0	0	0	0	0	0
II 61A14	Necosone (tons)	0		0	0	504	470	470	0	0	0	0
II 61A1	Phenol Formaldehyde (tons)	0		0	0	448	447	369	78	0	0	0
II 46	Phosphorus (tons)	(-) 851		100	201	2,712	2,166	1,556	485	0	0	125
II 61A1	Picric Acid (tons)	139		186	298	929	655	322	0	0	0	147
II 61A18	Potassium Chlorate (tons)	221		35	340	1,344	784	557	0	0	0	187
II 50	Potassium Nitrate (tons)	(-) 36		398	709	3,575	1,874	1,338	100	0	0	138
II 60	Potassium Sulphate (tons)	(-) 799		0	175	1,030	580	535	0	0	0	45
II 53	Rosorcin (tons)	0		0	1	120	61	51	0	0	0	10
II 56	Rhodamine (tons)	0		0	1	6	6	6	0	0	0	0
II 61A19	Saccharin (tons)	12		25	92	323	277	200	12	0	0	65
II 61A20	Soda Ash (tons)	112		0	794	1,501	1,388	1,340	0	0	0	48
II 39	Sodium Bicarbonate (tons)	0		98	98	600	624	305	0	0	0	98
II 55	Sodium Bromide (tons)	(-) 311		0	53	2,151	1,722	1,330	334	0	0	58
II 55	Strontium Oxalate (tons)	0		0	48	96	76	76	0	0	0	0
II 57	Torium Nitrate (tons)	0		0	0	12	12	6	0	0	0	0
II 61A15	Tellichall or Petrus Reagent (tons)	143		74	252	650	469	395	0	0	0	74
II 77	Vitamin (tons)	177		25	150	509	357	265	5	0	0	25
II 61A99	Misc. Chemicals (tons)	1,152		235	2,271	8,897	7,260	6,775	129	0	0	333
	Total Other Chemicals (tons)	(-) 21,560	3,833	1,950	8,453	70,019	48,018	38,485	5,309	172	3,406	2,646
	Total All Chemicals (tons)	125,458	97,241	55,983	142,054	347,995	307,151	235,556	14,252	1,598	4,906	51,039
	Other Materials & Products											
II 67A	Abrasive Grain (tons)	3,129	1,667	1,082	3,193	5,770	4,570	2,905	92	0	200	1,774
II 67B	Abrasive Products (\$1000)	2,163	1,667	651	2,367	8,936	8,474	6,370	956	33	344	771
II 68A	Graphite Electrodes (tons)	2,611	2,400	983	3,218	12,052	11,370	8,552	1,319	25	403	1,071
II 68C	Graphite Powder (tons)	918		467	883	1,952	1,614	1,140	126	0	0	348
II 68B	Other Graphite Goods (\$1000)	705	s.t. =	75	220	1,174	1,107	897	100	0	0	106
II 78	Tires (1000 units)	655	v	125	713	2,013	1,880	1,536	89	51	0	204
II 78	Tubes (1000 units)	656	v	126	710	2,099	1,830	1,462	86	52	0	216
II 79	Rose, Wholly or Part Rubber (\$1000)	2,486	v	519	2,007	4,381	2,745	2,137	18	0	0	590
II 78A	Other Rubber Products (\$1000)	6,327	v	2,360	5,286	11,533	7,809	4,977	102	0	0	2,730
II 80	Sheet Fibr. (\$1000)	918	j	417	334	1,686	4,174	3,225	496	3	147	692
II 81	Shoek Absorbent Cord (yds)	50,000	j	0	0	247,369	166,111	166,111	0	0	0	0
II 82	Metallic Cloth & Screen (\$1000)	162	j	417	24	1,158	1,104	991	7	0	0	106
II 83	Condenser Paper (tons)	0	61	0	0	156	119	119	0	0	0	0
II 83A	Cigarette Paper (tons)	0	140	0	143	1,042	535	405	68	0	0	62
II 83B	Other Paper (tons)	2	700	70	809	2,649	1,676	1,605	0	0	0	71
II 95B	Rubber Footwear (\$1000)	53	j	**	**	981	**	**				
II 95C	Other Footwear except QM (\$1000)	228	j	**	**	722	**	**				
II 95A	Other Apparel except QM (\$1000)	78	j	0	79	444	245	222	23	0	0	0
II 96A	Textiles except QM (\$1000)	11	j	16	19	210	156	113	8	0	0	26
II 96B	Fish Nets (tons)	259	j	18	112	390	168	168	0	0	0	0
II 96C	Rope (tons)	1,158	j	141	622	2,189	1,624	1,467	0	0	0	141
II 97	Raw Cork (tons)	0	j	0	0	62	62	62	0	0	0	0
II 35C	Non-Metallic Minerals & Prods. (\$1000)	61	j	24	111	400	363	281	61	0	0	21
II 35	Misc. Mat'ls & Prods. (\$1000)	263	j	268	454	750	459	3	20	0	0	268
II 71D	End Products of Leather N.E.S. (\$1000)	24	j	0	16	34	27	27	0	0	0	0

Notes: All tons are 2000 lbs. net weight.

- * Estimated
- ** Data not available
- a From production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities repossessed or diverted before export.
- b Offerings selected by U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol are being exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- c From production or assignments after deductions of quantities repossessed or diverted before export.
- d Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.
- e 1943 shipments discharged in U.K. considered as awaiting forwarding when other data is not yet available.
- f Ammunition, spare parts and other equipment supplied in accordance with U.S. standards.
- g Additional offering of Second Protocol items not made available by June 30, 1943.
- h Value of orders accepted for Third Protocol chargeable to blanket offering for "Other Materials".
- i Data not available in units of offering.
- j Offered by replacements below.
- k Offered to diversions of shipments from U.S. above. Balance not replaced is from 1942 discharge operation.
- l Petroleum products and foodstuffs made available as exported.
- v Contained rubber charged to offering to 11/30/43 to supply 16,800 s.t. of crude, synthetic and reclaimed rubber in various forms except as contained in military items.

Ref.	Item	Third Protocol Performance July 1, 1943 to November 30, 1943		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to November 30, 1943						
		Made Available a	Offered to be Made Available b	During October 1943	During Third Protocol Period 7/1/43 to 11/30/43	Made Available c	Exported	Arrived d	Lost	Diverted to Others After Export e	In U. S. Awaiting Forwarding f	Balance on Route Nov. 30, 1943 g
MACHINERY AND EQUIPMENT												
Except Military & Naval												
II 69470	Bearings (\$1000)	4,496	6,250	837	2,670	9,288	6,393	5,400	150	0	-	843
II 154	Cemented Carbide Tips & Blanks (\$1000)	91	1,250	92	911	2,200	1,817	1,481	10	0	0	326
II 1581	Metal Cutters, Dies, Drills, etc. (\$1000)	4,000		337	3,035	19,381	17,071	16,884	42	0	3	145
II 1582	Portable Metal Cutting Machines (\$1000)	35	6,250	10	40	142	132	117	4	0	0	11
II 1583	Other Cutting & Boring Tools (\$1000)	435		26	781	3,706	3,555	3,424	58	0	0	73
II 150	Precision Measuring Tools (\$1000)	512	1,250	107	500	917	752	736	1	0	0	15
II 62	Machine Tools (\$1000) (units)	* 71,678	50,000	12,822	60,668	* 232,882	145,444	115,270	6,826	0	3,955	19,393
II 63	Electric Furnaces (\$1000)	2,770	5,000	1,054	3,034	9,436	8,117	6,166	599	0	97	1,253
II 651	Compressors (\$1000)	1,277		(55)	(130)	(588)	(428)	(370)	(37)	(0)	(5)	(16)
II 644	Steel Rolling Mills & Equip. (\$1000)	968	6,467	59	58	1,290	383	371	0	0	0	12
II 643	Forges, Presses, etc. (\$1000)	* 18,285	12,500	5,867	8,896	* 49,183	23,590	15,031	808	26	1,121	6,584
II 640	Drawing Machines (\$1000)	482	834	0	0	482	0	0	0	0	0	0
II 654	Excavating Equipment (\$1000)	2,753	5,208	644	3,785	13,682	11,192	7,478	334	0	2,478	902
II 658	Truck & Tractor Cranes (\$1000)	154	834	12	54	2,373	1,977	1,587	28	0	334	28
II 650	Other Cranes (\$1000)	6,499	8,334	543	2,068	9,275	3,867	2,977	51	0	112	727
II 6512	Pans and Blowers (\$1,000)	2,781	3,750	1,322	3,077	6,916	5,367	3,821	286	0	0	182
II 658	Pumps (\$1000)	2,951	3,334	486	1,069	5,383	2,851	2,022	169	0	159	501
II 657	Mining, Crushing & Conveying Equip. (\$1000)	3,779	4,147	624	1,804	7,140	3,154	2,271	59	0	118	706
II 650	blast Furnace Equip. (\$1000)	657	4,147	180	205	737	212	32	0	0	0	180
II 658	Welding Equipment (\$1000)	2,139	1,667	728	1,204	3,720	1,858	1,072	50	0	0	736
II 651	Valves and Fittings (\$1000)	1,777	1,250	1,260	1,574	3,586	2,721	1,331	54	0	0	1,316
II 651	Pneumatic Tools (\$1000)	1,790	2,084	302	1,222	3,424	2,427	2,134	0	0	0	293
II 66	Control Instru. & Test Equip. (\$1000)	515	709	95	315	827	582	485	25	0	7	65
II 140	Special Power Program (\$1000)	21,938		2,992	22,046	40,822	27,721	22,633	0	0	15	5,073
II 140A	Ind. Rollers for Power Prog. (\$1000)	4,889	31,250	86	810	5,899	810	704	0	0	0	86
II 65K318	R.S. Block Signal System (\$1000)	1,244	5,000	0	0	1,244	0	0	0	0	0	0
Auxiliary Machinery & Equipment (Unit - \$1000)												
II 65K1	Engines & Turbines except Marine	35	/	0	103	1,639	1,737	1,586	133	0	18	0
II 65K2	Ind. Trucks & Tractors	232	/	241	559	3,112	2,440	2,111	78	-	225	226
II 65K3	Mechanical Power Trans. Equip.	7	/	0	0	22	15	15	0	0	0	0
II 65K4	General Purpose Equipment	164	/	0	27	286	149	149	0	0	0	0
II 65K5	Electric Motors, Generators, etc.	3,700	/	850	2,496	10,478	5,957	4,930	121	3	57	846
II 65K6	Transformers, etc.	1,318	/	469	766	2,102	1,087	786	0	0	0	621
II 65K7	Elec. Dist. & Control Equip.	533	/	143	485	2,228	1,623	1,409	43	23	20	128
II 65K8	Electric Ovens	0	/	0	3	4	4	4	0	0	0	0
II 65K9	Electric Lamps (bulbs)	14	/	24	621	101	78	54	-	0	0	24
II 65K10	Electric Appliances	0	/	0	0	12	5	5	-	0	0	0
II 65K11	Misc. Electric Products	190	/	155	188	745	402	228	0	0	19	155
II 65K12	Food Products Machinery	317	/	46	74	570	170	129	9	0	0	32
II 65K13	Textile Machinery	12	/	2	2	534	529	441	85	0	0	0
II 65K14	Paper Ind. Machinery	160	/	88	194	481	432	339	0	0	5	88
II 65K15	Printing Machinery	0	/	0	0	44	44	44	0	0	0	0
II 65K16	Tire & Rubber Machinery	3,094	/	342	2,365	9,951	5,550	4,817	0	0	0	733
II 65K17	Woodworking Machinery	289	/	70	196	538	362	278	12	0	0	70
II 65K18	Petroleum Refinery Equip.	* 21,168	/	4,947	35,341	* 40,668	39,020	26,660	262	0	45	12,053
II 65K19	Class Ind. Machinery	51	/	61	61	174	61	10	0	0	0	51
II 65K20	Chemical Ind. Machinery	596	/	0	1	834	18	18	0	0	0	0
II 65K21	Gas Producing Machines	1,040	/	353	559	2,466	1,041	612	0	0	0	429
II 65K22	Other Special Machines	1,981	/	193	804	3,239	1,762	1,552	5	0	0	205
II 65K23	Cartridge Mfg. Lines	589	/	40	1,750	12,300	11,416	11,060	17	0	134	205
II 65K23	Smelting & Casting Equip.	234	/	15	129	850	262	224	0	0	0	38
II 65K24	Non-Ferrous Rolling Mills	1,248	/	112	896	6,712	5,139	5,086	0	0	1	52
II 65K25	Misc. Working Equip.	2,768	/	2,587	3,132	3,648	3,535	3,592	8	0	0	2,932
II 65K26	Attach. for Machine Tools	345	/	27	181	1,215	703	624	17	0	14	58
II 65K27	Agricultural Machines	204	/	15	99	232	107	107	0	0	0	0
II 65K28	Oil Well Drilling Equip.	1,405	/	292	2,740	4,739	4,011	3,417	0	0	14	580
II 65K29	Rock Boring Equip.	386	/	0	14	400	14	13	0	0	1	0
II 65K30	Construction Machinery	28	/	0	135	338	321	201	0	0	0	130
II 65K31	Office Machines	0	/	0	0	49	48	48	0	0	0	0
II 65K32	Misc. Machines	686	/	30	314	1,296	659	341	0	0	2	116
II 65K33	Communication Equipment	3,999	/	740	1,768	4,939	2,377	1,646	9	0	10	712
II 65K34	Teletype Apparatus	241	/	404	683	818	700	509	0	0	0	191
II 65K34	Ind. R.R. Trans. Equipment	547	/	418	758	2,094	1,224	634	0	0	0	590
II 65K35	Motor Vehicles & Parts	11	/	3	9	169	163	157	3	0	0	3
II 65K36	Refrigeration Equipment	16	/	1	13	28	13	12	0	0	0	1
II 65K37	Lighting Fixtures	68	/	0	68	255	255	222	33	0	0	0
II 65K38	Photographic Equipment	68	/	119	328	1,564	1,281	812	75	0	392	2
II 65K39	Indicating & Other Instruments	814	/	188	641	2,443	1,927	1,788	35	0	0	104
II 65K40	Professional Instruments	114	/	85	303	844	799	678	37	0	0	84
II 65K41	Misc. Equipment U.S.S.	69	/	2	76	408	353	319	34	0	0	0
II 65K42	Hand Tools	8	/	0	13	155	142	135	7	0	0	0
Total Auxiliary Machinery & Equip.		48,959	15,209	13,052	58,636	125,724	97,945	74,505	1,043	26	957	21,434
Emergency Equip. Incl. in Pertinent Categories Above			10,417									
Total Machinery & Equipment		206,471	187,341	43,407	179,063	560,390	370,003	287,402	10,597	52	9,535	62,417
II 110	Locomotives (units)	164	0	44	44	164	44	6	0	0	0	38
II 111	Fiat Cars (units)	1,397	1,600	97	99	1,397	99	0	0	0	0	99

Notes: All tons are 2000 lbs. net weight.

a Estimated

b From production or assignments in addition to quantities made available but not exported 't end of Second Protocol period and after deductions of quantities reprocessed or diverted before export.

c Offerings selected by U.S.S.R. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol are being exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.

d From production or assignments after deductions of quantities reprocessed or diverted before export.

e Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.

f 1943 shipments discharged in U.S. considered as awaiting forwarding when other data is not yet available.

DECLASSIFIED
State Dept. Letter, 14178
By: J. Scharable Date: 5-28-80

Ref.	Item	Third Protocol Performance July 1, 1943 to November 30, 1943		Exported		Cumulative Performance - 1st, 2nd and 3rd Protocols October 1, 1941 to November 30, 1943						
		Made Available a	Offered to be Made Available b	During 1943	During Third Protocol Period 7/1/43 to 11/30/43	Made Available c	Exported	Arrived d	Lost	Diverted to Others After Export *	In U. K. Awaiting Forwarding *	Balance En Route Nov. 30 1943 *
FOODSTUFFS (Units - Tons)												
IV 1	Wheat and Flour	-	-	26,161	78,735	369,958	331,182	2,894	5,337	0	0	30,545
IV 2	Sugar	-	-	13,152	91,557	289,023	236,853	15,541	12,364	0	0	24,265
IV 3	Canned Meat	-	-	22,400	111,953	346,574	280,441	16,842	14,842	581	0	33,868
IV 4A	Cured Meats	-	-	68	3,479	15,866	14,934	499	302	0	0	134
IV 4B	Fat Cuts	-	-	21,040	65,727	169,183	134,941	2,894	4,869	0	0	26,741
IV 5	Lard	-	-	12,384	31,395	101,154	64,431	6,202	16,846	0	0	13,675
IV 6	Vegetable Oil	-	-	17,566	70,087	201,303	178,972	355	2,274	0	0	19,762
IV 7	Soap	-	-	-	958	5,762	5,651	111	0	0	0	0
SP 101	Cereals	-	-	17,523	45,794	107,273	86,878	1,065	253	0	0	19,077
SP 102	Fodder	-	-	-	-	5,199	5,176	0	0	0	0	23
SP 103	Canned Fruits & Vegetables	-	-	14	561	2,233	2,144	79	0	0	0	14
SP 104	Dried Fruits & Vegetables	-	-	10,916	34,922	147,811	102,526	6,993	22,993	0	0	15,299
SP 105	Whole Fruits & Vegetables	-	-	1	1,083	1,157	1,156	0	0	0	0	1
SP 106	Cheese	-	-	2,277	5,238	8,959	6,109	295	0	0	0	2,555
SP 107	Butter	-	-	9,049	30,821	42,524	36,219	365	735	0	0	5,205
SP 109	Canned Milk	-	-	1,230	5,336	10,835	8,741	188	0	0	0	1,906
SP 110	Salt	-	-	137	320	1,856	1,700	0	0	0	0	136
SP 111	Dried Eggs	-	-	6,053	13,747	44,750	27,206	4,137	5,296	0	0	8,111
SP 112	Concentrated Cereals	-	-	420	3,510	4,650	3,767	0	0	0	0	883
SP 113	Vitamins	-	-	3	25	293	254	0	36	0	0	3
SP 114	Dried Milk	-	-	4,999	13,312	30,291	18,312	449	4,394	0	0	7,136
SP 115	Concentrated Citrus Juices	-	-	0	1,343	2,051	1,972	0	0	0	0	79
SP 116	Vegetable Pastes & Dehyd. Soups	-	-	1,450	6,386	6,511	3,616	30	0	0	0	2,965
SP 117	Tea	-	-	47	185	807	780	0	0	0	0	47
SP 118	Coffee	-	-	571	1,127	3,891	2,760	0	560	0	0	571
SP 119	Dehydrated Meats	-	-	658	1,327	2,038	1,330	0	0	0	0	708
SP 120	Seeds	-	-	573	602	10,615	9,995	18	0	0	0	602
SP 122	Yeast	-	-	3	301	610	405	0	112	0	0	93
SP 123	Oleomargarine	-	-	3,640	20,223	24,986	17,889	345	0	0	0	6,752
SP 124	Dehyd. Fruits & Vegetables	-	-	486	1,086	1,585	1,099	0	0	0	0	486
SP 125	Hazel Nuts from Turkey	-	-	3,638	3,638	3,638	3,638	0	0	0	0	0
SP 100	Miscellaneous Foodstuffs	-	-	508	3,451	4,650	4,430	3	0	0	0	517
Total Foodstuffs		t	758,834	177,038	650,989	t	1,968,136	1,504,947	59,299	91,213	581	222,096
NAVAL STORES & MARINE EQUIPMENT												
VI 1	Marine Diesel Engines	264	(517g) 2	125	362	762	719	564	9	0	0	146
VI 2	Marine Gasoline Engines	493	(194g)	132	1,061	2,865	2,859	1,891	46	0	0	65
VI 4	Outboard Motors	400	0	150	400	600	600	375	0	0	0	297
VI 5	Dry Cargo Vessels Transferred	4	0	0	4	57	57	0	0	0	0	225
VI 6	Tankers Transferred	5	0	1	5	17	12	0	0	0	0	0
VI 7	Minesweepers	10	(10g)	0	10	10	10	0	0	0	0	0
VI 8	Tugs	0	0	0	0	0	0	0	0	0	0	0
VI 9	Submarine Chasers	0	0	0	16	16	16	0	0	0	0	0
VI 10	Landing Boats	30	0	0	30	30	30	0	0	0	0	0
VI 10A	Ice Breakers Transferred	0	0	0	0	0	0	0	0	0	0	0
VI 11	Motor Torpedo Boats	18	0	12	13	30	25	3	7	0	0	12
VI 12	3"/50 Cal. D.D. Deck Guns	117	0	51	204	-	280	148	6	0	0	36
VI 13	5"/38 Cal. D.D. Guns	0	0	30	60	-	60	20	0	0	0	40
VI 15	.50 Cal. A.A. Machine Guns	0	0	0	0	-	8	8	0	0	0	0
VI 16	.50 Cal. Twin Machine Guns	224	250	25	280	-	280	8	0	0	0	50
VI 17	Oerlikon Guns	478	0	100	778	-	1,558	1,097	111	150	0	200
VI 18	Ammunition for Naval Arm.	Furnished with Ammunition										
VI 19	Storage Batteries for Subs	5	(15g)	4	5	21	20	14	0	0	2	4
VI 20	Diesel Generators & Gen. Comps.	57	(800g) 22	6	91	303	252	241	0	0	0	11
VI 21	Gas Engine Generators	0	125	0	10	14	0	0	0	0	0	0
VI 22	Marine Turbo Generators	0	(10g)	0	10	14	14	4	0	0	0	41
VI 23	Electric Motors Motor Gen. & Gen.	571	(1,210g) 435	71	399	571	399	318	0	0	0	41
VI 24	Portable Water Pumps	35	0	0	6	41	6	6	0	0	0	0
VI 25	Marine Pumps Non-Portable	88	(257g)	4	4	89	4	0	0	0	0	4
VI 25A	Marine Turbo-Pumps	32	0	16	53	63	53	44	0	0	0	9
VI 30	Elec. & Pneumatic Underwater Tools (sets)	0	0	0	0	200	200	200	0	0	0	0
VI 31	Portable Electric Stations	60	0	58	68	72	68	30	0	0	0	38
VI 32	Jettying Equip. for Salvage (sets)	0	(10g)	0	0	0	0	0	0	0	0	0
VI 33	Vertical Steam Boilers*	0	(10g)	0	0	0	0	0	0	0	0	0
VI 34	Submarine Rescue Chambers	1	(1g)	0	1	1	1	1	0	0	0	0
VI 35	Windlasses w/Motors	4	(5g)	0	0	4	0	0	0	0	0	0
VI 36	Electric Ventilating Sets	628	(649g)	0	104	628	225	225	0	0	0	0
VI 37	Marine Turbo-Ventilators	6	(8g)	14	34	32	34	34	0	0	0	0
VI 38	Air Tanks	0	(15g)	0	0	0	0	0	0	0	0	0
VI 39	Towing Winches	0	(10g)	0	0	0	0	0	0	0	0	0
VI 40	Rotary & Changeover Switches	0	(3,000g)	0	850	4,365	850	850	0	0	0	0
VI 41	Watertight Junction Boxes	240	(240g)	0	162	260	162	22	0	0	0	140
VI 42	Auxiliary Equip. for Ships (sets)	-	(10g)	-	-	-	-	-	0	0	0	0
VI 43	Elec. Instruments & Fixtures (\$1000)	* 143	44	114	143	* 145	145	31	0	0	0	114
VI 45	Winter Living Suits	20	0	0	0	20	0	0	0	0	0	0
VI 99A	Misc. Stores (\$1000)	**	0	18	1,354	**	2,484	2,389	0	0	0	95
VI 99B	Other Marine Mach. & Equip. (\$1000)	**	0	35	184	**	796	310	0	0	0	73
VI 99C	Other Elec. Mach. & Equip. (\$1000)	**	0	36	289	**	330	293	0	0	0	37
VI 99D	Optical & Navig. Instr., etc. (\$1000)	**	0	3	35	**	52	49	0	0	0	3
VI 99E	Other Radio Equip. (\$1000)	**	0	160	375	**	867	791	1	0	0	75
VI 99F	Naval Aircraft Equip. (\$1000)	**	0	0	0	**	0	0	0	0	0	0
VI 99G	Torpedo Equipment (\$1000)	**	0	0	0	**	137	17	0	0	0	120

In addition to the above Soviet Vessels have been repaired and armed in U.S. ports and supplied with stores and equipment for their return voyages.

Notes: All tons are 2000 lb. net weight.

- * Estimated
- ** Data not available

- a From production or assignments in addition to quantities made available but not exported at end of Second Protocol period and after deductions of quantities repossessed or diverted before export.
- b Offerings selected by U.S.-S.S. are in excess of the aggregate of shipping commitments and reasonable stocks. Production control provisions of the Protocol are being exercised and will reduce production below offerings in some instances. Offerings for which no monthly schedules are quoted in the Protocol have been computed on the basis of proportional time elapsed.
- c From production or assignments after deductions of quantities repossessed or diverted before export.
- d Includes shipments for clearance through Persian Corridor reported arrived in Persian Gulf.
- e 1941 shipments discharged in U.K. considered as awaiting forwarding when other data is not yet available.
- f Additional offering of Second Protocol items not made available by June 30, 1943.
- t Petroleum products and foodstuffs made available as exported.

PROGRESS OF INDUSTRIAL PROJECTS FOR THE U.S.S.R.
As of November 30, 1943

Petroleum Refinery Program

This project was developed under the Second Protocol to replace Soviet facilities destroyed by the German Army. It was designed to produce aviation gas, motor gas and lubricating oils. The cost is expected to be approximately \$39,000,000. Additions expected to cost \$25,150,000 have been approved under the Third Protocol. Engineering on the additions is progressing.

The Second Protocol program is nearly complete. Out of an estimated 149,250 short tons comprising the program, 146,380 short tons had been made available at plant by November 30th, and 138,950 short tons had been exported. Most of the remaining tonnage consists of valves, instruments, spare parts and tank cars which will be made available before the end of the year. Eight U. S. engineers have arrived in the U.S.S.R. to aid in construction. More will follow.

Tire Production Program

This \$6,000,000 project is to permit the Soviet Government to produce a minimum of 1,000,000 military tires per year from their own supplies of synthetic rubber and natural rubber obtained from shrubs. To utilize idle American equipment, the tire plant of the Ford Motor Company has been purchased; all of this equipment has been dismantled and shipped. Ninety-five percent of the new equipment to supplement the Ford plant has been shipped from suppliers; the remainder will be made available from production by January, 1944. Engineers are being obtained to assist in installation in the U.S.S.R.

Automatic Block Signal System

This \$12,000,000 project is to permit automatic signal operation of a portion of the U.S.S.R. railroad system. The equipment when installed will permit greater carrying capacity on existing rail facilities without increase of rolling stock. The system will consist of signal and signal operating equipment for 3000 km of track; 455 km single track alternating current supply, 1162 km single track storage battery supply, 800 km single track primary battery supply and 583 km double track storage battery supply. Equipment is being made available at the manufacturers' plant. Twenty-five percent of the project is scheduled for export in December.

Power Program

Under the Second Protocol program 320,000 KW of stationary steam generating equipment has been made available. This includes nine units with a total capacity of 40,500 KW furnished with the petroleum refinery project and two units totaling 11,000 KW furnished with the tire plant. The remainder of the Second Protocol program totaling 258,500 KW, consisting of units rated from 250 KW to 35,000 KW are for installation as power utility plants. Over 60 percent of this equipment has been exported.

Diesel generating equipment totaling 162,000 KW and 59 industrial steam boilers have been made available for export.

Power equipment approved under the Third Protocol has now been placed under contract. Designing and manufacturing are progressing on schedule. The program consists of generating equipment as follows:

Stationary Steam Generating Equipment	166,500 KW
Mobile Steam Generating Equipment	217,000 KW
Stationary Diesel Generating Equipment	106,925 KW
Mobile Diesel Generating Equipment	32,000 KW
Hydro-electric Equipment	54,500 KW
Total	576,925 KW

Thirty-two industrial steam boilers and transmission equipment valued at \$5,000,000 are also being supplied.

Equipment for Iron and Steel Industry

In order to increase the output of steel ingots and finished products in the U.S.S.R. for use in the war effort, equipment is being supplied to complete blast and open hearth furnaces, coke ovens and miscellaneous equipment amounting to approximately \$12,000,000. Fabrication is progressing. One complete 18" merchant mill to roll odd shapes will be delivered by spring. Contracts are being negotiated to supply equipment to roll rails and structural beams. This equipment will consist of one blooming mill, soaking pits and a rail and structural mill. The entire project is valued at approximately \$22,000,000.

Aluminum Rolling Mill

This \$6,000,000 project for the production of aluminum sheet for the U.S.S.R. aircraft industry has been entirely exported with the exception of miscellaneous auxiliary equipment valued at \$400,000 which is now awaiting export.

STATEMENT OF VESSELS SAILED TO U.S.S.R.
As of November 30, 1943

Date of Sailing	Number of Ships Sailing					Arrived	En Route as of Nov. 30	Cargo Disch. in U.K.	Lost	Losses by Month
	For North Russia	For Persian Gulf	For Soviet Arctic	For Soviet Far East	Total					
1941 Oct	10	-	-	5	15	14	-	-	1	-
Nov	9	1	-	3	13	12	-	-	1	-
Dec	14	7	-	4	25	22	-	-	3	1
1942 Jan	20	-	-	4	24	19	-	1	4	3
Feb	13	2	-	4	19	16	-	-	3	1
Mar	31	6	-	6	43	32	-	4	7	9
Apr	62	6	-	10	78	46	-	13	19	-
May	14	10	-	7	31	21	-	4	6	6
Jun	8	11	6	9	34	27	-	-	7	6
Jul	2	5	16	12	35	34	-	-	1	16
Aug	11	5	1	19	36	33	-	-	3	1
Sep	4	8	-	17	29	29	-	-	-	10
Oct	-	13	-	19	32	32	-	-	-	-
Nov	-	8	-	26	34	32	-	-	2	3
Dec	4	11	-	24	39	38	-	1	-	-
1943 Jan	12	12	-	22	46	38	-	8	-	-
Feb	22	7	-	28	57	35	-	20	2	1
Mar	1	19	-	26	46	44	-	1	1	2
Apr	-	18	-	37	55	54	-	-	1	1
May	-	15	4	44	63	62	-	-	1	-
Jun	-	4	5	45	54	54	-	-	-	2
Jul	-	17	16	24	57	57	-	-	-	-
Aug	-	24	7	38	69	67	-	-	2	2
Sep	-	27	-	50	77	71	6	-	-	-
Oct	10	25	-	27	62	34	28	-	-	-
Nov	20	25	-	32	77	4	73	-	-	-
Dec										
Total Oct. 1941 to Nov. 30, 1943	267	286	55	542	1,150	927	107	52*	64	64

*22 vessels discharged in 1942. All of the cargo has been forwarded or diverted to others. 30 vessels discharged in April, 1943. Cargo is being on-carried, stored, or diverted.

Of the 1,150 sailings from October 1, 1941 to November 30, 1943, 515 were made by American vessels, 422 by Soviet vessels, 193 by American vessels transferred to Soviet registry, 19 by British vessels and 1 by a Swedish vessel. In addition to the 1,150 sailings, there were 104 ships that loaded partial cargoes in the U.S. for the U.S.S.R. In addition to the 64 ships shown above as lost, several ships have been sunk on their return voyages.

ACTUAL SHIPMENTS COMPARED WITH PROTOCOL SHIPPING OBJECTIVES
July—November 1943
FIGURES IN LONG TONS

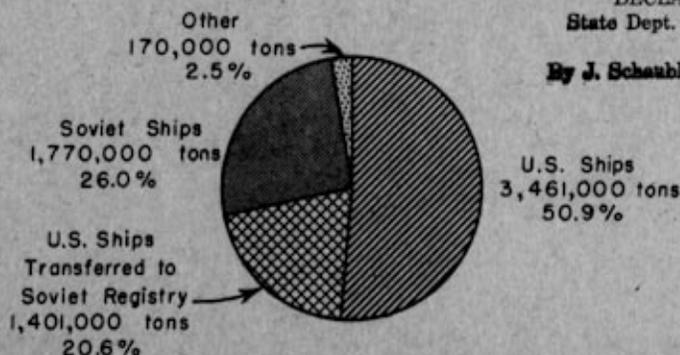
	Atlantic Route	Pacific Route	Total
Protocol Objective Shipments	892,900	1,004,500	1,897,400
Shipments in % of Objective	1,100,000	1,224,000	2,324,000
	123%	122%	122%

STATEMENT OF CARGO SHIPPED TO U.S.S.R.

As of November 30, 1943

(Thousands of Gross Long Tons)

Month	For North Russia	For Persian Gulf		For Soviet Arctic	For Soviet Far East		Total	Arrived	En Route as of Nov. 30	Cargo on Hand or Diverted In U. K.	Lost	Losses by Month
		Full Cargoes	Partial Cargoes		Full Cargoes	Partial Cargoes						
1941 Oct	48	-	-	-	17	-	65	62	-	-	3	-
Nov	41	3	-	-	14	-	58	55	-	-	3	-
Dec	50	10	-	-	11	-	71	63	-	-	8	3
1942 Jan	63	-	-	-	26	-	89	72	-	1	16	9
Feb	66	4	1	-	20	-	91	76	-	-	15	5
Mar	171	17	1	-	25	-	214	163	-	5	46	42
Apr	376	21	-	-	38	-	435	267	-	40	128	-
May	92	79	8	-	33	-	212	141	-	19	52	38
Jun	55	84	7	18	31	-	195	139	-	-	56	55
Jul	14	38	25	47	58	1	183	174	-	-	9	114
Aug	69	40	25	2	83	-	219	197	-	-	22	7
Sep	28	63	9	-	79	-	179	179	-	-	-	65
Oct	-	109	12	-	108	-	229	229	-	-	-	2
Nov	-	66	5	-	106	1	178	165	-	-	13	17
Dec	29	83	9	-	122	-	243	236	-	7	-	2
1943 Jan	73	83	4	-	98	-	258	210	-	48	-	2
Feb	164	40	-	-	129	-	333	169	-	150	14	8
Mar	9	131	-	-	123	-	263	246	-	9	8	16
Apr	-	139	5	-	194	-	338	331	-	-	7	7
May	-	112	9	13	217	-	351	344	-	-	7	-
Jun	-	25	4	16	229	1	275	275	-	-	-	15
Jul	-	117	9	57	153	-	336	336	-	-	-	-
Aug	-	173	4	31	262	-	470	456	-	-	14	14
Sep	-	194	4	-	313	-	511	468	43	-	-	-
Oct	66	187	6	-	181	-	440	254	186	-	-	-
Nov	145	193	2	-	226	-	566	25	541	-	-	-
Dec	-	-	-	-	-	-	-	-	-	-	-	-
Total Oct. 1941 to Nov. 30, 1943	1,559	2,011	149	184	2,896	3	6,802	5,332	770	279	421	421

DISTRIBUTION OF TONNAGE SHIPPED TO NOV. 30, 1943
BY REGISTRY OF SHIPS

DATA ARE GROSS LONG TONS

THE WHITE HOUSE
WASHINGTON

December 28, 1943.

MEMORANDUM FOR

S.I.R. *x5433*

Prepare a nice letter saying nice things about what Stettinius and his staff have done and ask Mr. Latta if he thinks a copy should go to the Congress of this.

F.D.R.

STETTINIUS

THE WHITE HOUSE

WASHINGTON

December 28, 1943

MEMORANDUM FOR

HON. E. R. STETTINIUS, Jr.

Dear Ed:

Do you think that that report, which you sent to the President on Operations of the Lend-Lease Administration, September 11, 1941 to September 26, 1943, should go up to the Congress?

Personally, I think that the quarterly reports are sufficient but if you think this should also go, the President would be willing to send it.

Incidentally, I would very much appreciate a carbon copy of the report for my own files, if you have one.

SAMUEL I. ROSENMAN
Special Counsel to the
President

THE WHITE HOUSE

WASHINGTON

December 28, 1943

MEMORANDUM FOR

HON. E. R. STETTINIUS, Jr.

Dear Ed:

Do you think that that report, which you sent to the President on Operations of the Lend-Lease Administration, September 11, 1941 to September 25, 1943, should go up to the Congress?

Personally, I think that the quarterly reports are sufficient but if you think this should also go, the President would be willing to send it.

Incidentally, I would very much appreciate a carbon copy of the report for my own files, if you have one.

SAMUEL I. ROSENMAN
Special Counsel to the
President

PSF

*L. F.
Lend Lease*

December 29, 1943

Dear Ed:

I have your report on the operations of the Lend-Lease Administration from September 11, 1941 to September 25, 1943.

No one can read this report without realizing how thorough and far-reaching a job has been done in arranging for the flow of lend-lease and reverse lend-lease materials.

I know that it has been a difficult task and one not always free from unjustified criticism on the part of a few narrow-minded columnists and a very few selfish citizens.

On the whole, however, I think we are all satisfied that the overwhelming majority of the American public have realized the absolute necessity of lend-lease operations to our own defense and to the future peace of the world.

x4193
x394

I congratulate you and your staff for the efficient and conscientious job which has been done.

With kindest personal regards.

Very sincerely yours,

FRANKLIN D. ROOSEVELT

Honorable E. R. Stettinius, Jr., x20
The Under Secretary of State, xPP7 5457
Washington, D. C.

eir/tmb

x4559

THE UNDER SECRETARY OF STATE
WASHINGTON

January 9, 1944

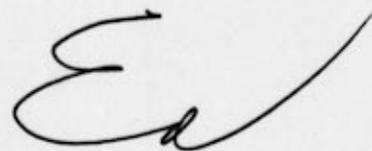
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Dear Sam,

Thank you for your memorandum of the 28th. It gives me pleasure to send to you herewith a copy of the report on Lend-Lease operations from September 16, 1941 to September 25, 1943 for your personal files.

I don't think it would be appropriate to send this report to Congress as a Lend-Lease report, but I would think later on a report might be distributed to certain committee members.

Sincerely yours,



x419

The Honorable
Samuel I. Rosenman
Special Counsel to the President
The White House
Washington, D. C.