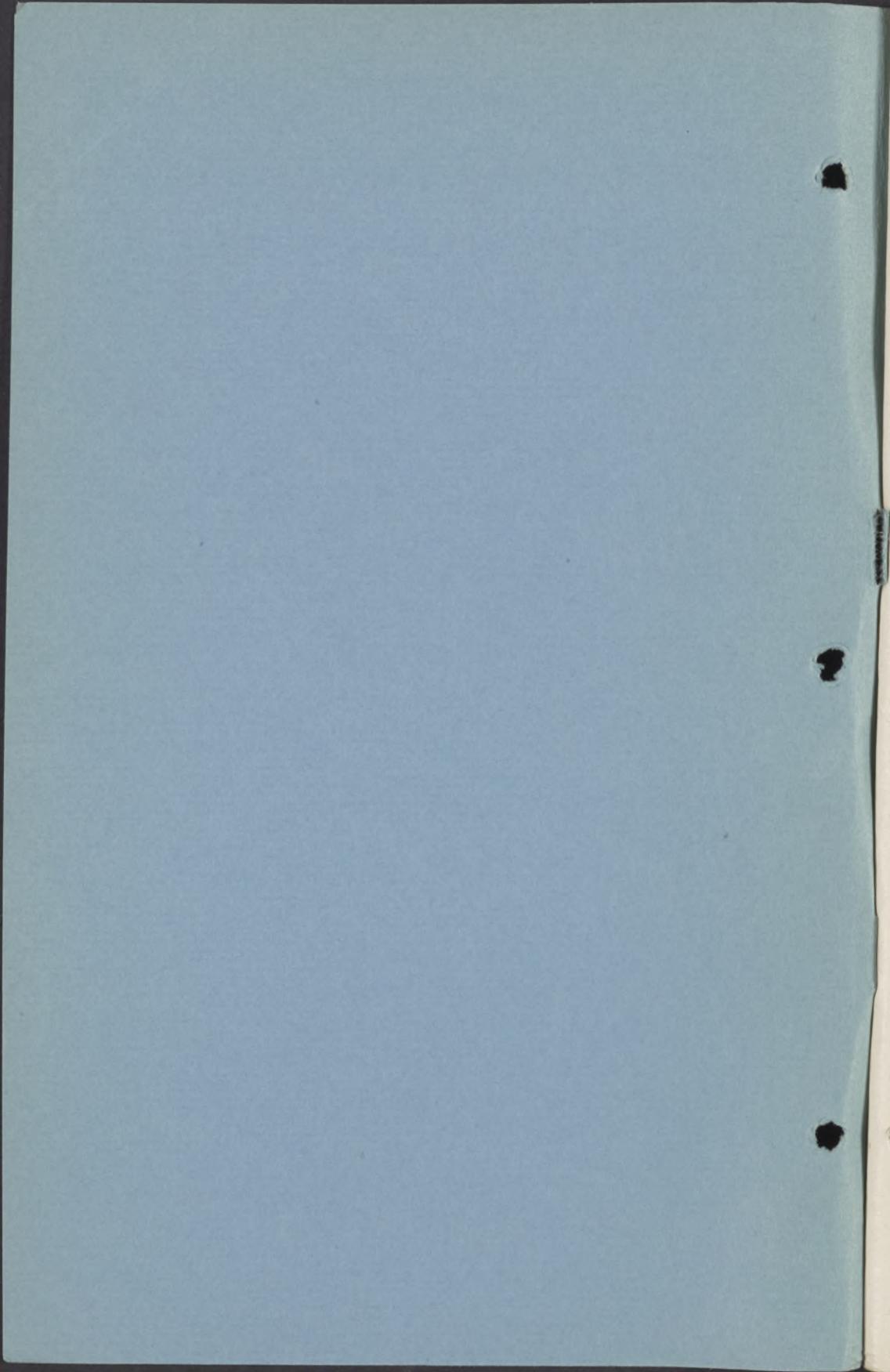


P132.5 8-09

FOURTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended December 31, 1943

HOYT-PUBLIC LIBRARY
SAGINAW, MICHIGAN

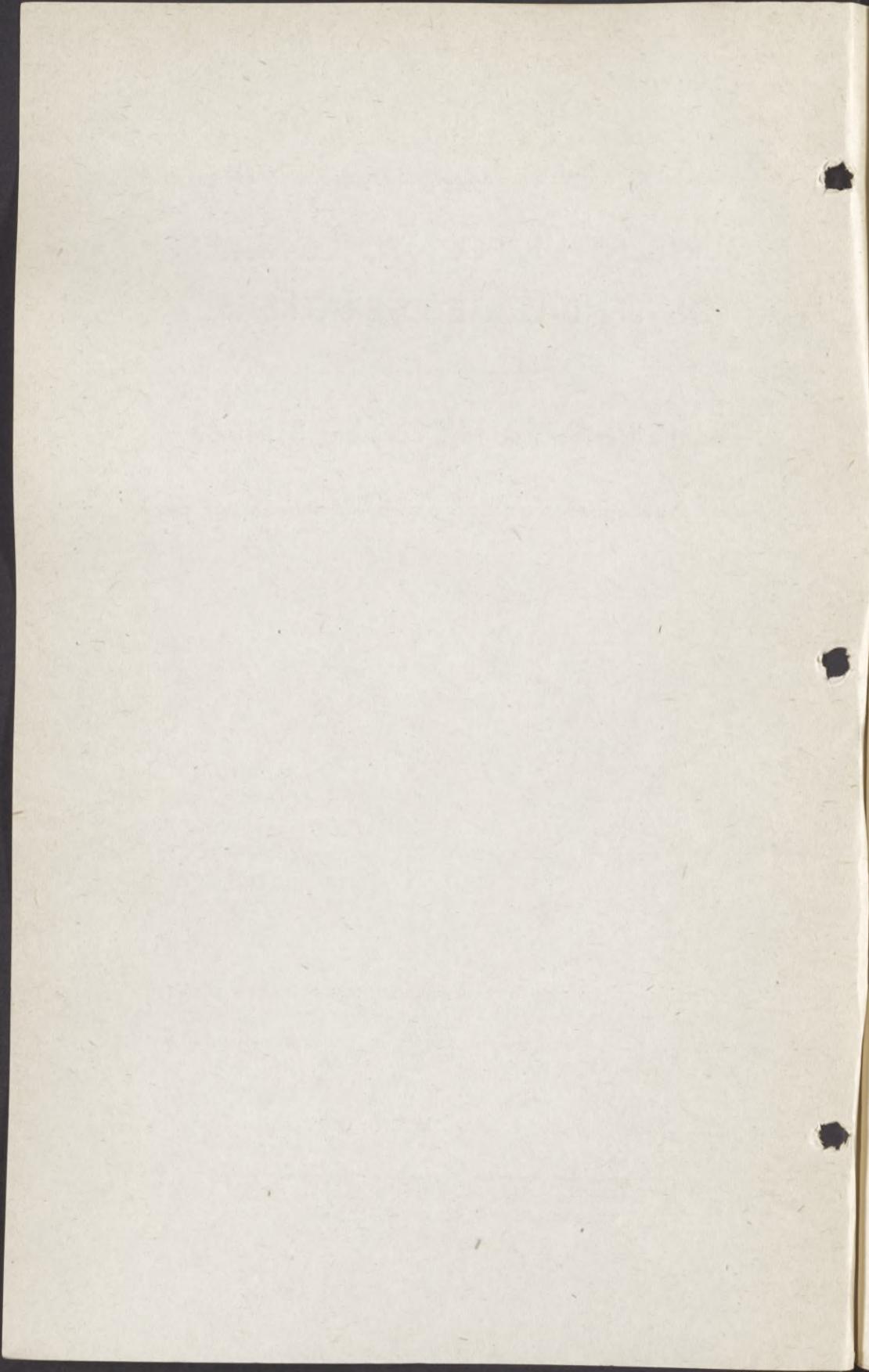


FOURTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended December 31, 1943

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

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



CONTENTS

Chapter	Page
Letter of Transmittal.....	5
1. Lend-Lease Results.....	7
2. Comparative War Expenditures.....	13
3. Reverse Lend-Lease.....	17
4. The Soviet Union.....	30
5. The United Kingdom.....	34
6. Africa, Middle East, and Mediterranean Area..	37
7. China.....	40
8. India.....	43
9. Australia and New Zealand.....	46
10. South and Central American Countries.....	49
11. Statistical Tables.....	53

Appendix

I. Lend-Lease Act.....	62
II. Soviet Master Agreement.....	66
III. Reciprocal Aid Agreements.....	70
IV. Modus Vivendi on Reciprocal Aid in French North and West Africa.....	79
V. Executive Order Establishing Foreign Eco- nomic Administration.....	82
VI. Executive Order Establishing Office of Lend- Lease Administration.....	84

LETTER OF TRANSMITTAL

To the Congress of the United States of America:

Under the authority vested in me by the Executive Order of September 25, 1943, and pursuant to the direction of the President, I am submitting herewith to the Seventy-Eighth Congress, a report on operations under the Lend-Lease Act, from the passage of the Act, March 11, 1941, to December 31, 1943.

LEO T. CROWLEY,

Administrator, Foreign Economic Administration.

WASHINGTON, D. C.,

March 11, 1944.

(Filed March 11, 1944, with the Secretary of the Senate and the Clerk of the House of Representatives as provided in Section 5-b of the Lend-Lease Act.)

Chapter 1

LEND-LEASE RESULTS

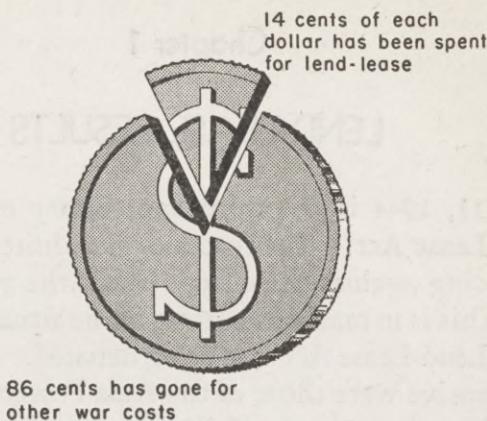
March 11, 1944 is the third anniversary of the passage of the Lend-Lease Act. The forces of the United Nations today are advancing against the enemy on all the war fronts of the world. This is in marked contrast to the situation 3 years ago, when the Lend-Lease Act was being debated. Then the armies on the offensive were those of the Axis Powers. The German Army had overrun much of Europe, and Japan was rapidly accomplishing her objectives in the Far East. Today the U. S. Air Forces, joined with the R. A. F., are striking at the heart of the Nazi air power and war production, and preparing the way for the coming invasion. The Soviet Armies, equipped in part with lend-lease supplies, are continuing to roll the Nazis back toward the German border by their magnificent offensives. Our forces joined with the British are progressing in Italy. In the Pacific, combined operations are moving the Japanese back.

The enemy forces which now face our own army, navy, and air forces have been materially weakened because of the lend-lease aid furnished to our allies. Countless Axis soldiers have been killed by lend-lease planes, guns, and other weapons used by our allies.

Lend-Lease Costs in Relation to Total War Costs

Of our total war expenditures to the end of 1943, 86 percent went for our armed forces and the home front. The other 14 percent went for lend-lease aid to our allies. Lend-lease is as essential and integral a part of our war effort as the expenditures for our own forces. It is certainly no less a contribution to the common cause for the United States to furnish an American bomber with an American pilot to fly over Germany than

UNITED STATES WAR EXPENDITURES



FOREIGN ECONOMIC ADMINISTRATION

Chart 1

it is to supply an American bomber flown over Germany by a British, Czech, Norwegian, Polish or Dutch pilot. In both cases the purpose is to secure the defeat of our common enemies as quickly as possible. If it were not for lend-lease, our own expenditures of lives, materials, and money would of necessity be far greater.

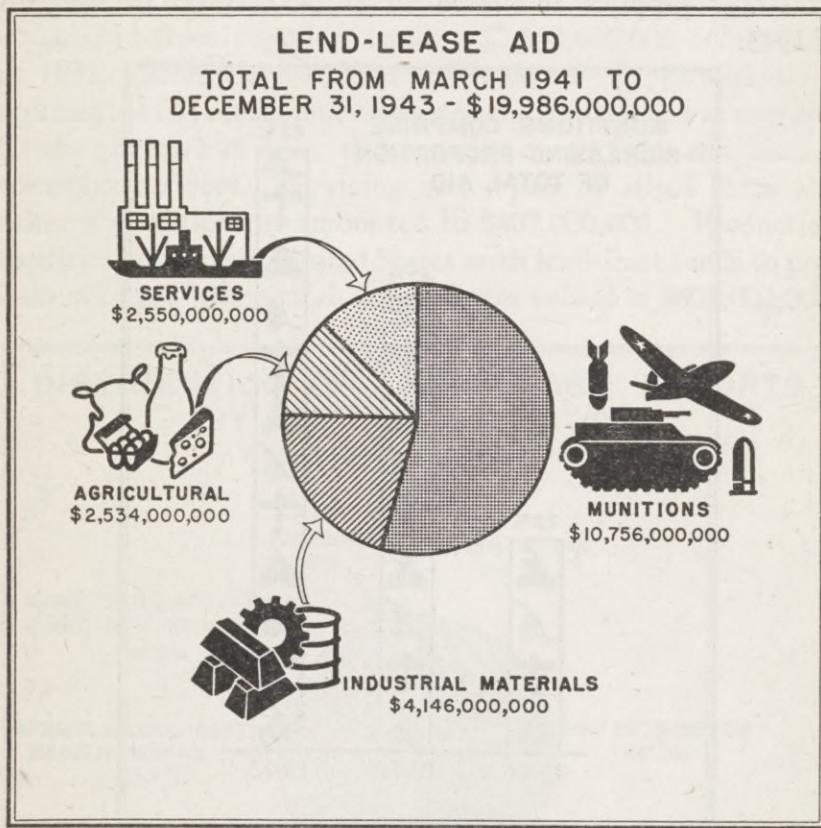
Total Lend-Lease Aid

Total lend-lease aid from the beginning of the program in March 1941 to December 31, 1943, amounted to \$19,986,000,000.

Aid furnished in the year 1943 totaled \$11,733,000,000, compared with \$7,009,000,000 in 1942 and \$1,244,000,000 in 1941.

Planes, bombs, tanks, ships, guns, and other munitions accounted for the greatest part of total aid. For the entire period they represented 54 percent of the total. The ratio was 22 percent in 1941, 47 percent in 1942, 62 percent in the year 1943 and 67 percent in December 1943.

Of the 150,000 planes produced in this country since March 1941, we have sent 21,000 to our allies under lend-lease. In addition, we have exported 7,000 planes paid for in cash, principally by the British. Between March 11, 1941, and January 1, 1944, 7,800 planes went to the Soviet Union, 4,000 to allied forces in the Pacific and Far East theaters and more than 16,000 to all other combat and training areas abroad.



FOREIGN ECONOMIC ADMINISTRATION

Chart 2

Although the British and Russians themselves produce most of the vast armada of planes they are using in this war, their production has been greatly helped by the aircraft engines and parts, the aluminum, steel and other materials sent under lend-lease. Lend-lease exports of aircraft engines and parts to our allies since March 1941 totalled more than one billion dollars.

Our allies have obtained for cash in the same period aircraft engines and parts from the United States valued at an additional \$560,000,000. We have also lend-leased hundreds of millions of gallons of aviation gasoline and large quantities of incendiary and demolition aerial bombs and explosives.

Industrial materials and products transferred to our allies to aid their production of planes, ammunition, and other vital war supplies amounted to \$4,146,000,000 to the end of 1943.

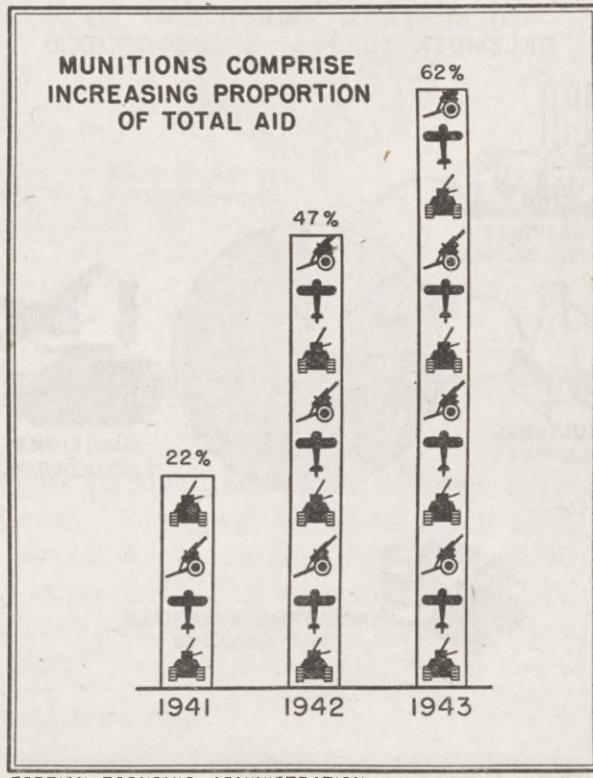


Chart 3

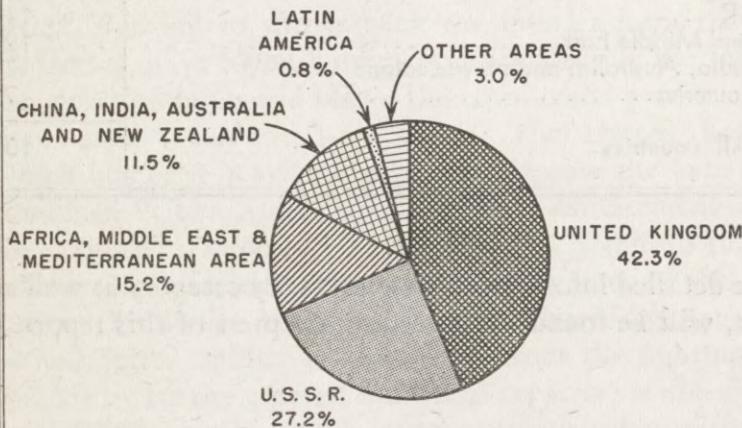
All of these materials and products are used for direct war purposes. Petroleum products are used largely by our allies to keep their planes, ships, tanks, and trucks in operation. Metals and machinery are furnished for the production by our allies of ships, planes, and other munitions in the greatest possible quantities. Other materials are supplied to our allies for similar vital uses.

The third principal group of lend-lease supplies consists of foodstuffs and other agricultural products. Transfers of these commodities to the end of 1943 amounted to \$2,534,000,000. Foodstuffs accounted for \$2,090,000,000 and other agricultural products for \$444,000,000. Lend-lease food shipments have supplied a vital 10 percent of Britain's food supply and enabled the Soviet Union to maintain the Red Army's rations.

Essential services furnished to lend-lease countries, as distinguished from supplies, totaled \$2,550,000,000 to the end of 1943. More than half of this amount—\$1,451,000,000—represented the rental and charter of ships to move war supplies to the theaters of war, the ferrying of aircraft, and similar transport services. Servicing and repair of allied ships and other war equipment amounted to \$407,000,000. Production facilities built in the United States with lend-lease funds to produce war and other vital materials are valued at \$605,000,000.

DISTRIBUTION OF LEND-LEASE EXPORTS BY AREA OF DESTINATION

MARCH 1941 - DECEMBER 1943



FOREIGN ECONOMIC ADMINISTRATION

Chart 4

These facilities are a net addition to our own industrial capacity. The cost of the allied pilot-training program and miscellaneous services account for the remaining \$87,000,000 of the services total.

Lend-Lease Exports

Figures on total lend-lease aid do not show to which countries the goods are sent. Since lend-lease exports are classified by country of destination, the export data are extremely useful in showing in what theaters of war lend-lease supplies are used.

Lend-lease exports in 1943 were more than twice as large as in 1942. Great increases were registered in shipments to all the principal areas, as indicated by the following tabulation.

PERCENTAGE INCREASES IN LEND-LEASE EXPORTS

Country of Destination	% Increase 1943 over 1942
United Kingdom.....	100
U. S. S. R.....	114
Africa and Middle East.....	129
China, India, Australia, and New Zealand.....	71
Other Countries.....	72
All countries.....	103

Table 1

More detailed information on exports, by category as well as by area, will be found in succeeding chapters of this report.

Chapter 2

COMPARATIVE WAR EXPENDITURES

The world-wide pattern of lend-lease and reverse lend-lease is an essential part of the war effort of the United Nations. In effect, a pool of resources has been created into which contributions are placed and from which withdrawals are made as the demands of the many fighting fronts dictate. Each of our major fighting partners is contributing fully from its resources to the defeat of the Axis Powers, though the contributions of each differ with the circumstances of war and the resources that are available.

The war contribution of some of our allies has of necessity taken the form of direct use of their own production and of those munitions and supplies which have been made available to them by their less hard-pressed allies. Russia and China, fighting to throw back the invader from their own territories, have found a magnificently effective use for all of the guns and tanks and planes that they could produce or that their allies could send to them. The United Kingdom, which has been heavily bombed and is now the base for the combined British-American air offensive on Germany and for the coming invasion, has nevertheless been able to turn over substantial quantities of supplies to the forces of the United States, the Soviet Union, and other United Nations. The United States, which is located far from the fighting zones and has by far the greatest industrial capacity, is able to make available to its allies much larger quantities of munitions and other war supplies, while still retaining far the greater part for its own armed forces.

The costs of mutual aid—of lend-lease and reverse lend-lease—are only a small part of the war expenditures even of those nations which have contributed most heavily to their

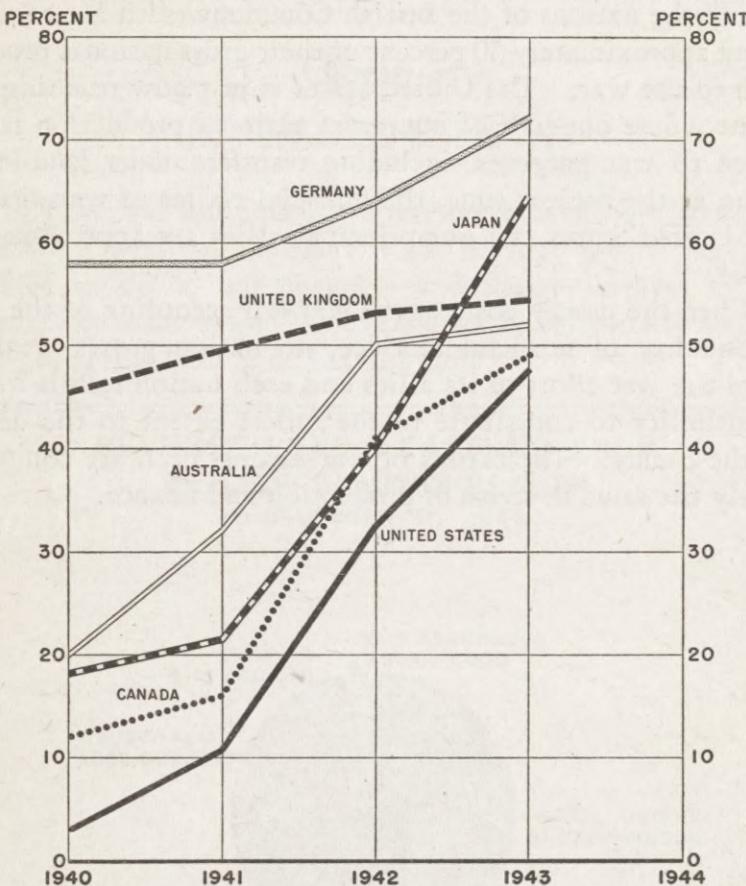
allies in the form of supplies. For example, 14 percent of the war expenditures of the United States have been for lend-lease. These expenditures have not been less effective in promoting the defense of the United States and bringing nearer the ultimate defeat of the enemy than has the 86 percent of our war production which has been used by our own armed forces. The decision as to whether one of the United Nations is to use directly the whole of its own production or is to send a part of it to its allies is made by the military authorities in the light of the over-all military strategy of the war and without regard to purely financial considerations. The production of the United States, the United Kingdom, and Canada is allocated among the United Nations by the Combined Boards on which are represented the military and economic high commands of the three powers.

The over-all costs of the war cannot be measured in dollars. The men who fell at Stalingrad and Salerno, in Tunisia and at Changsha; the immeasurable havoc which the war has created with human lives and happiness; the destruction of homes and cities—these are claims of war that can never be evaluated in monetary terms.

To the extent that the cost of war can be measured in financial terms, probably the best measurement is the proportion of its national production which each of the United Nations is devoting to the war. As long as each country spends roughly the same proportion of its gross national production for the defeat of the Axis powers, the financial burden is distributed equally among the United Nations in accordance with their ability to pay. Those with the most to give, give the most but they do not contribute more in proportion to their capacity than those that draw upon more limited resources.

Trends of war expenditures of several nations as percentages of their gross national production are shown in Chart 5. These ratios were computed in the Foreign Economic Administration on the basis of the best statistical information available. Obviously the accuracy and reliability of such measurements vary between the different countries. In view of the

**WAR EXPENDITURES
IN PERCENT OF GROSS NATIONAL PRODUCTION**



DATA ARE BASED IN PART ON ESTIMATES BY F.E.A.

FOREIGN ECONOMIC ADMINISTRATION

Chart 5

nature of the basic data, the ratios shown in the chart should be regarded as approximations of trends and relationships rather than as exact statistical measurements. The chart gives a correct picture of the general situation, however.

Our principal allies have been carrying on the war against the Axis longer than we have. Before Pearl Harbor, the United Kingdom, Canada, Australia, and New Zealand were

devoting from about one-fourth to one-half of their gross national production to the defeat of the enemy. In 1941 the United States spent only one-tenth of its income for the war. Today the nations of the British Commonwealth are contributing approximately 50 percent of their gross national production to the war. The United States is just now reaching the point where one-half of our gross national production is devoted to war purposes, including transfers under lend-lease. Thus, at the present time, the financial claims of war against the United States and our principal allies are approximately equal.

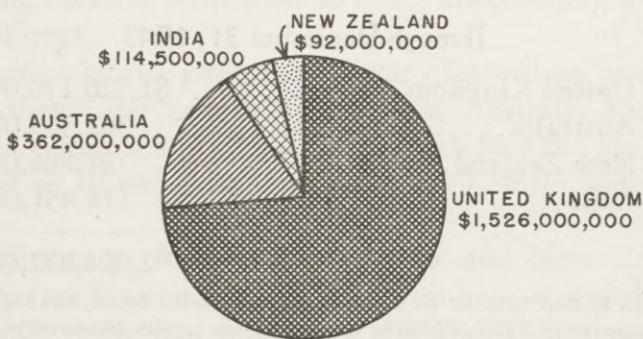
When the money costs of the war fall according to the rule of equality of financial sacrifice, no nation grows wealthy from the war effort of its allies and each nation fulfills its responsibility to contribute to the fullest extent to the defeat of the enemy. The claims of war against each are comparatively the same in terms of production and finance.

Chapter 3

REVERSE LEND-LEASE

The principal war benefit we receive from the lend-lease aid that we extend to our allies is the damage which they are enabled to do to our enemies—and theirs—because of the supplies we send. Lend-lease is an effective method of waging war—of saving lives and of saving time.

REVERSE LEND-LEASE AID FROM BRITISH COMMONWEALTH TO DECEMBER 31, 1943



FOREIGN ECONOMIC ADMINISTRATION

Chart 6

An additional war-time benefit which the United States receives as a result of our lend-lease aid is the reverse lend-lease aid furnished to us by our allies. Reverse lend-lease consists of goods, services and information provided to the United States by our allies without payment by us and on the same terms as we provide direct lend-lease assistance.

A steadily increasing volume of reverse lend-lease aid has been furnished to us by our allies, principally by the countries of the British Commonwealth of Nations. We are also receiving reverse lend-lease supplies and services as the need arises from the French Committee of National Liberation, Belgium, the Netherlands, the Soviet Union and China.

The United Kingdom, Australia, New Zealand and India estimate that they spent more than \$2,000,000,000 for supplies and services furnished to our armed forces and merchant marine overseas as reverse lend-lease from June 1, 1942 to December 31, 1943, in the following major categories:

TOTAL REVERSE LEND-LEASE AID FROM BRITISH COMMONWEALTH

Through December 31, 1943

United Kingdom	¹	\$1,526,170,000
Australia		362,365,000
New Zealand		91,886,000
India		114,451,000
<hr/>		² 2,094,872,000

¹ Includes \$1,366,170,000 for aid furnished our forces in the British Isles and for shipping services, together with \$160,000,000 for reverse lend-lease supplies transferred to our forces by the United Kingdom in various combat areas outside the British Isles. On the basis of records so far compiled from these overseas areas the United Kingdom Government estimates that these transfers totalled between \$160,000,000 and \$200,000,000 through December 1943.

² Does not include the value of strategic raw materials, commodities and foodstuffs shipped to the United States under reverse lend-lease, other than benzol.

Table 2

By the first of this year we were receiving reverse lend-lease aid from these four countries at a rate approaching \$2,000,000,000 a year compared with a rate of a little over \$1,000,000,000 a year for the 12 months ending June 30, 1943.

Approximately one-third of all the supplies and equipment currently required by United States forces in the United Kingdom is supplied by the British and it is supplied as reverse lend-lease, without cost to us. In addition, virtually all housing and headquarters accommodations, airdrome facilities, transportation services, civilian labor, and miscellaneous services needed by our forces are supplied as reverse lend-lease.

We have received over a billion and a quarter pounds of food as reverse lend-lease from the United Kingdom, Australia, New Zealand, and India, in addition to planes, guns, and many thousands of other items of military equipment and supplies, airfields, and other facilities for our forces.

Most of the food has been furnished under reverse lend-lease by Australia and New Zealand. These two countries, with a combined population only one-fifteenth as large as ours, provided over 800,000,000 pounds of food to our forces in the Pacific from June 1942 to January 1, 1944. In the last three months of 1943, Australia and New Zealand alone were furnishing United States Army, Naval, and Marine forces in the Pacific theaters with food at a rate approaching a billion pounds a year.

We have received almost a quarter of a billion pounds of fresh, frozen, and canned meats from Australia and New Zealand, including approximately as much beef and veal as we have sent to all countries from the United States under lend-lease.

In addition to food from Australia and New Zealand, United States forces in the British Isles have received about 350,000,000 pounds of food from the United Kingdom and almost 50,000,000 pounds have been furnished to our forces in India as reverse lend-lease. The British have, in addition, supplied American forces with substantial quantities of food in various colonial areas. In the Fijis alone, for example, they have provided our men with 15,000,000 pounds of fresh fruits and vegetables, including quantities of sweet corn, bananas, pineapples, and coconuts.

United States forces in the Mediterranean theater have also received as reverse lend-lease from the French many millions of

pounds of food grown in French North and West Africa. French Africa is also helping to meet the food needs of the United Nations in Sicily and Italy.

Besides reverse lend-lease aid received in the United Kingdom, Australia, New Zealand, and India, we have received supplies and services as reverse lend-lease from the British in Central Africa, Iceland, the Fijis, the Caribbean, the Middle East, and North Africa; the French National Committee in North and West Africa, Equatorial Africa, and New Caledonia; Belgium in the Belgian Congo; the Netherlands in Surinam (Dutch Guiana) and the West Indies; and from China and the Soviet Union.

United States military and naval forces, our merchant marine, and the Red Cross have received without payment in overseas areas virtually every type of supply and service they need which our allies can supply locally.

The cataloguing of the supplies and services which have been transferred under reverse lend-lease would require thousands of pages and list hundreds of thousands of items. They include all types of construction facilities—airfields and air bases, barracks, hospitals, warehouses and storage depots, ships and port facilities; foodstuffs and clothing and other quartermaster issues; all grades of petroleum products; munitions and military and naval stores; land, sea, and air transportation of personnel and freight; telegraph and telephone communications and postal facilities; civilian labor and miscellaneous services. In addition our military and naval vessels and merchant marine fleet receive oil, ship stores and supplies, stevedoring and port expenses as reverse lend-lease in British ports and British areas throughout the world.

The figures reported up to now for reverse lend-lease are an incomplete reflection of the value to us of these supplies and services. Reverse lend-lease expenditures by the British Commonwealth countries are made in their own currencies. The dollar figures are arrived at by translating pounds into dollars at official rates of exchange, which may not reflect adequately the lower prices usually prevailing in foreign countries and may underestimate the real value of the aid which

we receive from our allies. The figures are incomplete for other reasons. They do not include all the reverse lend-lease aid rendered on the spot in combat areas. Furthermore, accounting is slow and incomplete at best, because reverse lend-lease supplies are provided at thousands of different places all over the world, in large measure out of stocks on hand. This is in contrast to outgoing lend-lease supplies from the United States, which flow from a single, central source under a unified appropriations and procurement procedure.

United Kingdom

The United Kingdom Government's estimates of its reverse lend-lease expenditures are shown in the following table.

REVERSE LEND-LEASE AID BY UNITED KINGDOM

Thousands of Dollars

(Conversion From Pound Sterling at \$4.03)

	To DEC. 31, 1943	To SEPT. 30, 1943
Goods and Services transferred in the United Kingdom.....	\$535,990	\$407,030
Shipping Services.....	282,100	225,680
Airports, Barracks, Hospitals, and other Construction	548,080	471,510
Goods and Services transferred outside the United Kingdom.....	¹ 160,000	.....
	2 1,526,170	1,104,220

¹ Overseas expenditures for reverse lend-lease aid are estimated by the United Kingdom Government to total between \$160,000,000 and \$200,000,000 up to December 31, 1943.

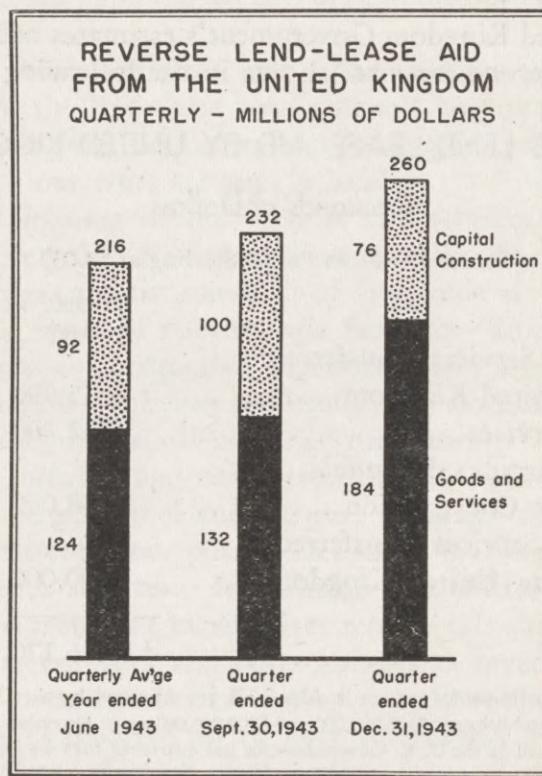
² Figures reported by the U. K. Government for last quarter of 1943 are preliminary.

Table 3

We are receiving reverse lend-lease aid from the United Kingdom at a steadily increasing rate. (See Chart No. 7.)

Tens of thousands of items, big and little, have been and are being supplied to United States Army, Naval and Air Forces in the United Kingdom as reverse lend-lease.

The supplies we have received for the 8th and 9th U. S. Army Air Forces range from several hundred planes to hundreds of thousands of small tools and parts for use in the big repair and maintenance depots, which the British have built for us along with the air bases from which our planes operate. Our fliers who must operate in the extreme cold of high altitudes and against heavy fighter and antiaircraft opposition in their daylight raids, get specially armored flak suits and heated flying suits as reverse lend-lease and the British have also developed electrically heated muffs for our air-force gunners.



The figures shown above do not include reverse lend-lease supplies transferred by the United Kingdom outside the British Isles, estimated between \$160,000,000 and \$200,000,000 as of December 31, 1943. Neither do they include the value of commodities shipped to the United States as reverse lend-lease aid, except benzol.

Chart 7

The British have now put into production and are turning over to us as reverse lend-lease newly designed and extremely lightweight auxiliary gas tanks. These easily jettisoned tanks have already enabled our P-47 Thunderbolt fighters to escort American Flying Fortresses and Liberators deeper inside Germany than ever before.

Two other reverse lend-lease items of vital importance to our fliers are the one-man dinghies devised and produced by the British for fliers forced down at sea and the mobile repair shops that have been provided throughout the British Isles for the salvage of planes which crash-land away from their bases.

Into our Air Force repair and maintenance depots flows a constant stream of reverse lend-lease materials, parts and other equipment necessary to maintain our aircraft at peak fighting efficiency and to meet constantly changing battle conditions. Recent requisitions to meet our plane repair and adaptation needs which have been filled by the British without payment by us include items as varied as 1,357,730 square feet of steel and light alloy sheets and 235,000 rubber shock absorbers.

U. S. Army Engineers in the United Kingdom have received as reverse lend-lease over 44,250,000 yards of steel landing mats, hundreds of miles of electric wiring, several million square feet of wallboard, millions of spare parts for motorized equipment and thousands of other items.

Twenty percent of the food consumed by our forces in the United Kingdom is provided as reverse lend-lease, in spite of British food shortages. Over three-fourths of United States Army medical supplies in the United Kingdom are supplied as reciprocal aid, together with both newly built and requisitioned hospitals and ambulance trains. Our forces had received by the first of this year such items of uniform equipment as 1,750,000 pairs of woolen socks and nearly 1,500,000 pairs of woolen gloves.

Besides the Air Force and Army bases and barracks built for us under reverse lend-lease, the British Government pays the bills for billeting United States officers and men in private residential buildings. In one area alone in the United Kingdom, the British have recently been paying for billeting 27,000

officers and men. All official telephone, telegraph and transportation costs of the United States forces and heat, light, and water bills are also paid for by the British.

Australia

The Australian Government's estimates of its reverse lend-lease expenditures are shown in the following table:

REVERSE LEND-LEASE AID FROM AUSTRALIA

Through December 31, 1943

(Conversion From Australian Pound at \$3.23)

Stores and provisions.....	\$95,121,000
Technical equipment.....	8,229,000
Motor transport.....	31,479,000
Aircraft stores and equipment.....	35,442,000
General stores.....	43,372,000
Transportation and communication.....	28,926,000
Shipping.....	23,280,000
Works, buildings, and hirings.....	92,990,000
Miscellaneous.....	3,526,000
	<hr/>
	362,365,000

Table 4

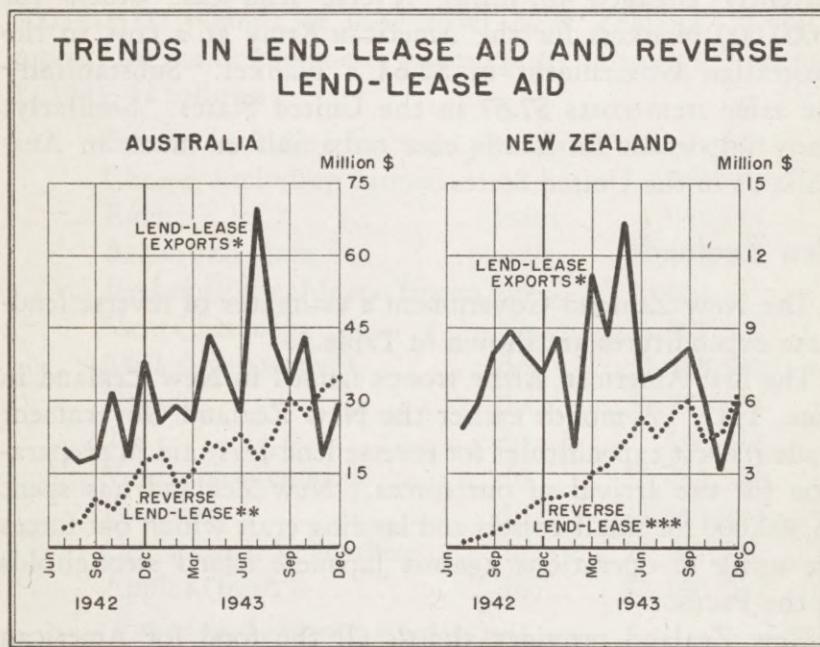
About eighteen percent of Australia's current war expenditures are being made for reverse lend-lease aid to the United States. The rate of expenditure has risen rapidly and the Australian Government is now spending at the rate of a million dollars a day for reverse lend-lease aid furnished to us. The present monthly rate of reverse lend-lease aid furnished by Australia approximates the rate of lend-lease supplies being currently sent to Australia by the United States. (See Chart 8.)

More than 90 percent of the food for American forces in the Southwest Pacific theater is being supplied as reverse lend-lease by Australia, together with large quantities of food for the forces under Admiral Halsey's command in the South Pacific theater.

Up to January 1, 1944, we had received over 500,000,000 pounds of food from Australia, including the following major items:

Beef.....	pounds..	75,577,000
Pork.....	do....	37,788,000
Lamb.....	do....	12,596,000
Bread & Cereals.....	do....	100,831,000
Emergency Rations.....	do....	28,414,000
Fruits & Vegetables.....	do....	97,442,000
Canned Foods.....	do....	91,158,000
Butter.....	do....	12,429,000
Sugar.....	do....	28,562,000
Eggs.....	dozen..	32,060,000

In 1944, we expect to receive between \$150,000,000 and \$200,000,000 worth of food from Australia, including at least 250,000,000 pounds of meat.



* Exports on merchant vessels from United States.

** Official estimate of total cost to Australia of reverse lend-lease to United States.

*** Foodstuffs, supplies, and services. Excludes construction expenditures.

Chart 8

Among the thousands of miscellaneous items of equipment and supplies furnished to us by Australia are Army boots and uniform shirts, jackets and trousers by the hundred thousands. We expect to receive a million pairs of Army boots alone in 1944.

Almost all the tires for American Army trucks are supplied as reverse lend-lease. Australia has turned over to us fleets of trawlers, launches, ketches, and small coastal steamers for use on the New Guinea and New Britain coasts and is currently engaged in a \$40,000,000 program for the construction of landing craft and barges for use in our Pacific operations.

As in the case of the United Kingdom, New Zealand, and India, the figures for reverse lend-lease aid from Australia converted to dollars from pounds at the official exchange rate understate the financial value of this aid to us because of lower prices for many items in Australia. For example, Australia is currently engaged in filling reverse lend-lease orders for 1,000,000 blankets for the American Army at a cost to the Australian Government of \$2.64 a blanket. Substantially the same item costs \$7.67 in the United States. Similarly, many important foodstuffs cost only half as much in Australia as in the United States.

New Zealand

The New Zealand Government's estimates of reverse lend-lease expenditures are shown in Table 5.

The first American Army troops landed in New Zealand in June, 1942. A month earlier the New Zealand Government made its first expenditures for reverse lend-lease aid in preparation for the arrival of our forces. New Zealand has spent \$6,500,000 for small vessels and landing craft which our forces are using in operations against Japanese island strongholds in the Pacific.

New Zealand provides almost all the food for American forces on the home islands, besides large quantities for our forces throughout the South Pacific area.

REVERSE LEND-LEASE AID FROM NEW ZEALAND

Through December 31, 1943

(Conversion from New Zealand Pound at \$3.25)

Foodstuffs.....	\$29,500,000
Equipment and Supplies.....	13,367,000
Repairs and Services.....	13,955,000
Camps.....	6,737,000
Warehouses.....	6,604,000
Hospitals.....	6,903,000
Miscellaneous building projects....	8,320,000
Ship construction.....	6,500,000
	91,886,000

Table 5

Up to January 1, 1944, we had been supplied with over 300,000,000 pounds of food from New Zealand. Detailed reports for major categories were reported through November 1, 1943, as follows:

Butter, including canned.. pounds..	14,574,821
Cheese, including canned...do....	4,940,000
Eggs	1,885,134
Bacon and Ham.....pounds..	20,075,324
Beef and Other Meats(frozen)do....	¹ 86,164,964
Meat (canned).....do....	² 33,767,277
Milk (evaporated).....do....	6,818,542
Sugar	26,715,126
Tea	596,462
Vegetables (canned).....do....	8,445,311
Potatoes	41,550,080
Other Fresh Vegetables.....do....	27,807,715
Apples (fresh).....do....	12,160,000

¹ About two-thirds consists of beef and veal.

² About half consists of beef and veal.

During 1944, the New Zealand Government expects to spend more than \$50,000,000 for foodstuffs for our forces, two-thirds again as much as during the preceding 19 months. To make

this program possible the New Zealand Government is diverting large shipments of foodstuffs from those peacetime markets in which they are ordinarily sold for cash.

Today, as in the case of Australia, the monthly rate of the reverse lend-lease aid which we are receiving from New Zealand, with a population of 1,640,000 people, approximates the monthly rate of lend-lease supplies sent from the United States. (See Chart 8.)

INDIA

The Government of India has not yet provided a statement of its expenditures for reverse lend-lease aid to United States forces in India, but receipts reported by the United States Army in this theater are as follows:

REVERSE LEND-LEASE AID IN INDIA

Through December 31, 1943

As Reported by U. S. Army

Military stores and equipment.....	\$6,598,000
Transportation and communication.	7,627,000
Petroleum products.....	40,652,000
Construction.....	43,033,000
Subsistence and miscellaneous.....	16,541,000
	114,451,000

Table 6

The rate of reverse lend-lease supplies and services received in India by United States forces has increased rapidly. In the six months between June 30, 1943, and December 31, 1943, we received as much aid as in the entire preceding thirteen months.

Our forces in India receive as reverse lend-lease aviation gasoline from the British refinery at Abadan, together with other petroleum products and motor oils. We also receive postal, telephone, and telegraph services, equipment and construction assistance for our Army and Air Force bases, tropical uniforms for use in the intense heat of India and the jungle fighting in Burma, and thousands of items of miscellaneous supplies, stores, and equipment.

Other Countries

Our other allies have not been in a position to provide reverse lend-lease supplies and services to American forces on the same scale, nor has the need for such aid arisen. The territory of some of the United Nations has been completely overrun by the enemy. The Soviet Union and China, both invaded, have required all they could produce, besides what we could send them, for fighting the invaders on their soil. Still others of the United Nations are too far from the fighting fronts for the need to have arisen to supply American forces. Nevertheless, each of our allies is providing us with reverse lend-lease aid in accordance with its resources and our needs.

The Government of the Netherlands pays as reverse lend-lease all of the expenses for locally procured supplies for American forces in Surinam and the Netherlands West Indies. In the Belgian Congo, American forces are receiving barracks, transportation, and supplies and services as reverse lend-lease. The French Committee of National Liberation has provided reverse lend-lease aid estimated at about \$30,000,000 to our troops in French North and West Africa, in addition to aid furnished in New Caledonia and Equatorial Africa.

The Soviet Union provides ship stores, repairs and other services to United States vessels in Soviet ports. China insisted on turning over without cost to the 14th U. S. Army Air Force the 28 surviving P-40 planes of the one hundred used by the Flying Tigers. These planes were originally purchased for cash by the Chinese Government from the United States.

As new needs arise reverse lend-lease is taking new forms and is including new areas. Our allies are faithfully discharging their undertaking "to contribute to the defense of the United States of America and the strengthening thereof" and to "provide such articles, services, facilities, or information as they may be in a position to supply."

Chapter 4

THE SOVIET UNION

Lend-lease shipments to the Soviet Union in 1943 totaled \$2,888,115,000. Half of these shipments consisted of planes, guns and other munitions for the drive that has inflicted such heavy damage on the German armies and pushed them back many hundreds of miles toward the German border.

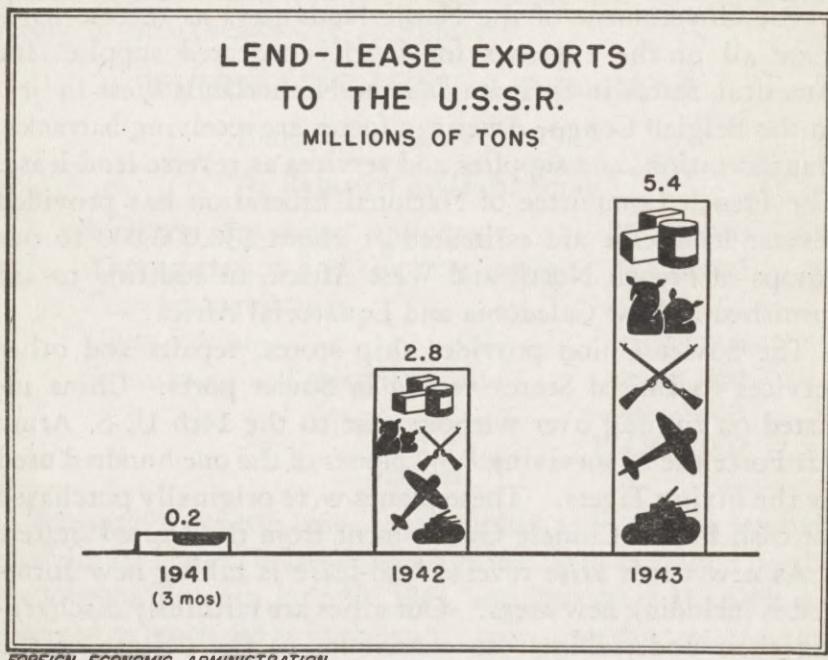


Chart 6

Shipments of lend-lease supplies in 1943 were more than double 1942 totals in terms of dollars and nearly double in terms of tons—5,400,000 short tons in 1943 as against 2,800,000 in 1942. In December 1943 shipments reached a new high mark for any single month in the history of the Soviet lend-lease program. Shipments to the Soviet Union in the same

month exceeded in dollar amount shipments to any other country. At the close of the year 1943 the total dollar value of lend-lease supplies shipped for the 27-month period since the first protocol became operative in October 1941 was \$4,240,585,000, or 27 percent of the total shipped to all nations.

Ninety-nine percent of the ships sailing with lend-lease supplies for the U. S. S. R. in 1943 reached port in safety, whereas in 1942, 12 percent of the ships were lost.

LEND-LEASE EXPORTS TO U. S. S. R.

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition.....	75	213,918	368,304	582,297
Aircraft and Parts.....		303,396	502,007	805,403
Tanks and Parts.....	35	176,804	74,734	251,573
Motor Vehicles and Parts.....		149,092	406,004	555,096
Watercraft.....		11,020	91,580	102,600
Total Munitions.....	110	854,230	1,442,629	2,296,969
Industrial Materials and Products.	435	312,880	853,630	1,166,945
Agricultural Products.....		184,815	591,856	776,671
Total	545	1,351,925	2,888,115	4,240,585

Table 7

We sent 7,800 planes to the Soviet Union up to January 1, 1944, more than to any other war theater. Of these, over 5,000 were sent in 1943 alone. Nearly all of the planes were of the combat type, principally Bell Airacobra P-39 fighters, Douglas A-20 attack bombers, and North American B-25's. More than 3,000 of these were ferried all the way to the Soviet Union by air.

Up to January 1, 1944, we had also sent to the Soviet Union about 4,100 tanks, 700 tank destroyers, 173,000 trucks, 33,000 jeeps, 25,000 other military motor vehicles, and about 6,000,000 pairs of boots for the soldiers of the Red Army. We sent twice as many trucks in 1943 as in 1942.

LEND-LEASE EXPORTS OF MILITARY ITEMS TO U. S. S. R.

	1941	1942	1943	Total
Planes	150	2,500	5,150	7,800
Tanks	180	3,000	920	4,100
Motor Vehicles	8,300	79,000	144,400	231,700

Table 8

Lend-lease assistance to the Soviet Union in the manufacture of its own war materials and the feeding of her troops also was substantially expanded during 1943. The dollar value of war production materials and machinery shipped in 1943 was more than twice that of 1942. Up to January 1, 1944, we had sent some 177,000 tons of explosives to be used in the manufacture of bombs and shells in Soviet factories, 1,350,000 tons of steel, 384,000 tons of aluminum, and copper, and other non-ferrous metals, and \$400,000,000 of industrial equipment, machinery and machine tools for production of artillery, tanks, planes, and other war weapons.

We have sent 740,000 tons of aviation gasoline, lubricating oils, and other petroleum products needed by the Soviet Air Force and the troops engaged in ground fighting on the Eastern front. In addition, 145,000 tons of American refinery equipment are now being installed in the Soviet Union with the assistance of American engineers. When completed, the refineries will produce large quantities of aviation gasoline and other refined products from Russia's own oil resources. We have also shipped used and new machinery sufficient to equip a complete tire factory capable of producing a minimum of 1,000,000 military truck tires annually from Russia's synthetic and natural rubber supplies.

For the Soviet Army, we have sent, in addition to planes, tanks, and other munitions, large quantities of foodstuffs. To meet the increasingly serious food supply problems in 1943 we nearly trebled our lend-lease food shipments to Russia. Up to January 1, 1944, we had sent 2,250,000 tons of food, consisting principally of wheat and flour, dried peas and

beans; canned, cured and dehydrated meat; sugar; powdered milk, dried eggs, and dehydrated vegetables; and substantial quantities of lard, pork fat and vegetable oils, including oleomargarine. More than 580,000 tons of these fats and oils

SINKINGS OF SHIPS CARRYING LEND-LEASE GOODS TO THE U.S.S.R.

1942



1943



EACH FIGURE REPRESENTS 1% OF SHIPS SAILED

FOREIGN ECONOMIC ADMINISTRATION

Chart 10

have gone to the Soviet. They have been of vital importance to the Soviet Army's rations during the offensives carried on this past winter in sub-zero cold. In addition to these fats and oils, we have sent some 50,000 tons of butter to the U. S. S. R. This is intended largely for use by recuperating soldiers. Our food shipments to Russia in 1943 constituted about 3½ percent of our total food supply in the same period.

In addition to food, we have sent about 9,000 tons of seeds for the production in Russia of more food in devastated regions now reconquered and in newly developed farmlands far in the interior.

The goal set by U. S. Army engineers, for a tremendous increase in the monthly volume of lend-lease shipments for Russia through Iran, was attained in 1943.

Chapter 5

UNITED KINGDOM

Increases in shipments under lend-lease of planes, tanks, ammunition, and other war supplies to the United Kingdom have paralleled the rapidly rising power of the combined air offensive against Germany and advancing preparations for the greater land offensives to come.

LEND-LEASE EXPORTS TO UNITED KINGDOM

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition.	30,761	250,400	629,045	910,206
Aircraft and Parts.....	13,330	275,752	606,100	895,182
Tanks and Parts.....	10,521	35,998	473,830	520,349
Motor Vehicles and Parts...	14,559	61,950	185,282	261,791
Watercraft.....	6,003	45,906	105,394	157,303
Total Munitions.....	75,174	670,006	1,999,651	2,744,831
Industrial Materials and Products.....	165,356	604,218	935,527	1,705,101
Agricultural Products.....	332,090	731,094	1,081,434	2,144,618
Total	572,620	2,005,318	4,016,612	6,594,550

Table 9

Shipments of munitions to the United Kingdom in 1943 were three times the 1942 total, while shipments of industrial materials and products and of food were up only 50 percent.

We have sent to the United Kingdom thousands of planes, tanks, and trucks and other military motor vehicles.

In addition to planes, we sent under lend-lease \$460,000,000 worth of aircraft engines and parts. For Britain's own war production we sent 4,800,000 tons of steel, 460,000 tons of nonferrous metals and large quantities of other raw materials and machine tools necessary for the production of planes, bombs, guns, and other fighting equipment. Britain's Lancaster, Halifax, and Wellington bombers and a majority of its other planes as well are produced in British factories which are, in fact, today out-producing all the plane factories of Nazi Germany. This production record is due principally to Britain's own efforts, but it could not have been achieved without lend-lease shipments of raw materials, machine tools, and component parts.

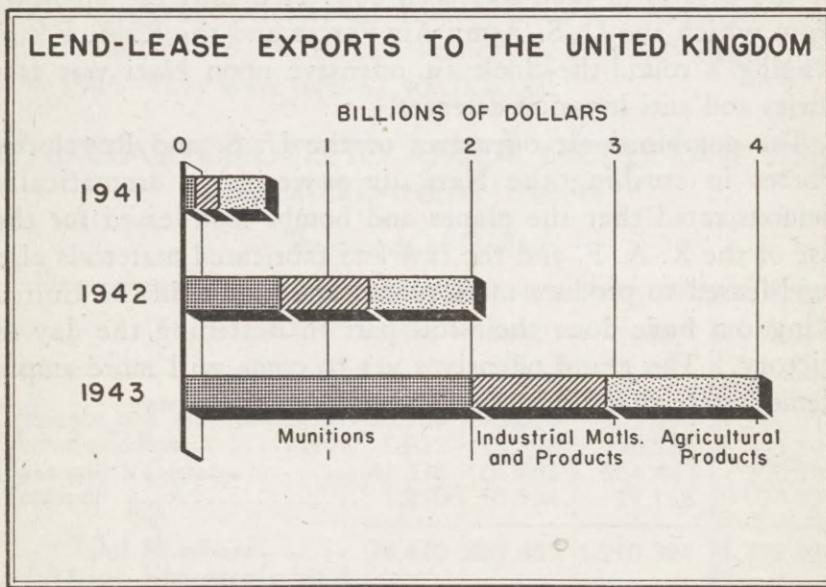


Chart 11

Aviation gasoline for the R. A. F.'s great raids on Germany and oil for the ships of the British Navy, which guard the convoy routes from the United States, make up most of the 125,000,000 barrels of petroleum products shipped to the United Kingdom. There are lend-lease explosives and steel in the bombs that are dropped on Berlin, Frankfurt, and

other German cities. Lend-lease shipments of cotton linters, totalling 43,000,000 pounds, have also contributed to the manufacture in Britain of bombs.

Lend-lease shipments of food have supplied a vital 10 percent of Britain's food supply. We have at the same time sent fertilizers and relatively small quantities of farm machinery. These have assisted the British to increase the production of food in the United Kingdom by 70 percent over pre-war levels, thus reducing the need for shipping food from the United States, Canada, and other areas. This tremendous increase in home production has been achieved in a country where 48,000,000 people live crowded closely together in an area smaller than the single State of Oregon and where much of the best farm land has been converted into the air bases from which the U. S. Army Air Forces and the R. A. F. are waging a round-the-clock air offensive upon Nazi war factories and anti-invasion defenses.

The combined air offensives of the U. S. and Royal Air Forces in crushing the Nazi air power have dramatically demonstrated that the planes and bombs lend-leased for the use of the R. A. F. and the raw and fabricated materials also lend-leased to produce more planes and bombs in the United Kingdom have done their full part in hastening the day of victory. The grand offensives yet to come will more amply demonstrate that lend-lease is a weapon of victory.

Chapter 6

AFRICA, MIDDLE EAST AND MEDITERRANEAN AREA

The Axis armies have now been driven from Africa. The battlefronts are today on the north shore of the Mediterranean. In this great allied drive, lend-lease supplies have played an important role. In the first 21 months of the lend-lease program, exports to Africa, the Middle East, and Mediterranean amounted to \$788,000,000; in the next 12 months—during the year 1943—they were over \$1,500,000,000.

LEND-LEASE EXPORTS TO AFRICA, MIDDLE EAST, AND MEDITERRANEAN AREA

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition.....	33,268	173,618	333,430	540,316
Aircraft and Parts.....	2,022	114,590	290,286	406,898
Tanks and Vehicles.....	41,330	164,463	564,447	770,240
Watercraft.....	1,820	10,794	22,158	34,772
Total Munitions.....	78,440	463,465	1,210,321	1,752,226
Industrial Materials and Products.....	14,683	194,138	272,620	481,441
Agricultural Products.....	2,792	34,423	103,713	140,928
Total.....	95,915	692,026	1,586,654	2,374,595

Table 10

Three-fourths of lend-lease exports to this area in 1943 consisted of finished munitions, 17 percent of industrial materials and products, and 7 percent of agricultural products.

Lend-lease planes, tanks and other finished munitions have aided the British, French, Australians, Poles, Greeks, and men of other nationalities fighting in United Nations ranks to gain important victories against the Nazis in Egypt, Libya, Tunisia, Sicily, Sardinia, Corsica, and Italy. We have sent to this theater of operations thousands of planes, tanks, trucks and other vehicles.

Munitions and Military Aid to the French

Next to the British, the French have been the largest recipients of lend-lease aid in Africa. Through December 1943, total lend-lease shipments to the French in Algeria and French Morocco amounted to \$322,000,000. This does not include supplies consigned to United States commanding generals for subsequent transfer to French military forces.

Lend-lease weapons have been used to equip many divisions of the new French Army recruited in French North and West Africa from the local population and refugees from the homeland. Some of these forces participated in the Tunisian campaign; others assisted in the liberation of Corsica; and still others are joined with our forces and British forces in fighting with magnificent valor in the difficult battle for Rome.

French air squadrons equipped with lend-lease planes have been active in the Mediterranean fighting and many more units of the reconstituted French Air Corps are being trained and equipped under lend-lease in the United States and Africa. French warships have been repaired and re-equipped in American shipyards and have joined the allied fleets in Mediterranean and Atlantic operations.

Civilian Aid to the French

In addition to arms, and as an essential part of our military operations, we have provided vital civilian supplies under lend-lease to the people of French North and West Africa. Through December 31, 1943, 356,000 tons of civilian supplies were shipped to French North Africa and 49,000 tons to French West Africa. These supplies are being paid for by the French authorities at full landed cost. We have already received \$62,250,000.

Our shipments of civilian goods to French Africa in recent months have consisted largely of iron and steel for the maintenance of essential railways and port facilities; machinery and parts for utility plants; tractors and other farm implements; and such foodstuffs as sugar, not produced locally. These supplies are making it possible for the people of French Africa to produce strategic materials and foodstuffs to aid the allied war effort.

Restoration of the industries of French North Africa is progressing. For example, we are assisting in getting into the most effective production an iron mine that produces high grade ore needed by the United Nations. We are also aiding in putting back into production the phosphate mines that were badly damaged during the fighting in Tunisia.

As a result of the rapid revival of agriculture, French North Africa is supplying substantial amounts of foodstuffs, especially cereals and fresh vegetables, to our forces in the Mediterranean area, as reverse lend-lease.

Chapter 7

CHINA

From the very beginning the controlling factor in getting aid to China has been transportation. With all of China's ports closed, the Burma Road was originally the artery through which lend-lease goods flowed into China, and early shipments of lend-lease goods consisted largely of trucks, motor fuel, and materials for the development of this highway. Since the Burma Road was closed, it has been possible to get supplies into China only by air, over mountains 18,000 feet high and by a route that has been under attack by Japanese planes based in upper Burma.

Our aid to China has consisted of the following:

1. The development of the air route from India to various points in China, including the furnishing of cargo planes, building of air fields, warehousing facilities, etc. This has been accomplished principally by the United States Army Air Transport Command.
2. Gasoline, bombs, and other supplies transported into China by air for Chinese and United States air forces under General Chennault.
3. Material for Chinese arsenals transported into China by air.
4. Material transported into China by air for the equipment of Chinese troops being trained in Yunnan Province.
5. Training of Chinese pilots in the United States and India and the furnishing of combat planes for operations by the growing Chinese Air Force inside China.
6. The training and equipment of Chinese troops in India, some of whom are now fighting ahead of the U. S. Army engineers constructing the new Ledo Road across upper Burma in the direction of China.

7. Material stockpiled in India ready to be moved as soon as a land route is reestablished.

Great progress has been made during the past year in development of the air transport route into China. The actual volume of air freight now being carried into China each month is a military secret, but the amounts have increased by leaps and bounds. In the last three months of 1943, more air cargo for United States and Chinese forces was carried into China by air than in the preceding nine months of the year. In the month of December alone, twice as much cargo was flown into China as in all of 1942. In January 1944, the tonnage of goods flown into China was 15 times that of January 1943—and the monthly tonnage figure is continuing to increase. The amount of supplies that can be carried by air to any military theater is, of course, very small when compared to shipments by land or water. But the volume is very large in terms of air transport.

Some of this cargo flown into China, of course, is for the use of our own forces inside China, but all goods flown "over the hump" are for one purpose—to defeat the Japanese on the China front.

The total of lend-lease supplies transferred to China through December 31, 1943, is as follows:

Ordnance	\$15,585,000
Ammunition	22,203,000
Aircraft and Parts.....	77,843,000
Motor Vehicles and Parts.....	26,467,000
Watercraft and Parts.....	4,447,000
<hr/>	
Total Munitions.....	\$146,545,000
Machinery	4,793,000
Metals.....	10,302,000
Petroleum Products.....	2,566,000
Miscellaneous Industrial Items.....	11,291,000
<hr/>	
Total Industrial Items	28,952,000
Agricultural Products.....	79,000
<hr/>	
Total Goods Transferred.....	175,576,000
Services Rendered.....	25,419,000
<hr/>	
Total Aid.....	200,995,000

In addition, goods valued at \$191,731,000 have been consigned to the U. S. commanding general in the India-China theater for transfer to China. These goods consist of the following:

Ordnance	\$40,381,000
Ammunition	77,871,000
Tanks and Parts	42,197,000
Motor Vehicles	18,417,000
Miscellaneous Military Equipment	12,865,000
<hr/>	
Total	191,731,000

Chapter 8

INDIA

Lend-lease exports to India from March 11, 1941, to December 31, 1943, totaled \$849,452,000. As shown by the following table, exports in 1943 were 70 percent greater than the combined shipments in 1942 and 1941.

LEND-LEASE EXPORTS TO INDIA

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition.....	5,317	85,922	104,335	195,574
Aircraft and Parts.....	36	17,949	89,871	107,856
Tanks and Parts.....	1,480	59,843	36,828	98,151
Motor Vehicles and Parts.....	7,467	39,603	82,776	129,846
Watercraft.....	68	1,038	21,482	22,588
Total Munitions.....	14,368	204,355	335,292	554,015
Industrial Materials and Products..	2,407	70,836	176,940	250,183
Agricultural Products.....	225	22,538	22,491	45,254
Total.....	17,000	297,729	534,723	849,452

Table 11

Our lend-lease policy toward India has been determined by the importance of India's strategic and geographic position in the Far Eastern part of the war. India is a major supply center for the war against Japan. She has provided the allied armies in the East with small arms and other munitions, and with clothing, shoes, tents, parachutes, and other textile products. India has the best network of railroads in Asia. From India extends the air supply line into China. Furthermore, India is the military base for our operations against the

Japanese in Burma. Finally, India is a major source of strategic materials essential to the war effort of the United States.

Munitions

Lend-lease exports of guns, ammunition, and other munitions to India, for the British and Indian armies and navies, through December 31, 1943, amounted to \$554,000,000.

With the help of the munitions and other materials lend-leased by the United States, India has become a vast military base. Indian troops, recruited and trained in India, have seen service on widely-scattered fronts in this war. They helped to defend Malaya. They fought with the British Eighth Army in the deserts of Egypt and Libya, helped to drive the Nazis out of North Africa, and are on the front in Italy.

Indian and British troops, equipped in part with lend-lease weapons, are fighting today under Lord Mountbatten on the Arakan front in Burma. Many more are preparing for the greater offensives to come against Japan.

Industrial Materials for War Production

From the beginning of the lend-lease program to December 31, 1943, we shipped to India \$250,000,000 of industrial materials and products, and \$45,000,000 of agricultural products.

Of primary importance have been the transportation, communications and construction equipment shipped to India. In order to enable the Indian railways to carry the heavy additional burdens imposed by the war, we have provided locomotives and freight cars. Some of these have replaced locomotives and cars sent from India to Egypt and the Middle East in the early part of the war, when the Nazis threatened to capture Suez and break through to the Indian Ocean.

We have furnished 40,000 trucks to supplement the railway system in transporting strategic materials and military supplies over the vast stretches of India. In addition, we have provided cranes, lighters, and stevedoring equipment to move war supplies in and out of India's crowded harbors.

In order to facilitate the building of air bases, barracks, and military roads, we have sent items which India could not furnish or were in short supply there. Among these have been construction machinery, cement making machinery, and lumber.

India is fast becoming a great United Nations arsenal as well as military base. India produces small arms and small arms ammunition, bombs, torpedoes, armored cars, ordnance carriers, machine guns, artillery ammunition, and other military items. We have provided under lend-lease some of the machine tools and raw materials, such as steel, copper, aluminum, and zinc, which have helped India to expand her munitions output. Lend-lease exports of machine tools to India have amounted to \$10,000,000 and currently India is buying all of its machine tools in this country for cash.

India's exports of raw materials have been increasingly important in the United Nations war effort. India is now our sole source of jute, used for making burlap bags. She is one of the principal suppliers of mica, which is essential to the production of radio equipment for the armed forces. Other important materials imported from India are manganese, shellac, talc, beryl, and kyanite. In order to increase the production of these items we have furnished under lend-lease a variety of industrial tools as well as mining and pumping machinery.

The lend-lease aid we have sent to India has assisted, and will assist, the United Nations in gaining victories over the Axis. But this aid has not flowed in one direction. India, too, has supplied what she can for the common war effort in many forms. Our forces in India have also received substantial reverse lend-lease from India, as shown in another section of this report.

Chapter 9

AUSTRALIA AND NEW ZEALAND

Lend-lease exports to Australia and New Zealand from March 11, 1941, to December 31, 1943, amounted to \$803,893,000. Shipments to Australia accounted for about four-fifths of the total, and exports to New Zealand for one-fifth. As the following table shows, exports to these areas were about 80 percent greater in 1943 than combined shipments in 1942 and 1941.

LEND-LEASE EXPORTS TO AUSTRALIA AND NEW ZEALAND

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition.....	458	60,593	57,347	118,398
Aircraft and Parts.....	6,998	44,128	122,588	173,714
Tanks and Parts.....	454	40,311	13,781	54,546
Motor Vehicles and Parts.....	341	28,752	103,332	132,425
Watercraft.....		1,384	2,517	3,901
Total munitions.....	8,251	175,168	299,565	482,984
Industrial Materials and Products.....	3,175	91,977	198,344	293,496
Agricultural Products.....	3,055	6,935	17,423	27,413
Total.....	14,481	274,080	515,332	803,893

Table 12

Munitions Aid

The lend-lease supplies sent by the United States have helped equip the Australian, New Zealand, and Dutch forces and to make Australia and New Zealand major bases for United States and allied operations against the Japanese.

The bulk of our shipments to these areas have consisted of ordnance and ammunition, aircraft and parts, and motor vehicles and parts. With the aid of this equipment, the Australians and New Zealanders have fought side by side with our forces in the offensives in the south and southwest Pacific, which began in the summer of 1942 and have resulted in driving the Japanese out of the Solomons, parts of New Guinea and New Britain.

War Production Aid to Australia

In addition to finished munitions, we have made available to Australia a substantial amount of industrial materials and products.

The war has greatly taxed the overland transportation facilities of Australia and curtailed coastwise shipping. To ease this burden, we have provided under lend-lease about 20,000 trucks and a large volume of petroleum products.

We have also furnished machinery and tools to expand Australia's war industries as well as raw materials for the fabrication of munitions and other essential products. Thus, the United States has provided such items as special steels, not produced in Australia, for the manufacture of guns and shells, sulfur for explosives and metal production and fabricated aluminum for airplanes.

Agricultural Aid to Australia

Australia, like New Zealand, besides feeding her own forces, provides over 90 percent of the food needed for the American and other allied forces in the Southwest Pacific. To meet these additional requirements, Australia has been in need of agricultural materials and equipment. We have, therefore, sent under lend-lease small quantities of seed and fertilizer, agricultural implements, including tractors and other machinery, tinplate and equipment for canning plants, and pulp and paper for making cartons and wrapping material. With the help of these items, Australia has been able to provide as reverse lend-lease over 500,000,000 pounds of food for our forces.

The lend-lease aid we have furnished, by enabling Australia to increase her output of food and munitions, has lessened the strain on our own production and on the shipping resources available to the United Nations. The victories of allied arms have been immeasurably advanced as a result.

Agricultural Aid to New Zealand

New Zealand is primarily an agricultural country, and like Australia, has provided important amounts of food to our and the other United Nations' forces.

To assist New Zealand in expanding her agricultural production, we have sent under lend-lease, farm machinery, equipment for food processing plants, tinplate for canning, and paper and other items for containers and wrappers. We have also provided several thousand trucks as well as petroleum products for powering and lubricating them. The trucks have been used to move military and essential civilian supplies.

As shown in Chapter 3, New Zealand has given us increasing amounts of reverse lend-lease aid.

Chapter 10

SOUTH AND CENTRAL AMERICAN COUNTRIES

Lend-lease exports to the South and Central American countries totalled a little less than \$128,000,000 through December 31, 1943. More than 85 percent of lend-lease exports consisted of finished munitions or supplies, and less than 15 percent of materials used in ordnance plants and other installations producing military or naval equipment.



FOREIGN ECONOMIC ADMINISTRATION

Chart 12

Lend-lease exports, of course, comprise only a small fraction of United States exports to South and Central America. In the three years, 1941 through 1943, commercial exports from

this country to that area totaled \$2,300,000,000, while lend-lease exports amounted to only \$128,000,000. Lend-lease exports to Latin America account for only 0.8 percent of all lend-lease exports.

LEND-LEASE EXPORTS TO SOUTH AND CENTRAL AMERICA AND CARIBBEAN AREA

Thousands of Dollars

	1941	1942	1943	Total
Ordnance and Ammunition.....	4,249	16,610	20,859	
Aircraft and Parts.....	363	17,798	33,189	51,350
Tanks and Vehicles.....	10,549	26,332	36,881	
Watercraft.....	103	514	617	
Total Munitions.....	363	32,699	76,645	109,707
Industrial Materials and Products.....	2	1,934	16,269	18,205
Agricultural Products.....	.....	15	40	55
Total.....	365	34,648	92,954	127,967

Table 13

The original arrangements to supply military and naval equipment to Latin America were approved by General Marshall, the Chief of Staff, and by Admiral Stark, then Chief of Naval Operations. All assignments of military and naval equipment to the other American Republics under lend-lease have been approved by the appropriate officers of the United States Army and Navy, acting under the direction of the Joint Chiefs of Staff.

Since the signing of the first lend-lease agreement—with the Dominican Republic on August 2, 1941—until the most recent—that with Chile on May 2, 1943—18 such agreements have been negotiated.

No agreements have been made with Argentina and Panama. Argentina has not received any lend-lease aid and Panama is furnished aid under special provisions for the protection of the Panama Canal Zone rather than under lend-lease. The

lend-lease agreements with the American republics include provision for repayment to the United States of part of the cost of the lend-lease aid supplied to them.

More than 63 percent of all lend-lease exports to the other American republics have gone to Brazil. Most of the materials supplied to these nations under lend-lease are procured by the military agencies of the United States Government and sent to them to carry out joint military projects for strengthening the defenses of the Western Hemisphere.

The lend-lease program for the American republics is designed to strengthen Western Hemisphere defenses and to encourage the continued production of raw materials essential to the war production program of the United States. Many vital materials which are not available in the United States but are essential in the fabrication of munitions are being shipped to us from the American republics.

Through foreign procurement and development programs under the direction of the Foreign Economic Administration and other agencies of our Government, the nations of Central and South America are supplying us with important quantities of such strategic materials as copper, mica, quartz crystals, lead, tungsten, tin, quinine, rubber, and mercury.

The benefits to the United States resulting from our lend-lease and other policies in South and Central America include: The maintenance by our neighbors of antisubmarine patrols that help protect our merchant ships carrying vital raw materials to American war plants; the grant of permission to the United States by the South American countries to establish military, naval, and air bases and use of harbors and airports; permission to fly military planes above their territories; and full cooperation in many other ways in our common war effort. Several of these countries have permitted the Federal Bureau of Investigation to send representatives there as a part of the program to suppress Axis subversive activities.

All of the South and Central American countries having lend-lease agreements have complied with their basic commitments where cooperation in the war effort is concerned—they have rounded up Axis spies and saboteurs, impounded Axis-

owned funds, and have cut off all trade of benefit to the Axis.

The American Republics have rendered valuable direct military aid to us. Brazil has cooperated with Cuba, Haiti, and the Dominican Republic in the defense of the Panama Canal and has provided facilities for the repair of American and other United Nations ships.

The security of our supply lines to our forces in the South Pacific and of our own western coast defenses has been strengthened by the help we have received from Ecuador, Peru, Bolivia, and Chile. Our defenses in the Gulf of Mexico have been strengthened by Mexico, Colombia, Venezuela, and the Central American and Caribbean republics. The Brazilian Navy has contributed much toward the virtual elimination of the submarine menace from South Atlantic waters. Brazilian airmen flying lend-lease planes have also played an important role in this achievement.

Chapter 11

STATISTICAL TABLES

AMOUNTS OF LEND-LEASE AID AUTHORIZED

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

I. 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
<hr/>	
Total.....	24,683,629,000

II. Transfers Authorized From Other Appropriations

War Department:

Third Supplemental, 1942.....	\$2,000,000,000
Fourth Supplemental, 1942.....	4,000,000,000
Fifth Supplemental, 1942.....	11,250,000,000
Sixth Supplemental, 1942.....	2,220,000,000
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
<hr/>	
Total.....	35,970,000,000

Direct appropriations have been made to the War and Navy Departments and to the Maritime Commission for the procurement of items which are in the main common to the uses of our own armed forces and those of our allies. These items when produced can be used, in other words, by our armed forces or those of our allies in the manner in which they can be most effective in defeating our common enemies. It is not until they are ready for distribution that they are allocated by the military experts in accordance with the strategic needs. The Appropriation Acts in question authorize transfers to our allies up to stated amounts under the Lend-Lease Act. That does not mean that transfers up to the stated amounts have to or will necessarily be made. All that it means is that there is sufficient flexibility for the military experts to assign the supplies where they will do the most good in winning the war.

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 Cong., approved February 19, 1943, and Public Law 11, 78th Cong., approved March 18, 1943.)

Table 14

TOTAL LEND-LEASE AID

March 1941 through December 31, 1943

	Amount	% of Total
Goods Transferred:		
Munitions (Including Ships).....	\$10,756,459,000	53.8
Industrial Materials and Products.....	4,145,927,000	20.7
Agricultural Products.....	2,534,056,000	12.7
Total Transfers.....	17,436,442,000	87.2
Services Rendered:		
Servicing and Repair of Ships, etc.....	407,368,000	2.1
Rental of Ships, Ferrying of Aircraft, etc.	1,450,698,000	7.3
Production Facilities in U. S.	605,058,000	3.0
Miscellaneous Expenses.....	86,569,000	0.4
Total Services.....	2,549,693,000	12.8
Total Lend-Lease Aid.....	19,986,135,000	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 December 31, 1943, was \$509,892,000.

BREAK-DOWN OF LEND-LEASE AID

	1941	1942	1943	Total
	Percent	Percent	Percent	Percent
Munitions (Including Ships).....	21.5	46.7	61.5	53.8
Industrial Materials and Products.....	21.9	20.9	20.5	20.7
Agricultural Products.....	29.8	12.8	10.8	12.7
Services	26.8	19.6	7.2	12.8
Total.....	100.0	100.0	100.0	100.0

Table 15

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	1,917	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	148	1,262	13,016	2,219	15,235
Sep.....	1,121	76	1,197	14,137	2,294	16,431
Oct.....	1,028	73	1,101	15,165	2,368	17,533
Nov.....	971	105	1,076	16,136	2,473	18,609
Dec.....	1,300	77	1,377	17,436	2,550	19,986

Table 16

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

	1941	1942	1943	Total
United Kingdom	572,620	2,005,318	4,016,612	6,594,550
U. S. S. R.	545	1,351,925	2,888,115	4,240,585
Africa, Middle East, and Mediterranean Area ..	95,915	692,026	1,586,654	2,374,595
China, India, Australia and New Zealand....	52,207	636,758	1,091,498	1,780,463
Latin America	365	34,648	92,954	127,967
Other Countries	19,251	174,084	266,888	460,223
Total	740,903	4,894,759	9,942,721	15,578,383

Percentage Distribution

	1941	1942	1943	Total
United Kingdom	77.3%	41.0%	40.4%	42.3%
U. S. S. R.	0.1	27.6	29.0	27.2
Africa, Middle East, and Mediterranean Area ..	12.9	14.1	16.0	15.2
China, India, Australia and New Zealand....	7.1	13.0	11.0	11.5
Latin America	0.0	0.7	0.9	0.8
Other Countries	2.6	3.6	2.7	3.0
Total	100.0	100.0	100.0	100.0

Table 17

LEND-LEASE TRANSFERS AND EXPORTS

The value of goods transferred under lend-lease exceeds the value of lend-lease exports. Most of this difference is accounted for by the value of ships transferred and which leave this country under their own power, and consequently are not reported as exports. Other factors accounting for the difference include: Articles transferred to foreign countries but used in the United States, such as trainer planes for the instruction of United Nations pilots; materials transferred but not yet exported; and goods purchased outside the United States and sent directly to lend-lease countries.

LEND-LEASE EXPORTS

March 1941 through December 31, 1943

Millions of Dollars

	C. S. S. R.	United Kingdom	Africa, Middle East, and Mediterranean Area	China, India, Australia, New Zealand, and Other Countries	Total
MUNITIONS					
Ordnance.....	280	213	234	142	59
Ammunition.....	630	370	306	195	61
Aircraft and Parts.....	895	805	407	345	273
Tanks and Parts.....	521	251	446	153	34
Motor Vehicles and Parts.....	262	555	324	279	54
Watercraft.....	157	103	35	26	19
Total.....	2,745	2,297	1,752	1,140	500
INDUSTRIAL MATERIALS AND PRODUCTS					
Machinery.....	355	436	104	142	22
Metals.....	569	441	144	187	19
Petroleum Products.....	464	31	62	110	...
Other.....	317	259	171	128	29
Total.....	1,705	1,167	481	567	70
AGRICULTURAL PRODUCTS					
Foods.....	1,695	700	134	46	15
Other Agricultural Products.....	450	77	7	27	3
Total.....	2,145	777	141	73	18
TOTAL EXPORTS.....	6,595	4,241	2,374	1,780	588
					15,578

Table 18

LEND-LEASE EXPORTS—MONTHLY
Millions of Dollars

	United Kingdom	U. S. S. R.	Other Countries	Total
Mar. 1941	1	5	1	5
Apr.	9	1	1	16
May	26	6	2	35
Jun.	49	19	3	72
Jul.	46	14	2	67
Aug.	74	7	3	86
Sep.	142	12	1	167
Oct.	107	10	1	137
Nov.	119	1	2	155
Dec.				
Jan. 1942	105	24	18	175
Feb.	79	26	22	194
Mar.	149	97	47	329
Apr.	144	164	55	425
May	144	70	47	306
Jun.	210	110	36	405
Jul.	175	103	59	424
Aug.	152	150	56	434
Sep.	214	102	71	479
Oct.	222	128	82	562
Nov.	204	191	95	561
Dec.	207	167	112	608
Jan. 1943	178	167	94	22
Feb.	222	186	46	535
Mar.	309	211	132	529
Apr.	353	210	116	777
May	400	177	151	775
Jun.	425	139	100	848
Jul.	392	230	221	791
Aug.	370	313	165	1,021
Sep.	397	301	190	989
Oct.	356	263	165	1,001
Nov.	259	337	110	942
Dec.	356	354	96	818
TOTAL EXPORTS...	6,595	4,241	2,374	15,578

Table 19

LEND-LEASE FOOD EXPORTS IN RELATION TO
SUPPLY AND TO U. S. CIVILIAN POPULATION

	Exports in Percent of Supply		Exports in Ounces per Week per United States Civilian	
	Year 1942	Year 1943	Year 1942	Year 1943
All Meats (Dressed Weight Basis)	6.1	9.5	3.3	5.6
Beef and Veal	0.3	1.3	0.1	0.3
Lamb and Mutton	0.4	11.1	0.01	0.3
Pork	11.9	15.4	3.3	5.0
All Milk Products (Fluid Milk Equiv.)	3.6	3.8	11.0	11.3
Dry Whole Milk	6.4	13.7	0.01	0.04
Dry Skim Milk	23.0	41.9	0.3	0.6
Condensed and Evaporated Milk	9.7	12.8	1.0	1.3
Butter	0.8	3.8	0.05	0.2
Cheese	23.6	14.3	0.8	0.4
Eggs	9.6	12.4	1.6	2.4
Edible Fats and Oils	11.3	16.3	1.7	2.7
Canned Fish	17.3	26.8	0.4	0.6
Fruits:				
Canned Fruits and Juices	3.7	6.9	0.4	0.8
Dried Fruits	16.3	20.3	0.5	0.7
Vegetables:				
Canned Vegetables	1.6	1.5	0.2	0.3
Dried Beans	5.1	11.4	0.3	0.8
Dried Peas	7.6	9.9	0.1	0.3
Corn and Corn Products (Grain Equiv.)	0.2	0.1	1.4	0.9
Wheat and Wheat Products (Grain Equiv.)	0.4	1.0	1.0	3.1

Table 20

STATUS OF NATIONS
Lend-Lease Countries and United Nations

Country	Declared Eligible for Lend-Lease Aid	Lend-Lease Agreement Signed	Reciprocal Aid Agreement Signed	United Nations Declaration Signed	Earliest Date of Existence of State of War With Any Axis Power	Earliest Date of Severance of Diplomatic Relations With Any Axis Power
Argentina	May 6, 1941	Sept. 3, 1942	Jan. 1, 1942	Sept. 3, 1939	Jan. 26, 1944	Jan. 26, 1944
Australia	Nov. 11, 1941	June 16, 1942	Jan. 1, 1942	May 9, 1940	.....	.....
Belgium	June 13, 1941	Dec. 6, 1941	Apr. 27, 1943	Apr. 7, 1943	Jan. 28, 1942	Jan. 28, 1942
Bolivia	May 6, 1941	Mar. 3, 1942	Feb. 6, 1943	Aug. 22, 1942	Jan. 28, 1942	Jan. 28, 1942
Brazil	May 6, 1941	.....	Jan. 1, 1942	Sept. 10, 1939	.....	.....
Canada	Nov. 11, 1941	.....	Jan. 1, 1942	Jan. 20, 1943	Jan. 20, 1943	Jan. 20, 1943
Chile	May 6, 1941	Mar. 2, 1943	Jan. 1, 1942	Dec. 9, 1941	Dec. 8, 1941	Dec. 8, 1941
China	May 6, 1941	June 2, 1942	Jan. 17, 1944	Nov. 27, 1943 ²	.....	.....
Colombia	May 6, 1941	Mar. 17, 1942	Jan. 1, 1942	Dec. 8, 1941	.....	.....
Costa Rica	May 6, 1941	Jan. 16, 1942	Jan. 1, 1942	Dec. 9, 1941	.....	.....
Cuba	May 6, 1941	Nov. 7, 1941	Jan. 1, 1942	Dec. 9, 1941	.....	.....
Czechoslovakia	Jan. 5, 1942	July 11, 1942	Jan. 1, 1942	Dec. 9, 1941	.....	.....
Dominican Republic	May 6, 1941	Aug. 2, 1941	Jan. 1, 1942	Dec. 8, 1941	.....	.....
Ecuador	May 6, 1941	Apr. 6, 1942	.....	.....	Jan. 29, 1942	Jan. 29, 1942
Egypt	Nov. 11, 1941	.....	.....	.....	.....	.....
El Salvador	May 6, 1941	Feb. 2, 1942	Jan. 1, 1942	Dec. 8, 1941	.....	.....
Ethiopia	Dec. 7, 1942	Aug. 9, 1943	July 28, 1942	Dec. 1, 1942	.....	.....
French Committee of National Liberation ³	Nov. 11, 1941	.....	Sept. 3, 1942	Sept. 3, 1939	.....	.....
Greece	Nov. 13, 1942	Sept. 25, 1943	Sept. 25, 1943	Jan. 1, 1942	Oct. 28, 1940	.....
Guatemala	Mar. 11, 1941	July 10, 1942	.....	Jan. 1, 1942	Dec. 8, 1941	.....
Haiti	May 6, 1941	Nov. 16, 1942	.....	Jan. 1, 1942	Dec. 8, 1941	.....
Honduras	May 6, 1941	Sept. 16, 1941	.....	Jan. 1, 1942	Dec. 8, 1941	.....

Iceland	July 1, 1941	Nov. 21, 1941	Jan. 1, 1942	Sept. 3, 1939
India	Nov. 11, 1941	.....	Sept. 9, 1943	Sept. 8, 1941
Iran	Mar. 10, 1942	.....	Jan. 16, 1943	June 7, 1941
Iraq	May 1, 1942	.....	Jan. 27, 1944	Oct. 2, 1942
Liberia	Mar. 10, 1942	June 8, 1943	Jan. 1, 1942	May 10, 1940
Luxembourg	.....	.....	June 5, 1942	Dec. 19, 1941
Mexico	May 6, 1941	Mar. 18, 1943	June 14, 1943	.....
Netherlands	Aug. 21, 1941	July 8, 1942	Sept. 3, 1942	.....
New Zealand	Nov. 11, 1941	(¹)	.....	.....
Nicaragua	May 6, 1941	Oct. 16, 1941	.....	.....
Norway	June 4, 1941	July 11, 1942	.....	.....
Panama	May 6, 1941	Sept. 20, 1941	.....	.....
Paraguay	May 6, 1941	Mar. 11, 1942	.....	.....
Peru	May 6, 1941	.....	.....	.....
Philippines	Aug. 28, 1941	July 1, 1942	.....	.....
Poland	Feb. 18, 1943	.....	.....	.....
Saudi Arabia	.....	.....	.....	.....
South Africa	Nov. 11, 1941	.....	Jan. 1, 1942	Sept. 6, 1939
Turkey	Nov. 7, 1941	.....	.....	.....
United Kingdom	Mar. 11, 1941	Feb. 23, 1942	Sept. 3, 1942	.....
United States	.....	.....	Jan. 1, 1942	Sept. 3, 1939
U. S. S. R.	.....	.....	Jan. 1, 1942	Dec. 7, 1941
Uruguay	Nov. 7, 1941	June 11, 1942	Jan. 1, 1942	June 22, 1941
Venezuela	May 6, 1941	Jan. 13, 1942	.....	.....
Yugoslavia	May 6, 1941	Mar. 18, 1942	.....	Jan. 25, 1942
	Nov. 11, 1941	July 24, 1942	Jan. 1, 1942	Dec. 31, 1941

¹ No Master Lend-Lease Agreement has been concluded with either Australia or New Zealand, but in the Reciprocal Aid Agreements entered into with these countries, they accepted the principles of the Lend-Lease Agreement with the United Kingdom as applicable to their lend-lease relations with the United States.

² Colombia declared a state of belligerency.

³ Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on November 11, 1941, and a reciprocal aid agreement was entered into with the Committee on September 3, 1942. French North and West Africa were declared eligible to receive lend-lease aid on November 13, 1942. On September 25, 1943, a Lend-Lease Modus Vivendi Agreement governing lend-lease aid and reciprocal aid was entered into with the French Committee of National Liberation, successor to the French National Committee and to the Haut Commandement en Chef Civile et Militaire established in French North and West Africa after the events of November 1942.

Table 21

APPENDICES

Appendix I

LEND-LEASE ACT

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

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

Section 2

As used in this Act—

(a) The term "defense article" means—

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

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

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

Section 3

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

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

of any country whose defense the President deems vital to the defense of the United States.

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

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

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

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

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

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

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

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

Section 4

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

Section 5

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

(b) The President, from time to time, but not less frequently than once every ninety days, shall transmit to the Congress a report of operations under this Act except such information as he deems incompatible with the public interest to disclose. Reports provided for under this subsection shall be transmitted to the Secretary of the Senate or the Clerk of the House of Representatives, as the case may be, if the Senate or the House of Representatives, as the case may be, is not in session.

Section 6

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

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

Section 7

The Secretary of War, the Secretary of the Navy, and the head of the department or agency shall, in all contracts or agreements for the disposition of any defense article or defense information, fully protect the rights of all citizens of the United States who have patent rights in and to any such article or information which is hereby authorized to be disposed of and the payments collected for royalties on such patents shall be paid to the owner and holders of such patents.

Section 8

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

Section 9

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

Section 10

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

Section 11

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

APPROVED, MARCH 11, 1941.

☆ ☆ ☆

On March 11, 1943, after affirmative votes of 407-6 in the House of Representatives and 82-0 in the Senate the President signed the Act extending the Lend-Lease Act for 1 year.

Appendix II

SOVIET MASTER AGREEMENT

Agreement between the United States of America and the Union of Soviet Socialist Republics on the principles applying to mutual aid in the prosecution of the war against aggression.

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

And whereas the Governments of the United States of America and the Union of Soviet Socialist Republics, as signatories of the Declaration by United Nations of January 1, 1942, have subscribed to a common program of purposes and principles embodied in the Joint Declaration, known as the Atlantic Charter, made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom of Great Britain and Northern Ireland, the basic principles of which were adhered to by the Government of the Union of Soviet Socialist Republics on September 24, 1941;

And whereas the President of the United States of America has determined, pursuant to the act of Congress of March 11, 1941, that the defense of the Union of Soviet Socialist Republics against aggression is vital to the defense of the United States of America;

And whereas the United States of America has extended and is continuing to extend to the Union of Soviet Socialist Republics aid in resisting aggression;

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

And whereas the Governments of the United States of America and the Union of Soviet Socialist Republics are mutually desirous of concluding now a preliminary agreement in regard to the provision of defense aid and in regard to certain considerations which shall be taken into account in determining such terms and conditions and the making of such an agreement has been in all respects duly authorized, and all acts, conditions, and formalities which it may have been necessary to perform, fulfill, or execute prior to the making of such an agreement in conformity with the laws either of the United States of America or of the Union of Soviet Socialist Republics have been performed, fulfilled, or executed as required;

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

Article I

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

Article II

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

Article III

The Government of the Union of Soviet Socialist Republics will not without the consent of the President of the United States of America transfer title to, or possession of, any defense article or defense information transferred to it under the Act of March 11, 1941, of the Congress of the United States of America or permit the use thereof by anyone not an officer, employee, or agent of the Government of the Union of Soviet Socialist Republics.

Article IV

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

Article V

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

Article VI

In the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics full cognizance shall be taken of all property, services, information, facilities, or other benefits or considerations provided by the Government of the Union of Soviet Socialist Republics subsequent to March 11, 1941, and accepted or acknowledged by the President on behalf of the United States of America.

Article VII

In the final determination of the benefits to be provided to the United States of America by the Government of the Union of Soviet Socialist Republics in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the Union of Soviet Socialist Republics, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 14, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom, the basic principles of which were adhered to by the Government of the Union of Soviet Socialist Republics on September 24, 1941.

At an early convenient date, conversations shall be begun between the two Governments with a view to determining, in the light of governing economic conditions, the best means of attaining the above-stated objectives by their own agreed action and of seeking the agreed action of other like-minded Governments

Article VIII

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

Signed and sealed at Washington in duplicate this eleventh day of June, 1942.

For the Government of the United States of America

CORDELL HULL,

Secretary of State of the United States of America.

For the Government of the Union of Soviet Socialist Republics

MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics at Washington.

The following is an exchange of notes between the Secretary of State and the Ambassador of the Union of Soviet Socialist Republics at Washington:

DEPARTMENT OF STATE,
Washington, June 11, 1942.

EXCELLENCY:

In connection with the signature on this date of the Agreement between our two Governments on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, I have the honor to confirm

our understanding that this Agreement replaces and renders inoperative the two prior arrangements on the same subject between our two Governments, the most recent of which was expressed in the exchange of communications between the President and Mr. Stalin dated respectively February 13, February 20, and February 23, 1942.

Accept, Excellency, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

His Excellency MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics.

JUNE 11, 1942.

EXCELLENCEY:

In connection with the signature on this date of the Agreement between our two Governments on the Principles Applying to Mutual Aid in the Prosecution of the War Against Aggression, I have the honor to confirm our understanding that this Agreement replaces and renders inoperative the two prior arrangements on the same subject between our two Governments, the most recent of which was expressed in the exchange of communications between the President and Mr. Stalin dated respectively February 13, February 20, and February 23, 1942.

Accept, Excellency, the renewed assurances of my highest consideration.

MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics at Washington.

His Excellency CORDELL HULL,

Secretary of State of the United States of America,

Washington, D. C.

Appendix III

RECIPROCAL AID AGREEMENTS

Reciprocal aid agreements with United Kingdom, Australia, New Zealand, and Fighting France were concluded September 3, 1942, by the following exchanges of notes. The first three agreements were signed in Washington and the agreement with Fighting France was signed in London.

Agreement With United Kingdom

The Honorable CORDELL HULL,

Secretary of State, United States Department of State,

Washington, D. C.

SIR: In the United Nations declaration of January 1, 1942, the contracting governments pledged themselves to employ their full resources, military or economic, against those nations with which they are at war and in the Agreement of February 23, 1942, each contracting government undertook to provide the other with such articles, services, facilities, or information useful in the prosecution of their common war undertaking as each may be in a position to supply. It is further the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be followed in providing mutual aid as set forth in the said Agreement of February 23, 1942, is that the war production and the war resources of both Nations should be used by the armed forces of each and of the other United Nations in ways which most effectively utilize the available materials, manpower, production facilities, and shipping space.

With a view, therefore, to supplementing Article 2 and Article 6 of the Agreement of February 23, 1942, between our two Governments for the provision of reciprocal aid, I have the honour to set forth below the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland of the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to the United Kingdom. The Government of the United Kingdom will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorizes in accordance with the Agreement of February 23, 1942.

3. The Government of the United Kingdom will provide the United States or its armed forces with the following types of assistance as such reciprocal aid, when it is found that they can most effectively be procured in the United Kingdom or in the British Colonial Empire:

- (a) Military equipment, munitions, and military and naval stores.
- (b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of the United Kingdom as specified in paragraph 4.
- (c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in the United Kingdom or in the British Colonial Empire, except for the wages and salaries of United States citizens.
- (d) Supplies, materials, and services needed in the construction of such military projects, tasks, and capital works in territory other than the United Kingdom or the British Colonial Empire or territory of the United States to the extent that the United Kingdom or the British Colonial Empire is a more practicable source of supply than the United States or another of the United Nations.

4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the United Kingdom which will be designated or established in London and in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

5. It is the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland that all such aid, as well as other aid, including information, received under Article 6 of the Agreement of February 23, 1942, accepted by the President of the United States or his authorized representatives from the Government of the United Kingdom will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be, with the highest consideration, Sir, your most obedient, humble servant,

HALIFAX.

September 3, 1942

His Excellency the Right Honorable The Viscount HALIFAX, K. G.,
British Ambassador.

EXCELLENCY: I have the honor to acknowledge the receipt of Your Excellency's note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the United Kingdom of Great Britain and Northern Ireland to the armed forces of the United States of America.

In reply I wish to inform you that the Government of the United States agrees with the understanding of the Government of the United Kingdom of Great Britain and Northern Ireland as expressed in that note. In accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942

Agreement with Australia

The Honorable CORDELL HULL,

Secretary of State, Washington, D. C.

SIR: As contracting parties to the United Nations Declaration of January 1, 1942, the Governments of the United States of America and the Commonwealth of Australia pledged themselves to employ their full resources, military and economic, against those nations with which they are at war.

With regard to the arrangements for mutual aid between our two governments, I refer to the agreement signed at Washington on February 23, 1942, between the Governments of the United States of America and the United Kingdom on principles applying to mutual aid in the present war authorized and provided for by the Act of Congress of March 11, 1941, and have the honour to inform you that the Government of the Commonwealth of Australia accepts the principles therein contained as governing the provision of mutual aid between itself and the Government of the United States of America.

It is the understanding of the Government of the Commonwealth of Australia that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be

used by the armed forces of each, in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space.

I now set forth the understanding of the Government of the Commonwealth of Australia of the principles and procedure applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principles to be applied to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services which each Government may authorize to be provided to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to Australia. The Government of Australia will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorizes in accordance with the principles enunciated in this note.

3. The Government of Australia will provide as reciprocal aid the following types of assistance to the armed forces of the United States in Australia or its territories and in such other cases as may be determined by common agreement in the light of the development of the war.

(a) Military equipment, ammunition, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Australian Government as specified in paragraph 4.

(c) Supplies, materials, and services needed in the construction of military projects, tasks and similar capital works required for the common war effort in Australia and in such other places as may be determined, except for the wages and salaries of United States citizens.

4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities. Requests by the United States Government for such aid will be presented by duly authorized authorities of the United States to official agencies of the Commonwealth of Australia which will be designated or established in Can-

berra and in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

5. It is my understanding that all such aid accepted by the President of the United States or his authorized representatives from the Government of Australia will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honor to be with the highest consideration, Sir, your obedient servant,

OWEN DIXON.

September 3, 1942.

The Honorable Sir OWEN DIXON, K. C. M. G.,
Minister of Australia.

SIR: I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of the Commonwealth of Australia to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise accepts the principles contained in the agreement of February 23, 1942, between it and the Government of the United Kingdom as governing the provision of mutual aid between the Governments of the United States and of the Commonwealth of Australia. My Government agrees with the understanding of the Government of the Commonwealth of Australia as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942.

Agreement with New Zealand.

The Honorable CORDELL HULL,

Secretary of State,

United States Department of State,

Washington, D. C.

SIR: As contracting parties to the United Nations Declaration of January 1, 1942, the Governments of the United States of America and New Zealand

pledged themselves to employ their full resources, military and economic, against those nations with which they are at war.

In the Agreement of February 23, 1942, between the Governments of the United Kingdom and of the United States of America, the provisions and principles of which the Government of New Zealand considers applicable to its relations with the Government of the United States, each contracting Government undertook to provide the other with such articles, services, facilities, or information useful in the prosecution of their common war undertaking as each may be in a position to supply.

It is the understanding of the Government of New Zealand that the general principle to be followed in providing such aid is that the war production and war resources of both nations should be used by each, in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space.

I now set forth the understanding of the Government of New Zealand of the principles and procedure applicable to the provision of aid by the Government of New Zealand to the armed forces of the United States and the manner in which such aid will be correlated with the maintenance of those forces by the United States Government.

1. While each Government retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

2. As to financing the provision of such aid, within the fields mentioned below, it is my understanding that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services to be provided by each Government to the other shall be in the form of reciprocal aid so that the need of each Government for the currency of the other may be reduced to a minimum.

It is accordingly my understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its production made available to New Zealand. The Government of New Zealand will provide on the same terms and as reciprocal aid so much of its production made available to the United States as it authorizes in accordance with the principles enunciated in this note.

3. The Government of New Zealand will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be procured in New Zealand.

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, administrative expenses, and such local purchases as its official establishments may make other than through the official establishments of the Government of New Zealand as specified in Paragraph 4.

(c) Supplies, materials, and services needed in the construction of military projects, tasks, and similar capital works required for the common war effort in New Zealand, except for the wages and salaries of United States citizens.

(d) Supplies, materials, and services needed in the construction of such military projects, tasks, and capital works in territory other than New Zealand or territory of the United States to the extent that New Zealand is a more practicable source of supply than the United States or another of the United Nations.

4. The practical application of the principles formulated in this note, including the procedure by which requests for aid by either Government are made and acted upon, shall be worked out as occasion may require by agreement between the two Governments, acting when possible through their appropriate military or civilian administrative authorities.

5. It is my understanding that all such aid accepted by the President of the United States or his authorized representatives from the Government of New Zealand will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each Government.

If the Government of the United States concurs in the foregoing, I would suggest that the present note and your reply to that effect be regarded as placing on record the understanding of our two Governments in this matter.

I have the honour to be, Sir,

Your obedient servant,

WALTER NASH,
Minister of New Zealand.

September 3, 1942

The Honorable WALTER NASH,
Minister of New Zealand.

SIR: I have the honor to acknowledge receipt of your note of today's date concerning the principles and procedures applicable to the provision of aid by the Government of New Zealand to the armed forces of the United States of America.

In reply I have the honor to inform you that the Government of the United States of America likewise considers the provisions and principles contained in the agreement of February 23, 1942, between it and the Government of the United Kingdom as applicable to its relations with the Government of New Zealand. My Government agrees with the understanding of the Government of New Zealand as expressed in your note of today's date, and, in accordance with the suggestion contained therein, your note and this reply will be regarded as placing on record the understanding between our two Governments in this matter.

This further integration and strengthening of our common war effort gives me great satisfaction.

Accept, Sir, the renewed assurances of my highest consideration.

CORDELL HULL,

Secretary of State of the United States of America.

September 3, 1942

Agreement With French National Committee.

TEXT OF NOTE TO GENERAL DAHLQUIST FROM FRENCH NATIONAL COMMITTEE

The French National Committee sets forth below its understanding of the principles governing the provision of reciprocal aid by the United States of America to Fighting France and by Fighting France to the United States:

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

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

3. The fundamental principle to be followed in providing such aid is that the war production and war resources of Fighting France and of the United States of America should be used by the armed forces of each in the ways which most effectively utilize available materials, manpower, production facilities, and shipping space. While each retains the right of final decision, in the light of its own potentialities and responsibilities, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

4. As to financing the provision of such aid, within the fields mentioned below, it is the Committee's understanding that the general principle to be applied, to the point at which the common war effort is most effective, is that as large a portion as possible of the articles and services to be provided by each to the other shall be in the form of reciprocal aid.

It is accordingly the Committee's understanding that the United States Government will provide, in accordance with the provisions of, and to the extent authorized under, the Act of March 11, 1941, the share of its war production made available to Fighting France. Fighting France will provide on the same terms and as reciprocal aid so much of its war production made available to the United States as it authorized in accordance with the principles enunciated in this note.

5. Within the territories under the control of Fighting France, or within the same theater of operations, the National Committee will provide the United States or its armed forces with the following types of assistance, as such reciprocal aid, when it is found that they can most effectively be procured in territory under the control of Fighting France:

(a) Military equipment, munitions, and military and naval stores.

(b) Other supplies, materials, facilities, and services for the United States forces, except for the pay and allowances of such forces, adminis-

trative expenses, and such local purchases as its official establishments may make other than through the official establishments of Fighting France as specified in paragraph 6.

(c) Supplies, materials, and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks, and similar capital works required for the common war effort in territory under the control of Fighting France, or in the same theater of operations, to the extent that such territory is the most practicable source of supply.

6. The practical application of the principles formulated in this note, including the procedure by which requests for aid are made and acted upon, shall be worked out by agreement as occasion may require through the appropriate military or civilian administrative authorities. Requests by the United States forces for such aid will be presented by their duly authorized authorities to official agencies of Fighting France which will be designated or established in the areas where United States forces are located for the purpose of facilitating the provision of reciprocal aid.

7. It is the Committee's understanding that all such aid accepted by the President of the United States of his authorized representatives from Fighting France will be received as a benefit to the United States under the Act of March 11, 1941. Insofar as circumstances will permit, appropriate record of aid received under this arrangement, except for miscellaneous facilities and services, will be kept by each.

If the Government of the United States concurs in the foregoing, the present note and a reply to that effect will be regarded as placing on record the understanding in this matter.

TEXT OF NOTE TO FRENCH NATIONAL COMMITTEE FROM GENERAL DAHLQUIST

The Government of the United States of America agrees with the understanding of the National Committee, as expressed in the English text of the Committee's note of today's date, concerning the principles and procedures applicable to the provisions of aid by Fighting France to the armed forces of the United States of America and, in accordance with the suggestion contained therein, that note and this reply will be regarded as placing on record the understanding in this matter.

September 3, 1942

Appendix IV

MODUS VIVENDI ON RECIPROCAL AID IN FRENCH NORTH AND WEST AFRICA

The Government of the United States and the French Committee of National Liberation, desirous of lending each other the reciprocal aid necessary to the prosecution of the joint war effort, are agreed upon the following provisional Modus Vivendi which will, following signature, be applicable in French North and West Africa:

I. With reference to supplies and services urgently needed to maintain the French war effort, which the United States has furnished to the French authorities and will continue to furnish, within limitations of need and supply, it is understood that:

(a) Military aid, including supplies for railroads, docks, public utilities, and other facilities to the extent that such supplies are determined to be military aid is made available on a straight Lend-Lease basis, in the light of the considerations set forth in Paragraph V. Such aid does not include the pay and allowances of French forces. The United States reserves the right to require the return of any articles furnished under this paragraph and not lost, destroyed or consumed,

(i) if at any time it is decided that such restitution would be an advantage in the conduct of the war, or

(ii) if at the end of the present emergency as determined by the President of the United States, the President shall determine that such articles are useful in the defense of the United States or of the Western Hemisphere, or to be otherwise of use to the United States.

(b) For all civilian supplies imported from the United States, the French authorities will pay upon the basis of prices to be agreed. Payment will be made, currently at convenient intervals, in dollars, to an appropriately designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agreement.

(d) All aid furnished under Paragraph I (a) and I (b) will be made available by the United States under the authority and subject to the terms and conditions provided for in the Act of Congress of 11 March, 1941, as amended (P. L. 11, 77th Congress, 1st Session).

II. With reference to supplies and services urgently needed to maintain the United States war effort, which the French authorities have furnished

to the United States and will continue to furnish, within limitations of need and supply, it is understood that:

(a) The French authorities undertake to make available to or for the use of the armed forces and other governmental agencies of the United States, as reverse Lend-Lease aid to the United States, on a straight Lend-Lease basis, when it is found that such aid can most effectively be procured in territory under their control,

(i) military equipment, munitions, and military and naval stores;
(ii) other supplies, materials, facilities and services for United States forces, including the use of railway and port facilities, but not including the pay and allowances of such forces nor the administrative expenses of American missions;

(iii) supplies, materials, facilities and services, except for the wages and salaries of United States citizens, needed in the construction of military projects, tasks and similar capital works required in the common war effort, to the extent that French North or West Africa is the most practicable source of such supplies, materials, facilities or services;

(iv) such other supplies, materials, services or facilities as may be agreed upon as necessary in the prosecution of the war, but not including exports of civilian supplies to the United States from North and West Africa.

While the French authorities retain, of course, the right of final decision, subject to the obligations and arrangements they have entered into for the prosecution of the war, decisions as to the most effective use of resources shall, so far as possible, be made in common, pursuant to common plans for winning the war.

(b) All civilian supplies exported from French North and West Africa to the United States will be paid for on the basis of prices to be agreed. Payment will be made currently, at convenient intervals, in dollars, to an appropriate designated account in the United States.

(c) The distinction between civilian and military aid, supplies and services, where such distinction may be necessary, will be made by agreement.

(d) In order to obtain the supplies and services included within the scope of Paragraph II (a), duly authorized United States officers or other officials will submit their requests to the official services duly designated by the French authorities. These services will be established in Algiers, Casablanca, Oran, Tunis, Dakar, and other places where it may be found practicable and convenient to establish organizations for facilitating the transfer of reciprocal aid.

(e) For use in those exceptional cases, and particularly in cases of local procurement of supplies, in which it is agreed to be more practicable to secure such reverse Lend-Lease supplies, facilities and services by direct purchase, rather than by the method of procurement set forth in Paragraph II (b), it is agreed that the French authorities establish a franc account in convenient banking institutions and in the name of a designated officer of the United States to facilitate the provision of reverse Lend-Lease aid as con-

templated by Paragraph II (a). The French contributions to this account will be mutually agreed upon from time to time in the light of the changing needs of the American forces, and other appropriate factors. Such an account will not be used for the payment of wages and salaries of American military or civilian personnel, nor for administrative expenses of American missions. Estimates of the franc requirements of the United States will be submitted to designated French authorities from time to time, as may be found convenient. The French authorities will be kept fully and currently informed of all transactions in this account.

III. In exceptional cases, and when they deem it preferable, the American military forces, or other agencies of the United States Government, may continue to use their present practice of acquiring francs against dollars from the French authorities.

IV. Adequate statistical records will be kept of all goods and services exchanged as mutual aid under paragraphs I and II above.

V. The provisions of this modus vivendi correspond to a desire to reduce to an appropriate minimum the need of either party for currency of the other party. Provisions which call for payments in dollars have been decided upon in view of the special situation arising from accumulated dollar balances and availabilities of dollar funds due to the presence of United States troops in French North and West Africa. Revision of the payment provisions of this modus vivendi will be made should the situation require.

Signed at Algiers this 25th day of September, A. D. 1943.

For the Government of the United States of America:

/s/ ROBERT MURPHY

For the French Committee of National Liberation:

/s/ MASSIGLI

/s/ JEAN MONNET

September 25, 1943.

Appendix V

EXECUTIVE ORDER ESTABLISHING FOREIGN ECONOMIC ADMINISTRATION

By virtue of the authority vested in me by the Constitution and the statutes of the United States, as President of the United States and Commander in Chief of the Army and Navy, and in order to unify and consolidate governmental activities relating to foreign economic affairs, it is hereby ordered as follows:

1. There is established in the Office for Emergency Management of the Executive Office of the President the Foreign Economic Administration (hereinafter referred to as the Administration), at the head of which shall be an Administrator.
2. The Office of Lend-Lease Administration, the Office of Foreign Relief and Rehabilitation Operations, the Office of Economic Warfare (together with the corporations, agencies, and functions transferred thereto by Executive Order No. 9361 of July 15, 1943), the Office of Foreign Economic Coordination (except such functions and personnel thereof as the Director of the Budget shall determine are not concerned with foreign economic operations) and their respective functions, powers, and duties are transferred to and consolidated in the Administration.
3. The Administrator may establish such offices, bureaus, or divisions in the Administration as may be necessary to carry out the provisions of this order, and may assign to them such of the functions and duties of the offices, agencies, and corporations consolidated by this order as he may deem desirable in the interest of efficient administration.
4. The powers and functions of the Administration shall be exercised in conformity with the foreign policy of the United States as defined by the Secretary of State. As soon as military operations permit, the Administration shall assume responsibility for and control of all activities of the United States Government in liberated areas with respect to supplying the requirements of and procuring materials in such areas.
5. All the personnel, property, records, funds (including all unexpended balances of appropriations, allocations, or other funds now available), contracts, assets, liabilities, and capital stock (including shares of stock) of the offices, agencies, and corporations consolidated by paragraph 2 of this order are transferred to the Administration for use in connection with the exercise and performance of its functions, powers, and duties. In the case of capital stock (including shares of stock), the transfer shall be to such agency, corporation, office, officer, or person as the Administrator shall designate. The Administrator is authorized to employ such personnel as may be necessary in the performance of the functions of the Administration and in order to carry out the purposes of this order.

6. No part of any funds appropriated or made available under Public Law 139, approved July 12, 1943, shall hereafter be used directly or indirectly by the Administrator for the procurement of services, supplies, or equipment outside the United States except for the purpose of executing general economic programs or policies, formally approved by a majority of the War Mobilization Committee in writing filed with the Secretary of State prior to any such expenditure.

7. All prior Executive Orders insofar as they are in conflict herewith are amended accordingly. This order shall take effect upon the taking of office by the Administrator, except that the agencies and offices consolidated by paragraph 2 hereof shall continue to exercise their respective functions pending any contrary determination by the Administrator.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *September 25, 1943.*

Appendix VI

EXECUTIVE ORDER ESTABLISHING OFFICE OF LEND-LEASE ADMINISTRATION

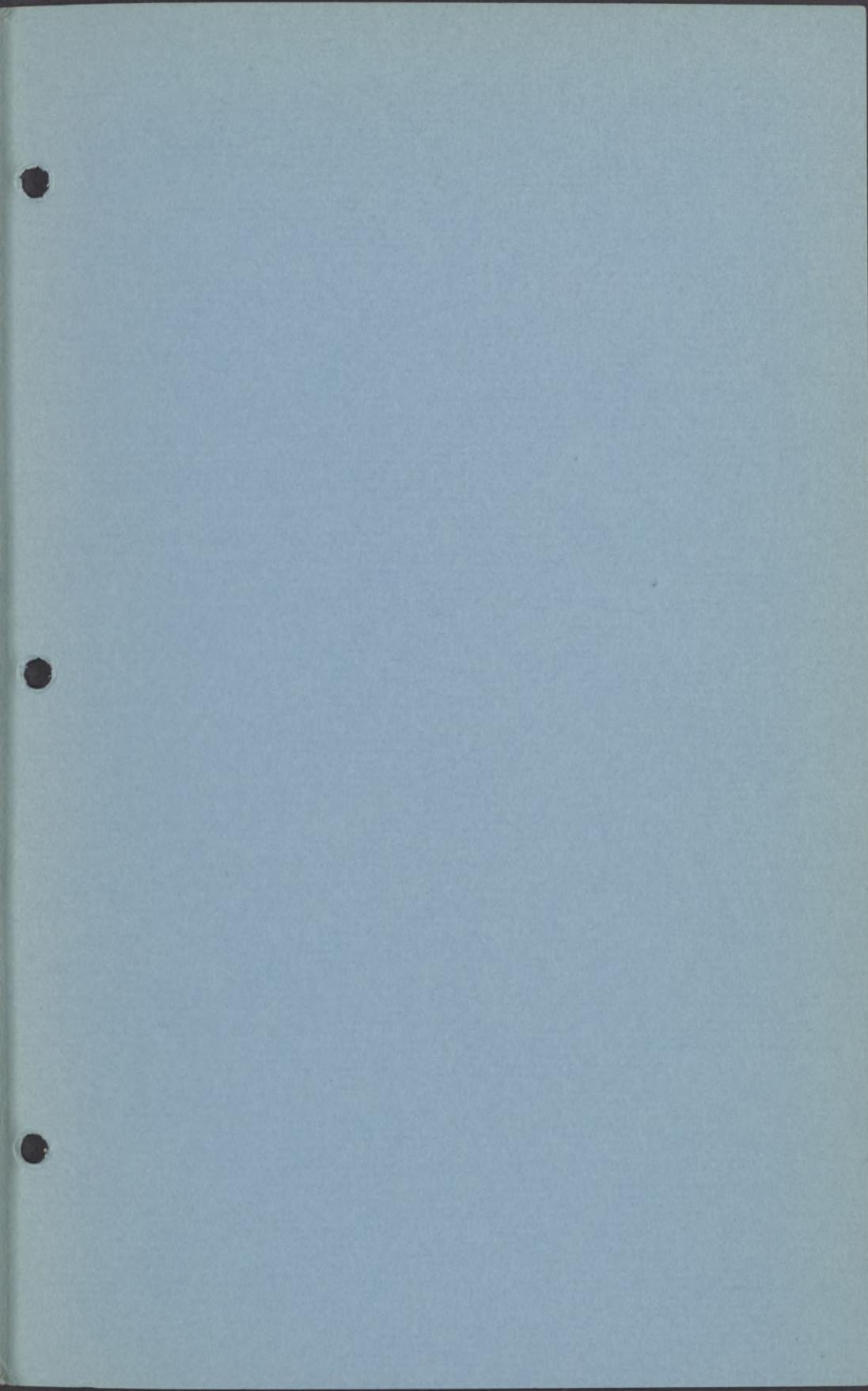
By virtue of the authority vested in me by the Constitution and statutes of the United States, and particularly by the Act of March 11, 1941, entitled "An Act further to promote the defense of the United States and for other purposes" (hereafter referred to as the Act), and by the Defense Aid Supplemental Appropriation Act, 1941, approved March 27, 1941, and acts amendatory or supplemental thereto, in order to define further the functions and duties of the Office for Emergency Management of the Executive Office of the President in respect to the national emergency as declared by the President on May 27, 1941, and in order to provide for the more effective administration of those Acts in the interests of national defense, it is hereby ordered as follows:

1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Lend-Lease Administration, at the head of which shall be an Administrator, appointed by the President, who shall receive compensation at such rate as the President shall approve and, in addition, shall be entitled to actual and necessary transportation subsistence, and other expenses incidental to the performance of his duties.
2. Subject to such policies as the President may from time to time prescribe, the Administrator is hereby authorized and directed, pursuant to Section 9 of the Act, to exercise any power or authority conferred upon the President by the Act and by the Defense Aid Supplemental Appropriation Act, 1941, and any acts amendatory or supplemental thereto, with respect to any nation whose defense the President shall have found to be vital to the defense of the United States: *Provided*, That the master agreement with each nation receiving lend-lease aid, setting forth the general terms and conditions under which such nation is to receive such aid, shall be negotiated by the State Department, with the advice of the Economic Defense Board and the Office of Lend-Lease Administration.
3. The Administrator shall make appropriate arrangements with the Economic Defense Board for the review and clearance of lend-lease transactions which affect the economic defense of the United States as defined in Executive Order No. 8839 of July 30, 1941.
4. Within the limitation of such funds as may be made available for that purpose, the Administrator may appoint one or more Deputy or Assistant Administrators and other personnel, delegate to such Deputy or Assistant Administrators any power or authority conferred by these orders, and make provision for such supplies, facilities, and services as shall be necessary to carry out the provisions of this Order. Insofar as practicable, the Office of Lend-Lease Administration shall use such general business services and facilities as may be made available to it through the Office for Emergency Management.
5. Executive Order No. 8751 of May 2, 1941, establishing the Division of Defense Aid Reports and defining its functions and duties, is hereby revoked.

THE WHITE HOUSE,

October 28, 1941.

FRANKLIN D. ROOSEVELT



2