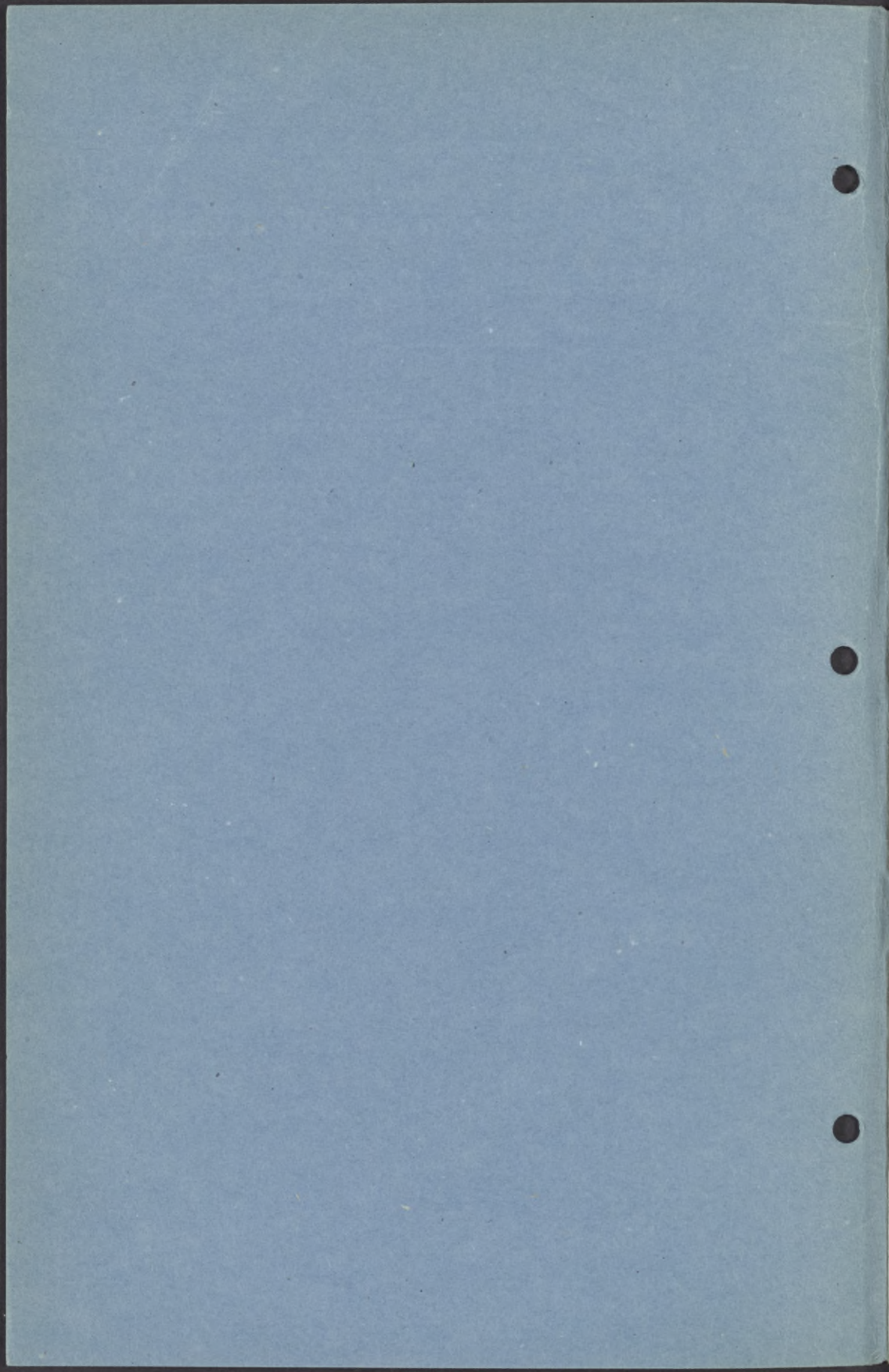


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EIGHTEENTH REPORT TO CONGRESS
ON LEND-LEASE OPERATIONS

For the Period Ended December 31, 1944



EIGHTEENTH REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

For the Period Ended December 31, 1944

"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).]

EIGHTIETH REPORT TO CONGRESS

ON LEND-LEASE OPERATIONS

For the Period Ending December 31, 1944

For sale by the Superintendent of Documents, U. S. Government Printing Office
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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-ninth Congress, a report on operations under the Lend-Lease Act, from the passage of the Act, March 11, 1941, to December 31, 1944.

LEO T. CROWLEY,
Administrator, Foreign Economic Administration.

WASHINGTON, D. C.

February 20, 1945.

LETTER OF TRANSMITTAL

To the Congress of the United States of America

Under the authority vested in me by the Executive Order of September 27, 1947, and pursuant to the direction of the President, I am submitting herewith to the Senate and House of Representatives a report on operations under the Lend-Lease Act from the passage of the Act, March 11, 1941, to December 31, 1947.

Very truly yours,
Frank B. Rowland, Director

Washington, D. C.
February 10, 1948

Chapter 1

WEAPON FOR VICTORY

On March 11, 1941, when the Lend-Lease Act was enacted, the nations of Europe were being overrun by the Nazi military machine and the peace-loving peoples had not yet stopped the rising tide of aggression. In June of 1941, the Soviet Union was invaded and by December this country and the peoples of the Pacific and Far East were plunged by Japanese treachery into world-wide total war. Today, freedom-loving nations everywhere have combined to stop and defeat the Axis Powers.

During these past four years the United Nations have freed the Mediterranean of the Nazi aggressors, and liberated France, Belgium, Luxembourg, Greece, and Poland, and parts of the Netherlands, Norway, Yugoslavia, Albania, and Czechoslovakia. On the other side of the world, the allied forces have driven the Japs back from New Guinea and the Solomons, the Admiralty Islands, Saipan, Morotai, and Peleliu, and have brought our flag home to Guam and the Philippines.

The United Nations have achieved these victories through an effective fighting partnership and a system of combined war supply. The tremendous striking power of the simultaneous offensives around the world has been made possible by the mobilization of the combined resources of all the United Nations. Through lend-lease and reverse lend-lease, these combined resources have been used, regardless of the origin of the supplies or who uses them, where they will hit the enemy hardest and hasten the day of final victory.

LEND-LEASE AID

From the start of the lend-lease program in March 1941 through December 1944, we have supplied to our allies goods and services valued at \$35,382,000,000. During the first half of 1944, in preparation for D-Day in Normandy and the great Soviet winter offensive on the Eastern Front, lend-lease aid to our allies reached an all-time high. In the second half of the year, when we were sending large quantities of munitions to our own forces in both the European and Pacific theaters, shipping shortages

TOTAL LEND-LEASE AID

March 1941 through December 31, 1944

Category	Amount	% of Aid
Goods Transferred:		
Munitions (including ships)	\$18,132,310,000	51.3
Industrial Materials and Products . . .	8,322,857,000	23.5
Agricultural Products	4,955,061,000	14.0
Total Transfers	31,410,228,000	88.8
Shipping and Other Services	3,972,418,000	11.2
Total Lend-Lease Aid	35,382,646,000	100.0
Consignments to Commanding Generals*	788,083,000	

*Goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries. The value of such goods transferred is not included in the lend-lease aid total of \$35,382,646,000. Further information on consignments to commanding generals is given in Table 18, page 42.

Table 1

caused lend-lease aid to our allies to fall off. But in December lend-lease aid rose again, totalling \$1,319,000,000 for the month, as shown by Chart 1.

In addition to direct lend-lease aid we have also consigned supplies amounting to \$788,000,000 to United States commanding generals in the field for subsequent transfer to our allies under lend-lease. Most of these supplies were turned over to the French forces in North Africa and to China. Approximately three-fourths of the supplies which have been thus consigned to date have been guns, ammunition, tanks, and other vehicles.

Ninety-eight percent of all lend-lease aid has gone to our four major fighting allies—the Soviet Union, the British Commonwealth, China, and France. The remainder has been effectively used for such purposes as the equipping of Norwegian, Dutch, Greek, and Yugoslav merchant ships and airmen, the furnishing of supplies to Polish and Yugoslav prisoners of war, and the strengthening of our own hemispheric defenses.

Lend-Lease for Victory

Military considerations constitute the paramount and determining factor in the provision of all lend-lease aid. We furnish lend-lease aid in order to aid ourselves. Since the beginning of the program, lend-lease aid has

been used and will continue to be used for one purpose and one purpose only—to enable the United States and its allies to bring their combined resources to bear against the common enemy and speed the day of final victory.

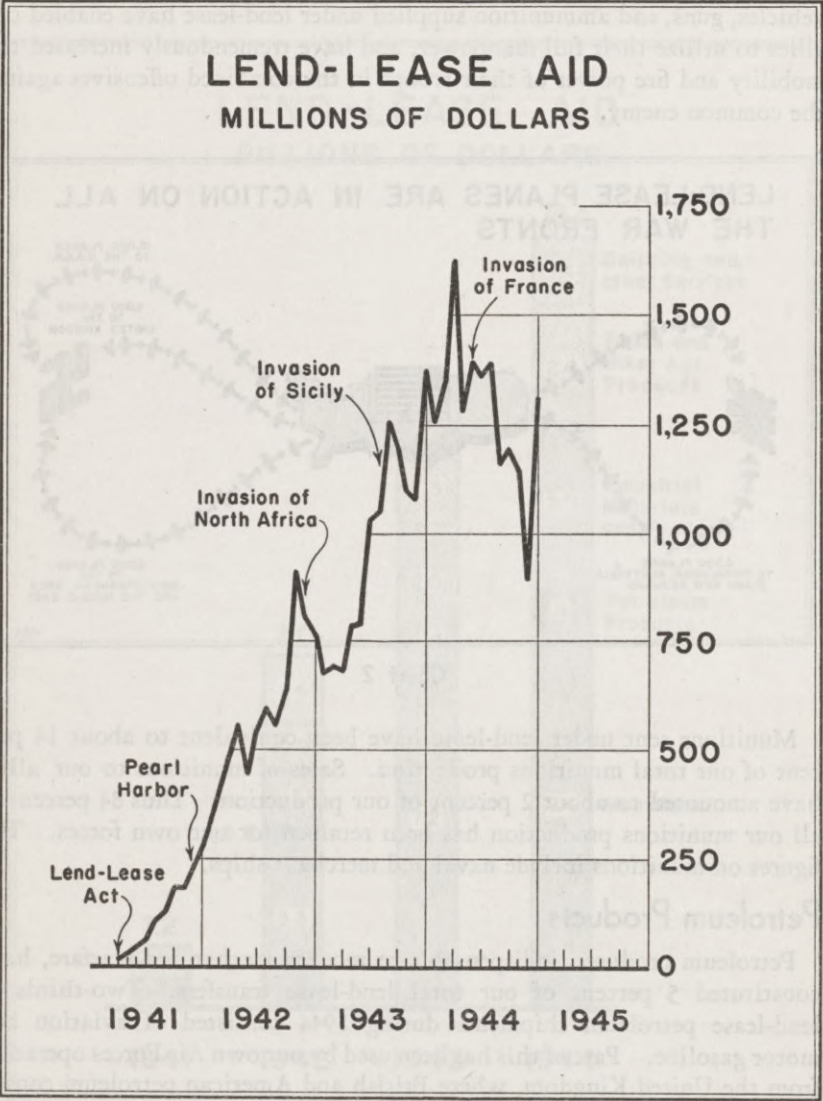


Chart I

Munitions

Munitions constitute by far the largest portion of lend-lease transfers, amounting to 58 percent of all goods transferred to date under lend-lease. The Soviet Union and the British Commonwealth produce the great bulk of the munitions used by their armed forces. But the planes, tanks, motor vehicles, guns, and ammunition supplied under lend-lease have enabled our allies to utilize their full manpower, and have tremendously increased the mobility and fire power of their troops in the combined offensives against the common enemy.

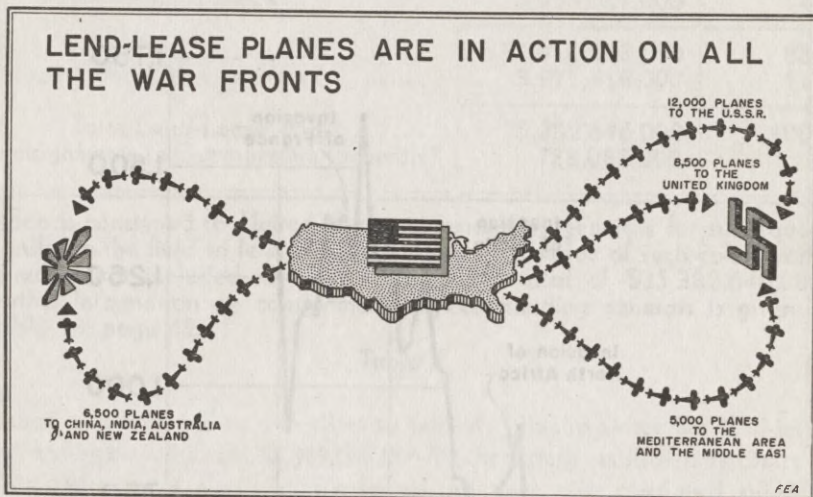


Chart 2

Munitions sent under lend-lease have been equivalent to about 14 percent of our total munitions production. Sales of munitions to our allies have amounted to about 2 percent of our production. Thus 84 percent of all our munitions production has been retained for our own forces. The figures on munitions include naval and merchant ships.

Petroleum Products

Petroleum products, indispensable to modern mechanized warfare, have constituted 5 percent of our total lend-lease transfers. Two-thirds of lend-lease petroleum shipments during 1944 consisted of aviation and motor gasoline. Part of this has been used by our own Air Forces operating from the United Kingdom, where British and American petroleum constitute a common pool. Lend-lease petroleum products, sent mainly to Britain and Russia, have added immeasurably to the striking power of the allied ground offensives and the air assault—from the West, East and South—on Nazi supply lines, transportation centers and war factories.

On the basis of the short-haul principle, we have received from British-controlled refineries under reverse lend-lease large quantities of aviation gasoline and other petroleum products for use by our armed forces in the campaign against Japan in the Pacific.

Although lend-lease petroleum shipments for use by our allies have been large, they have accounted for less than one-tenth of U. S. production.

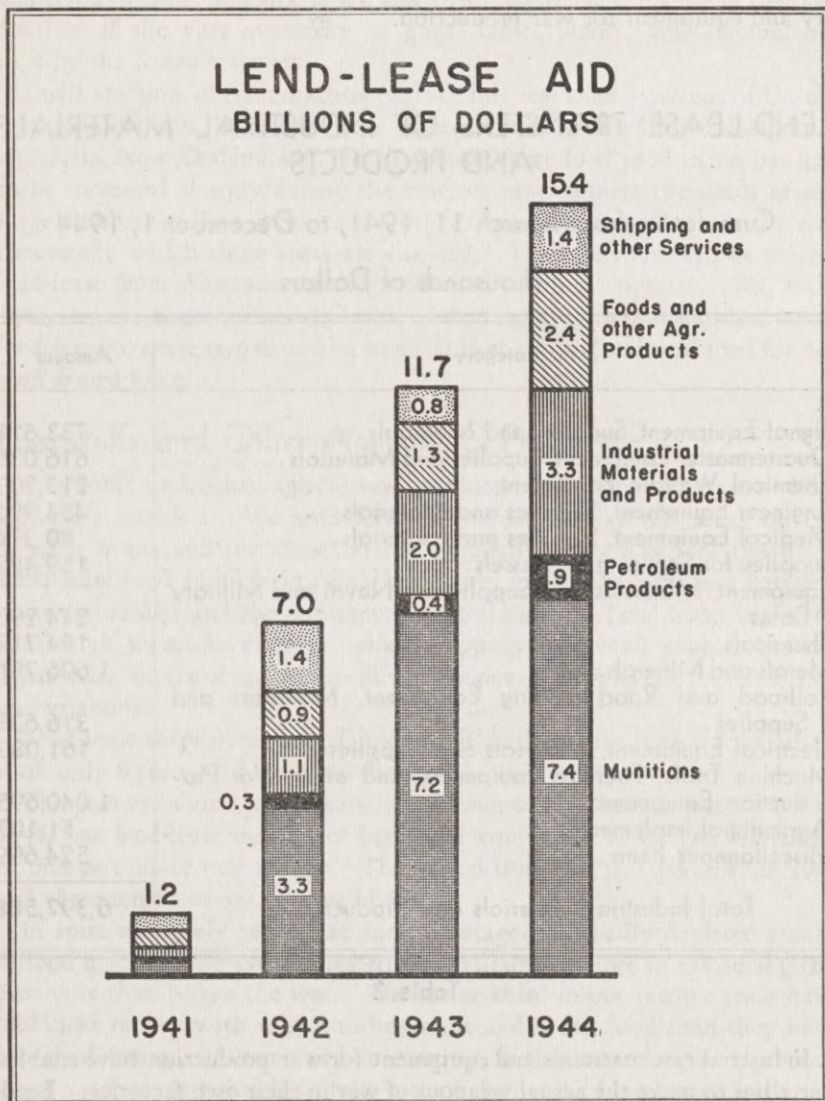


Chart 3

Industrial Materials and Products

Industrial materials and products (other than petroleum products)—amounting to 21 percent of the supplies transferred under lend-lease—consist of such items as signal, quartermaster, chemical warfare, engineer, and medical equipment and supplies; metals and minerals, and chemicals, railroad and road-building equipment, and machine tools and other machinery and equipment for war production.

LEND-LEASE TRANSFERS OF INDUSTRIAL MATERIALS AND PRODUCTS

Cumulative from March 11, 1941, to December 1, 1944

Thousands of Dollars

Category	Amount
Signal Equipment, Supplies and Materials.....	733,611
Quartermaster Equipment, Supplies and Materials.....	616,035
Chemical Warfare Equipment.....	213,209
Engineer Equipment, Supplies and Materials.....	454,926
Medical Equipment, Supplies and Materials.....	80,374
Supplies for Servicing of Vessels.....	159,422
Equipment, Materials, and Supplies for Naval and Military Bases.....	244,293
Chemicals.....	194,719
Metals and Minerals.....	1,606,786
Railroad and Road-building Equipment, Materials and Supplies.....	316,633
Electrical Equipment, Materials and Supplies.....	161,083
Machine Tools, Foundry Equipment, and other War Pro- duction Equipment.....	1,040,695
Agricultural Implements.....	51,103
Miscellaneous Items.....	524,699
Total Industrial Materials and Products.....	6,397,588

Table 2

Industrial raw materials and equipment for war production have enabled our allies to make the actual weapons of war in their own factories. Lend-lease materials and equipment are used to fill critical deficits in the war production of our allies. By sending them alloys, for example, we enable them to use their own iron to make steel. By sending them tools, we

enable them to use this steel to make tanks and guns. What the arsenals of our allies produce relieves to that extent the strain upon our own resources and manpower in the United States.

During the first eleven months of 1944, 55 percent of all lend-lease industrial raw materials and equipment went to Russia, far more than to any other country. These supplies included items such as iron and steel, nonferrous metals, machine tools, and power equipment, for use in the production of the vast quantities of guns, tanks, planes, and ammunition used by the Russian armies.

Small amounts of farm machinery, totalling less than 3 percent of United States production, have been sent to areas such as the United Kingdom, Australia, New Zealand, and North Africa where food production has had to be increased sharply during the war, in part to meet the needs of the large numbers of United States and other United Nations forces in the war theaters in which these areas are situated. The foods received as reverse lend-lease from Australia and New Zealand up to October 1, 1944, were equivalent to sixteen times the value of the farm implements supplied under lend-lease to these two countries to assist in their production of food for our own armed forces.

Foodstuffs and Other Agricultural Products

Foodstuffs and other agricultural products constitute 16 percent of all lend-lease transfers. We send food for the soldiers of our allies on the fighting fronts and for those on the production fronts behind the lines. Lend-lease food supplies in many cases have meant the difference between a starvation diet and the minimum essential ration. Lend-lease foodstuffs pack high nutritive value in small shipping space and supplement the deficiencies in the diets of the allied nations, especially in proteins, fats and vitamins.

Lend-lease shipments of food, important as they have been to our allies, took only 8 percent of our total food production in 1944.

The greatest shortage in meats in this country has been in beef. Yet in 1944, our lend-lease exports of beef were equivalent to only seven-tenths of one percent of our supply. The proportion was 1.7 percent in 1943 and three-tenths of one percent in 1942.

In spite of widely publicized food shortages and badly depleted stocks in food markets, the average American civilian had more to eat during the past year than before the war. The lower third in our income scale have had more money with which to buy more and better food than they have ever had before. A one-third increase in food production over pre-war years has made it possible to take care of the needs of our armed forces, to supplement the scanty rations of our allies, and to provide more food for each civilian in this country, on the average, than he had before the war.

Lend-lease supplies are allocated to our allies only after careful consideration of the needs of our own armed forces and civilian population. Shortages of civilian goods in this country have been due largely to three factors: actual war-induced shortage of materials, production facilities, or manpower; the requirements of our armed forces; and a domestic civilian demand in excess of normal pre-war supply induced by greatly increased consumer incomes. A fourth factor, the importance of which has been greatly overstated in numerous false rumors, is the effect of lend-lease.

For example, shipments of cigarettes under lend-lease have been rumored as being responsible for the current cigarette shortage in the United States. The fact is that for every cigarette exported under lend-lease in 1944, we sent 26 to our forces overseas and smoked 55 in this country. Our total lend-lease shipments of cigarettes were equivalent to one cigarette per week for each adult civilian in the United States as shown by Chart 15, page 52. All cigarettes exported under lend-lease have gone to allied military forces; none to civilians. Lend-lease exports in 1944 took only 1½ percent of our production. Our total exports of cigarettes, commercial and lend-lease, in the last three years have accounted for a smaller proportion of our production than was exported commercially in the three years before the war. Moreover, the cigarettes we have lend-leased have been manufactured to foreign specifications, and have not been standard American brands.

Shipping and Other Services

Total services rendered to our allies under lend-lease through December 1944 amount to \$3,972,000,000, while \$31,410,000,000 worth of goods were transferred. Services include primarily the repair and servicing in this country of allied men-of-war and merchant ships, the provision of ocean and inland transportation for lend-lease goods, the construction of factory and shipyard facilities in this country for the production of war supplies for ourselves as well as for our allies, and the training in this country of pilots and other personnel for United Nations air forces.

Chapter 2

LEND-LEASE IN THE WAR AGAINST GERMANY

In Europe the United Nations are engaged in decisive battles on German soil. The offensives upon Germany from the East, West, and South are in every sense of the word a combined operation. Lend-lease and reverse lend-lease are the supply mechanism for these coordinated offensives.

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

	Jan.-Nov. 1944	Cumulative to Dec. 1, 1944
United Kingdom.....	4,680,350	11,332,487
U. S. S. R.....	3,157,527	7,436,767
Africa, Middle East and Mediterranean Area.....	1,128,843	3,523,684
China and India.....	767,215	1,760,081
Australia and New Zealand.....	335,241	1,149,196
Latin America.....	74,818	207,699
Other Countries.....	269,215	745,256
Total.....	10,413,209	26,155,170

PERCENTAGE DISTRIBUTION

	Jan.-Nov. 1944	Cumulative to Dec. 1, 1944
	Percent	Percent
United Kingdom.....	45.0	43.3
U. S. S. R.....	30.3	28.4
Africa, Middle East and Mediterranean Area.....	10.8	13.5
China and India.....	7.4	6.7
Australia and New Zealand.....	3.2	4.4
Latin America.....	.7	.8
Other Countries.....	2.6	2.9
Total.....	100.0	100.0

Table 3

THE WESTERN FRONT

Today American forces are manning the long center section of the Western Front, with British and Canadian troops on their northern flank and French troops on their southern flank. The French army is equipped principally with American and British supplies. It consists of 8 divisions, plus 300 supporting units and an air force of 15,000 men. We supplied the French forces through December 31, 1944, with equipment and services amounting to approximately \$700,000,000. Included were 255,000 small arms; 9,500 machine guns; 2,000 artillery pieces; 3,400 tanks and armored vehicles; 48,000 trucks and other vehicles; and nearly 1,100 planes. Part of these war supplies were furnished to French units which were organized and trained in North Africa, fought in the Italian Campaign, and drove to the Rhine from Southern France with General Patch's Seventh U. S. Army.

Now that France and Belgium have been liberated, additional forces are being recruited and trained. The British have assumed the responsibility for rearming the Belgian units. The United States will furnish the arms for an additional eight divisions for the French Army, as well as an additional sixty combat and service units for the French Air Force. Sections of the front they may need not be manned by American troops.

The British forces on the Western Front are equipped principally with supplies from British sources, although a vital portion of their supplies has been furnished under lend-lease. Shipments of lend-lease supplies to the

LEND-LEASE EXPORTS TO UNITED KINGDOM

Thousands of Dollars

Category	January- November 1944	Cumulative to December 1, 1944
Ordnance and Ammunition.....	804,912	1,714,331
Aircraft and Parts.....	1,020,931	1,965,073
Tanks and Parts.....	463,260	983,334
Motor Vehicles and Parts.....	326,630	588,421
Watercraft.....	62,916	241,716
Total Munitions.....	2,678,649	5,492,875
Industrial Materials and Products.....	1,145,204	2,839,678
Agricultural Products.....	856,497	2,999,934
Total.....	4,680,350	11,332,487

Table 4

United Kingdom up to December 1, 1944, amounted to \$11,332,000,000, equivalent to 43 percent of shipments to all of our allies since the beginning of the lend-lease program. In the first 11 months of 1944 they totaled \$4,680,000,000, or 45 percent of the total to all countries during these months.

The peak of the movement was reached in May, 1944, just prior to D-Day, when exports of lend-lease goods valued at \$561,000,000 were shipped to United Kingdom ports. The need was especially great then on the eve of the landings in Normandy. British war industries were working at top speed to produce guns, tanks, and ammunition for use on the Normandy beaches and in the campaign to follow. Tremendous fleets of American and British fighters and bombers made thousands of sorties by day and night from British airfields to attack German supply depots and troop concentrations and paralyze German centers of war transportation and production. The number of American troops arriving for the invasion had increased the strain on British rail and highway facilities which were engaged in the tremendous task of moving men and material to the points of embarkation.

On D-Day 5,000 ships of all types and many thousands of planes carrying hundreds of thousands of allied soldiers, sailors, and airmen took off from British ports and airfields for Normandy. American and British airmen were present in approximately equal numbers. Most of the British-manned ships and planes were produced in Britain's great war industries. But some of both had come from the United States under lend-lease. Some of the British-built ships contained lend-lease steel and some of the British-built planes contained lend-lease engines. The U. S. tanks, trucks and other vehicles that waded ashore had been waterproofed by encasement in British steel plates. Some American pilots flew British Hurricanes; others flew American fighters powered with the great British Rolls-Royce Merlin engines, the designs for which were freely made available to us by the British even before we were attacked at Pearl Harbor. All of the American planes took off from British air bases built specially for our use at a cost to the British of hundreds of millions of dollars.

Almost one-half the total of all lend-lease shipments to the United Kingdom has consisted of munitions, valued at \$5,493,000,000. The largest single item of lend-lease aid has been aircraft. We have sent 8,500 planes and our lend-lease exports of planes, engines, and parts to the United Kingdom are valued at \$1,965,000,000. Planes sent to the British under lend-lease include medium and light bombers, pursuit planes, transports, trainers, and other types. We have also sent 12,400 tanks and 44,000 ordnance vehicles other than tanks, 27,000 trucks and 10,500 other motor vehicles.

Petroleum products sent to the United Kingdom since the beginning of the program have amounted to \$1,071,000,000, of which \$608,000,000 worth were shipped during the first eleven months of 1944. These products have consisted primarily of aviation gasoline and motor gasoline for use by both British and American air and ground forces.

Industrial materials and equipment sent under lend-lease to the United Kingdom for war production and other war uses have amounted to a total of \$1,768,000,000. These supplies have enabled Britain to make the fullest use of her great war production capacity with which she has produced an enormous volume of weapons and war supplies, not only for her own forces, but also for the forces of the United States, Russia, and other United Nations.

Lend-lease shipments of food and other agricultural products to the United Kingdom have amounted to \$3,000,000,000, including 12,430,000,000 pounds of food to supplement the tremendously increased domestic food production program in the British Isles. In normal years, Britain imported large quantities of food from the Continent and Australia and New Zealand. All available foodstuffs now being produced in the liberated areas of Europe, in excess of local civilian needs, are going to meet the requirements of American and other allied forces on the Western Front. And our forces in the Pacific are receiving on reverse lend-lease a large part of the food produced by Australia and New Zealand.

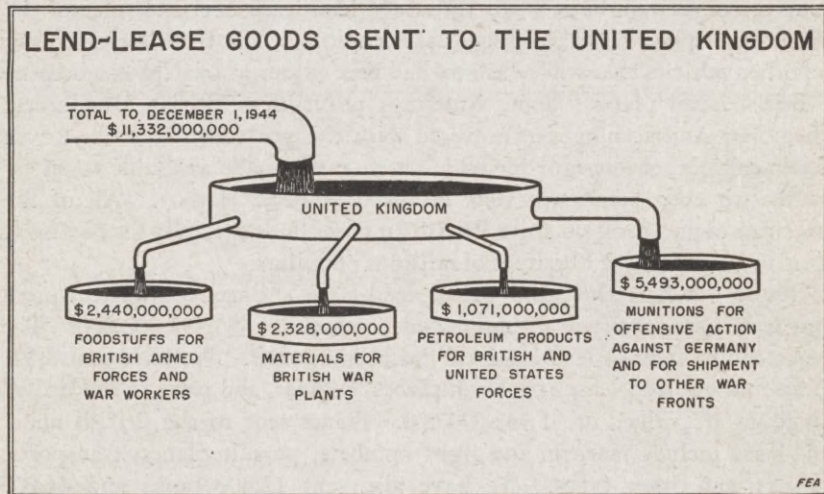


Chart 4

THE EASTERN FRONT

Lend-lease shipments to the Soviet Union up to December 1, 1944, amounted to \$7,437,000,000, which was 28 percent of total lend-lease shipments to all countries. In the first 11 months of 1944 they amounted to \$3,158,000,000, or 30 percent of the total to all nations during those months.

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

Thousands of Dollars

Category	January- November 1944	Cumulative to December 1, 1944
Ordnance and Ammunition.....	183,212	768,099
Aircraft and Parts.....	525,733	1,376,253
Tanks and Parts.....	145,776	398,274
Motor Vehicles and Parts.....	458,854	1,013,471
Watercraft.....	72,920	182,486
Total Munitions.....	1,386,495	3,738,583
Industrial Materials and Products.....	1,238,466	2,401,453
Agricultural Products.....	532,566	1,296,731
Total.....	3,157,527	7,436,767

Table 5

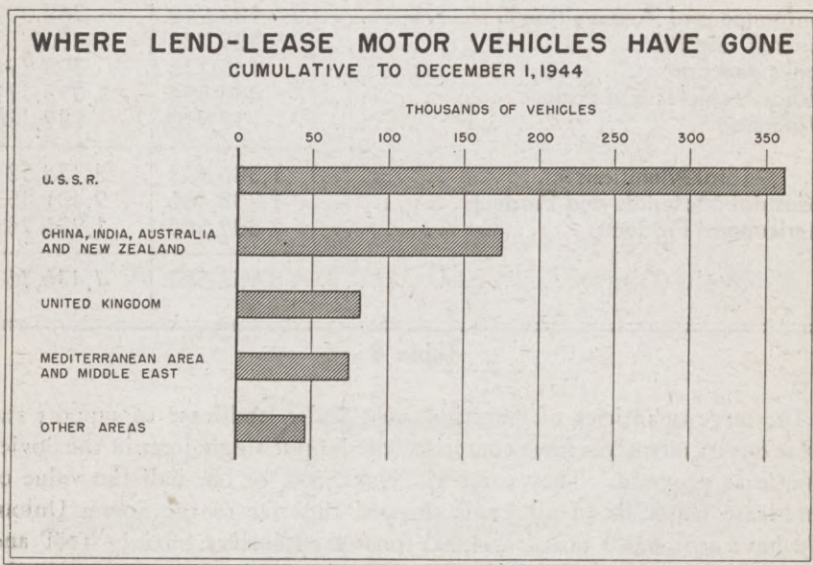
The large quantities of munitions sent under lend-lease to support the great Soviet offensives have comprised the largest single item in the Soviet lend-lease program. They total \$3,739,000,000, or one-half the value of lend-lease materials of all kinds shipped thus far to the Soviet Union. We have sent 6,000 tanks, 294,000 tons of explosives, mainly TNT and powder, 1,800 self-propelled guns, 135,000 sub-machine guns, 13,000 pistols, 1,200 half tracks, 29,000 motorcycles, 3,300 armored scout cars, 1,700 ordnance service vehicles, and 8,200 guns of various types, including anti-aircraft guns.

We have also sent 12,000 airplanes to the Soviet, more than to any other ally under the lend-lease program. American planes in the hands of Soviet pilots have been credited with remarkable achievements on the Eastern Front and have brought down hundreds of Nazi fliers who might otherwise have taken to the air over Normandy and Germany to challenge

the men of the American Air Forces. Further to supplement the Soviet air arm, we have sent 253,000 tons of aluminum to be used in the construction of planes, and 1,265,000 tons of petroleum products, including 419,000 tons of aviation gasoline and 560,000 tons of blending agents for the manufacture of aviation gasoline.

The Soviet armies that have covered such great distances in such a short time have required hundreds of thousands of motor vehicles and railroad cars, as well as vast quantities of communication equipment to support their overland advances. Lend-lease has played an important role in furnishing these to the Soviet armies.

Up to December 1, 1944, we had sent to the Soviet Union under lend-lease, 362,000 motor vehicles, including 46,000 jeeps and 29,000 motorcycles. One hundred and forty-four thousand of these were sent during the first 11 months of 1944 in preparation for the Soviet Army's great winter offensive. On some parts of the Eastern Front these American vehicles are carrying more than one-half the supplies moving up to the Soviet troops.



FOREIGN ECONOMIC ADMINISTRATION

Chart 5

In January 1944, in another effort to meet the tremendous demands of wartime transportation, a program to increase the capacity of the Soviet railroads was undertaken. By December 1, 1944, we had sent under this program 1,045 locomotives, 7,160 flat cars, 1,000 dump cars, and 100 tank cars. In addition we have sent 478,000 tons of railroad rails to help the Soviets rebuild the railroads in the devastated areas which they have liberated and 110,000 tons of railroad wheels and axles which the Soviets

have used to build additional railroad cars in their own great plants. And to help maintain communications along the ever advancing supply lines, we have sent 333,000 field telephones and more than 1,000,000 miles of field telephone cable.

Before the Nazis overran the Ukraine in 1941 the Soviets themselves destroyed essential parts of the \$110,000,000 Dnieperstroi Dam. The Nazis wrecked it further and other electrical plants as well, as they retreated. To provide electric power for war industries in liberated areas, we developed in this country a power train. It consists of a complete steam generating unit mounted on railroad flat cars, which can be moved from city to city or industry to industry as the need demands. As soon as the local utilities are functioning again, the power train moves on to "spark" the industries in another district. Up to December 1, 1944 we had sent 60 of these trains and the Soviets had already put some of them to good use in the Donets Basin.

One of the most vital needs of the Soviet Union has been industrial equipment to produce the vast quantities of war supplies required by the Soviet Armies. Under lend-lease we have sent machine tools, forging hammers and presses, cartridge manufacturing lines, and other machinery and equipment for war production and other war uses totaling \$890,000,000. We have sent 2,120,000 tons of steel, 16,600 tons of ferro-alloys, which are used in the manufacture of tanks and other armaments, and 733,000 tons of nonferrous metals, including aluminum for airplanes, zinc for ammunition, and copper and brass for ammunition and communication equipment.

THE SOUTHERN FRONT

Lend-lease is playing its part, too, in the drive on Germany from the South. American and British ground forces are fighting shoulder to shoulder with the soldiers of many other United Nations. In this theater American troops presently constitute less than one-fifth of the total number involved, but American and British supplies have been pooled to equip the forces of France, Poland, Yugoslavia, Brazil, Czechoslovakia, South Africa, and India that are now engaging in Italy an estimated twenty-seven Nazi divisions that would otherwise be opposing American troops, as they fight through the Siegfried Line, or Soviet troops driving towards Berlin.

Total lend-lease supplies to the Mediterranean theater of war, including Africa and the Middle East, have amounted to \$3,524,000,000, equivalent to 13.5 percent of lend-lease shipments to all theaters up to December 1, 1944. In the first eleven months of 1944 they amounted to \$1,129,000,000 or 10.8 percent of the total shipped during these months to all countries. Nearly 75 percent of the supplies sent to this area under lend-lease are munitions, primarily for the French and British forces. Of these, the major share has been aircraft and parts. We have sent more than 5,000

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

Thousands of Dollars

Category	January- November 1944	Cumulative to Decem- ber 1, 1944
Ordnance and Ammunition	140,454	678,796
Aircraft and Parts	374,672	805,632
Tanks and Parts	174,533	619,696
Motor Vehicles and Parts	121,976	448,774
Watercraft	16,322	50,975
Total Munitions	827,957	2,603,873
Industrial Materials and Products	197,322	673,715
Agricultural Products	103,564	246,096
Total	1,128,843	3,523,684

Table 6

planes, including 1,600 medium bombers and 1,500 trainers. We have sent also to this theater more than 5,000 tanks and 75,000 motor vehicles.

These supplies have played an important part in the expulsion of the Nazis from Africa and the Mediterranean, the liberation of southern France, and the transport in the Middle East of vital material en route to the Soviet. Today, with Africa and the Middle East freed from the Axis, their principal role is in support of the allied forces fighting in Italy.

THE WESTERN HEMISPHERE

Lend-lease aid to the republics of Latin America for the defense of this Hemisphere and the vital sea lanes to Africa and Europe is limited to weapons of war and other supplies having a military end use. Shipments to these countries have amounted to \$207,700,000 up to December 1, 1944, or about three-quarters of one per cent of total shipments to all nations. More than 44 per cent of the supplies shipped to Latin America have consisted of airplanes and airplane parts. Brazil, which has received more than half of all lend-lease aid sent to Latin America, has sent an expeditionary force of infantry and fliers to the Italian theater. With the ships and planes furnished under lend-lease, Brazil has also been able to take over a large part of the anti-submarine patrol in the South Atlantic, as Mexico and other Central American Republics have done in the Caribbean, thus releas-

LEND-LEASE EXPORTS TO LATIN AMERICA

Thousands of Dollars

Category	January- November 1944	Cumulative to December 1, 1944
Ordnance and Ammunition.....	9,588	30,445
Aircraft and Parts.....	35,232	91,494
Tanks and Parts.....	7,755	30,503
Motor Vehicles and Parts.....	6,691	20,824
Watercraft.....	853	1,469
Total Munitions.....	60,119	174,735
Industrial Materials and Products.....	14,669	32,878
Agricultural Products.....	30	86
Total.....	74,818	207,699

Table 7

ing United States naval and air forces for use in other areas. In addition, the airport of Natal in Brazil, situated at the point in the Western Hemisphere closest to Africa has been a vital factor in the air passage of American planes, including lend-lease planes, en route to Africa, Europe, and Russia.

We have sent 950 trainer planes, petroleum products, and other supplies under lend-lease to Canada, for the account of other countries, to assist in training programs for pilots of the other United Nations. We have also furnished munitions to the Canadian forces through lend-lease, but we are reimbursed in full by the Canadian government for all such supplies.

Chapter 3

LEND-LEASE IN THE WAR AGAINST JAPAN

Our exports of lend-lease supplies to the Pacific and the Far East for the war against Japan amounted to more than \$2,900,000,000 by December 1, 1944. More than 37 percent of these shipments left in the first 11 months of 1944. These supplies included 6,500 lend-lease planes and 3,000 lend-lease tanks which are being used against the Japanese by Australian, British, Chinese, Dutch, Indian, and New Zealand forces. We have also sent to U. S. commanding generals in this theater for subsequent transfer under lend-lease, munitions valued at \$247,700,000. With this help from us, our allies are inflicting heavy damage on the same enemy our men are fighting.

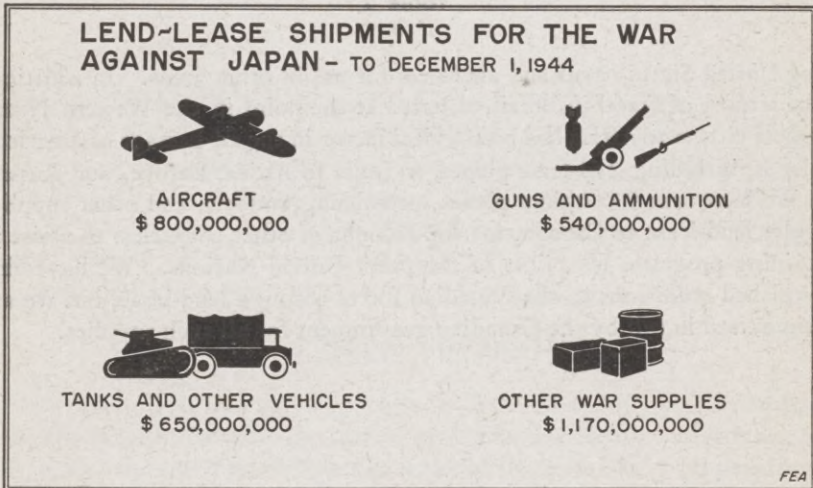


Chart 6

AUSTRALIA AND NEW ZEALAND

Lend-lease shipments to Australia and New Zealand up to December 1, 1944, totalled \$1,149,000,000. In the first 11 months of 1944, shipments were valued at \$335,000,000. About 58 percent of the total consisted of

LEND-LEASE EXPORTS TO AUSTRALIA AND NEW ZEALAND

Thousands of Dollars

Category	January- November 1944	Cumulative to December 1, 1944
Ordnance and Ammunition.....	12,987	131,958
Aircraft and Parts.....	110,571	294,806
Tanks and Parts.....	793	55,294
Motor Vehicles and Parts.....	45,660	178,055
Watercraft.....	7,146	11,049
Total Munitions.....	177,157	671,162
Industrial Materials and Products.....	148,153	440,889
Agricultural Products.....	9,931	37,145
Total.....	335,241	1,149,196

Table 8

munitions, 38 percent industrial materials and petroleum products, and the rest agricultural products. Table 8 shows these exports broken down by major category.

With these and other munitions manufactured in their own factories, Australian and New Zealand troops, naval units, and air forces have continued to play an important part in the Southwest Pacific. Dutch airmen and troops in increasing numbers are also seeing action in this theater. These allied forces have fought along side American troops in New Guinea, New Britain, and the Solomons and are now doing most of the fighting in these areas as the greater portion of our forces have moved on to the Philippines.

The industrial materials and products supplied under lend-lease to Australia and New Zealand have been for the most part confined to raw materials and semi-fabricated articles. We are now sending such items as fertilizers and insecticides and farm machinery to increase food production, tinplate to use in canning the food for shipment to our armed forces in the Pacific theater, cotton for the production of military uniforms, tents and surgical dressings, and marine engines for installation in Australian-built hulls.

A large proportion of the goods produced with the aid of these lend-lease war production supplies is being furnished to our forces as reverse lend-lease and without payment by us. By June 30, 1944, which was well in

time to meet General MacArthur's needs for the invasion of the Philippines, Australia and New Zealand had supplied as reverse lend-lease 9,500 landing craft, barges, tug boats and other craft essential to the prosecution of an amphibious campaign over thousands of miles of ocean. Australia alone has supplied 1,500,000 army boots and shoes, over 1,750,000 army blankets, 7,500,000 pairs of socks, and almost 1,000,000 army shirts and jackets. New Zealand has supplied an equally impressive quantity—240,000 army blankets, 675,000 pairs of socks, 25,000 leather field jackets, and nearly 50,000 mattresses.

Tires and tubes offer a dramatic example of the manner in which the resources of the United Nations have been pooled for the defeat of the common enemy. Practically all of the tires and tubes required by our forces in the Southwest Pacific during 1944 were produced in Australian factories—over 250,000 tires and 280,000 tubes. Britain supplied the crude rubber from Ceylon; the United States supplied the cotton fabric, carbon black, and some of the other chemicals needed in tire production. Australian plants and Australian labor were used to manufacture these materials into tires and tubes. Lend-lease and reverse lend-lease were the machinery through which this pooling of supplies was made possible.

CHINA-BURMA-INDIA

Lend-lease supplies valued at \$1,760,000,000 were sent to China and India up to December 1, 1944. In the first eleven months of 1944, lend-lease aid kept pace with the increasing tempo of the fighting in this theater; shipments amounted to \$767,000,000—more than 43 per cent of the total. Almost 66 per cent of the total consisted of munitions, the balance being war production supplies and agricultural products. An additional \$247,700,000 worth were also sent to U. S. commanding generals for subsequent transfer to China under lend-lease.

Our efforts to aid China have been hampered by transportation difficulties, for China has been cut off by land and sea since the Burma Road was lost in April 1942. But at last a new land route to China has been opened through northern Burma and the first motor convoy moving over it reached China on January 28, 1945, the day after combined American, British, and Chinese forces cleared away the last group of Japanese troops menacing the route. The convoy brought needed war supplies for use in the fighting in China. A continuous and increasing flow of supplies is following.

Paralleling this new land route to China, which runs from Ledo in India's northeastern province of Assam through Myitkyina and Bhamo in Burma to a point where it joins the old Burma Road, a 2,000-mile pipe line is being constructed under lend-lease to bring gasoline and oil for China's transportation system and aviation gasoline for the Chinese and American

LEND-LEASE EXPORTS TO CHINA AND INDIA

Thousands of Dollars

Category	January- November 1944	Cumulative to Decem- ber 1, 1944
Ordnance and Ammunition	31,221	249,196
Aircraft and Parts	312,953	502,254
Tanks and Parts	20,915	117,598
Motor Vehicles and Parts	105,214	252,711
Watercraft	13,434	36,445
Total Munitions	483,737	1,158,204
Industrial Materials and Products	203,045	475,367
Agricultural Products	80,433	126,510
Total	767,215	1,760,081

Table 9

airmen now flying against the Japanese from bases in China. With the new land route and the pipe line, and with the aerial highway "over the hump," which has already doubled the 15,000 tons per month that once moved over the old Burma Road, China can look forward to a steadily increasing stream of supplies.

Now that a new land route is open, plans have been made to increase our aid to China. The most urgent program is one to establish a military transportation system in China itself. It has been estimated that there are not more than 6,000 trucks in all Free China today and that half of these are approaching collapse. To remedy this situation a fleet of 15,000 American trucks will be delivered to China under lend-lease over this new land route. To help the Chinese in organizing a transportation system, more than a thousand Chinese will be sent to the United States under lend-lease for training and more than a thousand American technicians will be sent to the Far East to train additional thousands of Chinese to repair and maintain the lend-lease trucks. When this transportation system is established, the combined forces of the United Nations will be able to mount new and greater offensives from China.

Up to December 1, 1944, most of the supplies sent to the China-Burma-India theater had, of course, gotten no farther than India. There a portion of them were stock-piled ready for shipment to China when the new land route should open. But by far the greatest amount was put to good use in

the fighting in India and Burma. Some of the munitions were used by Chinese who were flown out of China and equipped with lend-lease weapons in India and flown back to Burma to help clear the Japs from the path of the American Army Engineers building the Ledo Road. Others were used by the combined British and Indian forces, under the command of Lord Louis Mountbatten, who have driven the Japanese out of India and back to within 25 miles of Mandalay and have landed on Ramree Island on the Southern coast of Burma.

We had sent by December 1, 1944, \$71,000,000 worth of petroleum products to this theater. These have, however, consisted principally of special types of petroleum products not obtainable outside the United States. The major portion of the oil requirements for this theater—ours, as well as British, Chinese and Indian—are supplied from British oil resources in the Middle East. By that date we had also sent to this theater \$404,000,000 worth of war production supplies. Most have gone to India, for India is a major United Nations arsenal which is turning out large quantities of munitions for American, Chinese, and British forces, as well as for her own. India's war industries turn out great quantities of high explosives, small arms, and ammunition; converted railroad shops produce armored cars and gun-mounts; small shops all over India have been converted to war production. Her shipyards turn out invasion barges, mine-sweepers and lighters. Her cotton mills make the light-weight uniform cloth that our own soldiers need for India's blazing hot climate.

Chapter 4

REVERSE LEND-LEASE AID

The United States has never been bombed, it is far from the fighting fronts, and it has the greatest industrial capacity of all the United Nations. Due to the circumstances of our geographical position, we have therefore been called upon to give most in production and money toward winning the war, while our major fighting allies have been called upon to give most in lives, in destruction to their homelands and in the suffering of their people. The Russians have lost 5,300,000 soldiers besides millions of civilians who have met death at the hands of the Nazis. Untold millions of Chinese soldiers and civilians have been killed by the Japanese. The armed forces of the United Kingdom, with a population only one-third as large as ours, had by December 1, 1944, suffered 625,000 casualties not including more than 400,000 casualties of the Dominion, Indian, and Colonial forces. Nor does it include the more than 50,000 British civilians—men, women, and children—that had been killed by Nazi bombs up to June 30, 1944, before the V-1 and V-2 bombs had done most of their damage. Others of our allies have suffered proportionately heavy losses in lives and property.

REVERSE LEND-LEASE AID

Thousands of Dollars

	January- September 1944	Cumulative to October 1, 1944
United Kingdom.....	1,263,000	2,826,000
Australia.....	282,480	644,844
New Zealand.....	57,953	149,839
India.....	210,687	317,440
Total.....	1,814,120	3,938,123

Table 10

We have been able to produce more than our own forces could use effectively against the enemy. Our fighting allies, on the other hand, have generally required for their fighting forces most or all of the war supplies they could produce, in addition to what we could send them. The most important return we have received for the lend-lease supplies that we have sent has been the hastening of the day of final victory over our common enemies. But by October 1, 1944, we had received nearly 4 billion dollars' worth of reverse lend-lease supplies and services from our allies. Most of this aid has been provided to American forces overseas by the British Commonwealth, but increasing quantities are being supplied by France, Belgium, and the Netherlands to our troops on the continent. Table 10 on page 29 shows the sums that the British Commonwealth had expended for reverse lend-lease aid to United States up to October 1, 1944.

THE UNITED KINGDOM

The major share of the reverse lend-lease aid we have received has come from the United Kingdom. By October 1, 1944 the United Kingdom had spent \$2,826,000,000 to procure the supplies and services furnished to us.

As our forces in the British Isles increased in number prior to D-Day, the rate at which we received reverse lend-lease also rose rapidly. In 1942 our forces received an estimated 1,121,000 tons of supplies; in 1943, 1,826,000 tons; and in only the first six months of 1944, 3,400,000 tons. During this entire period about one-third of all of the supplies and equipment currently required by the American Expeditionary Force in the British Isles was furnished as reverse lend-lease. Some branches of this expeditionary force received more of their day-to-day requirements under reverse lend-lease than from the United States.

Even though great numbers of American troops have moved from Britain to the continent, the United Kingdom continues to serve as a major source of supply for our operations on the continent. The U. S. forces besieged in Bastogne at the height of the Nazis' December counterattack, for example, received gasoline for their tanks and trucks in jerri-cans built in Britain under reverse lend-lease and dropped to them from planes. These are a few examples of the reverse lend-lease aid that we are receiving to help us in the drive on Germany:

A great artificial harbor installed on the Normandy beachheads, with a capacity equal to that of the port of Dover; millions of jerri-cans for American forces as they raced across France; large numbers of Bailey Bridges to move supplies across the rivers in Belgium and France; 1,000,000 spark plugs for American bombers; 300,000 paper gas tanks to give our fighters the extra range needed to accompany the Flying Fortresses on their deep penetrations over Germany; the cost of transporting many U. S. troops on British ships, including more than 320,000 on the world's two largest

REVERSE LEND-LEASE AID FROM THE UNITED KINGDOM

Thousands of Dollars

Category	January- September 1944	Cumulative to October 1, 1944
Goods and Services Transferred in the United Kingdom.....	706,000	1,278,000
Shipping Services.....	146,000	420,000
Capital Construction in United Kingdom and Overseas.....	159,000	715,000
Goods and Services Transferred Outside the United Kingdom *.....	252,000	413,000
Total.....	1,263,000	2,826,000

* Includes the value of raw materials and foodstuffs and military supplies shipped to or transferred in the United States. Includes transfers in overseas theaters of war to March 31, 1944, only.

(Conversion from pound sterling at \$4.03.)

Table 11

liners—the *Queen Mary* and the *Queen Elizabeth*; 350,000,000 pounds of fresh vegetables and other British-produced foods that took care of 20 percent of the rations of our soldiers in the British Isles; 2,000,000 pairs of wool socks; quantities of howitzers, anti-aircraft and anti-tank equipment; hospitals completely equipped with beds for 100,000 men and hospital trains now in use on the Western Front; all heat, light, and water bills at our bases and barracks in Britain.

The most important single reverse lend-lease project in terms of cost was the construction of air bases for the Eighth and Ninth U. S. Air Forces. Tens of thousands of British laborers built them at a cost of \$440,000,000. Though the Ninth Air Force has now moved to bases on the continent, the Eighth Air Force is still using those British bases for its daily raids on Germany.

We have also benefited greatly from British engineering and research in new weapons. No money valuation is put on this type of aid, but it is freely made available to us. The free exchange of scientific information between American and British engineers has led to great improvements in our war equipment.

FRANCE, BELGIUM, AND THE NETHERLANDS

French, Belgian, and Dutch industry and agriculture were forcibly harnessed to the Nazi scheme of world domination for more than four years,

but during this time their territories that were not under enemy control furnished supplies and services to the United States as reverse lend-lease. Up to October 1, 1944, our armed forces in French North and West Africa and New Caledonia had received war supplies and services of an estimated value of \$46,750,000. By that date our troops had also received in the Dutch West Indies supplies and services valued at \$170,000 and in the Belgian Congo services valued at \$167,000.

Substantial though these figures for reverse lend-lease aid are, they are rising at a rapidly increasing rate, for today France and Belgium and a part of the Netherlands are again free and are now contributing to the United Nations war supply pool. France and Belgium have great industries which suffered relatively slight damage, and the Netherlands has been an important food-producing nation. They are already producing vital war supplies and food for the allied armies on the continent.

The United States has already received under reverse lend-lease large quantities of supplies and services. Among the supplies received are large quantities of fresh fruits and vegetables; several million small batteries, which have a short life and have therefore required a top shipping priority to reach the fighting fronts in a condition to be used; steel beams and girders for bridges that the allied airmen destroyed and that must be restored so that supplies may be moved to the front in Germany; hundreds of thousands of feet of lumber, and nearly a million maps. American tanks and trucks are constantly being repaired in French plants and in some cases with parts produced by French industry. Belgian factories have supplied 450,000 track link connectors for tanks so essential for the tough going in the mud and snow on the Siegfried Line. An estimated 100,000 French civilians, as well as several thousand Belgians, are employed at U. S. Army supply depots, bases, and other projects, and their salaries are being paid under reverse lend-lease. Thousands of buildings in France and Belgium have been made available under reverse lend-lease and without payment by us for use as billets, hospitals, offices, and storage and supply depots. Included are most of the hotels in Paris. And all of these are being lighted and maintained under reverse lend-lease.

Recently plans have been made for an additional reverse lend-lease program. Among the articles to be produced are great quantities of uniforms and tents, 200,000 heavy-duty tires, vital repair parts for military vehicles and several million jerri-cans. All these are to be produced in France, except for a portion of the tires which are to come from Belgium. Some of the raw materials such as cotton and synthetic rubber needed for this program will come from the United States under lend-lease, but the products resulting from this program furnished to the United States will be supplied as reverse lend-lease and without payment by us.

AUSTRALIA, NEW ZEALAND, AND INDIA

By October 1, 1944, we had received from Australia, New Zealand, and India reverse lend-lease aid valued at \$1,112,123,000 for use in the war against Japan. From these three allies we received in the first nine months of 1944 supplies and services amounting to \$552,120,000. Although our forces are moving out of the South and Southwest Pacific, they will continue to be supplied in their northward course by Australia and New Zealand.

REVERSE LEND-LEASE AID FROM AUSTRALIA

Thousands of Dollars

Category	January-September 1944	Cumulative to October 1, 1944
Foodstuffs.....	52,815	147,936
Air Force Supplies and Equipment.....	15,149	50,584
Other Military Supplies and Equipment.....	84,847	136,447
Shipping Services and Shipbuilding.....	34,830	58,110
Transportation and Other Services.....	55,006	118,944
Construction.....	39,833	132,823
Total.....	282,480	644,844

(Conversion from Australian pound at \$3.23.)

Table 12

The most important single item that we receive from Australia and New Zealand is food. By October 1, 1944, this food program for our forces had cost Australia and New Zealand \$213,000,000. Here are some of the quantities we have received:

	<i>Pounds</i>
Beef and veal.....	186,419,000
Lamb and mutton.....	48,094,000
Pork, including bacon and ham.....	106,196,000
Other meat.....	155,290,000
Butter.....	55,341,000
Fruits and vegetables.....	531,663,000
Sugar.....	153,450,000
Eggs (dozen).....	39,881,000

This program, which has reached such tremendous proportions, began with the few shiploads of food Australia sent to Bataan shortly after Pearl Harbor. It supplied most of the food for the American men fighting

in the campaigns of the Solomons, New Guinea, New Britain, and the Admiralty Islands. Now that more and more American men are going to the Pacific areas, this reverse lend-lease food program is being increased again. Australia and New Zealand spent as much for food for our forces in the three months ending October 1, 1944, as in the first six months of that year. And for our troops closing in on Japan from the Asiatic mainland, India, very short of food for its own people, had by that date furnished \$26,000,000 worth of food as reverse lend-lease and without payment by us.

REVERSE LEND-LEASE AID FROM NEW ZEALAND

Thousands of Dollars

Category	January-September 1944	Cumulative to October 1, 1944
Foodstuffs.....	35,637	65,137
Military Supplies and Equipment.....	11,459	24,826
Shipping Services and Shipbuilding.....	1,579	8,079
Transportation and Other Services.....	9,272	23,227
Construction.....	6	28,570
Total.....	57,953	149,839

(Conversion from New Zealand pound at \$3.25.)

Table 13

Together, these three countries had by October 1, 1944, spent \$262,468,000 to build air bases, camps, barracks and hospitals, and other installations for our forces. Of this total \$132,823,000 was spent by Australia, \$100,075,000 in India, and \$28,570,000 by New Zealand. American planes carrying supplies to China take off from reverse lend-lease air bases in India as do our B-29 Super Fortresses for their raids on Japanese installations in Malaya and Indo-China.

New Zealand has provided hospital beds, mainly in specially constructed and equipped hospitals, for no fewer than 8,000 United States servicemen at a time when the accommodations in the Dominion for civilians in both public and private hospitals totaled only 13,000 beds.

American war supplies move over Australian, Indian, and New Zealand railroads without payment by us, and American soldiers use thousands of different items furnished as reverse lend-lease by these three countries. Our Army Engineers use reverse lend-lease earth moving equipment of all

REVERSE LEND-LEASE AID IN INDIA*

Thousands of Dollars

Category	January-September 1944	Cumulative to October 1, 1944
Foodstuffs	16,285	26,374
Military Supplies and Equipment.....	118,870	159,687
Shipping Services and Shipbuilding.....	1,639	3,739
Transportation and Other Services.....	17,692	27,565
Construction.....	56,201	100,075
Total**.....	210,687	317,440

*Provided both by the United Kingdom and the Government of India. Based on estimates by the United States Army.

**Does not include raw materials and foodstuffs shipped to the United States.

(Conversion from Indian rupee: 330.44 = \$100.00)

Table 14

kinds, cranes, concrete mixers, insulators, barbed wire, and hundreds of other miscellaneous supplies. Our Army Medical Corps uses reverse lend-lease beds and bedding, kitchen and mess equipment, stretchers and dressings, as well as many other supplies. Our fighting men wear reverse lend-lease uniforms and boots. And our Air Force in India has used more than 113,300,000 gallons of reverse lend-lease aviation gasoline from the British refinery at Abadan as well as millions of gallons of motor gasoline, oil, greases, and lubricants.

THE SOVIET UNION

The Soviet Union, which fought until this summer on her own soil, has needed virtually all she could produce for her own forces. Moreover, until this year no United States forces were stationed on Soviet territory and the occasion for reverse lend-lease aid did not arise, except in connection with supplies, repairs, and other services provided as reverse lend-lease for United States merchant ships in Soviet ports. With the establishment of the shuttle-bombing bases in Russia, the Soviet Union has provided our Air Forces, as reverse lend-lease aid and without cost to us, with much of the supplies and services needed for these bases. This aid has included many of the materials and most of the labor used in building the bases, part of the equipment, much of the food for our Air Force crews and mechanics, and many other operational supplies and services.

CHINA

China has been fighting the Japanese on her own soil for seven years. She has needed more aid than we have up to now been able to send her by the single air route that connects her with the outside world. Nevertheless the Chinese people have rendered heroic and effective aid to our forces in China.

The bases in China from which our B-29 Super-Fortresses take off to raid Japan were built by 400,000 Chinese laborers, working with their bare hands. There was virtually no equipment in China for building these bases, nor could it be brought in from outside by air. The Chinese hauled by hand 160,000 tons of rock and sand to build the runways needed for the planes, crushed the rock by hand and laid it stone by stone, then smoothed the surface by hand-hauled stone rollers. They built so effectively that within three months of the time construction started, the first of the B-29's was able to land in China.

The many bases used by General Chennault's Fourteenth Air Force in China were built in the same fashion. And the success of the operations of our Air Force in China depends in large part on China's grapevine air raid warning system on the approach of Japanese planes. This system extends by underground connections into the Japanese-occupied areas of China. In spite of the lack of modern communication equipment, it is one of the fastest and most efficient in the world.

Chapter 5

STATISTICAL TABLES AND CHARTS

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 (March 27, 1941).....	\$7,000,000,000
Second Lend-Lease Appropriation (October 28, 1941).....	5,985,000,000
Third Lend-Lease Appropriation (March 5, 1942).....	5,425,000,000
Fourth Lend-Lease Appropriation (June 14, 1943).....	6,273,629,000
Fifth Lend-Lease Appropriation (June 30, 1944).....	3,538,869,000
Total.....	28,222,498,000

II Transfers Authorized From Other Appropriations

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 own 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.

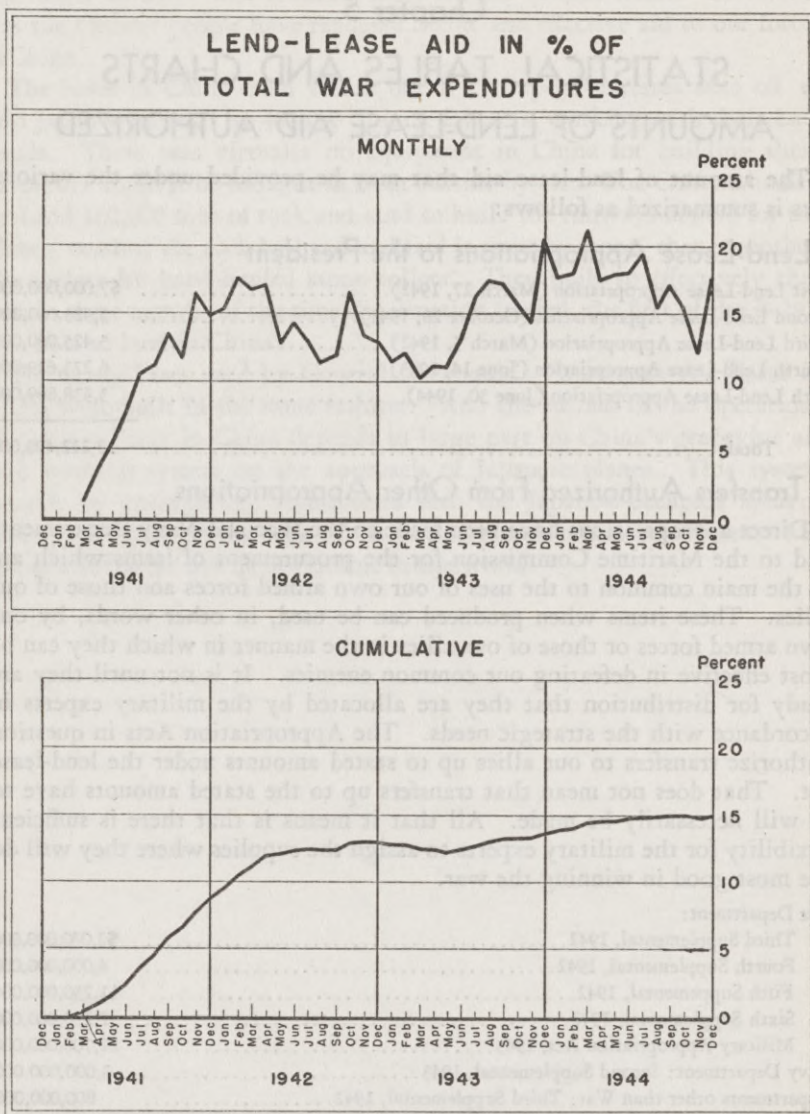
War Department:

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

Total..... 35,970,000,000

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

Table 15



FOREIGN ECONOMIC ADMINISTRATION

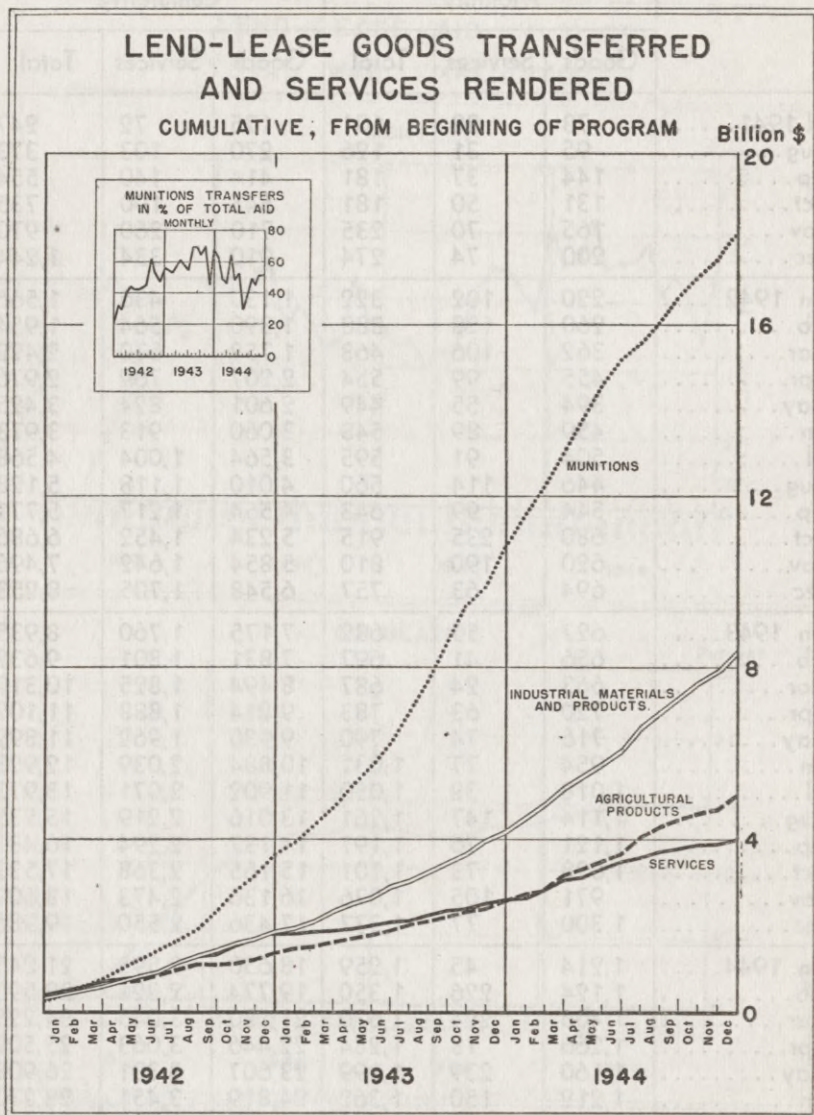
Chart 7

LEND-LEASE AID

Millions of Dollars

	Monthly			Cumulative		
	Goods	Services	Total	Goods	Services	Total
Jul 1941.....	73	28	101	175	72	247
Aug.....	95	31	126	270	103	373
Sep.....	144	37	181	414	140	554
Oct.....	131	50	181	545	190	735
Nov.....	165	70	235	710	260	970
Dec.....	200	74	274	910	334	1,244
Jan 1942.....	220	102	322	1,130	436	1,566
Feb.....	260	128	388	1,390	564	1,954
Mar.....	362	106	468	1,752	670	2,422
Apr.....	455	99	554	2,207	769	2,976
May.....	394	55	449	2,601	824	3,425
Jun.....	459	89	548	3,060	913	3,973
Jul.....	504	91	595	3,564	1,004	4,568
Aug.....	446	114	560	4,010	1,118	5,128
Sep.....	544	99	643	4,554	1,217	5,771
Oct.....	680	235	915	5,234	1,452	6,686
Nov.....	620	190	810	5,854	1,642	7,496
Dec.....	694	63	757	6,548	1,705	8,253
Jan 1943.....	627	55	682	7,175	1,760	8,935
Feb.....	656	41	697	7,831	1,801	9,632
Mar.....	663	24	687	8,494	1,825	10,319
Apr.....	720	63	783	9,214	1,888	11,102
May.....	716	74	790	9,930	1,962	11,892
Jun.....	954	77	1,031	10,884	2,039	12,923
Jul.....	1,018	32	1,050	11,902	2,071	13,973
Aug.....	1,114	147	1,261	13,016	2,219	15,235
Sep.....	1,121	76	1,197	14,137	2,294	16,431
Oct.....	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
Jan 1944.....	1,214	45	1,259	18,650	2,595	21,245
Feb.....	1,124	226	1,350	19,774	2,821	22,595
Mar.....	1,406	224	1,630	21,180	3,045	24,225
Apr.....	1,266	18	1,284	22,446	3,063	25,509
May.....	1,160	239	1,399	23,607	3,301	26,908
Jun.....	1,212	150	1,362	24,819	3,451	28,270
Jul.....	1,308	82	1,390	26,127	3,533	29,660
Aug.....	1,009	156	1,165	27,136	3,689	30,825
Sep.....	1,116	82	1,198	28,252	3,771	32,023
Oct.....	1,048	97	1,145	29,300	3,868	33,168
Nov.....	856	39	895	30,156	3,907	34,063
Dec.....	1,254	65	1,319	31,410	3,972	35,382

Table 16



FOREIGN ECONOMIC ADMINISTRATION

Chart 8

LEND-LEASE AID, BY CATEGORY

	Year 1944	Cumulative to Jan. 1, 1945
Goods Transferred:		
Munitions:		
Ordnance	\$402,801,000	\$1,198,545,000
Ammunition	752,414,000	2,398,731,000
Aircraft	2,224,300,000	4,326,483,000
Aircraft Engines, Parts, etc.	760,830,000	2,088,929,000
Tanks and Parts	1,362,275,000	3,279,215,000
Motor Vehicles and Parts ..	762,401,000	1,656,359,000
Watercraft	1,110,830,000	3,184,048,000
Total	7,375,851,000	18,132,310,000
Industrial Materials and Products:		
Machinery	789,194,000	1,636,571,000
Metals	659,421,000	1,656,558,000
Petroleum	845,977,000	1,568,184,000
Misc. Materials and Manufactures ¹	1,882,338,000	3,461,544,000
Total	4,176,930,000	8,322,857,000
Agricultural Products:		
Foods	2,171,468,000	4,261,605,000
Other Agricultural Products	249,537,000	693,456,000
Total	2,421,005,000	4,955,061,000
Total Transfers	13,973,786,000	31,410,228,000
Services:		
Rental of Ships, etc.	1,254,202,000	2,704,900,000
Servicing, Repair of Ships, etc. .	124,967,000	532,335,000
Production Facilities in U. S.	23,461,000	628,519,000
Miscellaneous Expenses	20,095,000	106,664,000
Total Services	1,422,725,000	3,972,418,000
Total Direct Aid	15,396,511,000	35,382,646,000
Consignments to U. S. Commanding Generals for subsequent transfer under Lend-Lease	278,191,000	788,083,000

¹ A detailed break-down of this category, for the period to December 1, 1944, is given in Table 2, page 12.

Table 17

DEFENSE AID ARTICLES CONSIGNED TO U. S. COMMANDING GENERALS FOR SUBSEQUENT TRANSFER UNDER LEND-LEASE TO FOREIGN GOVERNMENTS

Thousands of Dollars

CUMULATIVE FROM BEGINNING OF PROGRAM

	French Forces in North & West Africa	China	Other Countries	Total
Jan. 1944.....	320,725	215,543	13,219	549,487
Feb.....	341,025	219,703	14,438	575,166
Mar.....	363,459	211,496	15,506	590,461
Apr.....	384,091	217,247	15,877	617,215
May.....	410,986	224,276	23,332	658,594
Jun.....	420,369	227,002	30,870	678,241
Jul.....	427,353	211,939	19,006	658,298
Aug.....	439,907	217,817	20,851	678,575
Sep.....	449,623	224,111	23,604	697,338
Oct.....	475,097	238,843	24,820	738,760
Nov.....	497,479	247,732	24,858	770,069
Dec.....				

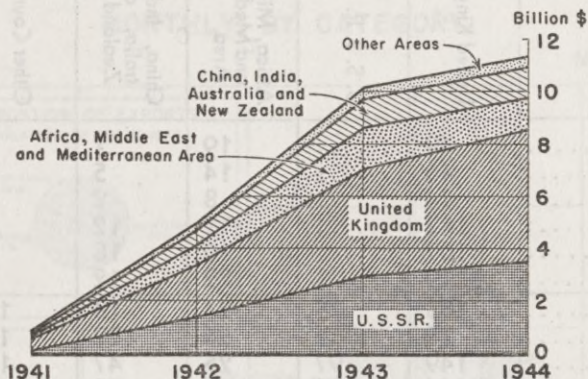
CONSIGNMENTS TO DECEMBER 1, 1944, BY COUNTRY AND CATEGORY

	French Forces in North & West Africa	China	Other Countries	Total
Ordnance and Ammunition	76,776	163,011	10,884	250,671
Aircraft and Parts.....	100,266		39	100,305
Tanks and Vehicles	219,309	45,988	6,608	271,905
Miscellaneous Supplies .	101,128	38,733	7,327	147,188
Total.....	497,479	247,732	24,858	770,069

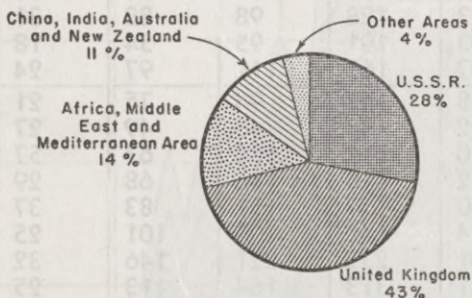
Table 18

WHERE LEND-LEASE EXPORTS HAVE GONE

ANNUAL EXPORTS BY WAR THEATERS



DISTRIBUTION OF TOTAL LEND-LEASE EXPORTS TO DATE



A substantial part of the lend-lease exports shown above as going to "Other Areas," amounting to 4 percent of the total, goes to Canada. Part of this is for the account of the United Kingdom, and represents war supplies transhipped to various war theaters or materials for processing into finished munitions. We have also sent trainer planes to Canada, for the account of other countries, for use in training United Nations pilots. In addition, lend-lease exports to Canada include goods purchased by Canada in United States through the lend-lease mechanism and for which Canada pays. Our lend-lease exports to Latin America, also included in exports to "Other Areas," account for less than 1 percent of our total lend-lease exports to all countries.

Chart 9

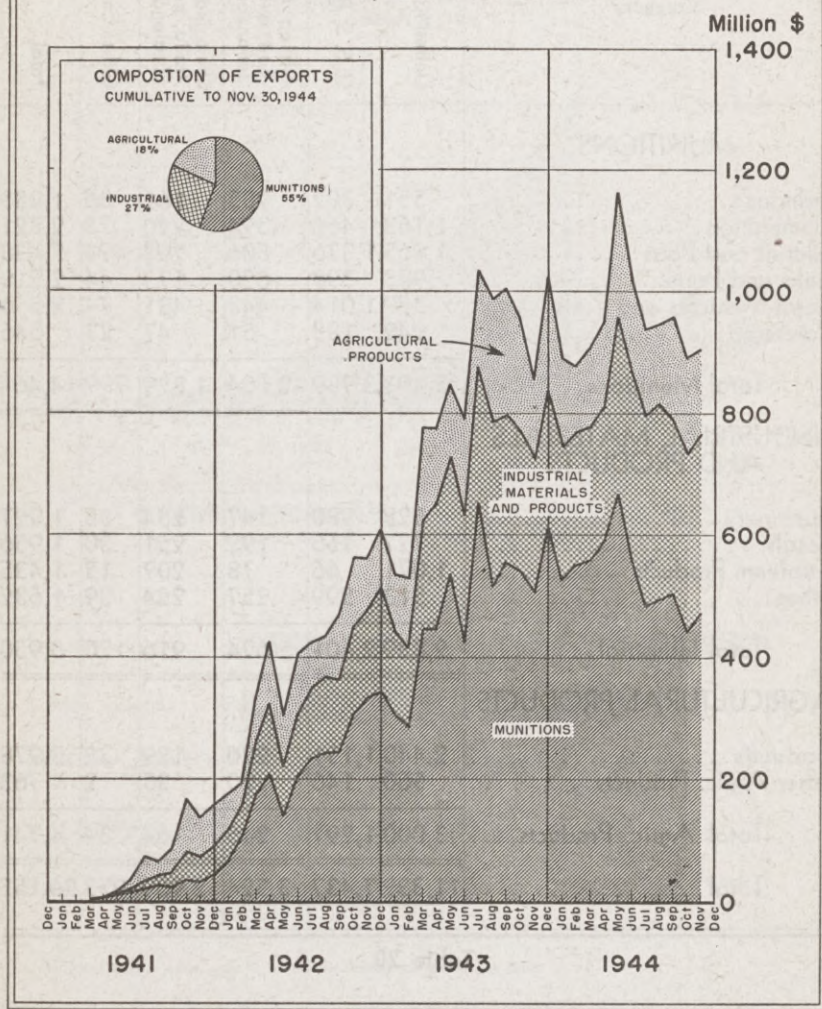
LEND-LEASE EXPORTS—MONTHLY

Millions of Dollars

	United Kingdom	U. S. R.	Africa, Middle East, and Mediterranean Area	China, India, Aus- tralia, and New Zealand	Other Countries	Total
Jul 1941.....	49	.....	19	1	3	72
Aug.....	46	.....	14	5	2	67
Sep.....	74	.....	8	2	2	86
Oct.....	142	.....	12	12	1	167
Nov.....	107	.....	10	18	2	137
Dec.....	119	1	22	12	1	155
Jan 1942.....	105	15	24	18	13	175
Feb.....	79	55	26	22	12	194
Mar.....	149	97	25	47	11	329
Apr.....	144	164	45	55	17	425
May.....	144	70	37	47	8	306
Jun.....	210	110	35	36	14	405
Jul.....	175	103	66	59	21	424
Aug.....	152	150	58	56	18	434
Sep.....	214	102	71	67	18	472
Oct.....	223	128	98	82	31	562
Nov.....	203	191	95	54	18	561
Dec.....	207	167	112	97	24	607
Jan 1943.....	178	167	94	75	21	535
Feb.....	222	185	46	49	27	529
Mar.....	310	211	132	67	57	777
Apr.....	352	210	116	68	29	775
May.....	400	177	151	83	37	848
Jun.....	424	140	100	101	25	790
Jul.....	401	232	221	146	32	1,032
Aug.....	371	313	164	113	25	986
Sep.....	398	303	190	81	32	1,004
Oct.....	364	263	165	128	32	952
Nov.....	271	344	121	88	33	857
Dec.....	383	382	107	116	34	1,022
Jan 1944.....	341	313	114	91	31	890
Feb.....	412	233	122	77	34	878
Mar.....	436	260	89	89	37	911
Apr.....	449	253	128	91	29	950
May.....	561	315	131	130	23	1,160
Jun.....	476	286	91	130	34	1,017
Jul.....	399	335	85	87	30	936
Aug.....	404	305	105	76	38	928
Sep.....	414	302	100	109	26	951
Oct.....	421	255	80	102	32	890
Nov.....	367	300	84	120	31	902

Table 19

LEND-LEASE EXPORTS MONTHLY, BY CATEGORY



FOREIGN ECONOMIC ADMINISTRATION

Chart 10

LEND-LEASE EXPORTS CUMULATIVE TO DECEMBER 1, 1944

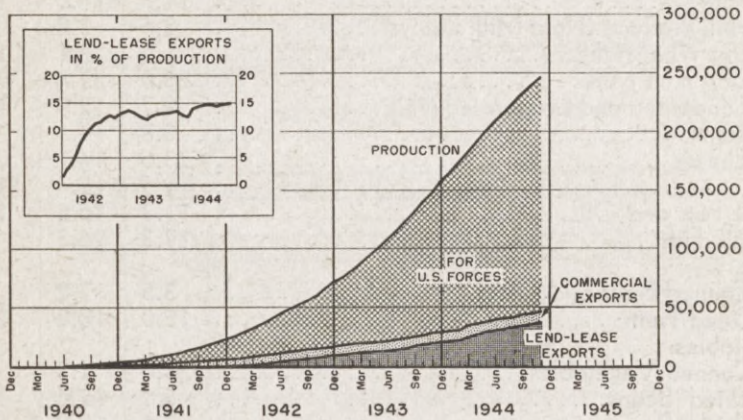
Millions of Dollars

Category	United Kingdom	U. S. S. R.	Africa, Middle East, and Mediterranean Area	China, India, Australia, and New Zealand	Other Countries	Total
MUNITIONS						
Ordnance.....	551	302	285	161	86	1,385
Ammunition.....	1,163	466	394	220	78	2,321
Aircraft and Parts.....	1,965	1,376	806	797	494	5,438
Tanks and Parts.....	983	398	620	173	44	2,218
Motor Vehicles and Parts.....	589	1,014	448	431	74	2,556
Watercraft.....	242	183	51	47	23	546
Total Munitions.....	5,493	3,739	2,604	1,829	799	14,464
INDUSTRIAL MATERIALS AND PRODUCTS						
Machinery.....	528	980	147	234	38	1,927
Metals.....	727	756	192	251	30	1,956
Petroleum Products.....	1,071	66	78	207	13	1,435
Other.....	513	599	257	224	39	1,632
Total Industrial.....	2,839	2,401	674	916	120	6,950
AGRICULTURAL PRODUCTS						
Foodstuffs.....	2,440	1,151	226	129	32	3,978
Other Agric. Products.....	560	146	20	35	2	763
Total Agric. Products.....	3,000	1,297	246	164	34	4,741
Total.....	11,332	7,437	3,524	2,909	953	26,155

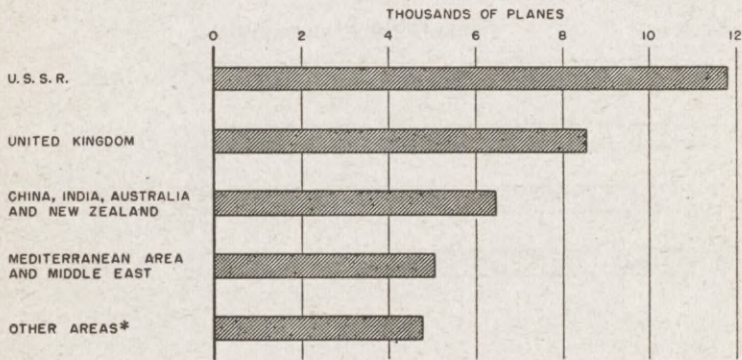
Table 20

PLANES

U. S. PRODUCTION AND EXPORTS CUMULATIVE



WHERE LEND-LEASE PLANES HAVE GONE CUMULATIVE TO DECEMBER 1, 1944



*Includes trainer planes sent to Canada for training United Nations pilots

FOREIGN ECONOMIC ADMINISTRATION

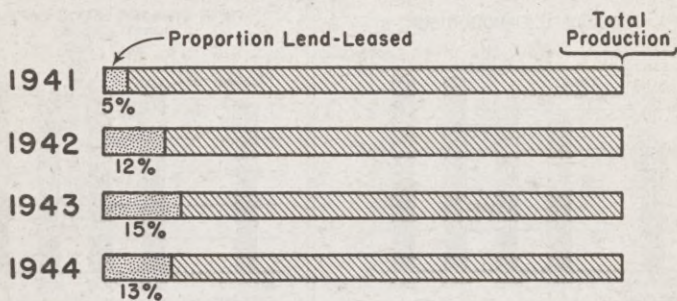
Chart 11

LEND-LEASE FOOD SHIPMENTS IN PERCENT OF SUPPLY

Commodity	1942	1943	1944
All Meats.....	6.0	9.3	6.8
Beef and Veal.....	0.3	1.7	0.7
Lamb and Mutton.....	0.4	11.2	6.5
Pork.....	11.8	14.6	11.9
All Milk Products (Fluid Milk Equiv.).....	3.6	3.8	4.6
Dry Whole Milk.....	6.6	13.1	11.1
Dry Skim Milk.....	23.0	37.4	29.8
Condensed and Evaporated Milk.....	9.7	12.9	14.1
Butter.....	0.8	4.1	4.1
Cheese.....	23.6	14.1	23.8
Eggs.....	9.5	12.4	11.8
Edible Fats and Oils.....	11.3	16.8	15.7
Canned Fish.....	17.3	26.5	9.9
Fruits:			
Canned Fruits and Juices.....	3.5	7.2	5.6
Dried Fruits.....	15.0	18.2	20.6
Vegetables:			
Canned Vegetables.....	1.0	1.3	3.0
Dried Beans.....	5.1	12.6	11.7
Dried Peas.....	7.6	10.2	12.9
Corn and Corn Products.....	0.2	0.1	0.1
Wheat and Wheat Products.....	0.4	0.9	0.6

Table 21

PROPORTION OF OUR MUNITIONS PRODUCTION WE HAVE LEND-LEASED



PROPORTION OF OUR FOOD PRODUCTION WE HAVE LEND-LEASED

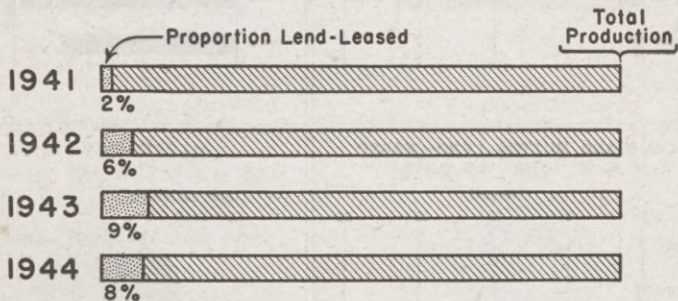
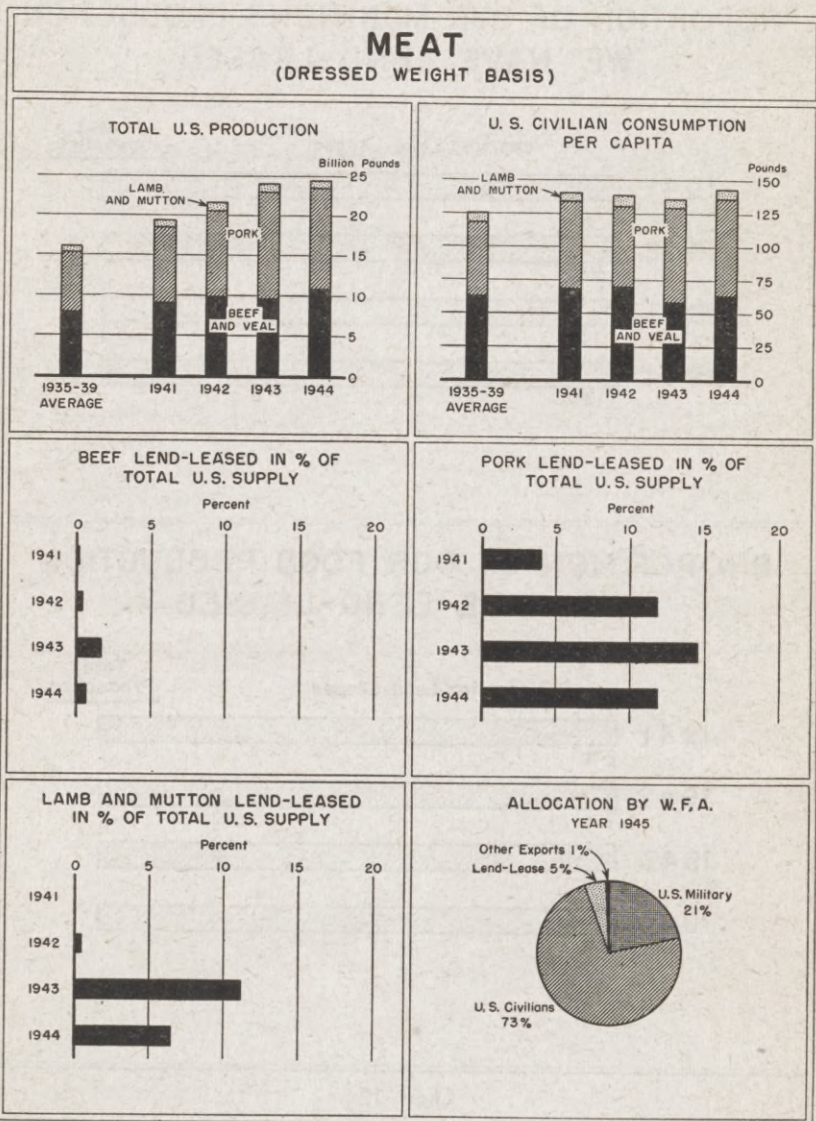


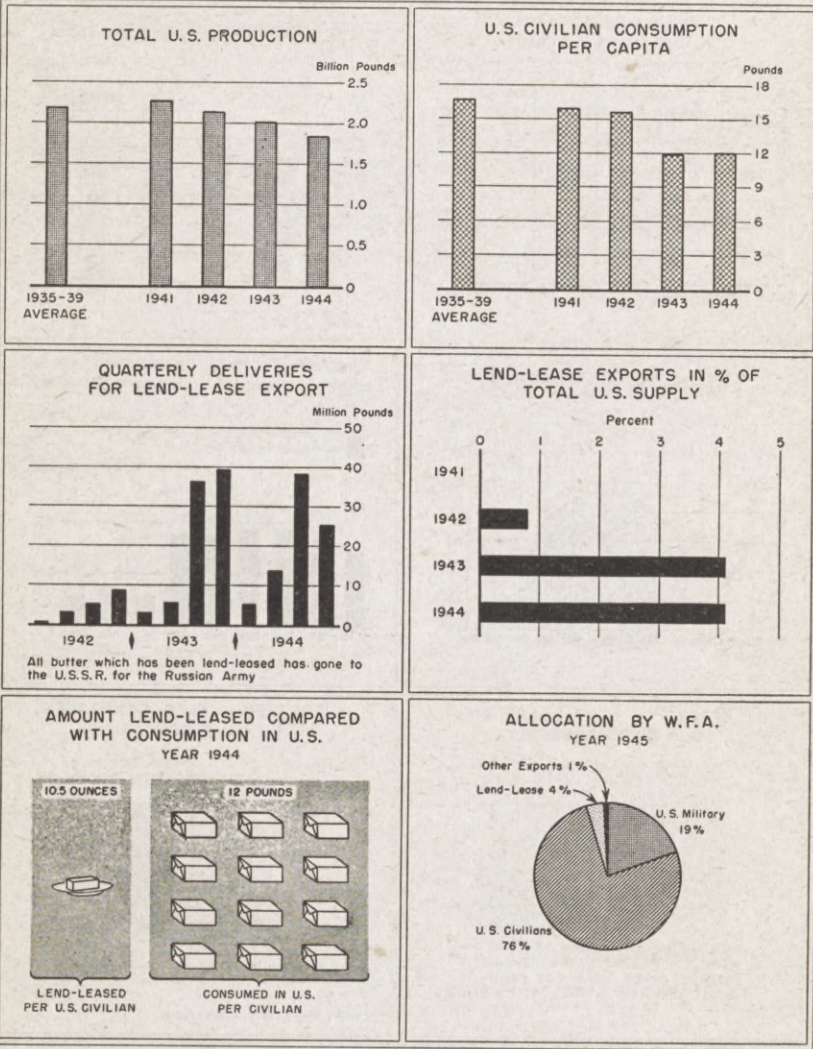
Chart 12



FOREIGN ECONOMIC ADMINISTRATION

Chart 13

BUTTER

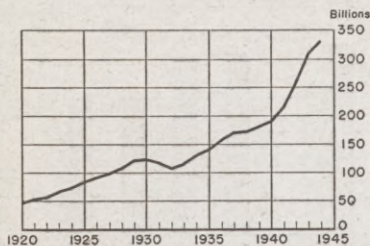


FOREIGN ECONOMIC ADMINISTRATION

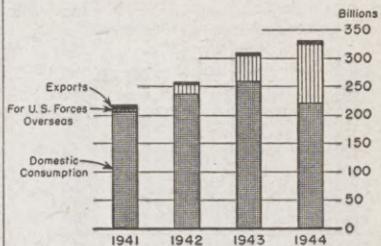
Chart 14

CIGARETTES

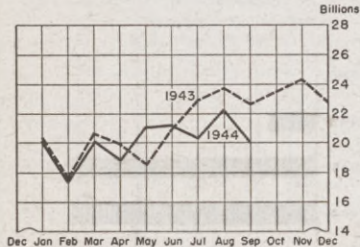
ANNUAL PRODUCTION IN THE UNITED STATES



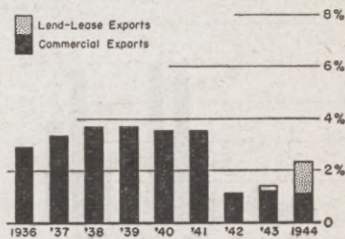
DISTRIBUTION OF CIGARETTES



DOMESTIC CONSUMPTION



EXPORTS IN % OF PRODUCTION EXCLUDING SHIPMENTS TO U.S. FORCES OVERSEAS

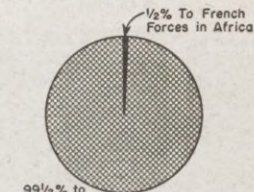


EFFECT OF LEND-LEASE ON OUR CIVILIAN SUPPLY



LEND-LEASE SHIPMENTS IN 1944 WERE EQUIVALENT TO ABOUT ONE CIGARETTE PER WEEK FOR EACH ADULT CIVILIAN IN THE UNITED STATES

WHERE LEND-LEASE CIGARETTES HAVE GONE

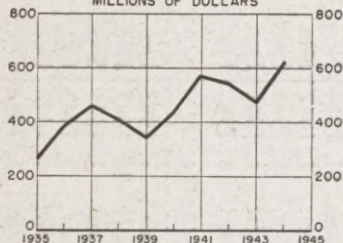


Lend-Leased for civilians: None

FARM MACHINERY

U. S. PRODUCTION

EXCLUDING CRAWLER-TYPE TRACTORS
MILLIONS OF DOLLARS



MACHINERY ON U. S. FARMS

JAN. 1	FARM TRACTORS	GRAIN COMBINES	CORN PICKERS
1940	1,545,000	190,000	110,000
1941	1,664,000	220,000	120,000
1942	1,844,000	269,000	130,000
1943	1,919,000	298,000	138,000
1944	1,953,000	312,000	146,000
1945	2,072,000	330,000	168,000

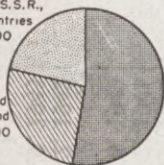
WHERE LEND-LEASE EXPORTS HAVE GONE

MARCH 11, 1941 - OCTOBER 31, 1944

North Africa, U.S.S.R.,
and Other Countries
\$11,249,000

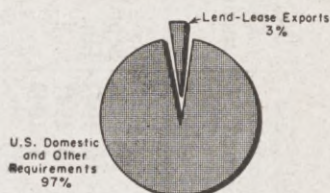
Australia and
New Zealand
\$14,173,000

United Kingdom
\$28,226,000



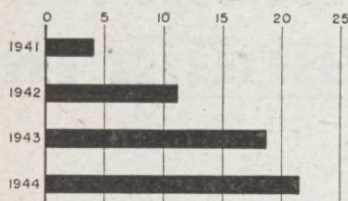
LEND-LEASE EXPORTS IN RELATION TO PRODUCTION

MARCH 11, 1941 - OCTOBER 31, 1944



LEND-LEASE EXPORTS

MILLIONS OF DOLLARS



COMMENTS

Lend-leasing farm machinery instead of additional food has resulted in a substantial saving in shipping space and in a smaller drain on our food supply.

Increased food production in allied countries has been used in part for U.S. forces.

Allies' farm machinery plants were converted to ordnance production early in the war.

Lend-lease farm machinery has aided the British in increasing their farm production by 70%.

Lend-lease shipments have been kept at the absolute minimum necessary for our allies' production of the food essential to our joint war effort.

FOREIGN ECONOMIC ADMINISTRATION

Chart 16

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	 ⁽¹⁾	Sept. 3, 1942	Jan. 1, 1942	Sept. 3, 1939	Jan. 26, 1944
Australia.....	Nov. 11, 1941	June 16, 1942	Jan. 30, 1943	Jan. 1, 1942	May 9, 1940	.....
Belgium.....	June 13, 1941	Dec. 6, 1941	.....	Apr. 27, 1943	Apr. 7, 1943	Jan. 28, 1942
Bolivia.....	May 6, 1941	Mar. 3, 1942	.....	Feb. 6, 1943	Aug. 22, 1942	Jan. 28, 1942
Brazil.....	May 6, 1941	 ⁽⁴⁾		Jan. 1, 1942	Sept. 10, 1939	.....
Canada.....	Nov. 11, 1941	Mar. 2, 1943	.....	.....	.....	Jan. 20, 1943
Chile.....	May 6, 1941	June 2, 1942	.....	Jan. 1, 1942	Dec. 9, 1941	.....
China.....	May 6, 1941	Mar. 17, 1942	.....	Jan. 17, 1944	Nov. 27, 1943 ²	Dec. 8, 1941
Colombia.....	May 6, 1941	Jan. 16, 1942	.....	Jan. 1, 1942	Dec. 8, 1941	.....
Costa Rica.....	May 6, 1941	Nov. 7, 1941	.....	Jan. 1, 1942	Dec. 9, 1941	.....
Cuba.....	May 6, 1941	July 11, 1942	.....	Jan. 1, 1942	Dec. 9, 1941	.....
Czechoslovakia.....	Jan. 5, 1942	Aug. 2, 1941	.....	Jan. 1, 1942	Dec. 8, 1941	.....
Dominican Republic.....	May 6, 1941	Apr. 6, 1942	.....	Jan. 1, 1942	.....	Jan. 29, 1942
Ecuador.....	May 6, 1941	.....	.....	.....	.....	Sept. 3, 1939
Egypt.....	Nov. 11, 1941	Feb. 2, 1942	.....	Jan. 1, 1942	Dec. 8, 1941	.....
El Salvador.....	May 6, 1941	Aug. 9, 1943	.....	July 28, 1942	Dec. 1, 1942	.....
Ethiopia.....	Dec. 7, 1942	 ⁽³⁾	(³)	Jan. 1, 1945	Sept. 3, 1939	.....
France.....	 ⁽³⁾			Jan. 1, 1942	Oct. 28, 1940	.....
Greece.....	Mar. 11, 1941	July 10, 1942	.....	Jan. 1, 1942	Dec. 8, 1941	.....
Guatemala.....	May 6, 1941	Nov. 16, 1942	.....	Jan. 1, 1942	Dec. 8, 1941	.....
Haiti.....	May 6, 1941	Sept. 16, 1941	.....	Jan. 1, 1942	Dec. 8, 1941	.....
Honduras.....	May 6, 1941	Feb. 28, 1942	.....	Jan. 1, 1942	Dec. 8, 1941	.....
Iceland.....	July 1, 1941	Nov. 21, 1941	.....	Jan. 1, 1942	Dec. 8, 1941	.....
India.....	Nov. 11, 1941	.....	.....	Jan. 1, 1942	Sept. 3, 1939	.....

Iran.....	Mar. 10, 1942	.....	.....	Sept. 9, 1943	Sept. 9, 1943	Sept. 8, 1941
Iraq.....	May 1, 1942	.....	.....	Jan. 16, 1943	Jan. 16, 1943	June 7, 1941
Liberia.....	Mar. 10, 1942	.....	.....	Apr. 10, 1944	Jan. 27, 1944	Oct. 2, 1942
Luxembourg.....	.....	June 8, 1943	.....	Jan. 1, 1942	May 10, 1940	.....
Mexico.....	May 6, 1941	Mar. 18, 1943	.....	June 5, 1942	May 22, 1942	Dec. 19, 1941
Netherlands.....	Aug. 21, 1941	July 8, 1942	.....	Jan. 1, 1942	May 10, 1940	.....
New Zealand.....	Nov. 11, 1941	Oct. (1)	June 14, 1943	Jan. 1, 1942	Sept. 3, 1939	.....
Nicaragua.....	May 6, 1941	Oct. 16, 1941	Sept. 3, 1942	Jan. 1, 1942	Dec. 8, 1941	.....
Norway.....	June 4, 1941	July 11, 1942	.....	Jan. 1, 1942	Apr. 9, 1940	.....
Panama.....	May 6, 1941	.....	.....	Jan. 1, 1942	Dec. 7, 1941	.....
Paraguay.....	May 6, 1941	Sept. 20, 1941	.....	.....	.....	Jan. 28, 1942
Peru.....	May 6, 1941	Mar. 11, 1942	.....	June 10, 1942	Feb. 12, 1945	Jan. 24, 1942
Philippines.....	May 6, 1941	.....	.....	Jan. 1, 1942	Sept. 1, 1939	.....
Poland.....	Aug. 28, 1941	July 1, 1942	.....	.....	.....	Date uncertain.
Saudi Arabia.....	Feb. 18, 1943	.....	.....	.....	.....	.....
South Africa.....	Nov. 11, 1941	.....	.....	Jan. 1, 1942	Sept. 6, 1939	.....
Turkey.....	Nov. 7, 1941	.....	.....	.....	.....	Aug. 2, 1944
United Kingdom.....	Mar. 11, 1941	Feb. 23, 1942	Sept. 3, 1942	Jan. 4, 1942	Sept. 3, 1939	.....
United States.....	.....	.....	.....	Jan. 1, 1942	Dec. 7, 1941	.....
U. S. S. R.....	Nov. 7, 1941	June 11, 1942	.....	Jan. 1, 1942	June 22, 1941	.....
Uruguay.....	May 6, 1941	Jan. 13, 1942	.....	.....	.....	Jan. 25, 1942
Venezuela.....	May 6, 1941	Mar. 18, 1942	.....	.....	.....	Dec. 31, 1941
Yugoslavia.....	Nov. 11, 1941	July 24, 1942	.....	Jan. 1, 1942	Apr. 6, 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. By informal agreement the arrangements set forth in the Modus Vivendi have been extended to Metropolitan France and the Colonies. A new lend-lease agreement is at the present under negotiation.

⁴ In an exchange of notes dated November 30, 1942, Canada accepted the underlying principles of Article VII of the Master Agreement.

Table 22

APPENDICES

Appendix 1

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, 1945, or after the passage of a concurrent resolution by the two Houses before June 30, 1945, 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, 1948, 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, 1945, 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, 1948.

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.

☆ ☆ ☆

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 until July 1, 1944.

On April 19, 1944, by vote of 344-21, the House of Representatives voted to extend the Lend-Lease Act until July 1, 1945, with the following amendment to section 3 (b) of the Act as follows (new matter in italics):

"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: *Provided, however, That nothing in this paragraph shall be construed to authorize the President in any final settlement to assume or incur any obligations on the part of the United States with respect to post-war economic policy, post-war military policy, or any post-war policy involving international relations except in accordance with established constitutional procedure.*"

On May 8, 1944, by vote of 63-1, the Senate also voted to extend the Act; with the same amendment as that adopted by the House except for deletion of the words "in any final settlement." On May 12 the House concurred in this change made by the Senate. On May 17 the President signed the Act.

Appendix II

BRITISH MASTER AGREEMENT

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

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

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

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

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

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

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

Article I

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

Article II

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

Article III

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

Article IV

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

Article V

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

Article VI

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

Article VII

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the

two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

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

Article VIII

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

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

For the Government of the United States of America:

[SEAL]

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

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

[SEAL]

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

☆ ☆ ☆

Identical Master Lend-Lease Agreements have been signed with the following countries: Belgium, China, Czechoslovakia, Ethiopia, Greece, Liberia, The Netherlands, Norway, Poland, Union of Soviet Socialist Republics, and Yugoslavia. Australia and New Zealand have accepted the principles of the Master Agreements.

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 resource, 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 agreement, 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, administrative 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 or 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 contemplated 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.

FRANKLIN D. ROOSEVELT.

THE WHITE HOUSE, *October 28, 1941.*

