

# THIRTY-SECOND REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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## MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

THE THIRTY-SECOND REPORT TO CONGRESS ON  
LEND-LEASE OPERATIONS, FOR THE  
PERIOD ENDING MARCH 31, 1951

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Payments and Settlements  
Current Settlement Negotiations  
Liberian Port Project  
Lend-Lease Fiscal Operations  
to March 31, 1951  
Status of Nations  
Lend-Lease Act  
Funds Made Available for Lend-Lease  
Termination of Lend-Lease



OCTOBER 3, 1951.—Referred to the Committee on Foreign Affairs  
and ordered to be printed

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March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b) )

## PRESIDENT'S LETTER OF TRANSMITTAL

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THE WHITE HOUSE, *October 3, 1951.*

*To the Congress of the United States:*

I am transmitting herewith the Thirty-second Report to Congress on Lend-Lease Operations, for the period from April 1, 1950, to March 31, 1951, inclusive.

During the period covered by this report, a supplement to the Lend-Lease Settlement Arrangement of April 15, 1948, was signed with Brazil and final settlement commitments were signed with Colombia, Costa Rica, and Mexico, while Bolivia, Ecuador, and El Salvador liquidated the amounts which were outstanding on their lend-lease accounts incurred within the terms of their respective lend-lease agreements.

The major development in lend-lease activities during this period was the resumption on January 15, 1951, of formal across-the-table negotiations with representatives of the U. S. S. R. In preparation for these negotiations, the Secretary of State discussed with me the major points involved and I approved his recommendations, the objectives of which are: just and reasonable compensation to the United States for the civilian-type lend-lease supplies remaining on hand in the Soviet Union at the end of the war; the return to the United States, pursuant to a request submitted in accordance with the provisions of the master lend-lease agreement, of those defense articles transferred to the U. S. S. R. under lend-lease procedures which I have determined to be useful to our Government; and the payment by the U. S. S. R. of satisfactory compensation to United States owners of patented processes which are being used in the U. S. S. R. in oil refineries supplied under the lend-lease program. Despite the continued efforts of the United States negotiators to reach a satisfactory settlement, no substantial agreement on several of the major issues has yet been achieved. These negotiations are described more fully in the report itself.

Other lend-lease activities during the period covered by this report include negotiations for settlements with other countries and, also, the management of fiscal, administrative, and policy matters arising from and related to the lend-lease settlements which already have been concluded with certain of our Allies of World War II.

HARRY S. TRUMAN.

(Enclosure: Thirty-second Report to Congress on Lend-Lease Operations.)

# THE HISTORY OF THE UNITED STATES

BY JAMES M. SMITH

NEW YORK: 1877

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## THIRTY-SECOND REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

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### PREAMBLE

As a matter of information and convenience to the Congress and the public, a table entitled "Status of Nations" is contained in the appendix. This table shows, with respect to each lend-lease recipient country, the date that country was declared eligible to receive lend-lease aid and the date and place of publication of the lend-lease master, settlement, and related agreements.

This information, together with the other data included in this and earlier reports, provides a general picture of the situation with respect to each of those countries participating in the lend-lease program.

### LEND-LEASE PAYMENTS AND SETTLEMENTS

The negotiation of final settlement terms with those lend-lease recipient countries which have not settled their accounts with our Government is being pressed by the Department of State through discussions with representatives of those countries and by means of communications through diplomatic channels. Such discussions and communications have been under way at all times during the period covered by this report.

Across-the-table discussions with representatives of the U. S. S. R. were resumed on January 15, 1951, and further details on this subject are included under the heading "Current Settlement Negotiations."

The most notable progress in reaching settlements during this period was made with several of the American Republics. Colombia, Costa Rica, and Mexico signed commitments to liquidate their lend-lease obligations over reasonable periods of time. Brazil signed a supplementary settlement arrangement which amplified the earlier Settlement Arrangement of April 15, 1948. El Salvador and Chile made final payments on their accounts while Ecuador and Bolivia made payments which cleared up significant portions of their total defense-aid obligations. Pertinent details follow under each country heading.

Settlement arrangements thus far concluded with several of the American Republics have provided for payment over reasonable periods of time. Whenever practicable to do so, provisions are included in the terms of such settlements permitting the United States

to acquire local currency for its use in defraying certain expenses in the country concerned. In such settlements there is incorporated language which effectively guarantees a fair rate of exchange and assures the receipt of the real dollar value represented in each instance. General settlement terms provide a means for the disposition of all claims arising out of lend-lease programs even though the disposal of such claims may not have been specifically mentioned in the terms of settlement, thus reducing administrative effort and expense both by the United States and by its Allies of World War II.

#### BOLIVIA

Although Bolivia has made full payment of that part of its defense aid account incurred under the treaty terms of its Lend-Lease Agreement of December 6, 1941, a substantial sum still remains outstanding in a related account and efforts will continue toward working out a settlement formula covering the balance due to the United States.

#### BRAZIL

On April 19, 1950, the Government of Brazil signed the document known as "Supplement No. 1 to the Brazilian Lend-Lease Settlement Arrangement of April 15, 1948," and by doing so agreed to pay certain miscellaneous amounts arising from transactions related to the basic Lend-Lease Agreement of March 3, 1942.

#### CHILE

On April 27, 1950, the Government of Chile paid the balance due on its lend-lease account in accordance with the arrangements made in the Chilean Lend-Lease Settlement Arrangement of February 28, 1950. This payment clears up the lend-lease obligations of Chile.

#### COLOMBIA

On April 13, 1950, the Government of Colombia signed an arrangement for the liquidation of its financial obligations based on the Colombian Lend-Lease Agreement of March 17, 1942.

#### COSTA RICA

The Government of Costa Rica on October 18, 1950, signed an undertaking for the liquidation of its obligations deriving from and incurred under the terms of the Lend-Lease Agreement of January 16, 1942. The first of three payments scheduled under the arrangement was made by the Government of Costa Rica on February 27, 1951.

## ECUADOR

By a payment made on February 12, 1951, the Government of Ecuador liquidated the small balance outstanding on that part of its lend-lease account incurred under the terms of the Lend-Lease Agreement of April 6, 1942. There is another related defense-aid account still owing by Ecuador and it is expected that a satisfactory settlement may be accomplished in the near future.

## EL SALVADOR

On May 26, 1950, the Government of El Salvador, by means of a small residual payment, completed payment of its obligations for defense aid furnished under the terms of the Lend-Lease Agreement of February 2, 1942.

## MEXICO

February 24, 1951, marked the signing of the Mexican Lend-Lease Settlement Arrangement through which the entire Mexican defense-aid obligation arising from the Lend-Lease Agreement of March 18, 1943, will be liquidated over a reasonable period of time. The first payment under this commitment was made early in March.

## NICARAGUA

Efforts are being continued to reach acceptable terms of settlement of the Nicaraguan lend-lease account but, at the close of this reporting period, no significant progress had been made toward such a settlement.

## PARAGUAY

There are indications that Paraguay will shortly complete payment of the small amount still outstanding on its lend-lease account.

## PERU

Despite continued approaches to the Government of Peru seeking a settlement of its account, no mutually acceptable terms had been reached by the close of this reporting period, March 31, 1951.

## **CURRENT LEND-LEASE SETTLEMENT NEGOTIATIONS WITH THE AMERICAN REPUBLICS, CHINA, POLAND, AND THE U. S. S. R.**

### **AMERICAN REPUBLICS**

Notice should be taken of the splendid record of the American Republics in the settlement of their respective lend-lease accounts with our Government. As of March 31, 1951, the closing date of this report, of a total of 18 governments signing lend-lease agreements with the United States, 14 had either paid in full the amounts of their obligations or had signed commitments providing for payment over reasonable periods of time.

The Department of State is closely following the situations of each of the four delinquent governments and present indications are that, before long, all of our Latin-American friends will have cleared up their remaining defense-aid obligations which arose from their World War II collaboration with the United States.

### **CHINA**

The lend-lease account with China remains as one of the few major accounts still unsettled. Discussions in November of 1949 with a representative of the Chinese Government gave some promise of an early move on the part of the Chinese Government to clear up the various wartime accounts, including lend-lease, which are still outstanding between the two Governments; however, subsequent to those discussions, economic conditions in Formosa and increased military expenses for the National Government for defense measures precluded the satisfactory settlement of the lend-lease account of the National Government of China.

### **POLAND**

The United States furnished lend-lease aid to Poland amounting in value to approximately \$12,500,000, the larger part of which represents goods and services furnished before VJ-day.

Negotiations for a settlement with the Government of Poland began in 1947 and continued through 1948, in the course of which the United States proposed terms of settlement for this defense aid, intergovernmental claims and related matters. No offer of settlement has been received from the Government of Poland. Repeated formal representations made by the Department of State to the Ambassador

of Poland have elicited only an acknowledgment and a statement that our Government's note had been transmitted to the proper authorities in Poland.

The Department of State is continuing its efforts to conclude a settlement.

U. S. S. R.

The Department of State has continued its efforts to reach a long overdue settlement of the Soviet Government's lend-lease account, and also to effect the return to the United States of merchant, naval and military vessels loaned to the U. S. S. R. during the war under the lend-lease program. The question of settlement of the Soviet obligations under the Master Lend-Lease Agreement of June 11, 1942, has been the subject of discussions and communications between the Government of the United States and the Government of the U. S. S. R. since 1945. Formal settlement negotiations were first undertaken in April 1947 but the two governments had been unable to reach agreement on the major issues during 1947, 1948, and 1949. In a further effort to bring the Soviet Government to a settlement of its lend-lease obligations, the Department of State despatched a note on June 15, 1950, proposing the resumption of negotiations on or about July 15, 1950. When the Soviet Government failed to respond to this proposal, Alan G. Kirk, the United States Ambassador in Moscow, called upon Deputy Foreign Minister Andrei Gromyko on two separate occasions in order to press for a resumption of settlement negotiations. Finally, on November 24, 1950, the Soviet Government agreed to our proposal and formal negotiations were resumed on January 15, 1951. Discussions were still under way as of March 31, 1951, the end of the period covered by this report. The Department of State's Press Release No. 12, dated January 5, 1951, concerning the resumption of formal discussions is attached as exhibit A.

The current meetings have centered on three main points: (1) the amount and terms of a satisfactory financial settlement; (2) the return to the United States of all vessels loaned to the U. S. S. R.; and, (3) compensation to United States companies for the use of their patented oil refinery processes supplied to the U. S. S. R. under lend-lease and currently being used in the U. S. S. R.

On March 31, 1951, the two Governments were still far apart from agreement on the terms of a financial settlement although the gap between the figures proposed by each side had been narrowed. In seeking a settlement with the Soviet Government, the United States followed the principles of settlements already concluded with other lend-lease recipients and requested payment only for the reasonable value of civilian-type lend-lease articles remaining in Soviet custody at the end of the war. No payment has been requested for articles

lost, or destroyed or consumed in the wartime effort to defeat the common enemy. Originally, the United States proposed a settlement figure of \$1,300,000,000 as a reasonable valuation of the left-over civilian-type goods. During the course of the negotiations, this figure later was reduced to \$1,000,000,000 and, in the current negotiations, the United States delegation, on January 17, 1951, lowered the figure still further to \$800,000,000 in an effort to bring the Soviet Government to a settlement.

For its part, the Soviet Government has increased its offer by stages from \$170,000,000 to \$200,000,000 and, finally, to \$240,000,000. The latter figure was described by the Soviet Government as "final" at the opening meeting on January 15, 1951, and the Soviet delegation refused to consider any further increase in this figure despite an offer by the United States delegation at the fourth meeting on January 27 to reduce its figure from \$800,000,000 provided that the Soviet Government made a really substantial increase in its settlement figure.

Prior to the 1951 meetings the Soviet Government had returned to the United States, after repeated requests (pursuant to the provisions of article V of the Agreement of June 11, 1942), 7 war-built tankers, 1 old dry-cargo vessel, 27 frigates, and 1 icebreaker. Tentative arrangements had also been made to sell to the Soviet Government certain of the other vessels held by it on loan under lend-lease procedures, but these arrangements to sell had been clearly conditioned on the conclusion of a prompt and satisfactory over-all lend-lease settlement. As of January 15, no settlement had been reached and the Soviet Government had not given any serious indication of its desire or willingness to reach such a settlement. At the fourth meeting, held on January 27, the Soviet delegation was notified that the merchant, naval, and military vessels lend-leased to the U. S. S. R. were now of use to the United States and their immediate return was requested in accordance with article V of the Soviet Master Lend-Lease Agreement. The Department of State Press Release No. 98 dated February 28, 1951, setting forth the text of a note to the Soviet Ambassador on this subject, follows as exhibit B.

The Soviet Government took the position, which it confirmed in its note of March 21, 1951<sup>1</sup> (exhibit C), that the point at issue and the purpose of the discussions was not the "return" of the ships but solely the details of the "sale" of certain of the vessels to the U. S. S. R. The Soviet delegation endeavored to sustain this contention even though it was abundantly clear, and carefully restated to them by the United States delegation, that the previous tentative offer to sell some

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<sup>1</sup> Published in Department of State Press Release No. 257 dated April 6, 1951, together with the reply of the Secretary of State dated April 6, 1951.

of the vessels was conditioned on the conclusion of a prompt and satisfactory over-all lend-lease settlement, which condition had obviously not been met by the Soviet Government. The Soviet Government also took the position that the United States' demand was not justified in view of the large amount of merchant tonnage lying idle in the United States and in view of the transfer of United States naval vessels to other countries. The United States delegation held firmly to the position that it was for the United States Government to decide as to the disposition to be made of its own property and that the United States had a clear right to the return of the above-mentioned vessels.

Having failed to live up to its obligation to return the remaining two icebreakers, which it had expressly agreed to do on September 27, 1949, the Soviet Government, during the course of the current negotiations, alleged that these icebreakers are still ice-bound with damaged screws in the Arctic Ocean. The United States delegation continued to insist on their immediate return.

Of considerable interest to the United States business community is the obligation of the Soviet Government to compensate United States firms whose patented processes are being used by the U. S. S. R. in oil refineries supplied to it under lend-lease. As of January 15, 1951, a settlement arrangement on this point had been reached by the Soviet Government with only one of the United States claimants. Consequently, this was one of the points taken up by the United States delegation on January 15. The Soviet delegation gave assurances that it was willing to undertake the negotiation of settlements with the remaining companies, and such negotiations were started by the Soviet representatives. The Chairman of the Government Purchasing Commission of the U. S. S. R. in the United States, who also is a member of the Soviet delegation in the over-all lend-lease discussions, was authorized by the Soviet Government to conduct the patent settlement negotiations with the United States claimants and he is proceeding along such lines. As of March 31, 1951, a settlement agreement had been concluded with one additional firm, and negotiations were in progress with all but one of the remaining companies.

## EXHIBIT A

FOR THE PRESS

No. 12

DEPARTMENT OF STATE, *January 5, 1951.*

U. S.-U. S. S. R. negotiations for a settlement of the Soviet war-time lend-lease account are to be resumed in Washington on January 15, 1951, with representatives of the Soviet Government, nominated for this purpose. These discussions will deal with lend-lease matters only. The question of a settlement of Soviet obligations under the U. S.-U. S. S. R. Master Lend-Lease Agreement of June 11, 1942, has been a subject of discussion between the two Governments since 1945. Formal settlement negotiations were first undertaken in April 1947.

The forthcoming talks result from a United States note of June 15, 1950, to the Soviet Government, suggesting the resumption of negotiations in a further effort to reach a long-overdue settlement of this lend-lease account.

The main problems to be dealt with are:

(1) The amount, and terms of payment, for the reimbursable portion of wartime lend-lease aid from the United States to the Soviet Union. This reimbursable portion does not include articles lost, destroyed, or consumed in the common war effort. It thus comprises only a small part of the total of approximately 11 billion dollars worth of lend-lease aid from the United States to the Soviet Union.

(2) The disposition of naval and merchant vessels loaned to the U. S. S. R. which are subject to return to the United States on request. After the Soviet authorities failed for 2 years to comply with requests for return of certain vessels, the United States on October 7, 1948, formally demanded the return of 3 icebreakers, 28 frigates, and 186 units of other types, mainly small craft. To date, the U. S. S. R. has returned the frigates and one icebreaker, but has failed to comply with the request for the other vessels.

(3) Compensation to United States firms for the use of their patented oil refinery processes supplied to the U. S. S. R. under lend-lease. To date, the U. S. S. R. has reached agreement with only one of the seven interested United States firms.

## EXHIBIT B

FOR THE PRESS

No. 98

DEPARTMENT OF STATE, *February 8, 1951.*

The following is the text of a note from the Honorable Dean Acheson, Secretary of State, to His Excellency Alexander S. Panyushkin, Ambassador of the Union of Soviet Socialist Republics:

FEBRUARY 7, 1951.

His Excellency ALEXANDER S. PANYUSHKIN,  
*Ambassador of the Union of Soviet Socialist Republics.*

EXCELLENCY: I have the honor to refer to article V of the Master Lend-Lease Agreement of June 11, 1942, between the Governments of the United States and the Union of Soviet Socialist Republics which provides that:

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

On July 7, 1948, the President of the United States of America determined that the emergency relative to the lend-lease program referred to in the provisions of the master lend-lease agreements between the United States and various lend-lease countries had terminated.

I have the honor to confirm herewith the statement made by Ambassador John C. Wiley during the lend-lease settlement discussions on January 27, 1951, that the President of the United States of America has determined that certain defense articles are of use to the United States, namely all the naval and merchant vessels and military watercraft which were transferred to the Government of the Union of Soviet Socialist Republics under the Lend-Lease Agreement of June 11, 1942, and which have not been heretofore returned to the United States. This will also confirm the request made by Ambassador Wiley on January 27, 1951, as directed by the President of the United States, that the Government of the Union of Soviet Socialist Republics immediately return to the United States these defense articles in accordance with article V of the Master Lend-Lease Agreement of June 11, 1942. A list of these vessels by category is attached hereto.

It is further requested that representatives of the United States Government be permitted to examine all unserviceable vessels in order to determine the ultimate disposition of these vessels.

The Government of the United States expects that the Soviet naval experts now in the United States will promptly make arrangements with American naval experts for the immediate return of the vessels referred to above.

The Government of the United States reserves its rights under article V of

the Master Lend-Lease Agreement of June 11, 1942, to demand the return to the United States, under the provision of this article, of such other lend-lease articles as may be determined to be of use to the United States.

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

DEAN ACHESON.

Enclosure:

List of vessels by category.

Naval vessels:

- 15 River tugs.
- 2 Icebreakers.
- 34 Large minesweepers.
- 30 Landing craft, infantry.
- 54 Landing craft, mechanized.
- 2 Landing craft, support.
- 17 Landing craft, tank.
- 2 Landing craft, vehicle and personnel.
- 1 Motor launch.
- 1 Plane personnel boat.
- 6 Pontoon barges.
- 205 Motor torpedo boats.
- 140 Submarine chasers.
- 43 Minesweepers, YMS.
- 4 Repair barges.

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556

Merchant vessels:

- 36 War-built ships, Liberty—dry cargo.
- 2 War-built tugs.
- 47 Prewar-built ships—dry cargo.
- 1 Prewar-built tanker.
- 1 Prewar-built tug.

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87

Military watercraft:

- 9 Tankers, 182 feet.
- 1 Freight vessel.
- 2 Machine barges.
- 17 Crane barges.

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## EXHIBIT C

FOR THE PRESS

No. 257

DEPARTMENT OF STATE, *April 6, 1951.*

Following is an exchange of notes between the Secretary of State and the Soviet Ambassador to Washington concerning the request of the United States Government of February 7, 1951, that the Government of the Union of Soviet Socialist Republics promptly return to the United States all vessels loaned to the Union of Soviet Socialist Republics under the terms of the Master Lend-Lease Agreement of June 11, 1942:

### UNITED STATES NOTE OF APRIL 6

His Excellency ALEXANDER S. PANYUSHKIN,  
*Ambassador of the Union of Soviet Socialist Republics.*

EXCELLENCY: I have the honor to refer to your note No. 22 of March 21, 1951, concerning this Government's request of February 7, 1951, that the Government of the Union of Soviet Socialist Republics promptly return to the United States all vessels loaned to the Soviet Union under the terms of the Master Lend-Lease Agreement of June 11, 1942.

In your note you declare that agreement had already been reached between our two Governments for the sale to the Soviet Union of all the merchant ships and part of the naval ships received under lend-lease and that this Government's note of February 7, 1951, "violates" this agreement.

By "agreement" it is presumed that you have reference to this Government's notes of February 27, 1948, September 3, 1948, and August 8, 1949, which dealt with the disposition of lend-lease vessels.

With respect to the 36 war-built merchant vessels this Government's note of February 27, 1948, stated:

"The agreement of your Government concerning these vessels resolves tentatively one of the several points necessary to a satisfactory comprehensive settlement of the obligations under the agreement between our two Governments of June 11, 1942.

"\* \* \* Your attention is invited to the fact that at the first meeting of the working groups on May 3, 1947, United States Representatives stated that since the object of the negotiations was to achieve a satisfactory comprehensive settlement, agreement reached on any particular subject was tentative and subject to agreement on all issues necessary to a general settlement. The Soviet representatives indicated their concurrence. Accordingly, the first paragraph of the "Outline of Main Points of Settlement Proposed by the United States

Side" in keeping with the above-mentioned understandings reached by the representatives of our two Governments on May 3, 1947, reads in part as follows: "As both sides have understood from the outset, the reaching of agreement upon any one issue is tentative and subject to the conclusion of a satisfactory comprehensive settlement."

With respect to prewar-built merchant vessels and tugs, this Government's note of August 8, 1949, stated in part:

"The Government of the United States considers this amount (\$13,000,000) satisfactory as the cash price for the sale of the vessels, effective as of September 2, 1945, it being understood that the sale will be consummated only upon conclusion of the over-all lend-lease settlement. Agreement on this point resolves satisfactorily another of the several points of a comprehensive settlement, but the Government of the United States will continue to reserve its rights under article V of the agreement of June 11, 1942, to require the return to the United States of the prewar-built merchant vessels and the tugs as well as other lend-lease articles until such time as a mutually satisfactory over-all settlement agreement is reached."

With respect to naval vessels, this Government's note of September 3, 1948 stated in part:

"Provided a mutually satisfactory lend-lease settlement is promptly agreed upon by our two Governments, the Government of the United States is willing, at agreed prices, to sell to the Soviet Government as a part of such settlement and in accordance with the surplus property procedures outlined to representatives of your Government on June 25, 1947, the following naval craft \* \* \*."

Moreover, on other occasions this Government has made perfectly clear to the Soviet Government its position concerning the disposition of lend-lease vessels. In this Government's note of May 7, 1948, which referred to the conditional nature of the agreement concerning war-built merchant ships as set forth in this Government's note of February 27, 1948, it was stated:

"\* \* \* the position of the Government of the United States is that, if a comprehensive lend-lease settlement is not concluded promptly, the Government of the United States under article V of the Agreement of June 11, 1942, will require the return to the United States of the lend-lease merchant vessels now remaining in the possession of your government."

In this Government's note of September 3, 1948, in connection with the need for a prompt and satisfactory settlement, it was stated:

"Therefore, notwithstanding certain offers which this Government has made in connection with its settlement proposals, unless a mutually satisfactory settlement is promptly agreed upon by our two Governments, this Government will have no alternative but to withdraw its offers to transfer full title to certain lend-lease articles to the Government of the Union of Soviet Socialist Republics and will be obliged to exercise its rights under article V of the Agreement of June 11, 1942, by requiring the return of such articles to the United States. This is particularly applicable to all merchant and naval vessels. It applies also to military vessels and to certain other lend-lease articles which would be of use to the United States."

From the above it is clear that the "agreement" referred to in your note of March 21, 1951, consists of a series of tentative offers by the Government of the United States which have been explicitly conditioned upon the conclusion of a prompt and satisfactory lend-lease settlement. In the current conversations on the subject of a lend-lease settlement, Ambassador John C. Wiley has repeatedly called to your attention the fact that the Soviet Government by

avoiding the reaching of a prompt and satisfactory over-all settlement clearly has failed to meet the conditions for the sale of any of these vessels. Therefore, this Government is free to withdraw its conditional offer to sell such vessels and this was done in this Government's note of February 7, 1951.

Your note of March 21, 1951, advances as a second reason for not returning lend-lease vessels the argument that the vessels are not needed by the United States. Article V of the Master Lend-Lease Agreement of June 11, 1942, is clear and specific on this point, reading as follows:

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

This article places upon the President of the United States alone the responsibility for the determination of the usefulness of lend-lease articles to the United States. The point raised in your note of March 21, 1951, that certain vessels of the United States may have been disposed of to third countries bears no relationship to the obligations of your Government under article V and is not subject to discussion between our two Governments.

On July 7, 1948, the President of the United States of America determined that the emergency relative to the lend-lease program had been terminated and the Government of the Union of Soviet Socialist Republics was so notified on October 7, 1948. On this date the Soviet Government was also notified of the determination by the President of the United States that 3 icebreakers, 28 frigates, and 186 other naval craft were of use to the United States and their return was demanded. The Soviet Government has returned only the frigates and one icebreaker. On February 7, 1951, the Government of the Union of Soviet Socialist Republics was informed that the President of the United States of America had determined that all merchant, military and naval lend-lease vessels remaining in Soviet custody are of use to the United States and the prompt return of these vessels was duly demanded. Therefore, the obligation of the Soviet Government to return the vessels listed in this Government's note of February 7, 1951, is clear and unequivocal.

With reference to the statement in your note of March 21, 1951, that United States naval vessels in Soviet custody are "badly worn out and for the most part unfit for navigation in the open sea," I wish to emphasize that title to these vessels remains in the Government of the United States regardless of their condition. I therefore repeat the request made in this Government's note of February 7, 1951, that representatives of the Government of the United States be permitted to examine all unserviceable vessels in order to determine their ultimate disposition.

The demand presented in this Government's note of February 7, 1951, that the Government of the Union of Soviet Socialist Republics immediately return to the Government of the United States all the naval and merchant vessels as well as military watercraft which were transferred to it under the Master Lend-Lease Agreement of June 11, 1942, is hereby reiterated.

A prompt reply is requested in order that the necessary arrangements for return may be promptly agreed upon with the Soviet naval expert now in Washington.

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

DEAN ACHESON.

SOVIET NOTE OF MARCH 21

WASHINGTON, March 21, 1951.

Mr. DEAN ACHESON,

*Secretary of State of the United States of America.*

SIR: In connection with your note delivered to me on February 7, 1951, by Mr. Wiley during the negotiations on the question of a lend-lease settlement, I have the honor to state the following:

As you know, by agreement between the Governments of the U. S. S. R. and the U. S. A. negotiations were renewed in Washington on January 15 this year between representatives of both Governments for settling all lend-lease accounts. Prior to that time agreement had already been reached between the Governments of the U. S. S. R. and the U. S. A. on several specific questions of the lend-lease settlement, and several other specific questions remained to be agreed upon in order to complete the negotiations and to conclude an agreement for a final and total settlement. In particular, an agreement was reached concerning the sale to the Soviet Union of all the merchant ships and part of the naval ships received under lend-lease. With regard to merchant ships, an agreement was also reached about sale prices and that the value of all merchant ships of prewar construction would be paid for in cash. It is important to note that the agreement concerning the sale of merchant ships to the Soviet Union was reached long before the expiration of the act of 1946 concerning the sale of merchant ships. As concerns the naval vessels, it is well known that the Government of the U. S. S. R., in view of the agreement which had been reached earlier, sent a naval expert to Washington at the suggestion of the Government of the U. S. A., proceeding on the basis that the American and Soviet experts would discuss the conditions of the sale of naval vessels to the Soviet Union.

The proposal for the immediate return of all merchant and naval vessels, made by the Government of the U. S. A. in your note of February 7 of this year, violates the agreement already reached between the Governments of the U. S. S. R. and the U. S. A. during the negotiations on lend-lease.

The United States Government attempts to justify its violation of the agreement concerning the sale to the Soviet Union of all merchant vessels and part of the naval vessels by referring to article 5 of the Lend-Lease Agreement of June 11, 1942, which stipulates the possibility of the return of lend-lease residue at the determination of the President of the United States. However, in this case the question concerns solely the fulfillment by the Government of the U. S. A. of an agreement which had been reached after the conclusion of the Agreement of June 11, 1942, and which fully corresponds to the principles and tasks of this agreement, which provides for the necessity of guaranteeing the interests of both sides in the final lend-lease settlement.

It is necessary to note that the Government of the U. S. A. motivates its proposal, concerning the return of the merchant and naval vessels received by the Soviet Union under lend-lease, by the fact that the United States has need of these vessels at the present time. This motivation cannot but cause surprise.

The United States demands the return by the Soviet Union of an insignificant number of merchant vessels while according to the report of the Senate Commission of August 30, 1950, No. 2494, three-fifths of all tonnage or more than 15 million gross tons of the United States merchant fleet are not being used and are moored inactive at piers.

The United States also demands the return by the Soviet Union of an insignificant number of small naval vessels badly worn out and for the most part unfit for navigation in the open sea. Meanwhile it is well known that the United States has sold and transferred several naval vessels to other countries. Thus,

according to data of the United States Department of Defense published in a press release of January 9, 1951, two light cruisers were sold to Brazil and Chile; according to reports in the American press, destroyer escorts, submarines, and other naval vessels were sold to Turkey, Greece, France, and other countries. Altogether, according to data published in the United States, 26 large naval vessels were sold to other countries in 1950 and 1951, not to mention a considerable number of small naval vessels. With regard to the sale of merchant vessels, as can be seen from data published on January 18 of this year in the American press the United States has sold 1,113 American vessels of wartime construction to foreign purchasers.

It is also known that during the lend-lease settlement with Great Britain, the Government of the U. S. A. sold vessels, along with other lend-lease residual items, to the Government of Great Britain, as is witnessed by the report of the Senate Commission of March 22, 1946, No. 110, section V.

Thus the reference in your note to the fact that the United States needs merchant and naval vessels appears to have an artificial character and therefore cannot serve as a basis for presenting the Soviet Union with a demand to return all lend-lease vessels. Such a demand does not conform to the principles of the Lend-Lease Agreement, which provides, as is well known, an obligation to consider the interests of both sides and not to act unilaterally and to the harm of these interests.

The Soviet Government also considers it necessary to draw the attention of the Government of the U. S. A. to the fact that the number of lend-lease naval vessels indicated in the supplement to your note of February 7 does not correspond to the actual number of such vessels in the possession of the Soviet Union. The total number of available lend-lease naval vessels in the U. S. S. R. is 498, not counting 2 icebreakers. The remaining 56 vessels were lost during military operations and for other reasons. On June 25, 1948, the Soviet Government, as is known, reported the existence in the U. S. S. R. of 518 naval vessels, consisting mainly of cutters, minesweepers and other small vessels, without mentioning the remaining vessels which were lost during the war.

In its note of reply of September 3, 1948, the Government of the U. S. A. correctly listed 36 vessels as lost or destroyed. As concerns 20 vessels, I reported their loss to Mr. Wiley during the negotiations on January 27 of this year. During the negotiations on February 7, additional information concerning lend-lease naval vessels now in the U. S. S. R. was given to Mr. Wiley.

The Soviet Government expresses confidence that the Government of the U. S. A. will adhere to the agreement previously reached concerning merchant and naval vessels, which is an important condition in reaching a lend-lease settlement.

Accept, Sir, the assurances of my highest consideration.

A. PANYUSHKIN.

## PORT PROJECT AT MONROVIA, LIBERIA

The port of Monrovia, Liberia, which was constructed with lend-lease funds under an agreement with the Government of Liberia, has been in operation since July 1948. The completion of the access roads and bridge, authorized expressly in Public Law 519, Eightieth Congress,<sup>1</sup> was accomplished at that time. Present indications are that the port will be a lucrative enterprise.

The Department of State is following developments closely as the United States will have a continuing interest in this project because the lend-lease investment is to be repaid out of the net proceeds of the port.

Operations are being directed by the Monrovia Port Management Co., a Delaware corporation, comprised of the Government of Liberia and United States business interests operating in Liberia. In furtherance of its efforts to administer properly this important lend-lease project, representatives of the Department of State have scheduled a meeting in April 1951 with the board of directors of the Port Management Co. at the New York headquarters of the company.

<sup>1</sup> PUBLIC LAW 519

EIGHTIETH CONGRESS, SECOND SESSION

62 Stat. 227

### GENERAL PROVISION—DEPARTMENT OF STATE

The funds (not to exceed \$4,000,000) and authority available to the Secretary of State pursuant to the Act of March 11, 1941 (55 Stat. 31), as amended, to carry out the agreement of December 31, 1943, between the Government of the United States of America and the Government of Liberia for the construction of the port, port facilities, and access roads in Monrovia, Liberia, which have been heretofore partially constructed, shall remain available for such purpose until June 30, 1950.

Approved May 10, 1948.

## CONCLUSION

The Twenty-ninth Report to Congress on Lend-Lease Operations contained the last comprehensive over-all report on lend-lease fiscal operations prepared by the Treasury Department. In the interest of economy such voluminous reports are no longer being put into form for publication although all records and accounts are, of course, being maintained on a current basis.

Included in this report, as appendix I, are data furnished by the Treasury Department, which bring the figures in the statements up to March 31, 1951. These data should satisfy the normal requirements of students, research analysts, and others interested in the fiscal aspects of World War II lend-lease programs.

Following a "Status of Nations" report, as appendix II, there is republished, as appendix III, the text of the Lend-Lease Act of March 11, 1941, and amendments thereto; then, as appendix IV, there is presented a report of funds made available for lend-lease, and, finally, as appendix V, there is given a general definition of the termination date of lend-lease.

With the passage of time some of the underlying principles and objectives of World War II lend-lease aid may have been lost sight of. In the light of certain of our present day problems the following quotations from a Special Report to the Seventy-eighth Congress on Lend-Lease Operations, submitted on January 23, 1943, and pointing up some of these basic principles and objectives, might now well be remembered:

Under the Act, the President is authorized by Congress "in the interest of national defense" to procure and provide "defense articles" and "defense information" for the government of any country whose defense he deems "vital to the defense of the United States" \* \* \* Lend-lease is not a loan of money. Nor has it ever been an act of charity.

It was in our interest that the flow of weapons and other supplies furnished to promote the defense of the United States should not be interrupted by a lack of dollar exchange.

Since aid was being furnished in our own defense and it was important to avoid the international debt experience of the last war [World War I], payment might be in kind or property or other benefits, rather than in dollars.

Article II of each [master] agreement provides that the government concerned "will continue to contribute to the defense of the United States of America and the strengthening thereof," in addition to providing "such articles, services, facilities or information as it may be in a position to supply."

Article VII \* \* \* provides that in the final settlement the terms shall be such as to promote the economic objectives of the Atlantic Charter. It pledges each of the signatories to work with all other countries of like mind, for "the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and employment of goods, which are the material foundations of the liberty and welfare of all peoples."

Through its unswerving faith in the ideal, through its unified all-out national effort, and with the cooperation of its allies, the United States of America, by virtue of the unselfish principles of Lend-Lease, played its vital and historic role which led to victory in 1945.

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## **APPENDIXES**

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## APPENDICES

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## APPENDIX 1

### LEND-LEASE FISCAL OPERATIONS

The Treasury Department, pursuant to Executive Order 9726 of May 17, 1946, is responsible for the preparation and publication of relevant fiscal data relating to lend-lease operations. The last previous report in comprehensive form was included in the Twenty-ninth Report to Congress on Lend-Lease Operations covering the period ending June 30, 1949.

On the following pages, identified as appendixes I (a), I (b) and I (c), are revised statements reflecting changes which have taken place up to and including March 31, 1951, under the three titles which embrace the principal information and data concerned with the subject matter.

## APPENDIX I (a)

## Summary statement of defense aid provided, cumulative through Mar. 31, 1951

## SOURCE OF FUNDS

From appropriations to:		
Lend-Lease Administration appropriation	\$25, 131, 436, 735. 49	
Less: Obligations in excess of reports of defense aid provided	26, 643, 521. 88	
		\$25, 104, 793, 213. 61
Department of the Army appropriations		19, 537, 061, 772. 49
Department of the Navy appropriations		4, 757, 623, 070. 76
Maritime (W. S. A.) appropriations		620, 647, 410. 38
From foreign government funds	\$221, 503, 783. 49	
Less: Obligations in excess of reports of defense aid provided		
		<sup>1</sup> 221, 503, 783. 49
From reissues of returned lend-lease articles		1, 042, 394. 71
Total		<u><u>\$50, 242, 671, 645. 44</u></u>

## DEFENSE AID PROVIDED

Charged to foreign governments:		
Materials	\$44, 723, 674, 156. 44	
Services and other expenses	3, 519, 568, 196. 22	
Aid furnished through commanding generals	690, 998, 139. 86	
		48, 934, 240, 492. 52
Not charged to foreign governments:		
Construction in United States to facilitate lend-lease	720, 803, 118. 11	
Administrative expenses	40, 113, 026. 92	
Losses on inventories and facilities	31, 172, 831. 39	
Miscellaneous charges	516, 342, 176. 50	
		1, 308, 431, 152. 92
Total aid provided		<u><u>50, 242, 671, 645. 44</u></u>

<sup>1</sup> In addition, the foreign governments have paid approximately \$950 million to the United States for lend-lease items purchased out of U. S. Government funds. This money has or will be reappropriated or deposited to the General Fund of the Treasury.

## APPENDIX I (b)

Statement of defense aid provided by country and by appropriation category, cumulative through Mar. 31, 1951

	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, indus- trial, and other commodities	Testing, recon- ditioning, etc., of defense articles	Services and expenses	Administrative expenses
<b>CHARGED TO FOREIGN GOVERN- MENTS</b>											
<b>American Republics:</b>											
Bolivia.....	\$5, 523, 017. 51	\$144, 489. 07	\$4, 325, 249. 94	\$78, 376. 66	\$17. 19	\$620, 373. 57	\$262, 498. 18	\$70, 986. 37		\$21, 026. 53	
Brazil.....	361, 393, 036. 96	42, 234, 013. 21	89, 393, 884. 99	55, 011, 193. 77	82, 522, 923. 13	38, 870, 242. 32	7, 730, 942. 13	29, 953, 981. 12	\$3, 604, 873. 28	12, 070, 983. 01	
Chile.....	23, 244, 099. 68	7, 750, 652. 51	8, 930, 245. 17	2, 901, 712. 16	1, 454, 892. 71	886, 900. 03	886, 388. 46	339, 792. 78		93, 515. 86	
Colombia.....	8, 290, 446. 18	594, 045. 08	4, 041, 170. 72	818, 366. 63	637, 490. 30	666, 712. 74		38, 478. 56	994, 515. 91	499, 666. 24	
Costa Rica.....	156, 330. 15	34, 422. 34		51, 540. 84		68, 117. 00		571. 55		1, 678. 42	
Cuba.....	6, 551, 280. 35	377, 428. 22	1, 998, 579. 67	522, 722. 89	2, 057, 405. 87	649, 504. 69	5, 235. 88	25, 093. 03	887, 616. 70	27, 693. 40	
Dominican Republic.....	1, 617, 367. 10	138, 958. 46	400, 742. 53	150, 951. 63	531, 269. 91	382, 541. 09		7, 064. 40	969. 36	4, 869. 72	
Ecuador.....	7, 794, 772. 09	416, 815. 02	1, 936, 857. 27	2, 263, 822. 68	889, 762. 73	1, 982, 055. 91		10, 721. 62	250, 380. 59	44, 356. 27	
Guatemala.....	3, 086, 029. 05	731, 993. 37	1, 754, 759. 09	372, 894. 72		184, 825. 28				41, 556. 59	
Haiti.....	1, 423, 147. 25	70, 991. 16	350, 123. 47	146, 346. 97	174, 999. 05	664, 669. 86	3, 281. 50	10, 724. 54		2, 010. 70	
Honduras.....	368, 364. 24	46, 784. 72	257, 371. 39	24, 626. 26		35, 328. 29			2, 325. 37	1, 928. 21	
Mexico.....	39, 276, 246. 29	7, 989, 616. 76	16, 070, 845. 52	3, 033, 711. 17	3, 289, 929. 60	2, 612, 843. 51	555, 039. 36	1, 459, 614. 28	2, 692, 605. 03	1, 572, 041. 06	
Nicaragua.....	887, 199. 28	90, 622. 49	469, 528. 91	133, 038. 89	13, 846. 75	45, 699. 07			122, 939. 84	11, 523. 33	
Panama.....	667. 33						500. 32			167. 01	
Paraguay.....	1, 954, 442. 85	130, 758. 36	947, 455. 84	209, 892. 67	484, 622. 15	158, 481. 32				23, 232. 51	
Peru.....	18, 916, 471. 85	2, 617, 089. 50	6, 822, 095. 06	1, 655, 624. 98	4, 140, 962. 54	1, 712, 886. 90	1, 326, 486. 91	460, 599. 70	82, 141. 57	98, 584. 69	
Salvador.....	878, 275. 90	146, 114. 69	423, 369. 02	259, 495. 04		19, 928. 18	18, 969. 62	1, 851. 90		8, 547. 45	
Uruguay.....	7, 132, 260. 54	1, 180, 680. 24	1, 717, 705. 60	1, 940, 606. 15	1, 549, 861. 06	689, 666. 77	10, 456. 55	6, 945. 36	15, 894. 20	20, 444. 61	
Venezuela.....	4, 528, 492. 62	668, 855. 74	1, 564, 210. 67	777, 341. 82	789, 864. 24	517, 293. 04		861. 15	183, 114. 47	26, 951. 49	
Total, American Republics.....	493, 021, 947. 22	65, 364, 330. 94	141, 404, 194. 86	70, 352, 265. 93	98, 537, 847. 23	50, 768, 069. 57	10, 799, 798. 91	32, 387, 286. 36	8, 837, 376. 32	14, 570, 777. 10	
<b>Other governments:</b>											
Belgium.....	156, 254, 519. 40	564, 683. 22	765, 815. 99	15, 203, 306. 49	16, 607, 339. 95	17, 871, 356. 42	18, 315. 36	104, 810, 074. 00	43. 82	413, 584. 15	
British Empire.....	31, 610, 813, 206. 15	3, 066, 973, 487. 93	6, 422, 011, 811. 45	3, 803, 943, 205. 45	5, 494, 128, 139. 39	2, 164, 293, 371. 34	367, 837, 212. 45	9, 440, 506, 697. 91	425, 404, 741. 03	425, 714, 539. 20	
China.....	1, 637, 790, 712. 02	277, 045, 159. 07	231, 023, 454. 57	190, 461, 322. 79	85, 501, 906. 69	151, 649, 580. 33	9, 965, 002. 07	84, 424, 911. 47	206, 732. 51	607, 512, 642. 52	
Czechoslovakia.....	435, 446. 23			26. 02		50, 824. 61		367, 389. 70		17, 205. 90	
Egypt.....	2, 322, 611. 92	5, 447. 50		1, 480, 977. 78		24, 086. 56		619, 687. 01		192, 413. 07	
Ethiopia.....	5, 151, 480. 09	354, 204. 68	121, 299. 73	265, 180. 60		69, 303. 94		4, 336, 316. 45		5, 174. 69	
Denmark <sup>1</sup> .....	4, 002, 034. 71							4, 000, 648. 71		1, 386. 00	
France and possessions.....	3, 269, 936, 471. 02	285, 016, 673. 18	342, 729, 816. 64	428, 632, 124. 56	294, 704, 237. 67	651, 920, 447. 84	2, 348, 159. 75	1, 106, 518, 741. 82	61, 061, 053. 76	97, 005, 215. 80	
Greece.....	81, 424, 112. 31	4, 427, 926. 25		435, 721. 33	37, 558, 338. 88	38, 557. 43		38, 556, 775. 86	143, 242. 17	263, 550. 39	
Iceland.....	4, 366, 404. 50		184, 111. 95	296, 968. 89	19, 723. 66	248, 416. 55	26, 775. 28	3, 524, 418. 53	57, 555. 89	8, 433. 75	
Iran.....	5, 303, 624. 18	42, 786. 42		2, 362, 117. 89		2, 357, 686. 01	13, 197. 07	408, 335. 57		119, 501. 22	
Iraq.....	891, 469. 57							887, 264. 43		4, 205. 14	
Italy <sup>2</sup> .....	186, 371, 678. 87			1, 811, 662. 37	51, 200, 389. 05	182, 038. 75		132, 510, 223. 06		667, 365. 64	
Liberia.....	18, 151, 715. 47	153, 711. 90		7, 557. 46		83, 182. 90		2, 476. 45		17, 904, 786. 76	
Netherlands and possessions.....	246, 369, 309. 96	15, 959, 402. 97	78, 740, 981. 27	15, 863, 389. 94	15, 312, 264. 49	11, 484, 433. 44		101, 386, 261. 73	5, 171, 050. 40	2, 451, 525. 72	
Norway.....	47, 023, 452. 37	1, 457, 689. 99	4, 149, 626. 99	200, 695. 42	10, 849, 138. 00	2, 021, 158. 82		5, 160, 993. 68	23, 058, 491. 89	125, 657. 58	
Poland.....	12, 451, 879. 69	117, 326. 79	40, 921. 25	64, 963. 84	1, 098, 430. 58	1, 666, 831. 39		8, 854, 795. 62	418, 952. 42	189, 657. 80	
U. S. S. R.....	11, 054, 449, 197. 21	782, 768, 434. 44	1, 539, 180, 009. 89	1, 767, 352, 632. 60	1, 268, 452, 729. 24	794, 586, 065. 26	542, 788, 473. 61	4, 165, 626, 708. 28	115, 069, 268. 28	78, 624, 875. 61	
Saudi Arabia.....	22, 670, 314. 52	710, 867. 95		953, 438. 62		690, 109. 64		20, 314, 206. 41		1, 691. 90	
Turkey.....	42, 850, 057. 19	24, 127, 531. 43	1, 041, 870. 02	12, 834, 031. 58	4, 251. 10	771, 521. 12	30, 171. 03	3, 732, 203. 29		308, 477. 62	
Yugoslavia.....	32, 188, 847. 92	1, 690, 534. 41	1, 103, 184. 45	3, 174, 170. 74	5, 324, 449. 25	5, 998, 044. 58		14, 540, 109. 05		358, 355. 44	
Total, other governments.....	48, 441, 218, 545. 30	4, 461, 415, 868. 13	8, 621, 092, 904. 20	6, 245, 343, 494. 37	7, 280, 761, 337. 95	3, 806, 007, 016. 93	923, 027, 306. 62	15, 241, 089, 239. 03	630, 591, 132. 17	1, 231, 890, 245. 90	
Total, charged to foreign governments.....	48, 934, 240, 492. 52	4, 526, 780, 199. 07	8, 762, 497, 099. 06	6, 315, 695, 760. 30	7, 379, 299, 185. 18	3, 856, 775, 086. 50	933, 827, 105. 53	15, 273, 476, 525. 39	639, 428, 508. 49	1, 246, 461, 023. 00	
<b>NOT DISTRIBUTED BY FOREIGN GOVERNMENTS</b>											
Losses on inventories and facilities.....	31, 172, 831. 39							31, 172, 831. 39			
Production facilities.....	720, 803, 118. 11						713, 694, 460. 09			7, 108, 658. 02	
Miscellaneous.....	516, 342, 176. 50	9, 054, 847. 39	376, 273. 59	4, 817, 852. 27	140, 444, 780. 09	7, 928, 813. 77	1, 071, 437. 25	262, 737, 308. 69	28, 196, 505. 47	61, 714, 357. 98	
Administrative expenses.....	40, 113, 026. 92										\$40, 113, 026. 92
Total, not distributed by foreign governments.....	1, 308, 431, 152. 92	9, 054, 847. 39	376, 273. 59	4, 817, 852. 27	140, 444, 780. 09	7, 928, 813. 77	714, 765, 897. 34	293, 910, 140. 08	28, 196, 505. 47	68, 823, 016. 00	40, 113, 026. 92
Grand total.....	50, 242, 671, 645. 44	4, 535, 835, 046. 46	8, 762, 873, 372. 65	6, 320, 513, 612. 57	7, 519, 743, 965. 27	3, 864, 703, 900. 27	1, 648, 593, 002. 87	15, 567, 386, 665. 47	667, 625, 013. 96	1, 315, 284, 039. 00	40, 113, 026. 92

<sup>1</sup> Transfers were made pursuant to arrangements described in the Twenty-first Report to the Congress on Lend-Lease Operations, pp. 8 and 9.<sup>2</sup> Transfers were made pursuant to arrangements described in the Twenty-third Report to the Congress on Lend-Lease Operations, pp. 24 to 26, inclusive.

## APPENDIX I (c)

Statement of defense aid provided by country and by appropriation category, period Sept. 2, 1945, through Mar. 31, 1951

	Total	Ordnance and ordnance stores	Aircraft and aeronautical material	Tanks and other vehicles	Vessels and other watercraft	Miscellaneous military equipment	Facilities and equipment	Agricultural, in- dustrial, and other commod- ities	Testing, recondi- tioning, etc., of defense articles	Services and expenses
<b>CHARGED TO FOREIGN GOVERNMENTS</b>										
<b>American Republics:</b>										
Bolivia.....	\$441,753.15		\$441,584.15							\$169.00
Brazil.....	6,742,056.99	\$947,346.02	555,548.74	\$81,376.59	\$3,515,467.07	\$134,789.16	\$7,794.29	\$1,272,325.89		227,409.23
Chile.....	410,411.29	90,750.00	29,804.74	181,581.29	70,620.75	18,699.92	5,299.80	13,463.29		191.50
Colombia.....	12,578.19			7,889.20	4,561.99					127.00
Cuba.....	19,465.59	204.34	6,308.00		2,813.80	14.45		10,100.00		25.00
Dominican Republic.....	27,258.76		10,224.15		10,445.61	6,589.00				
Ecuador.....	561,747.03	13,446.51		510,553.41	3,763.24	33,294.48		34.39		655.00
Guatemala.....	1,347,407.05	96,497.87	1,213,476.32			36,757.86				675.00
Haiti.....	5,448.88		3,036.08			2,412.80				
Mexico.....	598,385.45	1,492.19	73,237.13	541.46	55,377.80	12,432.14		436,469.22		18,835.51
Nicaragua.....	144.00									144.00
Paraguay.....	2,370.00									2,370.00
Peru.....	238,513.69	4,905.91	36,238.59	30,709.20	127,350.45	2,618.87	18,482.39	15,740.15		2,468.13
Salvador.....	30.00									30.00
Uruguay.....	11,061.06		3,394.90			5,896.16		1,661.00		109.00
Venezuela.....	11,569.76				2,806.45	8,624.31				139.00
Total, American Republics.....	10,430,200.89	1,154,642.84	2,372,852.80	812,651.15	3,793,207.16	262,129.15	31,576.48	1,749,793.94		253,347.37
<b>Other governments:</b>										
Belgium.....	80,929,883.12			2,806,695.03	12,917,692.12	8,184,216.33		57,015,149.66		6,129.98
British Empire.....	437,017,587.51	748,515.36	3,760,840.42	4,868,669.04	76,747,515.48	18,985,496.34	11,723.74	326,926,756.34	\$189,771.80	4,778,298.99
China.....	792,042,491.14	123,711,969.13	43,683,604.63	96,283,395.07	49,940,642.57	104,564,464.39	36,198.74	37,918,928.21	2,338.88	335,900,949.52
Czechoslovakia.....	1,939.16							1,043.69		895.47
Denmark <sup>1</sup> .....	4,000,648.71							4,000,648.71		
Egypt.....	63,147.72					2,900.70		12.88		60,234.14
France and possessions.....	421,631,723.39	988,102.47	3,700,377.15	13,601,766.38	61,079,748.99	28,714,820.77	1,290.42	313,335,571.23		260,045.98
Greece.....	5,967,917.85				5,879,170.00	127.60		80,941.66		7,678.59
Iceland.....	27,521.76							27,521.76		
Iran.....	211.00									211.00
Italy <sup>2</sup> .....	125,651,704.52			1,239,384.05	40,200,389.05	76,544.35		84,131,540.07		3,847.00
Liberia.....	14,567,680.31									14,567,680.31
Netherlands and possessions.....	76,189,773.39	4,730,943.45	349,528.91	7,127,354.53	13,193,560.68	3,450,490.16		46,940,245.55	49,875.00	347,775.11
Norway.....	6,444,380.23	261.14	231,368.56		70,481.76	28,091.64		5,876,831.17	231,210.00	6,135.96
Poland.....	333,245.35			18.13				321,164.72		12,062.50
U. S. S. R.....	279,179,007.67	250,612.25	15,781.62	2,811,260.28	21,127,896.01	8,946,489.61	7,498,239.79	238,509,521.28		19,206.83
Saudi Arabia.....	4,467,734.85							4,467,652.05		82.80
Turkey.....	73,525.94			18.52			9,442.96	48,551.39		15,513.07
Yugoslavia.....	75,609.60							73,108.40		2,501.20
Total, other governments.....	2,248,665,733.22	130,380,403.80	51,741,501.29	128,738,561.03	281,157,096.66	172,953,641.89	7,556,895.65	1,119,675,188.77	473,195.68	355,989,248.45
Total, charged to foreign gov- ernments.....	2,259,095,934.11	131,535,046.64	54,114,354.09	129,551,212.18	284,950,303.82	173,215,771.04	7,588,472.13	1,121,424,982.71	473,195.68	356,242,595.82
<b>NOT DISTRIBUTED BY FOREIGN GOVERNMENTS</b>										
Losses on inventories and facili- ties.....	21,852,598.50							21,852,598.50		
Miscellaneous charges.....	97,193,801.82	315.50		299,685.50	69,001,928.11	1,347,883.21		26,433,681.22		110,308.28
Total, not distributed by for- eign governments.....	119,046,400.32	315.50		299,685.50	69,001,928.11	1,347,883.21		48,286,279.72		110,308.28
Grand total.....	2,378,142,334.43	131,535,362.14	54,114,354.09	129,850,897.68	353,952,231.93	174,563,654.25	7,588,472.13	1,169,711,262.43	473,195.68	356,352,904.10

<sup>1</sup> Transfers were made pursuant to arrangements described in the Twenty-first Report to the Congress on Lend-Lease Operations, pp. 8 and 9.<sup>2</sup> Transfers were made pursuant to arrangements described in the Twenty-third Report to the Congress on Lend-Lease Operations, pp. 24 to 26, inclusive.

## APPENDIX II

### STATUS OF NATIONS

On the following pages there is a table which shows the status of each nation with respect to its lend-lease and related agreements, the documents in which published agreements may be found, and other relevant data.

A table also entitled "Status of Nations" appeared in earlier issues of the Report to Congress on Lend-Lease Operations, giving the dates of the signing of reciprocal aid agreements where agreements of that type were made, and the date on which each government signed the Declaration by United Nations of January 1, 1942 (not to be confused with the Charter of the United Nations signed in San Francisco in 1945).

The table now set forth refers to lend-lease settlements and related agreements concluded up to March 31, 1951. Many of the agreements noted have been published in the documents listed in the table.

To obtain the latest available information on published documents, reference should be made to "United States Treaty Developments," a loose-leaf publication issued by the Department of State and expanded with supplementary sheets showing the date of each treaty or other agreement, its substance, statutory authority, where published, whether modified, amended, expired or renewed, or other pertinent information.

## STATUS OF NATIONS

## KEY TO ABBREVIATIONS

L-L Rpt.—Report to Congress on Lend-Lease Operations.

TIAS—Treaties and Other International Acts Series (published by Department of State).

EAS—Executive Agreement Series (published by Department of State).

Stat.—United States Statutes-at-Large.

*Lend-lease and related agreements*

[As of Mar. 31, 1951]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Australia.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; 6th L-L Rpt., p. 24; EAS 271; 56 Stat. 1608.	June 7, 1946	23d L-L Rpt., p. 50; TIAS 1523; 60 Stat. 1707.	Mar. 8, 1945	Marine Transportation and Litigation, EAS 467; 59 Stat. 1499.
Belgium.....	June 13, 1941	June 16, 1942	EAS 254; 56 Stat. 1504.....	Sept. 24, 1946	23d L-L Rpt., p. 61; TIAS 2064.	Jan. 30, 1943 Aug. 4, 1943 Apr. 19, 1945 May 19, 1945	Reciprocal Aid, EAS 313; 57 Stat. 920. Acts of United States Armed Forces in Belgian Congo, EAS 395; 58 Stat. 1215. Reciprocal Aid, EAS 481; 59 Stat. 1642. Section 3 (c) Agreement, <sup>3</sup> 19th L-L Rpt., p. 66; EAS 481; 59 Stat. 1642.
Bolivia.....	May 6, 1941	Dec. 6, 1941	-----	Nov. 22, 1947	Arrangement reached for full settlement within the basic terms of the Lend-Lease Agreement of Dec. 6, 1941.		
Brazil.....	-----do-----	Mar. 3, 1942	-----	Apr. 15, 1948 Apr. 19, 1950	Arrangement reached for full settlement within the basic terms of the Lend-Lease Agreement of Mar. 3, 1942. Supplement No. 1 to Arrangement of Apr. 15, 1948, settled certain accounts contingent to the Lend-Lease Agreement of Mar. 3, 1942.	June 28, 1946	Pipeline Agreement, 23d L-L Rpt., p. 73; TIAS 1537; 60 Stat. 1797.

Burma-----						Mar. 4, 1947	Assumption of claims by note to United States consul general, Rangoon, sent to Department with despatch No. 217, Mar. 7, 1947.
Canada-----	Nov. 11, 1941	Nov. 30, 1942	By exchange of notes, accepted principles of art. VII of United Kingdom Lend-Lease Agreement.	Mar. 14, 1949	Exchange of notes (for cash purchases); 28th L-L Rpt., p. 13; TIAS 1925.	May 26, 1943	Claims for Collisions Between War Vessels, EAS 330; 57 Stat. 1021.
						Nov. 11, 1943	Claims for Collisions Between War Vessels, EAS 366; 57 Stat. 1301.
						Nov. 15, 1946	Marine Transportation; Waiver of Certain Claims Involving Government Vessels, TIAS 1582; 61 Stat. (3) 2520.
Chile-----	May 6, 1941	Mar. 2, 1943		Feb. 28, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 2, 1943.		
China-----	do-----	June 2, 1942	5th L-L Rpt., p. 306; EAS 251; 56 Stat. 1494.			May 21, 1943	Acts of Armed Forces, EAS 360; 57 Stat. 1428.
						June 14, 1946	Pipeline Agreement, 23d L-L Rpt., p. 69; TIAS 1533; 60 Stat. 1760.
						June 28, 1946	Military Aid Agreement, 23d L-L Rpt., p. 75; TIAS 1746; 61 Stat. (4) 3895.
Colombia-----	do-----	Mar. 17, 1942		Apr. 13, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 17, 1942.		
Costa Rica-----	do-----	Jan. 16, 1942		Oct. 18, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Jan. 16, 1942.		
Cuba-----	do-----	Nov. 7, 1941					
Czechoslovakia-----	Jan. 5, 1942	July 11, 1942	EAS 261; 56 Stat. 1562.	July 25, 1947 Sept. 16, 1948	TIAS 1675; 61 Stat. (4) 3410-- 28th L-L Rpt., p. 3; TIAS 1818.		
Dominican Republic--	May 6, 1941	Aug. 2, 1941 Aug. 6, 1941	(Supplement)	Apr. 26, 1949	Final payment under Lend-Lease Agreement of Aug. 2, 1941; reported in 29th L-L Rpt. p. 1.		
Ecuador-----	do-----	Apr. 6, 1942		Feb. 12, 1951	Final payment under Lend-Lease Agreement of Apr. 6, 1942; reported in 32d L-L Rpt., p. 3.		
El Salvador-----	do-----	Feb. 2, 1942		May 26, 1950	Final payment under Lend-Lease Agreement of Feb. 2, 1942; reported in 32d L-L Rpt., p. 3.		

See footnotes at end of table, p. 28.

STATUS OF NATIONS—Continued  
Lend-lease and related agreements—Continued

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Ethiopia.....	Dec. 7, 1942	Aug. 9, 1943	EAS 334; 57 Stat. 1043.....	May 20, 1949	29th L-L Rpt., p. 29; TIAS 1931.		
France.....	Nov. 11, 1941	Feb. 28, 1945	EAS 455; 59 Stat. 1304.....	May 28, 1946	23d L-L Rpt., p. 41; TIAS 1928; 61 Stat. (4) 4175.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 29; EAS 273; 56 Stat. 1614.
				Mar. 14, 1949	Financial Settlement, <sup>5</sup> 28th L-L Rpt., p. 4; TIAS 1936.	Sept. 25, 1943	Reciprocal Aid in French North and West Africa, 13th L-L Rpt., p. 66; EAS 483; 59 Stat. 1666.
				.....do.....	Maritime Claims, <sup>5</sup> 28th L-L Rpt., p. 10; TIAS 1935.	Feb. 28, 1945	Section 3 (c) Agreement, <sup>3</sup> EAS 455; 59 Stat. 1304.
						Feb. 27, 1948	Expenditures of U. S. Armed Forces, TIAS 1930.
Greece.....	Mar. 11, 1941	July 10, 1942	EAS 260; 56 Stat. 1559.				
Guatemala.....	May 6, 1941	Nov. 16, 1942	.....	Sept. 30, 1946	Settlement under Lend-Lease Agreement of Nov. 16, 1942.		
Haiti.....	May 6, 1941	Sept. 16, 1941	.....	Mar. 3, 1948	Final payment under Lend-Lease Agreement of Sept. 16, 1941; reported in 26th L-L Rpt., p. vi.		
Honduras.....	.....do.....	Feb. 28, 1942	.....	Feb. 10, 1949	Final payment under Lend-Lease Agreement of Feb. 28, 1942; reported in 28th L-L Rpt., p. 1.		
Iceland.....	July 1, 1941	Nov. 21, 1941	EAS 429; 58 Stat. 1455.				
India.....	Nov. 11, 1941	.....	.....	May 16, 1946	23d L-L Rpt., p. 44; TIAS 1532; 60 Stat. 1753.	Oct. 10, 1942	Acts of United States Armed Forces, EAS 392; 58 Stat. 1199.
Iran.....	Mar. 10, 1942	.....	.....	.....	.....	Dec. 21, 1945	Transfer on Credit; unpublished correspondence.
Iraq.....	May 1, 1942	July 31, 1945	EAS 470; 59 Stat. 1535.				
Liberia.....	Mar. 10, 1942	June 8, 1943	EAS 324; 57 Stat. 978.....			Dec. 31, 1943	Port Project Agreement, EAS 411; 58 Stat. 1357.
Mexico.....	May 6, 1941	Mar. 13, 1943	.....	Feb. 24, 1951	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 18, 1943.		

Netherlands.....	Aug. 21, 1941	July 8, 1942	EAS 259; 56 Stat. 1554.....	May 23, 1947	24th L-L Rpt., p. 22; TIAS 1750; 61 Stat. (4) 3924.	June 14, 1943	Reciprocal Aid, EAS 326; 57 Stat. 991.
						Apr. 30, 1945	Section 3 (c) Agreement, Reciprocal Aid, EAS 480; 59 Stat. 1627.
New Zealand.....	Nov. 11, 1941	Sept. 3, 1942	Accepted United Kingdom agreement; EAS 272; 56 Stat. 1611.	July 10, 1946	23d L-L Rpt., p. 56; TIAS 1536; 60 Stat. 1791.	June 8, 1950	Maritime Claims, TIAS 2119.
Nicaragua.....	May 6, 1941	Oct. 16, 1941				Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 27, EAS 272; 56 Stat. 1611.
Norway.....	June 4, 1941	July 11, 1942	EAS 262; 56 Stat. 1565.....	Feb. 24, 1948	26th L-L Rpt., p. 61; TIAS 1716, 62 Stat. (2) 1848.	May 29, 1945	Marine Transportation and Litigation, EAS 471; 59 Stat. 1541.
Paraguay.....	May 6, 1941	Sept. 20, 1941					
Peru.....	do.....	Mar. 11, 1942					
Poland.....	Aug. 28, 1941	July 1, 1942	EAS 257; 56 Stat. 1542.				
South Africa.....	Nov. 11, 1941	Apr. 17, 1945	TIAS 1511; 60 Stat. 1576....	Mar. 21, 1947	24th L-L Rpt., p. 38; TIAS 1593; 61 Stat. (3) 2640.		
Turkey.....	Nov. 7, 1941	Feb. 23, 1945	EAS 465; 59 Stat. 1476.....	May 7, 1946	23d L-L Rpt., p. 66; TIAS 1541; 60 Stat. 1809.		
United Kingdom.....	Mar. 11, 1941	Feb. 23, 1942	4th L-L Rpt., p. 50; EAS 241; 56 Stat. 1433.	Dec. 6, 1945	22d L-L Rpt., p. 45; TIAS 1509; 60 Stat. 1525.	Aug. 14, 1941	Atlantic Charter, EAS 236; 55 Stat. 1603.
				Mar. 27, 1946	22d L-L Rpt., p. 48; TIAS 1509; 60 Stat. 1525.	July 27, 1942	Acts of Armed Forces, EAS 355; 57 Stat. 1193.
				Feb. 28, 1947	Espoused Claims, TIAS 1635; 61 Stat. (3) 3012.	Aug. 24, 1942	Patent Interchange, EAS 268; 56 Stat. 1594.
				Jan. 7, 1948	Surplus in Middle East, TIAS 1698; 62 Stat. (2) 1836.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 22; EAS 270; 56 Stat. 1605.
				June 18, 1948	Unpublished Settlement of U. S. Army claims subsequent to period covered by agreements of Mar. 27, 1946.	Dec. 4, 1942	Marine Transportation and Litigation, EAS 282; 56 Stat. 1780.
				June 29, 1948	Unpublished acknowledgment of discharge of obligations under agreement relating to petroleum (VI) of Mar. 27, 1946.	Mar. 28, 1944	Acts of Armed Forces, TIAS 1602; 61 Stat. (3) 2728.
						Mar. 27, 1946	Amended Patent Interchange Agreement, TIAS 1510; 60 Stat. 1566.
				July 12, 1948	Joint Installations in Middle East, TIAS 1769; 62 Stat. (2) 2027.	May 7, 1946	Marine Transportation and Litigation, TIAS 1558; 60 Stat. 1958.
				-----do-----	Accounts and claims (wind-up of residual accounts and claims), 27th L-L Rpt., p. 59; TIAS 1770; 62 Stat. (2) 2034.	Jan. 23, 1947	Acts of Civilians, TIAS 1622; 61 Stat. (3) 2876.
						June 27, 1947	Marine Transportation and Litigation, TIAS 1636; 61 Stat. (3) 3014.

See footnotes at end of table, p. 28.

# STATUS OF NATIONS—Continued Lend-lease and related agreements—Continued

Country	Declared eligible for lend-lease aid	Lend-lease master agreement <sup>1</sup>		Lend-lease settlement		Other related agreements <sup>2</sup>	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
United Nations-----		Jan. 1, 1942	Joint declaration, 7th L-L Rpt., p. 32; EAS 236; 55 Stat. 1600.				
U. S. S. R.-----	Nov. 7, 1941	June 11, 1942	8th L-L Rpt., p. 50; EAS 253; 56 Stat. 1500.			Oct. 13, 1945 Sept. 27, 1949	Pipeline Agreement, 21st L-L Rpt., p. 48. Return of Ice Breakers and Frigates, TIAS 2060.
Uruguay-----	May 6, 1941	Jan. 13, 1942			Prepaid in dollars.		
Venezuela-----	do	Mar. 18, 1942		Apr. 27, 1949	Final payment under Lend-Lease Agreement; reported in 29th Rpt., p. 2.		
Yugoslavia-----	Nov. 11, 1941	July 24, 1942	EAS 263; 56 Stat. 1570-----	July 19, 1948	27th L-L Rpt., p. 64; TIAS 1779; 62 Stat. (2) 2133.		

<sup>1</sup> The lend-lease agreements signed by the United States with 18 of the other American Republics differed from the conventional "master" agreements in that a specific repayment responsibility, for defense aid furnished, was accepted by each beneficiary nation. Approximately 97 percent of the aggregate amount due has been paid in cash and/or through specially negotiated settlement arrangements. Negotiations for the settlement of the as yet unsettled residual accounts are in various stages of progress.

<sup>2</sup> The Declaration by United Nations for a cooperative war effort was signed by 26 nations on Jan. 1, 1942. The other nations here listed, except Iceland, signed on later dates. See the Twenty-First Report to Congress on Lend-Lease Operations, pp. 44-45. Pursuant to that Declaration, the signatory nations subscribed to the Atlantic Charter of Aug. 14, 1941 (the Joint Declaration of the President of the United States and the Prime Minister of the United Kingdom).

<sup>3</sup> A Section 3 (c) Agreement was an executive agreement concluded pursuant to sec. 3 (c) of the Lend-Lease Act of Mar. 11, 1941, which, as amended, prescribed a period up to July 1, 1949, to carry out an agreement of the United States with another government to furnish supplies and services, provided that the agreement was signed before July 1, 1946.

<sup>4</sup> Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on Nov. 11, 1941, and all French territory not under the control of the Axis was declared eligible on Nov. 13, 1942.

<sup>5</sup> Wind-up of residual accounts and claims.

### APPENDIX III

NOTE.—There are reprinted in this section for purposes of convenience most of the principal laws and documents relating to lend-lease. All of these have been included in previous reports, several of which are now out of print. The text of the Lend-Lease Act of March 11, 1941, appears below in the form in which it was originally passed.

#### PUBLIC LAW 11

##### SEVENTY-SEVENTH CONGRESS, FIRST SESSION

AN 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 govern-

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

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

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

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

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

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

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

foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

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

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

#### SECTION 4

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

#### SECTION 5

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

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

#### SECTION 6

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

(b) All money and all property which is converted into money received under section 3 from any government shall, with the approval of the Director of the Budget, revert to the respective appropriation

or appropriations out of which funds were expended with respect to the defense article or defense information for which such consideration is received, and shall be available for expenditure for the purpose for which such expended funds were appropriated by law, during the fiscal year in which such funds are received and the ensuing fiscal year; but in no event shall any funds so received be available for expenditure after June 30, 1946.

#### SECTION 7

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

#### SECTION 8

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

#### SECTION 9

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

#### SECTION 10

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

#### SECTION 11

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

Approved March 11, 1941.

## PUBLIC LAW 23

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Chapter 30*

SEC. 3. Any defense article procured from an appropriation made by this Act shall be retained by or transferred to and for the use of such department or agency of the United States as the President may determine, in lieu of being disposed of to a foreign government whenever in the judgment of the President the defense of the United States will be best served thereby.

## PUBLIC LAW 282

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

*Chapter 460*

SEC. 102. The President may, from time to time, when he deems it in the interest of national defense, authorize the head of any department or agency of the Government to enter into contracts for the procurement of defense articles, information, or services for the government of any country whose defense the President deems vital to the defense of the United States, to the extent that such government agrees to pay the United States for such defense articles, information, or services prior to the receipt thereof and to make such payments from time to time as the President may require to protect the interests of the United States; and, upon payment of the full cost, the President may dispose of such articles, information, or services to such government: *Provided*, That the total amount of the outstanding contracts under this section, less the amounts which have been paid to the United States under such contracts, shall at no time exceed \$600,000,000.

## PUBLIC LAW 474

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Chapter 141*

SEC. 303. The term "defense article" as used in section 102 of the Third Supplemental National Defense Appropriation Act, 1942, approved December 17, 1941 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942, approved January 30, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), and in section 102 of this Act shall be deemed to include defense information and services, and the expenses in connection with the procurement or supplying of defense articles, information, and services.

## PUBLIC LAW 763

SEVENTY-SEVENTH CONGRESS, SECOND SESSION

*Chapter 629*

## TITLE II. DEFENSE AID

The funds appropriated in section 1 (d) of the Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23), in section 101 (c) of the Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282), and in section 301 (c) of the Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474), shall be deemed to be available retroactively as well as prospectively for the procurement, disposition, or furnishing of any defense information or defense service under the Act entitled "An Act to Promote the Defense of the United States," approved March 11, 1941 (Public Law 11), whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article, and the authority to dispose of defense articles granted in section 102 of the Third Supplemental National Defense Appropriation Act, 1942 (Public Law 353), in section 102 of the Fourth Supplemental National Defense Appropriation Act, 1942 (Public Law 422), in section 301 of the Act of February 7, 1942 (Public Law 441), in sections 102 and 303 of the Fifth Supplemental National Defense Appropriation Act, 1942 (Public Law 474), in section 201 of the Sixth Supplemental National Defense Appropriation Act, 1942 (Public Law 528), in section 103 of this Act, and in any other appropriation act for the same purpose, shall be deemed to include the authority to procure, dispose of, or furnish any defense information or defense service under said Act of March 11, 1941, whether or not such information or service is necessary to or connected with the procurement or disposition of any defense article.

## PUBLIC LAW 9

SEVENTY-EIGHTH CONGRESS, FIRST SESSION

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, is amended by striking out "June 30, 1943" wherever it appears therein and inserting in lieu thereof "June 30, 1944"; by striking out "July 1, 1946" and inserting in lieu thereof "July 1, 1947"; and by striking out "July 1, 1943" and inserting in lieu thereof "July 1, 1944"; and subsection (b) of section 6 of such

Act is amended by striking out "June 30, 1946" and inserting in lieu thereof "June 30, 1947."

Approved, March 11, 1943.

#### PUBLIC LAW 304

##### SEVENTY-EIGHTH CONGRESS, SECOND SESSION

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1944" wherever it appears therein and inserting in lieu thereof "June 30, 1945"; by striking out "July 1, 1947" and inserting in lieu thereof "July 1, 1948"; and by striking out "July 1, 1944" and inserting in lieu thereof "July 1, 1945"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1947" and inserting in lieu thereof "June 30, 1948".

SEC. 2. Subsection (b) of section 3 is amended by striking out the period after the word "satisfactory" and inserting the following: "*Provided, however*, That nothing in this paragraph shall be construed to authorize the President 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."

Approved, May 17, 1944.

#### PUBLIC LAW 31

##### SEVENTY-NINTH CONGRESS, FIRST SESSION

AN ACT To extend for one year the provisions of An Act to promote the defense of the United States, approved March 11, 1941, as amended

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That subsection (c) of section 3 of An Act to promote the defense of the United States, approved March 11, 1941, as amended, is amended by striking out "June 30, 1945" wherever it appears therein and inserting in lieu thereof "June 30, 1946"; by striking out "July 1, 1948" and inserting in lieu thereof "July 1, 1949"; and by striking out "July 1, 1945" and inserting in lieu thereof "July 1, 1946"; and subsection (b) of section 6 of such Act is amended by striking out "June 30, 1948" and inserting in lieu thereof "June 30, 1949."

SEC. 2. That subsection (c) of section 3 of such Act is further amended by striking out the period after the word "earlier", inserting a semicolon, and the following new language: "*Provided, however,* That nothing in section 3 (c) shall be construed to authorize the President to enter into or carry out any contract or agreement with a foreign government for postwar relief, postwar rehabilitation or postwar reconstruction; except that a contract or agreement entered into in accordance with this Act in which the United States undertakes to furnish to a foreign government defense articles, services, or information for use in the prosecution of the present war and which provides for the disposition, on terms and conditions of sale prescribed by the President, of any such defense articles, services, or information after the President determines they are no longer necessary for use by such government in promoting the defense of the United States shall not be deemed to be for postwar relief, postwar rehabilitation or postwar reconstruction."

Approved, April 16, 1945.

## PUBLIC LAW 521

### SEVENTY-NINTH CONGRESS

#### *Title I. General Appropriations*

#### DEFENSE AID—LEND-LEASE

\* \* \* \* \*

Liquidation: Not to exceed \$5,500,000 of the funds made available by title II of the Second Deficiency Appropriation Act, 1945, and others Acts mentioned in said title for carrying out the provisions of an Act to promote the defense of the United States, approved March 11, 1941, are hereby continued available during the fiscal year 1947 for the liquidation of the activities under said Act of March 11, 1941, said sum to be derived from the amounts appropriated for the several categories for which appropriations have been made as may be determined by the Secretary of State, or such official as he may designate: *Provided*, That the amount named herein shall not be available for any expense incident to the shipment abroad of any commodities after December 31, 1946.

\* \* \* \* \*

SEC. 408. This Act may be cited as the "Third Deficiency Appropriation Act, 1946."

Approved July 23, 1946.

## PUBLIC LAW 271

## EIGHTIETH CONGRESS

An Act making supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress Assembled*, That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, to supply supplemental appropriations for the fiscal year ending June 30, 1948, and for other purposes, namely:

\* \* \* \* \*

## DEFENSE AID, LIQUIDATION LEND-LEASE PROGRAM

For the liquidation by the Treasury Department in the fiscal year 1948 of activities under the Act to promote the defense of the United States, approved March 11, 1941, \$500,000: *Provided*, That the foregoing amount shall be available for expenditure in connection with shipment of commodities contracted for prior to January 1, 1947 (but not heretofore shipped), for the account of only Australia, Belgium, Guatemala, China, France, Saudi Arabia, Brazil, Peru, the United Kingdom, and the Netherlands.

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## APPENDIX IV

### FUNDS MADE AVAILABLE FOR LEND-LEASE

#### I. LEND-LEASE APPROPRIATIONS TO THE PRESIDENT

First lend-lease appropriation (Mar. 27, 1941) .....	\$7,000,000,000
Second lend-lease appropriation (Oct. 28, 1941) .....	5,985,000,000
Third lend-lease appropriation (Mar. 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
Sixth lend-lease appropriation (July 5, 1945) .....	2,475,000,000
<b>Total</b> .....	<b>30,697,498,000</b>
<b>Deduct:</b>	
Rescission of lend-lease appropriations (Feb. 19, 1946) .....	1,739,561,000
Rescission of lend-lease appropriations (May 27, 1946) .....	945,000,000
Rescission of lend-lease appropriations (July 23, 1946) .....	672,000,000
Transfer to Treasury Department (Coast Guard) .....	12,966,000
Transfer to UNRRA .....	385,000,000
Reserve for postwar price support of agriculture .....	500,000,000
<b>Total deductions</b> .....	<b>4,254,527,000</b>
<b>Net appropriations available for lend-lease</b> .....	<b>26,442,971,000</b>

#### II. TRANSFERS AUTHORIZED FROM OTHER APPROPRIATIONS

Acts appropriating funds to the War and Navy Departments provided that defense articles, information and services procured from such funds could be transferred under lend-lease up to specified maximum amounts, which are shown below:

##### 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 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 might 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.)

## III. TOTAL FUNDS MADE AVAILABLE FOR LEND-LEASE

Maximum provided, as of Sept. 30, 1946 (not including the  
leasing of ships) (total of I and II)----- \$62,412,971,000

## IV. DISPOSITION OF FUNDS

## Obligations and expenditures:

Lend-lease appropriations-----	\$25,988,759,000
War Department-----	19,348,763,000
Navy Department-----	4,615,790,000
Maritime Commission (War Shipping Administration)---	620,647,000
Coast Guard-----	12,966,000
Total-----	<sup>1</sup> 50,586,925,000

<sup>1</sup> The net difference between this figure and the reported total amount of lend-lease aid is accounted for by the aid supplied from foreign government funds, the reissues of returned lend-lease articles, and the excess of obligations of funds over the amount of aid rendered.

## APPENDIX V

### TERMINATION OF LEND-LEASE

This Government has given the following response to the question, "What is the termination date of lend-lease?"

Under section 3 (c) of the Lend-Lease Act (55 Stat. 31), as amended (59 Stat. 52), the authority to make new commitments to render lend-lease aid terminated on June 30, 1946. The authority to carry out commitments entered into prior to June 30, 1946, continued to June 30, 1949.

As a matter of policy the President determined that, with minor exceptions, lend-lease aid on the wartime basis, without full repayment by recipient governments, was terminated on VJ-day, September 2, 1945. In one or two very minor respects, the authority to continue lend-lease aid beyond the dates specified above has been granted by act of Congress.

Other provisions in the Lend-Lease Act, such as the authority to make settlements and to fix the terms of aid, and provisions respecting the implementation of recapture and other agreements, have no automatic termination.