82d Congress, 2d Session - - - - - House Document No. 465

THIRTY-THIRD REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

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

Payments and Settlements
Current Settlement Negotiations
Liberian Port Project
Reverse Lend-Lease
Silver Accounts
Lend-Lease Fiscal Operations
Status of Nations
Lend-Lease Act
Funds Made Available for Lend-Lease

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1952

AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO

Submitted in accordance with section 5, subsection (b), of the Lend-Lease Act of March 11, 1941 (55 Stat. 32; 22 U. S. C., sec. 414 (b))

PRESIDENT'S LETTER OF TRANSMITTAL

THE WHITE HOUSE, *July 3, 1952.*

To the Congress of the United States:

I am transmitting herewith the Thirty-third Report to Congress on Lend-Lease Operations, for the period from April 1, 1951, through December 31, 1951.

Since the previous report a Lend-Lease Settlement Arrangement has been concluded with Nicaragua; Colombia completed the payments scheduled under the Settlement Arrangement of April 13, 1950; and Cuba liquidated a residual amount due under the terms of the original Lend-Lease Agreement of November 7, 1941.

Across-the-board negotiations with the U. S. S. R. continued during part of the report period. The course of these discussions is described at some length in the body of the report.

HARRY S. TRUMAN.

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

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THIRTY-THIRD REPORT TO CONGRESS ON LEND-LEASE OPERATIONS

Preamble

Lend-lease came into being almost 11 years ago—in the early spring of 1941. The Lend-Lease Act was enacted by the Congress as a measure of national defense on March 11, 1941. The name under which the Act became known derives from its wording which authorized the President "to sell, transfer, transfer title to, exchange, lease, lend, or otherwise dispose of" defense articles. Technically speaking its title is "An Act to Promote the Defense of the United States."

The Act provides that the terms and conditions upon which any foreign government received aid 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.

Lend-lease was not conceived as a means of lending money nor as an act of charity. Rather lend-lease was a program of providing goods and services to nations resisting the Axis aggressors. It was undertaken for the defense of the United States. We aided other peoples through lend-lease and they aided us in the form of reciprocal aid (reverse lend-lease) because at the time our interests coincided. Through lend-lease our allies were assured of a continuous and mounting flow of arms, food, and other supplies with which to defeat the common enemy.

Now, almost 11 years after the Lend-Lease Act came into effect and over 6 years since VJ-day, much remains to be done in protecting the interests of the United States in matters arising directly from lend-lease or closely related to it. Since September 1945 the Department of State has been charged with the responsibility of administering lend-lease activities with the exception of the purely fiscal and accounting functions which have been the responsibility of the Treasury Department since May 1946.

The Department of State is in daily communication with various governments involved in the lend-lease and reverse lend-lease operations of World War II. Several governments have thus far failed to come to terms for the settlement of their lend-lease accounts. On the other hand many of the settlements which were consummated some

time ago are receiving current attention due to the necessity of dealing with our affairs in the light of changed circumstances and the current world situation. There also is a steady flow of administrative details remaining from this 50-billion-dollar undertaking of World War II. Information on the more important items requiring the attention of our Government during this report period is contained in this and in the following pages.

Lend-Lease Payments and Settlements

Members of the Congress, public officials, and responsible private citizens have occasionally turned to the records of lend-lease operations in casting about for some precedent or basis of comparison which would be useful in helping them to formulate their views on current military-defense-assistance programs. Some of these civic leaders have been especially interested in how our allies of World War II have fulfilled their obligations and commitments in connection with lend-lease.

The governments of most lend-lease recipient countries have either discharged their obligations in full or have entered into settlement agreements whereby the lend-lease accounts will be settled by various means including periodic payments spread over a number of years.

During the period covered by this report the Department of State maintained its efforts to work out satisfactory settlements with those countries which have not settled their lend-lease accounts, while at the same time it kept a close watch over existing agreements to assure that the interests of the United States are being fully protected.

The lend-lease account with the U. S. S. R. has been the subject of many inquiries during the past year. Across-the-table negotiations which were resumed in January 1951 were reported in some detail in the Thirty-second Lend-Lease Report covering the period ending March 31, 1951. The months of April, May, and August saw further fruitless negotiations with representatives of the Soviet Government. Several important diplomatic communications were also exchanged, and the results of these latest efforts to work out a satisfactory lend-lease settlement with the U. S. S. R. are reported in detail in another part of this report.

Representatives of the National Government of the Republic of

China have voiced renewed interest in working out a settlement of World War II accounts, including lend-lease, and some brief discussions and exchanges of views have taken place. Prospects seem good for a settlement of the accounts with China.

The Governments of Peru and Poland are being urged to settle their lend-lease accounts and a number of communications have passed between each of these Governments and the Department of State.

The period covered by this report was marked by several noteworthy payments; for example, Cuba paid the residual balance due on its lend-lease accounts and Colombia also completed payments in fulfillment of its commitment under the settlement arrangement of April 13, 1950. Brazil continued to maintain its good payment record under the arrangement of April 15, 1948, and the supplement of April 19, 1950. The Government of Nicaragua also came to terms and agreed to remit the balance due on its lend-lease accounts through a funding arrangement over a moderate period of time.

It will be recalled by those who are familiar with lend-lease that a number of countries, such as Canada, Egypt, Iceland, and Iraq, reimbursed the United States on a "pay as you go" basis for lend-lease supplies furnished during World War II. On the other hand, as mentioned above, other countries have undertaken settlement obligations whereby the amounts owed will be paid off over a period of time. Some examples of such countries are the Netherlands, the United Kingdom, and France. The table entitled "Status of Nations—Lend-Lease and Related Agreements," which appears as appendix II of this report, will be of interest to those requiring specific details of this aspect of the lend-lease picture.

For the convenience of the reader some additional details are provided in the following pages under individual country titles.

COLOMBIA

On June 29, 1951, the Government of Colombia completed payments due on its over-all lend-lease obligations in accordance with the commitment made in the Colombian Lend-Lease Settlement Arrangement of April 13, 1950. With this payment there have been discharged all fiscal responsibilities incurred by Colombia under the provisions of the Lend-Lease Agreement of March 17, 1942.

Declared eligible for lend-lease aid on May 6, 1941, Colombia severed relations with the former Axis Powers on December 8, 1941, and entered the war on November 27, 1943.

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CUBA

On April 26, 1951, the Government of Cuba completed the liquidation of its fiscal obligations for defense aid furnished under the terms of the Lend-Lease Agreement of November 7, 1941.

As one of the other American Republics declared eligible on May 6, 1941, to receive lend-lease aid, Cuba declared war against the Axis on December 9, 1941, and became a signatory of the Declaration by United Nations on January 1, 1942.

NICARAGUA

On September 26, 1951, a Lend-Lease Settlement Arrangement with the Government of Nicaragua was made effective. Under its terms the balance due, stemming from the Lend-Lease Agreement of October 16, 1941, will be paid by Nicaragua over a reasonable period of time.

CURRENT LEND-LEASE SETTLEMENT NEGOTIATIONS

BOLIVIA

As stated in the Thirty-second Report, Bolivia some time ago completed the payment of its lend-lease obligations incurred under the terms of the Lend-Lease Settlement Arrangement of November 1947. However, the Government of Bolivia is still obligated to the United States in a fairly substantial amount for the cost of contingent aid furnished Bolivia for the maintenance and upkeep of lend-lease military equipment, after VJ-day.

It is hoped that mutually agreeable terms for the settlement of this indebtedness will soon be developed.

CHINA

China is still numbered among the few major unsettled lend-lease accounts. During recent months representatives of the National Government of the Republic of China have informed the Department of State that they are now in a position to resume negotiations for the settlement of the lend-lease and other accounts.

The Department of State has been endeavoring since 1947 to work out an agreement for settlement of the lend-lease obligations of China and, in view of the renewed interest of the National Government in the matter, it is hoped that discussions early in 1952 will result in a prompt settlement of a number of accounts, including lend-lease.

ECUADOR

Payment of the amount due from Ecuador under "treaty account" incurred within the terms of the Lend-Lease Agreement of April 6, 1942, was completed in February 1951. However, the Government of Ecuador still remains indebted to the United States for post-VJ-day lend-lease furnished for the maintenance of military equipment supplied under "treaty" terms. It is expected that negotiations for the final liquidation of this debt will eventually result in a satisfactory settlement.

PERU

For the period covered by this report, Peru continues in arrears in its lend-lease obligations to the United States, both in respect to

commitments made under the specific provisions of the Lend-Lease Agreement of March 11, 1942, and for contingent defense aid furnished during the program period on cash-repayment terms.

Notwithstanding an extended series of negotiations, the Department of State has not as yet been able to achieve mutually acceptable terms of settlement. However, prospects for eventual accord are favorable.

POLAND

Poland was invaded and attacked by Nazi Germany on September 1, 1939. Nearly 2½ years later, on January 1, 1942, the Government of Poland in Exile became a signatory of the Declaration by United Nations.

A so-called "preliminary" agreement between the Governments of Poland and the United States, embracing principles applying to mutual aid in the prosecution of the war against aggression, was signed in Washington on July 1, 1942. The full text of that agreement is printed as Executive Agreement Series 257 (Department of State publication 1796 or 56 Stat. 1542).

Under the terms of the agreement the United States furnished lend-lease aid to Poland amounting in value to about 12.5 million dollars, of which the greater part was for goods and services supplied prior to VJ-day.

Negotiations designed to reach a settlement were initiated in 1947 and were continued in 1948. The United States proposed that the settlement, in addition to the defense aid accounts, should include intergovernmental claims and other matters related to the general war accounts. No offer of a settlement formula has as yet been received from the Government of Poland; however, as the result of formal representations by the Department of State to the Ambassador of Poland in Washington there has been further discussion of the matter.

U. S. S. R.

During the period covered by this report the Department of State continued its negotiations for a settlement of the Soviet Union's lend-lease obligations. A summary of previous meetings in the current series of negotiations, which began on January 15, 1951, is contained in the Thirty-second Report to Congress on Lend-Lease Operations.

As before, the latest meetings with the Soviet Government representatives, which took place in April, May, and August, have centered on three main issues: (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.

Financial Settlement

After unsuccessful efforts to reach agreement on the terms of a satisfactory financial agreement through bilateral negotiations, the Department of State, on April 27, 1951, sent a note (exhibit B) to the Soviet Government proposing that the question of the financial settlement be submitted to arbitration. The note reviewed the positions taken on this issue by the two Governments; pointed out that 4 years of direct negotiation had yielded little progress toward a settlement; and proposed that the question be referred for decision to an arbitral panel of three members, one each to be appointed by the Soviet Union and the United States and the third member to be appointed by the President of the International Court of Justice.

This proposal for arbitration was rejected by the Soviet Government in a note dated August 28 (exhibit C). In that note the Soviet Government declared that bilateral negotiations represented the best and most rapid means of reaching mutually satisfactory agreements in international relations, and charged that the failure to reach agreement in the lend-lease discussions resulted from alleged United States discriminations against the Soviet Union in setting an unjustifiably high settlement figure, not in accord with the lend-lease settlement concluded with Great Britain. It repeated previous assertions that the settlement should take into account the advantages accruing to the United States from the Soviet Union's "huge contribution" to victory over the Axis Powers in World War II. It should be noted that the Department of State, in its note of April 27 (exhibit B), had already specifically refuted, as it had done in many of the lend-lease meetings, the two basic Soviet arguments that the United States position discriminated against the U. S. S. R. in comparison with Great Britain and that the United States did not give due consideration to the Soviet war contribution. The Soviet note also opposed the arbitration proposal on the basis that no provisions for arbitration of disagreements had been included in the Master Lend-Lease Agreement of June 11, 1942.

Before rejecting the arbitration proposal, however, the Soviet Government had made the first change in its settlement offer since November 24, 1950, by increasing its offer from $240,000,000 to $300,000,000. This increase was made orally by the Soviet delegation at a meeting held on August 24, at which time the United States representatives indicated that the offer was far from fair and reasonable compensation.

Return of Vessels

Another exchange of notes on the subject of Soviet-held lend-lease vessels took place during the period covered by this report. On April 6

the United States despatched a note (exhibit A) replying to a Soviet note of March 21, in which the Soviet Government had rejected a United States demand that all lend-lease vessels be returned in accordance with the provisions of article V of the Master Lend-Lease Agreement. (Article V stipulates that the U. S. S. R. "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.") In its note of March 21 the Soviet Government took the position that the point at issue and the purpose of the discussions were not the "return" of the ships but solely the details of the "sale" of certain of the vessels to the U. S. S. R. in accordance with previous "agreements"; it argued, also, that the United States demand was not justified in view of the large amount of merchant-ship tonnage lying idle in the United States and in view of the transfer of United States naval vessels to other countries. Countering these arguments in its April 6 note, the Department of State pointed out again to the Soviet Government that the original United States offers to sell certain of the ships always had been tentative, having been conditioned on the conclusion of a prompt over-all lend-lease settlement. Since this condition had never been met, the offer to sell some of the vessels was withdrawn.

With respect to the allegation that the United States did not need the vessels, the note pointed out that under the terms of the lend-lease agreement the President of the United States alone was empowered to determine the usefulness of lend-lease articles to the United States. The note concluded with a reiteration of the demand that the Soviet Government fulfill its legal obligation and return the vessels to the United States Government immediately.

On August 21 the Soviet Government replied (exhibit C) to the renewed demand for the return of all vessels by restating its position, outlined in its note of March 21, that the question at issue was still United States fulfillment of the "understanding" to sell certain of the lend-lease vessels.

On August 24 the Soviet Government representatives were informed that their note of August 21 was entirely unsatisfactory and that a formal reply would be made in due course.

Meanwhile the Department of State continued to press for the return of two icebreakers—due to have been returned to the United States in December 1949—which the Soviet Government has claimed were ice-bound with damaged screws in the Arctic Ocean. These efforts were finally successful and the Soviet delegation, in response

to the Department of State's repeated inquiries, stated on August 22, 1951, that the two icebreakers would be returned to United States authorities at Bremerhaven, Germany, in November if Arctic ice conditions permitted. Although delayed, they were finally delivered on December 19, 1951.

Compensation of Patent-Holders

Soviet Government representatives continued some negotiations on agreements to compensate United States firms whose patented processes are being used by the U. S. S. R. in oil refineries supplied under lend-lease. Soviet failure to compensate six of the seven interested United States firms had been one of the main points taken up with the Soviet delegation by the United States delegation at the first session when the current series of meetings was opened on January 15, 1951. As a result the Soviet delegation undertook negotiations with the six companies. By the end of the period covered by the previous report one more agreement had been signed and during the current period two additional agreements were concluded.

NOTE: Exhibits A, B, and C, shown on the following pages, were originally issued as Department of State press releases 257 of April 6, 1951; 329 of April 27, 1951; and 16 of January 9, 1952, respectively.

EXHIBIT A[1]

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

[1] Published in Thirty-second Report to Congress on Lend-Lease Operations as Exhibit C (p. 11).

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

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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.

EXHIBIT B

FOR THE PRESS

No. 329

DEPARTMENT OF STATE, *April 27, 1951.*

The United States today proposed to the Soviet Government that the outstanding disagreement over a lend-lease settlement be submitted to an international arbitration board.

The board would be asked to decide the amount and terms of a financial settlement which the two governments, in 4 years of direct negotiations, have been unable to reach.

The decision of the board, the United States said in a note delivered to the Soviet Ambassador in Washington, should be final and binding on both parties.

The lengthy negotiations with the Soviet delegation "have yielded little progress," the American note, signed by Secretary of State Dean Acheson, said.

"In order to achieve a solution satisfactory to both sides," the United States proposed that the question of what would be "fair and reasonable terms of financial settlement" be submitted to an arbitral panel of three members. One member of the panel would be appointed by the United States and one member by the U.S.S.R. The third member would be appointed by the President of the International Court of Justice.

The United States note said that the question of lend-lease ships, the return of which was again demanded in the United States note of April 6, 1950, is not included in the arbitration proposal.

During the war, the United States furnished lend-lease supplies and services to Russia valued at 10. 8 billion dollars. The United States has requested payment only for "civilian-type" articles which remained in Soviet custody at the end of the war. No request for payment was made for "civilian-type" articles lost, destroyed, or consumed during the war.

Value of the civilian-type articles in Russian hands at the end of the war has been estimated by the United States, after liberal allowances for losses and depreciation, at 2.6 billion dollars. In an effort to speed the settlement, however, the United States offered to settle for 1 billion dollars and later for 800 million dollars. The final amount offered by Russia was 240 million dollars.

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

April 27, 1951.

EXCELLENCY: I have the honor to refer to the negotiations between our two Governments for a settlement of the obligations of the Government of the Union of Soviet Socialist Republics under the Master Lend-Lease Agreement of June 11, 1942, and specifically to the questions of compensation for lend-lease articles not lost, destroyed or consumed during the war and the terms and conditions under which such articles may be retained by the Soviet Government. The Government of the United States has upon several occasions already demanded the return under Article V of the Master Lend-Lease Agreement of all lend-lease ships and watercraft, particularly in its notes of February 7 and April 6, 1951. The question of ships therefore is not considered herein.

The Government of the United States has requested no payment for "military-type" articles (arms, ammunition and implements of war, exclusive of ships) which may have remained in Soviet custody at the war's end. The position of the Government of the United States, however, has been that the terms of any settlement would reserve the right of the Government of the United States, as set forth in Article V of the Master Lend-Lease Agreement, to the return to the United States by the Soviet Government of such "military-type" articles and would maintain the obligation of the Soviet Government as stipulated in Article III of the Master Lend-Lease Agreement, to obtain the prior consent of the Government of the United States before retransfer of such articles to third parties. The position of the Government of the United States in this matter is in keeping with the settlements already concluded with other Lend-Lease countries having Master Lend-Lease agreements similar to that with the Soviet Government.

The Government of the United States also has requested no payment for "civilian-type" articles lost, destroyed, or consumed during the war. The Government of the United States has requested payment only for those "civilian-type" articles which remained in Soviet custody at the war's end and has offered to transfer title to such articles in consideration of payment of a mutually satisfactory sum on terms agreed by our two Governments. These "civilian-type" articles consist of lend-lease supplies having a peacetime value to the Soviet economy and remaining under the control of the Soviet Government on September 2, 1945, or subsequently received by it with the exception of ships, "military-type" articles as stated above, and certain lend-lease articles title to which had been transferred to the Soviet Government under the Agreements of May 30, 1945 and October 15, 1945.

In order to provide a basis for determination of the fair value of "civilian-type" articles remaining in Soviet custody at the war's end, the Government of the United States carefully compiled from its own records a detailed estimated inventory of such articles. In preparing this inventory most liberal allowances were made for wartime losses. The value of this inventory at landed cost less most liberal allowances for the depreciation amounted to a total of $2.6 billion. The Government of the United States, in an effort to arrive at a mutually satisfactory sum representing the fair value of these articles to the Soviet peacetime economy, initially proposed the sum of $1.3 billion repayable in thirty annual installments beginning five years after July 1, 1946, with interest at 2 percent per annum accruing from July 1, 1946 and payable annually thereafter. Subsequently, in a further effort to speed the negotiations to a mutually satisfactory conclusion, the Government of the United States expressed its willingness to accept still lesser sums, first by proposing the amount of $1 billion and later the amount of $800 million. Furthermore, in the interest of a prompt settlement, the Government of the United States has repeatedly indicated its readiness to

reduce further this sum provided that the Soviet Government on its part would increase its present offer to a sum more nearly reflecting the value of the articles to the Soviet peacetime economy.

The Soviet Government has taken the position that a lend-lease settlement, in the first place, must take into account the Soviet contribution to the victory against the common enemy, and secondly, must conform with other existing lend-lease settlements. The Soviet Government, however, has cited only the settlement with the British Government.

With regard to the first principle put forward by the Soviet Government, the Government of the United States believes that it has given full recognition to the Soviet contribution to the defeat of the common enemy by writing off completely the entire lend-lease contribution of the United States to the Soviet war effort and asking payment only for those "civilian-type" articles remaining in the Soviet Union at the war's end. It is to be noted that total lend-lease assistance provided by the United States to the Soviet Union during the war amounted to approximately $10.8 billion and represented a vast contribution of the skills, labor and resources of the United States to assist the peoples of the Soviet Union in the defeat of the aggressor nations. It is also to be noted that the amount of compensation now proposed by the Government of the United States is $800 million. From these facts it may be clearly seen that the Government of the United States has asked no payment for war-time lend-lease aid totaling approximately $10 billion. This represents, on the part of the Government of the United States, great recognition of the community of interest of our two Governments in the achievement of the common victory and takes full cognizance of the part played by the Soviet Government in this effort.

With regard to the Soviet contention that a lend-lease settlement must conform to "precedents", specifically the settlement with the British Government, the Government of the United States has invited the attention of the Soviet Government to the fact that the Government of the United States has never agreed to give most-favored-nation treatment in connection with any lend-lease settlement. Nevertheless, the Government of the United States has in fact sought to reach a lend-lease settlement with the Soviet Government on the basis of the same principles which were observed in the settlement with the British Government. In accordance with these principles the British Government was not asked to pay for lend-lease articles lost, destroyed or consumed in the war; nor was payment asked for "military-type" articles remaining in the United Kingdom at the end of the war. Payment was requested only for the fair value of "civilian-type" articles remaining in the United Kingdom at the war's end. The Soviet Government, however, has repeatedly and categorically refused to reach a settlement on the basis of these principles.

It will be recalled in this connection that, unlike the British Government, the Soviet Government while refusing to furnish an inventory of lend-lease articles remaining in existence at the end of the war, has declined also to consider the estimated inventory provided by the Government of the United States as a basis for settlement. The Soviet Government has instead sought to make settlement on the basis of the total lend-lease furnished and has had recourse to extraneous analogies not germane to the British settlement.

The Soviet Government has thus refused to accept the very principles on which it insists and upon which the settlement with the British Government was based. The Government of the United States must, therefore, reject the contention of the Soviet Government that its offer fully conforms to the British settlement.

The Soviet Government, on the basis of its own principles, has offered to pay to the Government of the United States a "global" sum first in the amount of

$170 million, later increased to $200 million and more recently has made an offer of $240 million stated by Soviet representatives to be "final". The Soviet Government proposes that payment of this sum should be made over a period of 50 years with interest at 2 percent per annum, but with payment of interest and principal beginning five years after the conclusion of the agreement. The Government of the United States considers the amount and terms of the offer of the Soviet Government to be inadequate and unreasonable.

In these circumstances the Government of the United States must point out that four years of direct negotiations between our two Governments have yielded little progress toward a settlement of this issue. Therefore, in order to achieve a solution satisfactory to both sides, the Government of the United States proposes that there be submitted to an arbitral panel consisting of three members, one each to be appointed by the Government of the United States and of the Union of Soviet Socialist Republics and a third member to be appointed by the President of the International Court of Justice, the question of what would be fair and reasonable terms of financial settlement by the Soviet Government for the lend-lease articles having civilian utility, except ships, which were not lost, destroyed or consumed during the war and which were not returned to the United States.

The Government of the United States expresses its hope that the Government of the Union of Soviet Socialist Republics will agree to treat the decision of such an arbitral panel on this question as binding upon both Governments and will accept this proposal as a practical means of reaching final agreement on this issue.

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

DEAN ACHESON

EXHIBIT C

FOR THE PRESS

No. 16

DEPARTMENT OF STATE, *January 9, 1952.*

His Excellency ALEXANDER S. PANYUSHKIN,

Ambassador of the Union of Soviet Socialist Republics.

On January 7, 1952, the Honorable Dean Acheson, Secretary of State, transmitted a note to the Soviet Ambassador at Washington, Alexander S. Panyushkin, replying to the Soviet notes of August 21 and August 28, 1951.

The Soviet note of August 21 once again rejects the requests of the United States that the Soviet Government return all lend-lease vessels.

The Soviet note of August 28 rejected the proposal of the United States, made on April 27, that the question of a satisfactory lend-lease financial settlement be submitted to international arbitration.

The Secretary's note of January 7 points out that the Soviet Government is clearly in default on its obligations by not returning lend-lease vessels to the U. S. and states that the return of all lend-lease vessels is essential to the conclusion of a satisfactory lend-lease settlement. It suggests, however, that the question of the return of the vessels be resolved by the submission of the matter to the International Court of Justice for adjudication.

UNITED STATES NOTE OF JANUARY 7, 1952

EXCELLENCY: I have the honor to refer to your Government's Note No. 71 of August 21, 1951 concerning the request of the Government of the United States that the Soviet Government return to the United States naval, military and merchant vessels loaned to your Government under the Lend-Lease Act and the Master Lend-Lease Agreement of June 11, 1942. I also have the honor to refer to your Government's note No. 73 of August 28, 1951 concerning the proposal of the Government of the United States that the question of the determination of a fair and reasonable lend-lease financial settlement be submitted to arbitration.

In the latter note your Government rejects the proposal of the Government of the United States that the question of a satisfactory financial settlement be submitted to arbitration. In addition a verbal proposal of $300 million was made by the Soviet representative on August 24, 1951. It was indicated at that time that the Government of the United States considers this amount as far from fair and reasonable compensation for lend-lease articles of the United States which remained in Soviet custody at the end of the war. Furthermore, in your note of August 21, 1951, your Government again indicates that it does not intend to meet its obligation to return the lend-lease vessels as requested by the President of the United States. Instead your Government continues to evade this obliga-

tion, which is clearly and specifically stated in Article V of the Lend-Lease Agreement of June 11, 1942, to return lend-lease articles as requested by the President of the United States. In attempting to justify its evasion of this obligation your Government refers to "understandings" relating to the sale of some of the vessels.

These so-called "understandings", however, were offers made long ago by the Government of the United States which were explicitly conditioned upon the prompt conclusion of a mutually satisfactory over-all lend-lease settlement. This condition was not met by your Government. Therefore, the Government of the United States, acting within its legal rights and in full accord with the terms of the Lend-Lease Agreement of June 11, 1942, informed representatives of the Soviet Government on January 27, 1951, that all of the lend-lease vessels which were loaned to the Soviet Government under lend-lease procedures and remain the property of the Government of the United States, are of use to the Government of the United States; and, at the same time, the return of these vessels to the United States was requested in accordance with Article V of the Lend-Lease Agreement of June 11, 1942. Moreover, on the same date representatives of the Soviet Government were informed that the previous conditional offers by the Government of the United States to sell some of the vessels had long since lapsed and that none of the vessels were available for sale to the Soviet Government. On February 7, 1951, the Government of the United States confirmed in a note its request for the return of all the lend-lease vessels.

It is to be noted that on October 12, 1948, the Government of the United States demanded the return to the United States of 186 naval craft in addition to 3 icebreakers and 28 frigates. These 186 vessels at no time had been offered for sale to the Soviet Government on any basis. Even in this instance the Soviet Government has refused to meet its obligation.

It is the view of the Government of the United States that the return of all lend-lease vessels is essential to the conclusion of a satisfactory over-all lend-lease settlement. It is also the view of this Government that the Soviet Government is clearly in default on its obligations by not returning these vessels to the United States.

If the Soviet Government remains unwilling to return these vessels to the United States, the Government of the United States suggests that the question be resolved by submission of the matter to the International Court of Justice for adjudication. For that purpose, the Government of the United States proposes that the Soviet Government join with it in submitting the following question to the Court with the understanding that both Governments will be governed by the Court's decision.

"Does the failure of the Soviet Government to return lend-lease vessels to the United States, as requested by the Government of the United States, constitute a default by the Soviet Government in its obligation under Article V of the Master Lend-Lease Agreement of June 11, 1942, to return lend-lease articles when so requested?"

The Government of the United States therefore requests that the Soviet Government immediately make the necessary arrangements for the return of the lend-lease vessels as requested or agree to the submission of the question of the vessels as stated above to the International Court of Justice for adjudication.

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

DEAN ACHESON

UNOFFICIAL ENGLISH TRANSLATION OF SOVIET NOTE OF AUGUST 21, 1951

His Excellency DEAN G. ACHESON,

Secretary of State of the United States of America.

SIR: In connection with your note of April 6, 1951 I have the honor to communicate the following:

The references in your note to a previous exchange of notes fully confirm the fact that an understanding concerning the sale of lend-lease vessels to the Soviet Union was reached earlier between the Governments of the U. S. S. R. and the U. S. A. At the same time these references indicate that the Government of the U. S. A. itself valued this understanding as a necessary part of a mutually satisfactory general settlement of lend-lease obligations resulting from the Soviet-American agreement of June 11, 1942.

Thus, it is stated in the note of the Government of the U. S. A. of February 27, 1948, in connection with the agreement of the Government of the U. S. S. R. to buy 36 merchant vessels of wartime construction received under the Lend-Lease Act at prices announced by the United States, that the agreement of the Soviet Government concerning these vessels "solves one of several questions necessary for a general satisfactory settlement of obligations" resulting from the Soviet-American agreement of June 11, 1942.

In the note of the Government of the U. S. A. of August 8, 1949 agreement was expressed to sell to the Soviet Union lend-lease merchant vessels of pre-war construction for the sum of 13 million dollars offered by the Soviet Government and it was also indicated that "the agreement on this question satisfactorily solves one more of several questions of a general settlement". By requesting the return of all lend-lease vessels now, the Government of the U. S. A. violates the understanding reached earlier concerning the sale of the merchant vessels and some of the naval vessels to the Soviet Union, in which connection a legitimate doubt arises in the mind of the Soviet Government as to the earnestness of the statements of the U. S. Government concerning its desire to reach a speedy and mutually satisfactory general settlement of lend-lease accounts. The United States Government's renunciation of the understanding reached on individual questions can only make the achievement of a general settlement more difficult.

As has been repeatedly stated earlier, the Government of the U. S. S. R. longs for a very rapid achievement of an agreement with the Government of the U. S. A. concerning a full and final settlement of lend-lease accounts and has repeatedly sent its representatives to Washington to conduct negotiations with the representatives of the United States. It is toward this very goal that the efforts are directed of the Soviet representatives in the lend-lease negotiations which were resumed on January 15 of this year in Washington and are taking place at the present time. For this very purpose there is also a Soviet naval expert in Washington.

It is well known that in the course of the previous negotiations and exchange of notes the Soviet Government, guided by the ardent desire to achieve an agreement with the Government of the U. S. A., made essential concessions and introduced a number of constructive proposals which create the possibility of a successful completion of the negotiations concerning the settlement of lend-lease accounts.

In the light of the foregoing, the attempts of the Government of the U. S. A. to justify its renunciation of the understanding reached earlier concerning the lend-lease vessels by referring to the alleged avoidance by the Soviet party [to the negotiation] of the achievement of a speedy and satisfactory settlement and hence the nonfulfillment of the conditions under which these vessels could be sold, are groundless, and run counter to the true state of affairs.

Insisting, in spite of the understanding, on the return of an insignificant number of merchant vessels by the Soviet Union while three-fifths of the whole tonnage of the merchant marine of the U. S. S. R. is laid up, and also requesting the return of an insignificant number of very dilapidated small naval vessels while much larger naval ships are being sold up to this time by the United States to other countries, the Government of the U. S. A. takes a position which appears as discrimination with respect to the Soviet Union and which contradicts the principles of the agreement between our countries of June 11, 1942 and obviously makes the achievement of an agreement difficult.

The Soviet Government considers that a steadfast observance of the understanding reached earlier is a necessary condition for the achievement of a general and mutually satisfactory settlement of lend-lease accounts.

Accept, Sir, the assurances of my high considerations.

B. KARAVAEV
(*Chargé*)

UNOFFICIAL ENGLISH TRANSLATION OF SOVIET NOTE OF AUGUST 28, 1951

His Excellency DEAN G. ACHESON,
Secretary of State of the United States of America.

SIR: In connection with your note of April 27, 1951, which contains the proposal of the United States Government to transfer to an arbitration court for decision the question of payment for the residue of lend-lease in the Union of Soviet Socialist Republics, I have the honor, on the instructions of the Government of the U. S. S. R., to communicate the following:

The Government of the Soviet Union is aiming as before at the quickest attainment of agreement with the Government of the U. S. A. on a full and final settlement of the lend-lease accounts by means of bilateral negotiations. From the practice of international relations it is well known that, in the presence of good will on the part of both negotiating parties, it is just such bilateral negotiations which are the best and most rapid way of attaining a mutually satisfactory agreement. The agreements on payment for the use in the U. S. S. R. of the patents on oil-refining processes, which were achieved in the course of the present negotiations between the U. S. S. R. Purchasing Commission in the U. S. A. and four American firms, can serve as an example of this. Implementation of the proposal of the United States Government regarding transfer to an arbitration court for decision of the question of payment for lend-lease residue would mean the termination of direct bilateral negotiations between the Governments of the U. S. S. R. and the U. S. A. and would in essence represent a rejection of the very possibility of achieving agreement on a full and final settlement of the lend-lease accounts.

The Government of the United States tries to base its proposal on the fact that direct negotiations regarding the overall sum have not resulted in the achievement of an agreement on this question. However, it is well known to the Government of the U. S. A. that such an agreement was not achieved only because the American side set an excessively high sum as compensation for the residue of lend-lease goods of the so-called "civilian type".

The United States Government indicates in its note that it tried to reach an agreement on lend-lease with the Soviet Union allegedly on the basis of those principles which were applied in the settlement of the accounts of the U. S. A. with Great Britain. This statement does not correspond with reality either with regard to the size of the overall sum of compensation or with regard to the conditions of its payment.

Lend-lease deliveries to the Soviet Union were, it is known, at least two times less than the deliveries made by the United States to Great Britain. Moreover,

the figure of $800,000,000 set by the United States Government for the lend-lease residue in the U. S. S. R. is almost twice as large as the sum subject to payment by Great Britain, which, as is known, consisted of $472,000,000. The American side tries to base the excessively high sum of compensation proposed to the Soviet Union on an arbitrary division of lend-lease residue into articles of "civilian" and "military" types. In this connection it is appropriate to point out that with regard to the U. S. S. R. the American Government unfoundedly counted as articles of "civilian" type many articles which were considered as articles of "military" type in the accounts of the U. S. A. with Great Britain.

Naturally such a discriminatory attitude toward the Soviet Union cannot contribute to the settlement of the lend-lease accounts.

From a comparison of the conditions proposed to the Soviet Union for the payment of compensation with the conditions on which were settled the lend-lease accounts with Great Britain, it is also seen that the credit conditions proposed to the Soviet Union place the U. S. S. R. in a significantly worse position than Great Britain. The conditions proposed to the Soviet Union provide for the payment of compensation in thirty annual installments with payments beginning from July 1, 1951, and with the calculation of interest during several years before the signature of the agreement, while at the same time for Great Britain these conditions provide for payment of compensation in fifty annual installments with payments beginning and interest calculated only from five years after the conclusion of the agreement. From a comparison of these conditions, it follows that with the same nominal two percent annual interest rate, the interest rate paid by Great Britain proves to be significantly lower and for the Soviet Union significantly higher than the indicated nominal rate.

Thus the proposals of the United States Government with regard to the size of the total amount and the conditions of its payment have a discriminatory character and therefore cannot be a basis for a mutually satisfactory agreement.

Such proposals advanced by the United States Government contradict the principles of the June 11, 1942 agreement, according to which the final lend-lease settlement must be made with calculation of the advantages received by the Soviet Union from the U. S. A. as well as those advantages which the U. S. A. received from the military efforts of the Soviet Union, whose huge contribution in the attainment of victory over the common enemy is generally known.

In its note the United States Government states that it is not asking payment for lend-lease articles used by the Soviet Union in the war period and that this fact allegedly bears witness that it fully recognizes the contribution of the Soviet Union to the victory over the common enemy. Such a statement by the American Government is at least misplaced, since according to the basic lend-lease agreement between the U. S. S. R. and the U. S. A. of June 11, 1942 the U. S. A. has no grounds for raising the question that the Soviet Union compensate the United States for the value of the lend-lease articles delivered to the Soviet Union and destroyed, expended, or used during the war period. The agreement of June 11, 1942, obligates the Government of the United States to calculate precisely at the time of settlement of the lend-lease residue accounts, the contribution of the Soviet Union to the military efforts against the common enemy and all advantages which the United States Government received from the operation of this agreement. As is known, according to the definition of President Roosevelt set forth in the preamble of the basic lend-lease agreement "the defense of the Union of Soviet Socialist Republics against aggression is vital to the defense of the United States". This means that all deliveries of lend-lease articles to the Soviet Union were made for purposes vitally important to the United States of America. The position taken by the United States Government in the negotiations for settlement of the lend-lease accounts does not correspond with this agreement and

contradicts the allegation contained in the note that the Government of the United States gives "great recognition of the community of interest of our two Governments in the achievement of the common victory and takes full cognizance of the part played by the Soviet Government in this effort."

The agreement between the U. S. S. R. and the U. S. A. of June 11, 1942, is not a commercial transaction or loan; its very title states that it is an agreement regarding the "principles applied to mutual aid in the prosecution of the war against aggression". In this connection the reference contained in the note of April 27, of this year that "the Government of the United States has never agreed to give most-favored-nation treatment in connection with any lend-lease settlement whatsoever" can scarcely fail to call forth astonishment. Taking a discriminatory position toward the U. S. S. R. in the question of settlement of the lend-lease accounts, the United States Government by this very fact ignores the principles serving as the basis of the lend-lease agreement of June 11, 1942. Such a position of the United States Government contradicts its affirmation of striving to attain a quick, mutually-satisfactory agreement on the settlement of the lend-lease accounts.

In the light of what is set forth above and also in view of the fact that in the lend-lease agreement of June 11, 1942, such a system of settling disagreements was not provided for, the Soviet Government considers unacceptable the proposal of the United States Government for arbitration, advanced in its note of April 27, 1951.

The Soviet Government again reaffirms its readiness to settle the lend-lease accounts by means of direct bilateral negotiations and expresses the hope that in the future course of these negotiations the Government of the U. S. A. will show the necessary cooperation for the rapid conclusion of the negotiations.

Accept, Sir, the assurances of my highest consideration.

B. Karavaev
(*Chargé*)

PORT PROJECT AT MONROVIA, LIBERIA

The participation of Liberia as a lend-lease beneficiary government actually began before any formal lend-lease agreement was drawn up and signed with the United States. Liberia was declared eligible for lend-lease aid on March 10, 1942, and soon thereafter, on March 31, 1942, an agreement (non-lend-lease) "for the defense of Liberia" was concluded; under its special terms small amounts of equipment were furnished by the United States to fill emergency needs. This agreement also paved the way for subsequent lend-lease cooperation with Liberia such as port-construction and air-landing rights.

An agreement based "on principles applying to mutual aid" and made under the authority of the Act of March 11, 1941, was signed by the two governments on June 8, 1943; within its terms it covered and included "all acts, conditions, and formalities which it may have been necessary to perform, fulfill, or execute prior to the making of such arrangement" and made provisions for the extension of further lend-lease aid.

The Governments of the United States and Liberia signed an agreement on December 31, 1943 (Executive Agreement Series 411—58 Stat. 1357), under which the United States agreed to make lend-lease funds available "for the construction of a port, port works, and access roads" at Monrovia. It was agreed that the port would be managed by an American company, incorporated in the United States and approved by the United States Government. The agreement also provided that the net revenue from the operation of the port would be paid to the United States Government until the total amount paid equalled the cost of the construction of the port, port works, and access roads. The total cost to the United States Government of the construction of this port will approximate $20,000,000.

The United States Department of the Navy acted as the operating agency for the actual construction work. The port was completed in 1950 but had been opened for business in July 1948. Included in the port are two rock break-waters inclosing a dredged channel and turning basin, with sea wall; a 2,000-foot marginal wharf; and nearby a large transit shed, oil-storage facilities, and other loading and storage equipment. As a part of the access roads, a steel and concrete bridge, known as the Tubman Bridge, was built across the St. Paul River to connect the rich Western Province of Liberia to Bushrod Island, where the port is located. The funds used for this bridge were residual lend-lease appropriations which the Congress specifically

made available for this purpose in the First Deficiency Appropriation Act, 1948, which was approved May 10, 1948 as Public Law 519, Eightieth Congress (62 Stat. 227).

The port is being operated by a management company known as the Monrovia Port Management Company, Ltd., a Delaware corporation owned by a number of United States companies having business interests in Liberia. The management company operates under a port management contract with the Government of Liberia and approved by the United States Government, and receives a stated fee for its services in managing the port. The Department of State is the United States Government agency charged with protecting the Government's interests in the port. An interdepartmental committee has been formed, with members from the Army, Navy, and Commerce Departments together with the Department of State and, from time to time, a representative of the Port of New York Authority, in order to review the operation of the port and to give advice and counsel on matters which affect the United States Government interests in the port.

The operation of the port has proved more successful from the financial point of view than was generally anticipated before it was opened for business. The gross revenue for the calendar year 1950 was $489,578.12 and the first amortization payment from the Government of Liberia in the amount of $50,000 is expected soon.

The presence of the port at Monrovia has had a most salutary influence upon this country's relations with Liberia. The principal instrument of United States foreign policy in Liberia is its technical assistance and development program. This program would be impossible of achievement without the modern port facilities built there by the United States. Liberia's national output has shown a substantial rise in recent years and the port is in no small measure responsible for helping bring this about. Consequently, Liberia is becoming stronger in the economic and social, as well as the political spheres. This improvement in conditions in a nation so closely associated with the United States stands as concrete proof of many United States statements regarding its relationship with underdeveloped regions.

RECIPROCAL AID—"REVERSE LEND-LEASE"

A study of the fiscal statements appearing in the appendix of this report should include consideration of that now often overlooked reciprocal-aid assistance received from our World War II allies in the form of what is popularly termed "reverse lend-lease."

Under the act of March 11, 1941, establishing lend-lease, "the benefit to the United States may be payment or repayment in kind or in property, or any other direct or indirect benefit which the President deems satisfactory." On May 9, 1941, the President authorized the receipt of reverse lend-lease as a benefit under the act.

As is generally known, reverse lend-lease consisted of goods, services, and information provided to the United States by our allies without call for immediate payment and on terms comparable with those under which lend-lease aid was being furnished by the United States.

In addition to the goods and services thus received by the Government, reverse lend-lease from certain countries was forthcoming through reimbursement to the United States of purchase expenditures when the character of such purchases was later determined to have been eligible as reciprocal aid.

As the war tempo increased, a steadily increasing amount of reciprocal aid was furnished us by countries of the British Commonwealth of Nations. Also, when and as needed large amounts were made available to us by the French Commitee of National Liberation and by Belgium.

Detailed information, including the several categories involved and the respective amounts, was reported on page 28 of the Twenty-ninth Report to Congress on Lend-Lease Operations. The aggregate amounts, supplied to the United States by those countries with which there were reciprocal aid agreements, are:

Belgium	$191, 215, 983. 35
British Empire	6, 752, 073, 165. 40
China	3, 672, 000. 00
France	867, 781, 244. 70
The Netherlands	2, 367, 699. 64
U. S. S. R	2, 212, 697. 81
Total	7, 819, 322, 790. 90

These accounts have been recognized in each instance where lend-lease settlement agreements have been reached.

Throughout a critical period in world history, our World War II allies thus faithfully discharged the common undertaking "to contribute to the defense of the United States of America and the strengthening thereof" by their efforts to "provide such articles, facilities, services, and information as they may be in a position to supply."

SILVER ACCOUNTS

During World War II a total of 409,782,670.47 fine troy ounces of silver bullion valued at $291,401,009.67 was transferred to Australia, Belgium, Ethiopia, India, the Netherlands, Saudi Arabia, and the United Kingdom. Some of these countries sought the silver for coinage while others required it for industrial use or for currency stabilization. The transfers were made under the Lend-Lease Act.

Agreements, which vary somewhat in form, were executed with each Government. These agreements provide, in general, that the recipient country will return the silver to the United States Treasury within 5 years after the end of "the existing national emergency in the United States as determined by the President of the United States." Some of the agreements also contain a provision that, if the conditions of the world supply of silver make it advisable, the 5-year period may be extended by agreement of both Governments for an additional 2 years. The agreements specify that the recipient Government shall return an amount of silver bullion of not less than the equivalent in fineness and the equivalent in quantity and form to the silver transferred.

The silver was purchased from the Treasury Department with lend-lease funds. Some of it was minted into coins in this country before transfer, while in other cases it was turned over in the form of bullion. The largest amount (more than half) was received by India and the next largest by the United Kingdom. The loan of this silver, though handled under lend-lease procedures, always has been kept separate and apart from other lend-lease transactions, and the lend-lease settlement agreements made with certain of these governments specifically exclude the silver from the terms of settlement.

Though the quantities involved, purposes for which used, and the terms of the different agreements vary to some extent, a few factors apply consistently throughout; for example, the same price per fine troy ounce of 71⅓ cents was used in computing the dollar value of all the silver, and all of the agreements contain some provision for the return of the silver within 5 or possibly 7 years, after the termination of the national emergency in the United States. The national emergency referred to is that covered by Presidential Proclamations issued on September 8, 1939, and May 27, 1941, which will be terminated with the official ending of the wars with Germany and Japan.

Of the seven countries to which silver was lend-leased, six still retain the silver. Belgium, in 1947, returned the silver loaned to it. Since the national emergency referred to in the agreements has not been terminated at the close of the period covered by this report, the time period specified in each agreement has not begun.[1]

RECAPITULATION

Government	*Fine troy ounces*	*Dollar valuation*
Australia	11, 772, 730. 21	$8, 371, 719. 25
Belgium	*261, 333. 33	185, 837. 03
Ethiopia	5, 425, 000. —	3, 857, 777. 78
India	225, 999, 903. 83	160, 711, 042. 72
The Netherlands	56, 737, 341. 25	40, 346, 553. 70
Saudi Arabia	21, 316, 120. 01	15, 158, 129. 77
United Kingdom	88, 270, 241. 84	62, 769, 949. 42
Total	409, 782, 670. 47	291, 401, 009. 67

* Returned to United States Treasury in 1947.

CONCLUSION

In the preceding pages of this report there have been presented separate sections concerned with such subjects as lend-lease payments and settlements, the status of current settlement negotiations, a description of the origin, development and prospects relating to the port project in Liberia, and such collateral lend-lease subjects as silver-loans accounts and reciprocal aid.

The appendixes which follow include up-to-date reportings covering lend-lease fiscal operations and other informative material designed to aid those who may be interested in studies of the broader aspects of lend-lease.

[1] The effective period, however, began to run before this report went to press, viz.: Apr. 28, 1952, pursuant to a proclamation of the President issued on that day.

APPENDIXES

APPENDIX I

Lend-Lease Fiscal Operations

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

On the following pages, and reflecting changes which have taken place since the last report up to and including December 31, 1951, there may be found identified as appendixes I(a), I(b), and I(c) full summaries of total defense aid provided; cumulative aid by countries from the beginning of the lend-lease programs through December 31, 1951; and post VJ-day aid provided by country for the period from September 2, 1945, through December 31, 1951.

While these data, under their respective titles, reflect defense aid values actually furnished by the United States it should be noted that, in the cases of certain of the countries named, because of reciprocal aid supplied by them to the United States, the net aggregate of the accounts of each of those particular countries is substantially less than as shown in these statements. A report on reciprocal aid will be found on page 27.

Appendix I (a)

Summary statement of defense aid provided, cumulative through Dec. 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, 975, 638. 86		
		$25, 104, 461, 096. 63	
Department of the Army appropriations		19, 527, 175, 620. 28	
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			
		[1] 221, 503, 783. 49	
From reissues of returned lend-lease articles		1, 042, 394. 71	
Total			$50, 232, 453, 376. 25

Defense Aid Provided

Charged to foreign governments:		
Materials	46, 995, 915, 543. 25	
Services and other expenses	1, 247, 536, 478. 55	
Aid furnished through commanding generals	680, 351, 211. 72	
		48, 923, 803, 233. 52
Not charged to foreign governments:		
Construction in U. S. 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, 561, 166. 31	
		1, 308, 650, 142. 73
Total aid provided		50, 232, 453, 376. 25

[1] 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 Dec. 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, industrial and other commodities	Testing, reconditioning, etc., of defense articles	Services and expenses	Administrative expenses
CHARGED TO FOREIGN GOVERNMENTS											
American Republics:											
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	
El 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	
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	
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	
Other governments:											
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, 627, 572, 442. 83	271, 056, 641. 34	231, 007, 604. 57	190, 246, 631. 76	85, 501, 906. 69	146, 575, 782. 98	9, 965, 002. 07	84, 424, 042. 84	206, 732. 51	608, 588, 098. 07	
Czechoslovakia	435, 446. 23			26. 02		50, 824. 61		367, 389. 70		17, 205. 90	
Denmark [1]	4, 002, 034. 71							4, 000, 648. 71		1, 386. 00	
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	
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 [2]	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, 232, 889. 88	117, 326. 79	40, 921. 25	64, 963. 84	1, 098, 430. 58	1, 666, 831. 39		8, 635, 805. 81	418, 952. 42	189, 657. 80	
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	
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	
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, 430, 781, 286. 30	4, 455, 427, 350. 40	8, 621, 077, 054. 20	6, 245, 128, 803. 34	7, 280, 761, 337. 95	3, 800, 933, 219. 58	923, 027, 306. 62	15, 240, 869, 380. 59	630, 591, 132. 17	1, 232, 965, 701. 45	
Total, charged to foreign governments	48, 923, 803, 233. 52	4, 520, 791, 681. 34	8, 762, 481, 249. 06	6, 315, 481, 069. 27	7, 379, 299, 185. 18	3, 851, 701, 289. 15	933, 827, 105. 53	15, 273, 256, 666. 95	639, 428, 508. 49	1, 247, 536, 478. 55	
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS											
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, 561, 166. 31	9, 054, 847. 39	376, 273. 59	4, 817, 852. 27	140, 444, 780. 09	7, 928, 813. 77	1, 071, 437. 25	267, 956, 298. 50	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, 650, 142. 73	9, 054, 847. 39	376, 273. 59	4, 817, 852. 27	140, 444, 780. 09	7, 928, 813. 77	714, 765, 897. 34	294, 129, 129. 89	28, 196, 505. 47	68, 823, 016. 00	40, 113, 026. 92
Grand total	50, 232, 453, 376. 25	4, 529, 846, 528. 73	8, 762, 857, 522. 65	6, 320, 298, 921. 54	7, 519, 743, 965. 27	3, 859, 630, 102. 92	1, 648, 593, 002. 87	15, 567, 385, 796. 84	667, 625, 013. 96	1, 316, 359, 494. 55	40, 113, 026. 92

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

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APPENDIX I (c)

Statement of defense aid provided by country and by appropriation category, period Sept. 2, 1945, through Dec. 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, industrial, and other commodities	Testing, reconditioning, etc. of defense articles	Services and expenses
CHARGED TO FOREIGN GOVERNMENTS										
American Republics:										
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
El Salvador	30. 00									30. 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
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
Other governments:										
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	782, 233, 914. 13	117, 869, 076. 94	43, 683, 604. 63	96, 009, 610. 08	49, 940, 642. 57	99, 762, 646. 45	36, 198. 74	37, 918, 928. 21	2, 338. 88	337, 010, 867. 63
Czechoslovakia	1, 939. 16							1, 043. 69		895. 47
Denmark [1]	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	938, 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 [2]	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	92, 275. 54			18. 13				80, 194. 91		12, 062. 50
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
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
Yugoslavia	75, 609. 60							73, 108. 40		2, 501. 20
Total, other governments	2, 238, 616, 186. 40	124, 537, 511. 61	51, 741, 501. 29	128, 464, 776. 04	281, 157, 096. 66	168, 151, 823. 95	7, 556, 895. 65	1, 119, 434, 218. 96	473, 195. 68	357, 099, 166. 56
Total, charged to foreign governments	2, 249, 046, 387. 29	125, 692, 154. 45	54, 114, 354. 09	129, 277, 427. 19	284, 950, 303. 82	168, 413, 953. 10	7, 588, 472. 13	1, 121, 184, 012. 90	473, 195. 68	357, 352, 513. 93
NOT DISTRIBUTED BY FOREIGN GOVERNMENTS										
Losses on inventories and facilities	21, 852, 598. 50							21, 852, 598. 50		
Miscellaneous charges	97, 412, 791. 63	315. 50		299, 685. 50	69, 001, 928. 11	1, 347, 883. 21		26, 652, 671. 03		110, 308. 28
Total, not distributed by foreign governments	119, 265, 390. 13	315. 50		299, 685. 50	69, 001, 928. 11	1, 347, 883. 21		48, 505, 269. 53		110, 308. 28
Grand total	2, 368, 311, 777. 42	125, 692, 469. 95	54, 114, 354. 09	129, 577, 112. 69	353, 952, 231. 93	169, 761, 836. 31	7, 588, 472. 13	1, 169, 689, 282. 43	473, 195. 68	357, 462, 822. 21

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

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APPENDIX II

Status of Nations

Continuing the publication of this table, which already has appeared in previous reports, there are outlined in the following pages the current status of each nation with respect to its lend-lease, reciprocal aid and other related basic agreements, the documents in which published agreements may be located, and other relevant data.

The table which is presented in this report also includes lend-lease settlements and all related agreements which had been concluded by December 31, 1951.

A loose-leaf publication entitled *United States Treaty Developments* has been issued by the Department of State. This work, brought periodically up to date by means of supplementary sheets, provides the date of each treaty or other agreement, a summary of its substance, statutory authority, where published, and whether modified, amended, renewed, or expired, as well as other pertinent information.

It should be noted also that many of the agreements have been printed in the publications identified in the table.

NOTE: 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).

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 Dec. 31, 1951]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement [1]		Lend-lease settlement		Other related agreements [2]	
		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 1528; 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; 62 Stat. (3) 3984.	Jan. 30, 1943	Reciprocal Aid, EAS 313; 57 Stat. 920.
						Aug. 4, 1943	Acts of United States Armed Forces in Belgian Congo, EAS 395; 58 Stat. 1215.
						Apr. 19, 1945	Reciprocal Aid, EAS 481; 59 Stat. 1642.
						May 19, 1945	Section 3 (c) Agreement [3], 19th L-L Rpt., p. 66; EAS 481; 59 Stat. 1642.
Bolivia	May 6, 1941	Dec. 6, 1941		Nov. 22, 1947	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Dec. 6, 1941. (Final payment made and reported in 32d L-L Rpt., p. 2.)		
Brazil	do	Mar. 3, 1942		Apr. 15, 1948	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Mar. 3, 1942.	June 28, 1946	Pipeline Agreement, 23d L-L Rpt., p. 73; TIAS 1537; 60 Stat. 1797.

				Apr. 19, 1950	Supplement No. 1 to Arrangement of Apr. 15, 1948, settled certain accounts contingent to Lend-Lease Agreement of Mar. 3, 1942.		
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. (Final payment made and reported in 32d L-L Rpt., p. 2.)		
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. (Final payment made and reported in 33d L-L Rpt., p. 3.)		
Costa Rica	do	Jan. 16, 1942		Oct. 18, 1950	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Jan. 16, 1942.		

See footnotes at end of table, p. 41.

Status of Nations

Lend-lease and related agreements

[As of Dec. 31, 1951]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement [1]		Lend-lease settlement		Other related agreements [2]	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
Cuba	May 6, 1941	Nov. 7, 1941		Apr. 26, 1951	Final payment under Lend-Lease Agreement of Nov. 7, 1941; reported in 33d L-L Rpt., p. 3.		
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; 62 Stat. (3) 2850.		
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.		
Egypt	Nov. 11, 1941				Cash purchases only.		
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.		
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 [4]	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,[5] 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,[5] 28th L-L Rpt., p. 10; TIAS 1935.	Feb. 28, 1945	Section 3 (c) Agreement,[3] EAS 455; 59 Stat. 1304.
						Feb. 27, 1948	Expenditures of U. S. Armed Forces, TIAS 1930; 63 Stat. (3) 3826.

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		Cash purchases only.		
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		Cash purchases only.		
Liberia	Mar. 10, 1942	June 8, 1943	EAS 324; 57 Stat. 978		Other cash transactions only.	Dec. 31, 1943	Port Project Agreement, EAS 411; 58 Stat. 1357.
Mexico	May 6, 1941	Mar. 18, 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 28, 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.
						June 8, 1950	Maritime Claims, TIAS 2119.
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.	Sept. 3, 1942	Reciprocal Aid, 6th L-L Rpt., p. 27, EAS 272; 56 Stat. 1611.
Nicaragua	May 6, 1941	Oct. 16, 1941		Sept. 26, 1951	Arrangement for full settlement within basic terms of Lend-Lease Agreement of Oct. 16, 1941.		
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.				
Saudi Arabia	Feb. 18, 1943	Aug. 7, 1943	Exchange of unpublished notes.				
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.		

See footnotes at end of table. p. 41.

Status of Nations

Lend-lease and related agreements

[As of Dec. 31, 1951]

Country	Declared eligible for lend-lease aid	Lend-lease master agreement [1]		Lend-lease settlement		Other related agreements [2]	
		Date	Where published; remarks	Date	Where published; remarks	Date	Where published; remarks
U. S. S. R.	Nov. 7, 1941	June 11, 1942	8th L-L Rpt., p. 50; EAS 253; 56 Stat. 1500.			Oct. 13, 1945	Pipeline Agreement, 21st L-L Rpt., p. 48.
						Sept. 27, 1949	Return of Ice Breakers and Frigates, TIAS 2060.
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.

United Nations		Jan. 1, 1942	Joint declaration, 7th L-L Rpt., p. 32; EAS 236; 55 Stat. 1600.		Cash purchases only.		
Uruguay	May 6, 1941	Jan. 13, 1942			Prepaid in dollars.		
Venezuela	do	Mar. 18, 1942		Apr. 27, 1949	Final payment under Lend-Lease Agreement of Mar. 18, 1942; reported in 29th L-L 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.		

[1] 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 97½ 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.

[2] 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).

[3] 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.

[4] 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.

[5] Wind-up of residual accounts and claims.

Addendum

Aid was furnished, under special circumstances and specific conditions, to certain countries which never had formally been declared eligible for formal lend-lease treatment. These are Burma (see above table), Denmark, Finland, Greenland, Italy, Panama, Sweden, and Thailand.

Transfers to Denmark were made pursuant to arrangements described in the Twenty-first Report to Congress on Lend-Lease Operations, and those made to Italy were pursuant to arrangements described in the Twenty-third Report to Congress on Lend -Lease Operations. In respect to the others named a *modus operandi*, very similar to that used for lend-lease cash-reimbursement transactions but not under the Lend Lease Act, was used to help these governments to acquire approved essential goods and services.

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

Approved March 11, 1941

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

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

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

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

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

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

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

necessary to carry out a contract or agreement with such a foreign government made before July 1, 1943, or before the passage of such concurrent resolution, whichever is the earlier.

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

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

SECTION 4

All contracts or agreements made for the disposition of any defense article or defense information pursuant to section 3 shall contain a clause by which the foreign government undertakes that it will not, without the consent of the President, transfer title to or possession of such defense 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.

Public Law 23

SEVENTY-SEVENTH CONGRESS, FIRST SESSION

Approved March 27, 1941

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

Approved October 28, 1941

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

Approved March 5, 1942

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

Approved October 26, 1942

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

Approved March 11, 1943

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."

PUBLIC LAW 304

SEVENTY-EIGHTH CONGRESS, SECOND SESSION

Approved May 17, 1944

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."

PUBLIC LAW 31

SEVENTY-NINTH CONGRESS, FIRST SESSION

Approved April 16, 1945

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."

PUBLIC LAW 521

SEVENTY-NINTH CONGRESS

Approved July 23, 1946

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 other 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."

PUBLIC LAW 271

EIGHTIETH CONGRESS

Approved July 30, 1947

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.

* * * * * * *

PUBLIC LAW 519

EIGHTIETH CONGRESS, SECOND SESSION

Approved May 10, 1948

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.

STATUS OF DEFENSE AID APPROPRIATIONS AND AUTHORIZATIONS

[Mar. 11, 1941, through Dec. 31, 1951]

FUNDS AVAILABLE

Lend-Lease Appropriations

1. Defense Aid Supplemental Appropriation Act, 1941 (Public Law 23, 77th Cong.), approved Mar. 27, 1941	$7,000,000,000.00	
2. Defense Aid Supplemental Appropriation Act, 1942 (Public Law 282, 77th Cong.), approved Oct. 28, 1941	5,985,000,000.00	
3. Second Defense Aid Supplemental Appropriation Act, 1942 (Public Law 474, 77th Cong.), approved Mar. 5, 1942	5,425,000,000.00	
4. Defense Aid Supplemental Appropriation Act, 1943 (Public Law 70, 80th Cong.), approved June 14, 1943	6,273,629,000.00	
5. Defense Aid Appropriation Act, 1945 (Public Law 382, 78th Cong.), approved June 30, 1944	3,538,869,000.00	
6. Defense Aid Appropriation Act, 1946 (Public Law 132, 79th Cong.), approved July 5, 1945	2,475,000,000.00	
7. Defense Aid Supplemental Appropriation Act, 1948 (Public Law 271, 80th Cong.), approved July 30, 1947	500,000.00	
8. Second Deficiency Appropriation Act, 1948 (Public Law 785, 80th Cong.), approved June 25, 1948	250,000.00	
9. Third Deficiency Appropriation Act, 1950 (Public Law 343, 81st Cong.), approved Oct. 10, 1949	100,000.00	
		$30,698,348,000.00

Extension of availability of appropriations:

The "First Deficiency Appropriation Act, 1948" (Public Law 519, 80th Cong., approved May 10, 1948), extended the availability of $4,000,000.00 from unexpended balances of Lend-Lease Appropriations for completion of the construction of port facilities and access roads in Monrovia, Liberia, until June 30, 1950.

The "Second Deficiency Appropriation Act, 1948" (Public Law 785, 80th Cong., approved June 25, 1948), extended the availability of $25,000,000.00 from the unexpended balances of Lend-Lease Appropriations through June 30, 1949, for payment of Lend-Lease obligations incurred prior to June 30, 1946, and for the payment of claims approved prior to June 30, 1949, under a Patent Interchange Agreement executed pursuant to the Lend-Lease Act.

The "Third Deficiency Appropriation Act, 1949" (Public Law 343, 81st Cong., approved Oct. 10, 1949), extended the availability of $1,000,000.00 from the unexpended balances of Lend-Lease Appropriations through June 30, 1950, for the payment of claims approved prior to Dec. 31, 1949, under a Patent Interchange Agreement extended pursuant to the Lend-Lease Act.

Maximum Amount Authorized To Be Extended From Appropriations to Military Establishments and Other Government Agencies

The appropriations made to the Department of the Army included a section which read substantially as follows: "Whenever the President deems it to be in the interest of national defense, he may authorize the Secretary to sell, transfer title to, exchange, lend, lease, or otherwise dispose of, to the government of any country whose defense the President deems vital to the defense of the United States, any defense article procured from funds appropriated for the Military Establishment prior to or since Mar. 11, 1941, in accordance with the provisions of the act of Mar. 11, 1941 (Public Law II). The value of defense articles disposed of under this authority shall not exceed * * *"

The appropriations made to the Department of the Navy included a section which read substantially as follows: "Whenerev the President deems it to be in the interest of national

FUNDS AVAILABLE—Continued

Maximum Amount Authorized To Be Extended From Appropriations to Military Establishments and Other Government Agencies—Continued

defense, he may authorize the Secretary to sell, or otherwise dispose of, in accordance with the act of Mar. 11, 1941 (Public Law II), to the government of any country whose defense the President deems vital to the defense of the United States, defense articles, information and services procured from any funds appropriated to the Department of the Navy subsequent to Mar. 11, 1941: *Provided*, That the total value of defense articles (other than ships), information and services disposed of under this authority shall not exceed * * *."

The amounts authorized to be expended in the Appropriations Acts of the War and Navy Departments, which carried the above provisions of law, were as follows:

Department of the Army

1. Third Supplemental National Defense Appropriation Act, 1942 (Title I: "Title III, Military Appropriation Act, 1942"), Public Law 353, 77th Cong., approved Dec. 17, 1941	$2,000,000,000.00	
2. Fourth Supplemental National Defense Appropriation Act, 1942 (Title I: "Title IV, Military Appropriation Act, 1942"), Public Law 422, 77th Cong., approved Jan. 30, 1942	4,000,000,000.00	
3. Fifth Supplemental National Defense Appropriation Act, 1942 (Title I: "Title V, Military Appropriation Act, 1942"), Public Law 474, 77th Cong., approved Mar. 5, 1942	11,250,000,000.00	
4. Sixth Supplemental National Defense Appropriation Act, 1942 (Title I: "Title VI, Military Appropriation Act, 1942"), Public Law 528, 77th Cong., approved Apr. 28, 1942	2,220,000,000.00	
5. Military Appropriation Act, 1943, Public Law 649, 77th Cong., approved July 2, 1942	12,700,000,000.00	
		$32,170,000,000.00

Department of the Navy

6. Second Supplemental National Defense Appropriation Act, 1943 (Title I: "Title III, Naval Appropriation Act, 1943"), Public Law 763, 77th Cong., approved Oct. 26, 1942	3,000,000,000.00	
7. Also under the act of Mar. 11, 1941 (Public Law II, 77th Cong.), provision was made whereby articles procured with funds appropriated prior to Mar. 11, 1941, could be transferred to foreign governments to the limit of $1,300,000,000. Sec. 102 of the act entitled "Title III, Military Appropriation Act, 1942" reduced the limitation to the amount of $800,000,000 and stated that it was not applicable to the Department of the Army after the date of the aforementioned act	800,000,000.00	
8. Public Law I, 78th Cong., approved Feb. 19, 1943, and Public Law 763, 77th Cong., approved Oct. 26, 1942, authorized the leasing of ships of the Department of the Navy without any limitation as to the dollar value or the number of such ships which may be so leased	2,637,370,821.00	
		[1] 6,437,370,821.00

[1] Amount of transfers under authority granted.

Maritime Commission (War Shipping Administration)

9. Public Law 11, 77th Cong., approved Mar. 11, 1941, authorized the leasing of merchant ships constructed with funds appropriated to the Maritime Commission without any limitation as to the dollar value or the number of such ships which may be leased		[1] 620,647,410.38
Total authorizations		$69,926,366,231.38

DISPOSITION OF FUNDS

Expenditures

Lend-Lease Appropriations	$25,039,258,174.86	
War Department	19,527,175,620.28	
Navy Department	4,757,623,070.76	
Maritime Commission (War Shipping Administration)	620,647,410.38	
		$49,944,704,276.28

Rescissions and Transfers Directed by Congress

1. Rescinded by "First Supplemental Surplus Appropriation Act, 1946" (Public Law 301, 79th Cong.), approved Feb. 18, 1946	1,739,561,000.00	
2. Rescinded by "Second Supplemental Surplus Appropriation Rescission Act, 1946" (Public Law 391, 79th Cong.), approved May 27, 1946 ($1,080,000,000 less $135,000,000 transferred to the account of the United Nations Relief and Rehabilitation Administration, see 5 below)	945,000,000.00	
3. Rescinded by "Third Deficiency Appropriation Act, 1946" (Title II, "Third Supplemental Surplus Appropriation Rescission Act, 1946") (Public Law 521, 79th Cong.), approved July 23, 1946	672,000,000.00	
4. Rescinded by "Third Deficiency Appropriation Act, 1946" (Title II, "Third Supplemental Surplus Appropriation Rescission Act, 1946") (Public Law 521, 79th Cong.), approved July 23, 1946 (Coast Guard)	34,102.44	
5. Transferred to the account of the United Nations Relief and Rehabilitation Administration (Public Law 391, 79th Cong.) $135,000,000 and Public Law 382, 78th Cong., Title II, Sec. 202 $350,000,000 of which only $250,000,000 was transferred in funds	385,000,000.00	
6. Transferred to the Department of State (Office of Foreign Liquidation Commissioner), Reserve for Post War Price Support of Agriculture (Public Law 132, 79th Cong., Title II, Sec. 201 (d) and Sec. 202). This amount was subsequently paid to the Commodity Credit Corporation, Department of Agriculture, in compliance with Title I "First Supplemental Surplus Appropriation Act, 1946" (Public Law 301, 79th Cong.), approved Feb. 18, 1946	500,000,000.00	
7. Voluntary rescissions (transferred to Surplus, General Fund of the Treasury, by administrative action)	1,416,369,511.08	
		5,657,964,613.52
Excess of Maximum Limitations in War and Navy Departments and Maritime Commission * * * Over Reported Expenditures		14,322,572,129.96
Balance of Lend-Lease Appropriations Now Recorded as Unobligated		1,125,211.62
Total disposition of funds		$69,926,366,231.38

[1] Amount of transfers under authority granted.

APPENDIX IV

Funds Made Available for Lend-Lease

Amplifying data which previously has been published under this subject, there is presented on the facing page a detailed comprehensive tabulation which properly identifies all funds which were appropriated for lend-lease purposes and shows the final disposition made of them.

Figures covering the actual cost of transfers under specific sums specially authorized to the Navy Department for the leasing of vessels, and to the former Maritime Commission for the construction and leasing of vessels, are also indicated.