

~~~~~

# **TWENTY-FIRST REPORT TO CONGRESS ON LEND-LEASE OPERATIONS**

---

**For the Period Ended September 30, 1945**

~~~~~

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C.
Price 15 cents

CONTENTS

Chapter	Page
President's Letter of Transmittal.....	5
1. Lend-Lease Draws to a Close.....	7
2. Lend-Lease Aid to our Allies.....	11
Lend-Lease Aid.....	13
Types of Aid Furnished.....	15
Lend-Lease Exports.....	15
Where Lend-Lease Goods Have Gone.....	17
Reverse Lend-Lease Aid.....	18
3. Lend-Lease in the War Against Germany.....	21
The United Kingdom.....	21
The Soviet Union.....	24
Africa, the Middle East and the Mediterranean Area.....	26
Continental Europe.....	27
Latin America.....	28
4. Lend-Lease in the War Against Japan.....	29
China.....	30
India.....	31
Australia.....	33
New Zealand.....	35
5. Statistical Tables.....	37
Appendix	
I. Joint United States—United Kingdom Statement Regarding Settlement for Lend-Lease, Reciprocal Aid, Surplus War Property and Claims.....	46
II. Agreement with the U. S. S. R. on the Disposition of Lend-Lease Supplies.....	48
III. Chronological Summary of Lend-Lease and of Developments Affecting Lend-Lease.....	54
IV. Lend-Lease Act.....	58
V. British Master Agreement.....	62

PRESIDENT'S LETTER OF TRANSMITTAL

TO THE CONGRESS OF THE UNITED STATES OF AMERICA:

I am transmitting herewith the 21st report of operations under the Lend-Lease Act for the period ending September 30, 1945.

Until VJ-day, lend-lease and reverse lend-lease operated to speed the redeployment of our troops from Europe and to insure the final victory over Japan. This report primarily describes the extent of aid rendered under the Lend-Lease Act prior to the cessation of hostilities. The surrender of Japan signaled the termination of lend-lease as a weapon for victory and prompt steps were taken by this Government to insure a rapid but orderly reduction of lend-lease expenditures and to bring to a close the employment of lend-lease procedures in supplying essential war needs to our allies.

Concurrently, negotiations have begun with many of the lend-lease governments looking toward a final settlement of the lend-lease and reverse lend-lease accounts. At the present time, such lend-lease negotiations have been successfully concluded with the United Kingdom, the largest single recipient of lend-lease supplies. The measures taken to wind up and settle the lend-lease program are outlined only briefly in this report but will be described in full in subsequent reports.

The Master Agreements that have been concluded with the various lend-lease governments contain the pledge that the terms and conditions of the lend-lease settlements are to be "such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations." In the process of terminating lend-lease and in carrying on our negotiations for final settlements with the various governments, these principles of Article VII will be before us as a reminder of the goal which this Government must constantly seek.

HARRY S. TRUMAN.

THE WHITE HOUSE,
January 31, 1946.

Chapter 1

LEND-LEASE DRAWS TO A CLOSE

During the third quarter of 1945, hostilities came to a close with the capitulation of Japan. In recognition of the fact that the Lend-Lease Act had become primarily an instrumentality for the effective prosecution of the war, immediate steps were taken to terminate lend-lease aid and lend-lease procedures, and to secure a final accounting of the vast transactions which had been carried on under the Lend-Lease Act. This terminal operation, still under way, will be largely completed by July 1, 1946.

This report will not include any complete or final account of the methods employed in winding up lend-lease; such an account will be deferred until the full story of termination procedures and results can be presented. It is the purpose of this report to describe only the general nature of the termination policy and operations, and to complete the picture of lend-lease as a weapon for victory during the concluding months of the war.

(1) *Termination Policy.*—Immediately after the surrender of Japan, the President approved a program designed to terminate activities under the Lend-Lease Act with all speed commensurate with the magnitude of the operation and the importance of the activity to the future development of peaceful commerce with our allies. In general, the policy required the immediate discontinuance, with certain exceptions, of "straight" lend-lease; that is, the granting of aid in goods and services without specific agreement for payment, other than under the broad terms of the master lend-lease agreements. The exceptions are either directly related to military activities in occupation or redeployment, or to avoidance of dislocations in supply activities essential to the United States. At the same time, provision was made for a less abrupt termination of another type of lend-lease assistance, designed to assist our allies in the procurement of needed supplies under terms specifically requiring them to make full payment for goods and services received. Adherence to this policy has meant the almost complete cessation of expenditures of lend-lease funds, except to the extent that these funds had been encumbered by obligations assumed prior to VJ-day and with the additional exception of lend-lease aid to China referred to in section (8), below.

(2) *Pipe line Arrangements.*—Material for which contracts had been placed under the Lend-Lease Act, but which had not been transferred to an ally prior to VJ-day is called the lend-lease "pipe line." Much of this material consisted of items specially designed and produced for a particular requirement, having little or no value unless used for the original purpose. With the termination of lend-lease, imme-

diate action was required with respect to such material. Pursuant to instructions from the President, governments receiving lend-lease aid were advised that these materials would be transferred upon their undertaking to make payment upon terms to be mutually agreed. It was understood that these terms would follow the general pattern of the agreements previously entered into with France, Belgium, and Holland under section 3 (c) of the Lend-Lease Act. Such an agreement was entered into by the United States and USSR on October 15, 1945, calling for transfer of the Russian pipe line material upon specified credit terms. A copy of this agreement is printed as an appendix to this report. Similar agreements are in the process of negotiation with other governments, and the over-all settlement with the United Kingdom includes an arrangement of this type covering the pipe line.

(3) *Lend-Lease of Freight Charges.*—An important exception to the termination of "straight" lend-lease aid was made in the case of ocean freight charges. Abrupt termination of the existing procedure would have disrupted the international shipping pool with far reaching adverse effects upon our own plans for maintaining United States flag shipping services. At the same time it would have made almost impossible the task of supplying the needs of allied armies engaged in carrying out the surrender and in effectuating the occupation of enemy territory. Accordingly, it was agreed that essential supplies would be carried for the various lend-lease governments under "straight" lend-lease for a period of 60 days after VJ-day. This procedure was modified, beginning November 1, 1945, by permitting the lend-leasing of certain freight charges on undertakings by the governments involved for eventual payment. The extent of these services differed among various countries. After December 31, 1945, the only ocean freight to be paid by this government will be on articles in the pipe line or transferred under directives of the Joint Chiefs of Staff. These charges with respect to pipe line goods will be subject to repayment in accordance with the terms of the agreements mentioned in section (2) above.

(4) *Offsetting Arrangements.*—In order not to lose the advantages of the smoothly working lend-lease and reverse lend-lease supply arrangements, which were in effect among the allied nations on VJ-day, an offsetting mechanism was set up between this government and certain of our allies. It was agreed that the United States and these governments would continue to furnish essential supplies and services to each other without current payment. It was further agreed that in the final settlement, the accounts for such current items would be offset against each other and against the pipe line and other indebtedness. This arrangement was particularly advantageous to the United States Army in areas such as the United Kingdom where large quantities of supplies were being furnished by the British under reverse lend-lease. If cash payments had suddenly been required, considerable disruption in the flow of goods and services would probably have occurred.

All of these arrangements will be terminated at the earliest practicable date. In the case of the United Kingdom, by mutual agreement the arrangements with that country are being almost completely terminated as of December 31, 1945.

(5) *Extension of the Cash Reimbursement Procedure.*—Under a procedure developed during the war, our allies were permitted to obtain

supplies of a nature not eligible for "straight" lend-lease, with the assistance of United States procurement agencies, by paying the purchase price in advance—the so-called cash reimbursement procedure. When "straight" lend-lease was terminated, the foreign governments were permitted to obtain essential articles and services through this procedure for a period of 60 days. The procedure is still employed for special cases, chiefly involving articles already owned by the United States Government which would become surplus, with a probable loss to the United States if the foreign government did not take them over. The cash reimbursement procedure was also used to assure the shipment of coal to the areas in Europe which were in urgent need of fuel, without disruption to the handling of coal supply problem in the United States. Use of this mechanism has not involved the use of any lend-lease funds, but has been invaluable to our allies in insuring an uninterrupted flow of the supplies which they so urgently need during this critical winter. It is believed that it will be possible to discontinue use of this procedure at the end of the fiscal year.

(6) *Extension of Belgian Lend-Lease Program.*—A special problem was presented in the case of Belgium, which had furnished supplies and services to United States troops of a value far in excess of lend-lease aid which she had received from this Government. Every equitable consideration called for a recognition by the United States of the obligation so created. Accordingly, the Secretary of State recommended, and the President approved, transfer of substantial supplies and equipment to Belgium on a "straight" lend-lease basis. This transfer is now taking place. Because of the peculiar circumstances of Belgium's case, it is not considered that a precedent has been set for the future, even though final accountings should reveal somewhat similar situations with respect to other countries.

(7) *Aid to Italy.*—During the course of the last lend-lease appropriation hearings it was explained that a sum of \$100,000,000 of the lend-lease appropriations was to be used to finance essential supplies for Italy. These supplies were to be transferred to the United States War Department for distribution during the occupation period. As of VJ-day the major portion of this sum had been expended, and transfers of material procured with the remaining portion of the fund have taken place since that date. The termination of hostilities did not end the military occupation nor eliminate the necessity for these supplies, and therefore the expenditure of the remaining funds has proceeded in accordance with the original plans.

(8) *Continuance of Lend-Lease Aid to China.*—An exception to the general policy of discontinuing lend-lease aid with the formal ending of hostilities on VJ-day was necessary in the case of war supplies furnished to the Chinese Army. Large numbers of Japanese troops were in China at the time of the Japanese surrender, which made impossible a large scale demobilization of Chinese forces. It was essential that these forces which had been seriously under-equipped during the entire war be provided with the equipment necessary to expel Japanese forces from Chinese areas. Transfers of this equipment, which became available only after VJ-day, have continued in substantial quantities under the directives of the Joint Chiefs of Staff and with the approval of the President. Withdrawal of U. S. troops from China has been speeded by this program.

(9) *Final Settlements.*—Announcement has been made of an agreement between the United States and the United Kingdom, embracing a variety of financial matters outstanding between the two governments, including the lend-lease and reverse lend-lease accounts, and also the disposition of American surplus property located in the United Kingdom. Meanwhile, other lend-lease governments have been requested to prepare inventories of lend-lease materials still on hand, and otherwise to prepare themselves for negotiating settlement agreements. It is expected that most of these agreements will be completed by the end of this fiscal year, although it should be understood that in many instances the agreements will require subsequent accounting and fiscal operations to determine the exact amounts due in particular cases.

(10) *Transfer of Lend-Lease Functions.*—The President, on September 27, 1945, issued Executive Order No. 9630, terminating the Foreign Economic Administration, and transferring its duties under the Lend-Lease Act to the State Department, where they are presently administered by the Foreign Liquidation Commissioner. Personnel involved in lend-lease administration is being rapidly decreased, and it is expected that by the end of this fiscal year major operations under the Lend-Lease Act will have been largely concluded. Integration of the lend-lease responsibilities with the disposition of surplus property abroad in the Office of the Foreign Liquidation Commissioner makes possible a coordinated handling of these related problems in connection with current and prospective international settlements.

Chapter 2

LEND-LEASE AID TO OUR ALLIES

Lend-lease was one of the principal means through which the United States brought its great material resources to bear against the enemy. It became the powerful allied weapon for victory. Lend-lease goods reached every fighting front in such quantities that they played vital roles in the victories over the Axis. Often lend-lease war materials were the margin which meant success to allied arms instead of defeat or retreat.

TOTAL LEND-LEASE AID

Millions of Dollars

(The figures in this table are not comparable with those on lend-lease aid which have been published in earlier reports)

Category	Mar. 1941 to Oct. 1, 1945	Mar. 1941 to July 1, 1945	July- Sept. 1945
Goods transferred to foreign governments:*			
Munitions (including ships).....	22, 102	21, 387	715
Petroleum products.....	2, 317	2, 173	144
Industrial materials and products**.....	9, 689	9, 210	479
Agricultural products.....	6, 089	5, 864	225
Total transfers.....	40, 197	38, 634	1, 563
Shipping and other services.....	3, 755	3, 560	195
Total charged to foreign governments.....	43, 952	42, 194	1, 758
Other lend-lease charges:			
Production facilities in the United States.....	710	634	76
Transfers to Federal agencies.....	972	815	157
Other charges and expenses.....	406	502	-96
Total.....	2, 088	1, 951	137
Total aid.....	46, 040	44, 145	1, 895

*Includes goods consigned to United States commanding generals for subsequent transfer in the field to lend-lease countries.

**Includes signal, chemical warfare, and engineer equipment; medical supplies; chemicals, machinery, metals, and minerals; and other military and war production equipment and supplies.

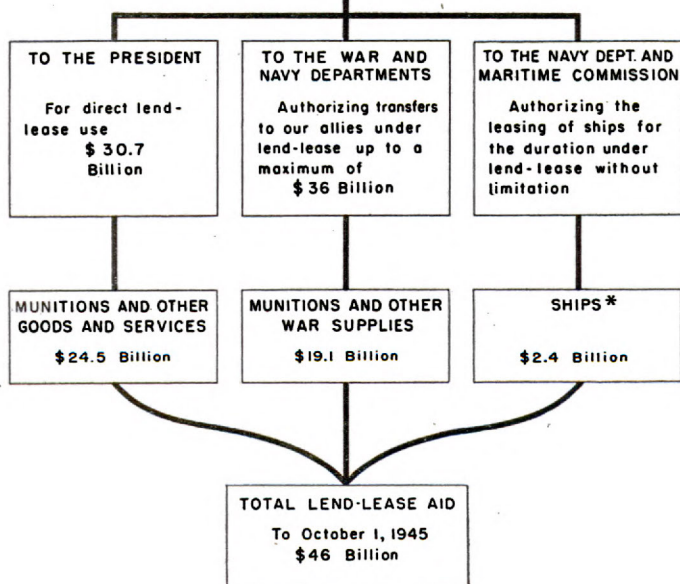
Table 1

LEND-LEASE AID

BY SOURCE OF FUNDS



APPROPRIATIONS BY CONGRESS



* Ships valued at \$13,000,000 were procured from Coast Guard appropriation.
 Note - Total aid includes goods valued at \$60,000,000 purchased from funds provided by foreign governments. In addition, foreign governments have deposited approximately \$900,000,000 to pay for lend-lease goods originally procured from U.S. appropriations.

Chart 1

Long before American troops had engaged the Germans in large-scale fighting, lend-lease tanks and jeeps, communication equipment, rolling stock, planes, guns, and heavy artillery were aiding the defenders of Stalingrad and helping General Montgomery's Eighth Army hold and repulse the Afrika Korps in Egypt. In the Battle of Britain lend-lease arms, planes, and industrial supplies were in the thick of the struggle before the first American soldier arrived in the United Kingdom. The great quantities of food which we sent to feed British troops and war workers were helping to sustain them in the Battle of Britain.

Lend-Lease Aid

Total lend-lease aid from the beginning of the program on March 11, 1941, to October 1, 1945, and reported as of the latter date, amounted to \$46 billion. This represented an increase since June 30, 1945, of \$1.9 billion. A break-down of the total amount is shown in Table 1. (See also Table 20, p. 37.)

These figures are not wholly comparable with the figures on lend-lease aid which have been published in earlier reports, due to a change in the classification of lend-lease accounts. Certain items procured with lend-lease funds have not been included heretofore in the totals of lend-lease aid. One of the two principal items which are now for the first time included consists of consignments to United States commanding generals. The value of these goods, which have been shipped by the United States Army to commanding generals in the field for subsequent transfer to lend-lease countries, has been shown in earlier reports as additional lend-lease aid rather than as a part of it. The second principal item now included consists of goods procured with lend-lease funds and which have been transferred to Federal agencies for their own use. Some of these supplies have in turn been transferred to foreign governments. The remainder represents the value of such goods procured out of lend-lease appropriations, but does not constitute direct aid to lend-lease governments.

It was not possible during the period of the war to enter in the lend-lease accounting records complete details concerning all lend-lease aid provided to our allies. This was particularly true in the case of goods transferred in the field by the United States armed forces. Consequently the figures reported to date do not completely reflect the total amount of aid. Full information is being compiled as rapidly as possible and will be included in future reports.

The figures on lend-lease aid include the value of certain goods procured and furnished to foreign governments through the lend-lease mechanism for which we are reimbursed in full. Canada obtained in this country during the war, for instance, through the co-operation of United States military authorities and by means of lend-lease procedure, needed military equipment which could not be procured on the open market. Canada paid us in full, however, for all such equipment. We have been reimbursed by the French for the large quantities of civilian goods which we sent under lend-lease to French North Africa. Funds have been received from a large number of other countries in payment of lend-lease goods. For example, countries such as Iceland, the Belgian Congo, and most of the Middle East countries received material other than finished munitions of war only upon cash payment terms. Furthermore, the Latin American countries pay for agreed portions of the costs of all lend-lease aid received by them.

Total funds received from foreign governments as payment for articles lend-leased or as advances on articles requisitioned amounted to approximately \$1 billion by the first of October. Figures on the total amount of lend-lease aid overstate by this amount the financial cost of lend-lease to the United States.

Total lend-lease aid in the form of articles and services furnished to October 1, 1945, which was charged to foreign governments, not including items which could not be so charged, amounted to \$43.95 billion. Of this total amount, 69 percent was furnished to the British Empire, 25 percent to the U. S. S. R., 1½ percent to China and 4½ percent to other countries.

LEND-LEASE AID, BY COUNTRY

March 1941 to October 1, 1945

Country	Amount
British Empire.....	\$30,269,210,000
U. S. S. R.....	10,801,131,000
France.....	1,406,600,000
China.....	631,509,000
American Republics.....	421,467,000
Netherlands.....	162,157,000
Greece.....	75,416,000
Belgium.....	52,443,000
Norway.....	34,640,000
Turkey.....	28,063,000
Yugoslavia.....	25,885,000
Other countries.....	43,284,000
Aid not charged to foreign governments.....	2,088,249,000
Total lend-lease aid.....	46,040,054,000

Table 2

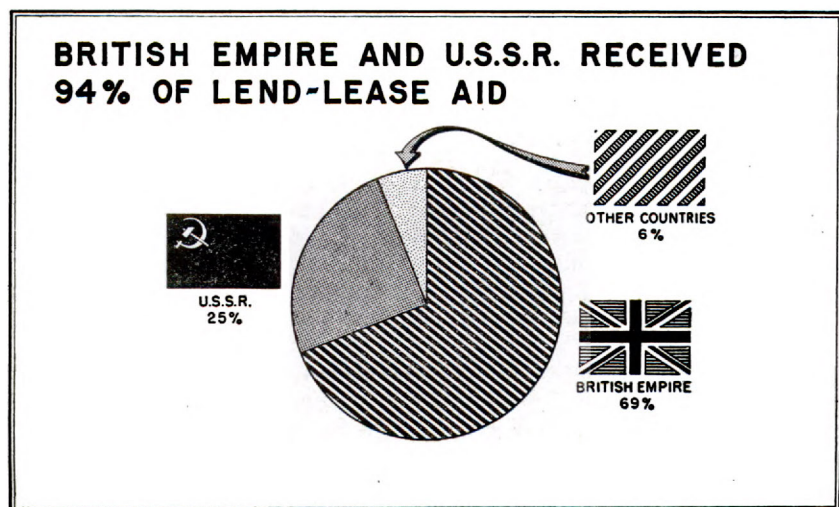


Chart 2

Types of Aid Furnished

Goods supplied to our allies under lend-lease consisted of those types which were most needed in the prosecution of the war and which were available from United States supplies. Decisions as to the distribution of munitions and other war supplies as between the forces of the United States and those of our allies were made by top military and civilian officials of the United States and allied governments. Supremacy in aerial warfare was vital to success in all the war theaters, and the final supremacy of the allied forces was assured by the 45,000 planes which were supplied them under lend-lease. Aircraft production increased at such a tremendous rate in this country through the joint effort of American labor, management, capital, and Government that our factories were able to produce the planes needed for our own forces and those lend-leased. The value of planes, spare engines and parts which we lend-leased from the beginning of the program to the first of October 1945 amounted to more than \$8 billion, exceeding the value of any other type of aid, but still only 15 percent of our total aircraft production.

Ordnance and ammunition totaled \$4.2 billion, tanks \$3.7 billion, other motor vehicles \$2.3 billion, and ships \$3.8 billion. Munitions of all types supplied to allied forces under lend-lease totaled \$22 billion, which accounted for 48 percent of the cost of all lend-lease aid. In addition, we supplied \$2.3 billion of petroleum products for fueling allied planes, tanks, and military motor vehicles.

We helped expand munitions production in allied countries by lend-leasing them industrial machinery and equipment valued at \$2.5 billion. We furnished them metals, for use in producing planes, tanks, guns, and ammunition, valued at \$2.35 billion. Miscellaneous materials and manufactures which were lend-leased, including large quantities of military equipment, amounted to \$4.8 billion.

Food is as essential in warfare as is ammunition. Foodstuffs grown on American farms and processed in American factories played an important part on the world's battlefronts as well as on the industrial fronts behind the lines. Allied soldiers, and civilians who were actively engaged in supporting the war effort, were supplied American food valued at \$5.2 billion. Other agricultural products, principally cotton and tobacco, amounted to \$860 million.

Services rendered to our allies under the lend-lease program amounted to \$3.8 billion. Those included the rental and charter of American ships for transporting lend-lease cargo, ferrying of aircraft, repairs to allied naval and merchant ships, and other essential war services.

Lend-Lease Exports

Goods supplied under lend-lease were shown in Table 1 as amounting to \$40.2 billion, exceeding the value of lend-lease exports by \$7.7 billion. This difference is accounted for by several factors, the most important of which are discussed below.

(1) Consignments to United States commanding generals, amounting to \$806 million, are properly included in the total value of goods transferred, but since they were shipped on Army trans-

ports together with supplies for our own forces they are not reported in export statistics.

(2) A large number of naval and merchant ships which have been lend-leased for the duration are not classified as exports.

(3) Goods purchased outside the United States and shipped directly to lend-lease countries, such as sugar sent under lend-lease from Cuba to the U. S. S. R., are included in transfers but not exports.

(4) In some cases goods transferred under lend-lease have been used in this country, such as planes used in training Chinese pilots, and consequently have never been exported.

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative Oct. 1, 1945
Ordnance and ammunition.....	297, 217	34, 863	4, 089, 941
Aircraft and parts.....	891, 703	225, 251	6, 729, 295
Tanks and parts.....	136, 425	6, 851	2, 400, 431
Motor vehicles and parts.....	517, 534	157, 560	3, 312, 966
Watercraft.....	96, 976	19, 624	1, 169, 167
All munitions.....	1, 939, 855	444, 149	17, 701, 800
Petroleum products.....	489, 701	82, 077	2, 074, 143
Industrial materials and products.....	868, 087	239, 185	6, 780, 182
Agricultural products.....	772, 130	345, 225	5, 959, 215
Total.....	4, 069, 773	1, 110, 636	32, 515, 340

Table 3

LEND-LEASE EXPORTS HAVE BEEN DECLINING SINCE D-DAY

QUARTERLY EXPORTS, IN BILLIONS OF DOLLARS

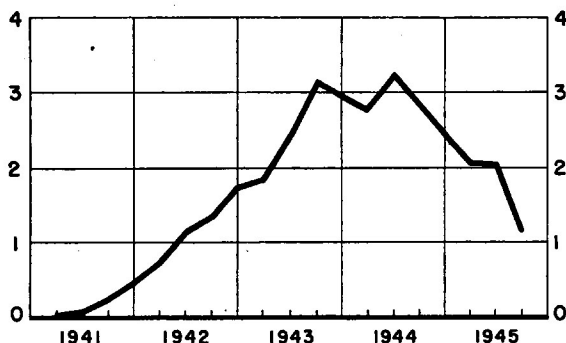


Chart 3

Articles transferred under lend-lease and exported from this country from March 11, 1941, to October 1, 1945, totaled \$32.5 billion. This total valuation is based upon the values stated by the shippers in the export declarations for all shipments, but it does not represent the value of all the lend-lease aid reflected in the lend-lease accounts of the foreign governments. The statistics on lend-lease exports are based upon compilations of the Bureau of the Census of the United States Department of Commerce, which compiles all statistics on exports from the United States.

Statistics on lend-lease exports, which are classified by country of destination, are used in later sections of this report to indicate the flow of lend-lease goods to the various war theaters. Figures on lend-lease transfers cannot be used for this purpose since they are classified only by the country that requisitions the goods. All goods furnished to the British Empire, for instance, are requisitioned by the United Kingdom and are reported as transferred to it, although the goods have been shipped to British armed forces and officials in more than 50 countries and island areas throughout the world. Export statistics are very useful in showing generally where lend-lease goods have gone, but they should not be confused with statistics on lend-lease transfers.

Where Lend-Lease Goods Have Gone

During the period of active warfare lend-lease munitions and other war supplies flowed in a constant stream to the world's war fronts. In no other period of history was war being waged on so many battle-fronts at one time. On many of those fronts American soldiers, sailors, and marines were fighting alongside allied armed forces whose striking power had been greatly increased through lend-lease. In other areas, such as on the long Russian front which extended from the Baltic Sea to the Black Sea, forces of our allies that were fighting alone but with the help of lend-lease arms and supplies were heroically pushing back the Axis armies.

Lend-lease goods were sent in largest quantity to those areas where the need was greatest and where the Axis threat was most serious. To aid in the Battle of Britain and to help strengthen the British troops, we sent to the United Kingdom lend-lease goods valued at \$13.8 billion. This was equivalent to 43 percent of lend-lease exports to all countries.

The U. S. S. R. ranked second to the United Kingdom as a recipient of lend-lease goods. The planes, tanks, trucks, food, and other lend-lease supplies which played such an important part in the great victories of the Soviet Armies were valued at \$9.5 billion, or 29 percent of the value of all lend-lease exports.

Lend-lease was of indispensable help in the expulsion of the Nazis from Northern Africa and in the conquest of Italy. As an aid in those campaigns we sent to our allies in Africa, the Mediterranean area and the Middle East lend-lease goods of all types amounting to \$3.4 billion, or 10.4 percent of exports to all areas.

We shipped to our allies in the Pacific and Far Eastern areas who were fighting with us in the war against Japan lend-lease goods valued at \$3.8 billion, which was equivalent to 11.7 percent of total exports.

This does not include the value of goods shipped to the U. S. S. R. and which were used by the Soviet forces in the final thrust against the Japanese.

As a part of the military plan for the defense of the Western Hemisphere, limited quantities of military supplies were sent under lend-lease to the Latin American countries. The total value of such shipments was \$247 million, or 0.8 percent of total exports.

LEND-LEASE EXPORTS TO ALL COUNTRIES

Thousands of Dollars

Country	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
United Kingdom.....	1, 507, 140	339, 077	13, 842, 043
U. S. S. R.....	1, 392, 427	314, 936	9, 477, 666
Africa, and Middle East.....	204, 640	58, 836	3, 392, 725
China and India.....	401, 567	118, 629	2, 352, 707
Australia and New Zealand.....	201, 707	80, 166	1, 458, 920
Latin America.....	26, 711	6, 041	246, 837
Other Countries.....	335, 581	192, 951	1, 744, 442
Total.....	4, 069, 773	1, 110, 636	32, 515, 340

Table 4

Lend-lease shipments to other scattered areas amounted to \$1.7 billion, with the larger part going to Canada and France. Lend-lease goods shipped to Canada fell into three groups: aircraft for use by United Nations pilots training in Canada; goods for United Kingdom account, which were fabricated into other articles and transshipped to British forces; and equipment for the Canadian Army obtained in this country through the lend-lease procedure but for which Canada paid in full. By agreement no lend-lease aid has been furnished to the Canadian Government at financial cost to this country.

Reverse Lend-Lease Aid

Lend-lease became a two-way street early in the war, with our allies furnishing to us such supplies and services as we needed and which they could spare. Just as we strengthened our allies through lend-lease, they contributed to our strength through reverse lend-lease. A means of pooling the resources of the United Nations in the common war against the enemy, to bring victory as quickly as possible and with the least loss of life, was provided by lend-lease. The agreements which we signed with our principal allies pledged the available resources of each to the other.

Through the operation of this two-way principle the United States had received, under reverse lend-lease, supplies, facilities and services valued at \$6.3 billion by July 1, 1945, the latest date for which information is available. Of the total amount, petroleum, food, and other

supplies and equipment furnished to our troops overseas accounted for 56 percent; shipping, transportation, and other services for 22 percent; capital installations, including airfields, barracks, and hospitals, for 18 percent; and raw materials and food shipped to the United States accounted for the remaining 4 percent.

REVERSE LEND-LEASE AID RECEIVED BY THE UNITED STATES, BY CATEGORY AND COUNTRY

Cumulative to July 1, 1945

Category	Amount
Capital installations.....	\$1, 145, 532, 000
Foodstuffs.....	477, 816, 000
Clothing.....	71, 019, 000
Petroleum and coal products.....	1, 475, 380, 000
Air Force supplies and equipment.....	482, 996, 000
Other military supplies and equipment.....	995, 009, 000
Shipping and other transportation.....	1, 139, 625, 000
Other services.....	225, 932, 000
Raw materials and food shipped to United States.....	243, 562, 000
Total.....	6, 256, 871, 000
Country	Amount
United Kingdom.....	\$4, 220, 299, 000
Fiji Islands.....	10, 277, 000
Nigeria.....	2, 877, 000
Gold Coast.....	6, 924, 000
Other Colonies.....	762, 000
Total from United Kingdom.....	4, 241, 139, 000
Australia.....	835, 004, 000
New Zealand.....	204, 566, 000
India.....	639, 443, 000
Union of South Africa.....	885, 000
Total British Empire.....	5, 921, 037, 000
France*.....	200, 615, 000
French Africa.....	70, 358, 000
France—New Caledonia.....	1, 171, 000
Belgium.....	55, 647, 000
Belgian Congo.....	182, 000
Netherlands.....	1, 133, 000
Netherlands—Curacao and Surinam.....	917, 000
China.....	3, 672, 000
U. S. S. R.....	2, 139, 000
Total.....	6, 256, 871, 000

*To Feb. 1, 1945.

Table 5

More American forces were stationed in the United Kingdom than in any other allied territory, and consequently the major part of reverse lend-lease aid was supplied to our troops there. Aid received from the United Kingdom amounted to about two-thirds of total reverse lend-lease aid. One-fourth of the total was supplied by Australia, New Zealand, India, and the British forces in India. France, Belgium, the Netherlands, China, and the U. S. S. R. supported the American war effort to the best of their abilities and limited resources. Information on reverse lend-lease aid, by category and by country, is given in Table 5. More detailed statistics will be found in Tables 7, 15, 17, and 19.

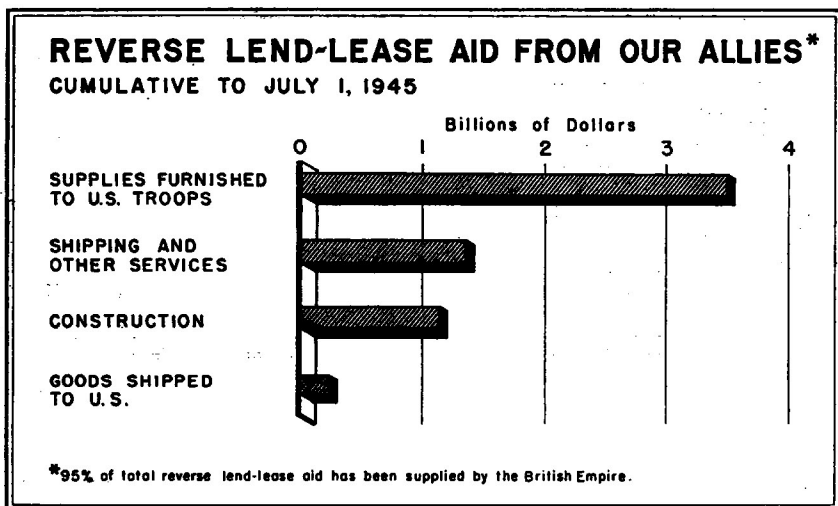


Chart 4

Chapter 3

LEND-LEASE IN THE WAR AGAINST GERMANY

Lend-lease shipments to the various European war theaters amounted to \$27.7 billion. This included shipments to the United Kingdom, the Soviet Union, Africa, the Middle East, the Mediterranean area and continental Europe.

A considerable volume of the goods shipped to these areas was eventually used in the war against Japan. Some of the munitions sent to the United Kingdom, for instance, were later transshipped to the British forces in the Far East, and some of the materials sent to Britain were used in fabricating munitions for later use against the Japanese. Lend-lease weapons sent to the Soviet Union were employed by the Red Army in the final campaign against Japan.

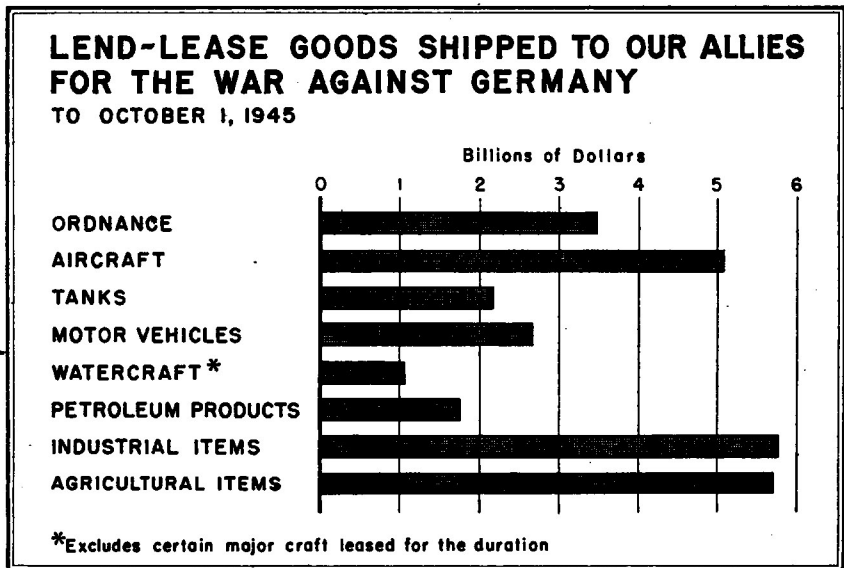


Chart 5

The United Kingdom

To win the war against Germany the allies had to defeat the Nazi armies in the West and conquer the Reich. In preparation for the direct assault upon Europe, a tremendous volume of lend-lease goods was sent from the United States to the United Kingdom.

Lend-lease shipments from March 11, 1941, through September 1945 amounted to \$13.8 billion. After VJ-day, September 2, the cost of supplies received by the United Kingdom under lend-lease is generally to be reimbursed to the United States. The United Kingdom received 43 percent of the total of lend-lease shipments to all countries. Munitions accounted for \$6.9 billion or one-half of total shipments to the United Kingdom. In the 6 months of intensive preparation prior to D-day, the United States shipped \$2.8 billion worth of supplies to Britain, and in the month of May 1944 shipments reached an all-time high of \$594 million.

During the lend-lease program 10,670 planes were sent to the United Kingdom. In addition to planes, the United States sent under lend-lease \$1.3 billion worth of aircraft engines and parts.

Ordnance and ammunition exports made up the second largest category of munitions shipped to the British Isles. These shipments amounted to nearly 2 billion dollars for the period of lend-lease aid. In the last 2 years alone the United States delivered 76,737 jeeps, 98,207 trucks, 12,431 tanks, and 1,031 pieces of heavy artillery for British armed forces.

For Britain's own war production, we shipped 6,715,000 tons of iron and steel, 527,000 tons of nonferrous metals, and large quantities of other raw materials, machine tools, and component parts. These metals, tools, and parts helped the British to fabricate in their own plants the guns, shells, planes, tanks, ships, and other war goods that were required by the British troops in their widespread operations. Industrial materials and equipment shipped under lend-lease were valued at about 2 billion dollars and represented 14.2 percent of total shipments to the United Kingdom.

Under the lend-lease program, shipments of foodstuffs to the United Kingdom to supplement rations of the British armed forces and war

LEND-LEASE EXPORTS TO THE UNITED KINGDOM

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
Ordnance and ammunition.....	192, 947	13, 827	1, 953, 309
Aircraft and parts.....	385, 159	93, 868	2, 499, 726
Tanks and parts.....	56, 183	1, 417	1, 048, 080
Motor vehicles and parts.....	98, 464	9, 941	713, 961
Watercraft.....	9, 011	913	694, 344
All munitions.....	741, 764	119, 966	6, 909, 420
Petroleum products.....	358, 739	51, 392	1, 530, 307
Industrial materials and products.....	132, 087	46, 443	1, 971, 846
Agricultural products.....	274, 550	121, 276	3, 430, 470
Total.....	1, 507, 140	339, 077	13, 842, 043

Table 6

workers constituted approximately 10 percent of Britain's food supply. In the 4½ years of lend-lease aid, the United States exported \$3.4 billion worth of foodstuffs and other agricultural products to the United Kingdom, which accounted for 25 percent of total shipments to Britain. From March 11, 1941, to VJ-day 14 billion pounds of food were shipped to the British Isles.

To help the British increase their food production we sent them about \$33 million worth of farm machinery and 1,031,000 tons of fertilizer.

After VE-day lend-lease shipments to the United Kingdom declined substantially, although lend-lease goods essential to the full participation of British resources and armed forces in the war against the Japanese continued to be shipped. Lend-lease exports fell from a May total of \$251 million to \$167 million in June, \$170 million in July and \$122 million in August.

Reverse lend-lease aid from the United Kingdom from the beginning of the program up to July 1, 1945 amounted to \$4 billion. The program began in January 1942 when American troops first landed in the British Isles and grew to the point where the United States was receiving the equivalent of one shipload of equipment and food from the British for every two shiploads from the United States.

In the early phases of the war military construction was by far the largest item of reverse lend-lease and at one time one third of the total building labor force in Britain was employed on United States Army projects. The total dollar value of capital installations undertaken by the British for American armed forces amounted to \$847 million.

In preparation for the invasion of Europe, the British provided to United States forces under reverse lend-lease, 20 million square feet of storage and shop space and 44 million square feet of open storage.

REVERSE LEND-LEASE AID FROM THE UNITED KINGDOM

Thousands of Dollars

Category	Cumulative to July 1, 1945
Capital installations.....	847, 024
Foodstuffs.....	82, 962
Clothing.....	54, 959
Petroleum and coal products.....	1, 103, 412
Air Force supplies and equipment.....	391, 034
Other military supplies and equipment.....	646, 907
Shipping and other transportation.....	778, 177
Other services.....	95, 648
Raw materials and food shipped to United States.....	241, 016
Total.....	4, 241, 139

(Conversion from pound sterling at \$4.03.)

Table 7

Space for 50,000 military vehicles had to be cleared and 270 miles of new railroad construction were required. The United States Army Air Force needed 163 air fields and accommodations for 450,000 men, and at the peak 88,117 acres were used by American airmen and crews. Barracks, hospitals, and recreation centers had to be built.

In addition to military supplies and equipment valued at \$647 million, the United Kingdom provided under reverse lend-lease substantial quantities of petroleum products and coal.

The United Kingdom furnished 652 million pounds of foodstuffs to United States forces, which aided materially in providing our troops with supplements of fresh vegetables, dairy products, and fresh fruits to their canned Army rations.

Besides aid made available in the United Kingdom, the British shipped \$241 million worth of raw materials and foodstuffs to the United States. Bulk foodstuffs such as sugar, cocoa, and tea amounted to more than 1 billion pounds.

The Soviet Union

On June 22, 1941, a little more than 3 months after the Lend-Lease Act became law, the German Army attacked the Soviet Union. Lend-lease aid began on November 7, 1941, and accelerated at such a rapid rate that in the second year of lend-lease operations shipments to the U. S. S. R. amounted to 29 percent of total shipments to all countries. In that period we sent more combat planes, tanks, and other motor vehicles to the U. S. S. R. than to any other theater.

Soon after Pearl Harbor American equipment was being used in great quantities to expand and modernize the Persian Gulf entry into the Soviet Union as an alternate and additional supply route to the hazardous Murmansk route. By the end of 1942 the capacity of the

LEND-LEASE EXPORTS TO THE SOVIET UNION

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
Ordnance and ammunition.....	35, 152	3, 868	814, 493
Aircraft and parts.....	183, 391	50, 329	1, 652, 236
Tanks and parts.....	54, 637	9	478, 398
Motor vehicles and parts.....	265, 749	86, 961	1, 410, 616
Watercraft.....	40, 816	12, 257	295, 839
All munitions.....	579, 745	153, 424	4, 651, 582
Petroleum products.....	31, 242	8, 191	111, 075
Industrial materials and products.....	509, 294	95, 005	3, 040, 423
Agricultural products.....	272, 146	58, 316	1, 674, 586
Total.....	1, 392, 427	314, 936	9, 477, 666

Table 8

Persian Gulf-Iran route was three times what it was at the year's beginning.

Total lend-lease shipments to the Soviet Union amounted to \$9.5 billion, or 29 percent of shipments to all countries. The volume of shipments totaled 17,500,000 long tons which represented 2,660 shiploads. Aircraft, tanks, military motor vehicles, and other munitions constituted 49 percent of the value of all exports to the U. S. S. R. and were valued at more than \$4½ billion. These munitions included more than 14,700 planes, 7,000 tanks, 52,000 jeeps, 375,000 trucks, and 35,000 motorcycles and contributed immensely to the mobility and supply of the Red Army. A United States Army officer who visited the Soviet front stated that in certain areas United States trucks made up as much as 30 percent of the transportation equipment of the Soviet forces. This same officer estimated that lend-lease trucks represented between 10 and 15 percent of the total trucks used on the entire Soviet front. American locomotives, freight cars, and other rolling stock further increased the mobility of the Soviets on the longest of the war fronts. Communication equipment including 415,000 field telephones and enough telephone wire to go around the earth 50 times enabled the Soviets to maintain their communication lines as they crushed the Nazi Army and drove westward from Stalin-grad, Moscow, and Leningrad.

Approximately one-third of lend-lease exports to the U. S. S. R. were industrial materials and products for the expansion and relocation of Soviet industry. Hundreds of thousands of tons of armor plate, steel, aluminum, copper, zinc, TNT, chemicals, and other raw materials for Soviet war production of weapons and fighting equipment were shipped from the United States. To fabricate the raw materials into planes, guns, tanks, and other munitions, the United States furnished under lend-lease a half billion dollars worth of machine tools and electrical furnaces and generators. Entire factories, including a tire plant, aluminum rolling mill, and pipe fabricating mills were exported to assist the Soviet people in expanding their war production.

PARTIAL LIST OF GOODS SHIPPED TO THE SOVIET UNION UNDER LEND-LEASE

Planes.....	14, 795	Marine engines.....	7, 784
Tanks.....	7, 056	Foodstuffs (short tons)....	4, 478, 000
Jeeps.....	51, 503	Machinery and equipment....	\$1,078,965,000
Trucks.....	375, 883	Steel (short tons).....	2, 800, 000
Motorcycles.....	35, 170	Non-ferrous metals (short tons).....	802, 000
Tractors.....	8, 071	Petroleum products (short tons).....	2, 670, 000
Anti-aircraft guns.....	8, 218	Chemicals (short tons)....	842, 000
Submachine guns.....	131, 633	Cotton cloth (yards).....	106, 893, 000
Explosives (short tons)....	345, 735	Wool cloth (yards).....	62, 485, 000
Construction machinery... \$10, 910, 000		Leather (short tons).....	49, 860
Locomotives.....	1, 981	Tires.....	3, 786, 000
Freight cars.....	11, 155	Army boots (pairs).....	15, 417, 000
Cargo vessels (transferred)	90	Buttons.....	\$1, 647, 000
Submarine chasers.....	105		
Torpedo boats.....	197		

Table 9

Lend-lease shipments to the U. S. S. R. for the war in Europe ended on VE-day. Aid to the Soviet Far East continued and on August 8, 1945, the Soviet Union declared war on Japan. Following the defeat of Germany lend-lease exports to the U. S. S. R. declined from \$340 million in May 1945 to \$130 million in June. In July \$150 million worth of lend-lease goods left west coast ports for Siberia.

Africa, the Middle East and the Mediterranean Area

For the defeat of the Axis in North Africa and for the invasion of Sicily and Italy, the United States shipped \$3.4 billion worth of lend-lease goods to Africa, the Middle East, and the Mediterranean. Munitions made up the largest part of all shipments, accounting for about three-fourths of the total. Lend-lease military shipments to this area included essential military equipment for the British and French forces.

Next to the British, the French were the largest recipients of lend-lease aid in Africa and the Mediterranean Theater. Lend-lease weapons equipped many divisions of the French Army which was recruited in French North and West Africa. Under Generals Giraud and LeClerc, these reconstituted French armies fought valiantly in the drives which ultimately destroyed the Nazis. The French Air Corps, equipped almost entirely with lend-lease planes, was a part of the allied air force that battered Rommel's retreating Afrika Korps and softened Sicily and Italy for the allied landings. Additional French air units were trained and equipped under lend-lease and fought in the Tunisian campaigns and later in Europe. French warships were repaired and made seaworthy in American shipyards and later joined the allied Mediterranean fleet that participated in the invasions of Sicily, Italy, and Europe.

LEND-LEASE EXPORTS TO AFRICA AND THE MIDDLE EAST

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
Ordnance and ammunition.....	6, 321	458	593, 635
Aircraft and parts.....	83, 626	9, 826	912, 636
Tanks and parts.....	5, 236	359	466, 124
Motor vehicles and parts.....	13, 363	5, 244	401, 458
Watercraft.....	1, 619	383	41, 125
All munitions.....	110, 165	16, 270	2, 414, 978
Petroleum products.....	10, 984	3, 744	94, 426
Industrial materials and products.....	52, 279	21, 961	644, 797
Agricultural products.....	31, 212	16, 861	238, 524
Total.....	204, 640	58, 836	3, 392, 725

Table 10

In North Africa lend-lease played a dual role. The lend-lease war goods that were furnished to strengthen the British Army and rebuild the French forces contributed mightily to the collapse of German power in Tunisia. In addition, lend-lease shipments of industrial equipment, farm machinery, foodstuffs, medical supplies, and other essential civilian goods assisted the allied military forces in maintaining order behind the lines, in restoring the civilian economy and thereby relieving the drain upon American and British supplies, and in providing essential goods for the invasion through Sicily and Italy.

The French have paid the United States \$222 million for the civilian supplies shipped to North Africa. Substantial amounts of foodstuffs were also supplied by the French to American forces in North Africa as reverse lend-lease aid.

With the fall of Tunisia in May 1943, the entire southern shore of the Mediterranean passed into allied hands and plans were completed to invade Sicily. On July 10, 1943, the amphibious assault on Sicily began and 38 days later it was completely liberated and Anglo-American forces were at the Strait of Messina, poised for the drive through Italy.

The American Fifth Army and the British Eighth Army invaded the Italian mainland on September 5, 1943. Five days later General Eisenhower announced the surrender of Italy.

Continental Europe

The United States sent lend-lease goods valued at \$244 million to France, \$17 million to the Netherlands, and \$64 million to Belgium as of October 1, 1945.

The 12 French divisions and the French air force that participated in the offensives across the plains of Normandy, up the Rhone Valley and eastward to Berlin were almost entirely equipped under lend-lease. The French forces received munitions valued at \$51 million. Further, \$53 million worth of lend-lease industrial equipment and materials were shipped to help start French industry so that it could provide needed war materials to the allied armies under General Eisenhower for their combined onslaught against the Nazis. Shipments of foodstuffs and other agricultural products to France were valued at \$139 million.

Of the \$64 million worth of lend-lease exports furnished to Belgium, 75 percent of the total consisted of agricultural products. Fifty-eight percent of the \$17 million of goods provided to the Netherlands consisted of foodstuffs and other agricultural products, chiefly stock feed.

Since VE-day all lend-lease shipments to France, Belgium, and the Netherlands are paid for by the respective Governments under long-term credit agreements. Prior to VE-day, lend-lease goods having a postwar residual value were supplied under the credit agreements.

Reverse lend-lease aid from France to February 1, 1945, amounted to \$200 million. Billeting and transporting American troops and French labor employed by the United States Army but paid for by France accounted for most of the reverse aid. Reverse lend-lease aid from Belgium to July 1, 1945 was \$56 million; from the Netherlands it was more than one million dollars.

Latin America

A limited amount of lend-lease aid was provided to the republics of Latin America under the unified military program for hemispheric defense. All of the goods provided under the program were military in nature or had a military end use, and a large portion of their cost was paid in cash by the recipient governments. Total lend-lease exports to these countries to October 1, 1945, amounted to \$247 million, which was less than 1 percent of total shipments to all countries. Nearly half of the value of goods shipped to Latin America was accounted for by aircraft which were particularly needed for patrolling the sea lanes to Africa and Europe.

Brazil, which received two-thirds of all shipments to Latin American republics, sent an air force and also infantry troops to the Italian theater. Brazil also assumed responsibility for a large part of the antisubmarine patrol work in the South Atlantic, as Mexico and other Central American republics did in the Caribbean.

Lend-lease exports to Latin America, as in the case of lend-lease exports to other countries, do not show the amount of aid furnished and should not be confused with the amount charged to the various countries.

LEND-LEASE EXPORTS TO LATIN AMERICA

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
Ordnance and ammunition.....	2, 179	772	33, 158
Aircraft and parts.....	13, 096	3, 043	112, 731
Tanks and parts.....	2, 777	172	33, 459
Motor vehicles and parts.....	1, 146	294	22, 558
Watercraft.....	226	53	1, 751
All munitions.....	19, 424	4, 334	203, 657
Petroleum products.....	42	-----	244
Industrial materials and products.....	7, 222	1, 704	42, 824
Agricultural products.....	23	3	112
Total.....	26, 711	6, 041	246, 837

Table 11

Chapter 4

LEND-LEASE IN THE WAR AGAINST JAPAN

Lend-lease goods have been distributed to the various war areas in accordance with the war strategy that was determined at the Washington conference in December 1941 between the President, the British Prime Minister and the Chiefs of Staff. It was decided at that conference that our resources would be concentrated first to defeat Germany and then Japan. In line with that policy, shipments of lend-lease supplies for the war against Japan were subordinated to the requirements for the war against Germany.

It was possible, however, to send a steady flow of vitally needed war supplies to our allies in the Pacific and Far Eastern areas. That flow began in May 1941. Exports between then and Pearl Harbor amounted to \$40 million. By the time of the capitulation of Japan total shipments of lend-lease munitions and other war supplies which helped to bring about that capitulation amounted to \$3.8 billion. In addition, we had sent supplies valued at \$167 million to United States commanding generals for transfer to our allies under lend-lease.

LEND-LEASE EXPORTS TO CHINA, INDIA, AUSTRALIA, AND NEW ZEALAND

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
Ordnance and ammunition.....	29, 648	14, 549	431, 671
Aircraft and parts.....	191, 894	61, 434	1, 093, 414
Tanks and parts.....	5, 409	4, 375	185, 614
Motor vehicles and parts.....	105, 544	30, 608	579, 726
Watercraft.....	29, 358	5, 769	84, 430
All munitions.....	361, 853	116, 735	2, 374, 855
Petroleum products.....	85, 679	14, 052	316, 387
Industrial materials and products.....	117, 311	42, 300	886, 352
Agricultural products.....	38, 431	25, 708	234, 033
Total.....	603, 274	198, 795	3, 811, 627

Table 12

The 8,800 lend-lease planes which we sent to the Asiatic and Pacific theaters greatly strengthened the allied air forces operating in those areas. Included in the total were 850 four-engine bombers, 1,450 two-engine and one-engine bombers, and 3,800 pursuit planes. To help in flying needed supplies from base to base and into China, we sent 1,360 transports. Trainer planes accounted for the remainder.

More than 3,200 tanks were shipped under lend-lease, with most of them going to India to help the British and Indian troops push back the Japanese invasion forces.

One of the greatest needs of the allied forces fighting the Japanese was for transportation equipment. This was particularly true in China, where there was an almost complete break-down of the transportation systems. To help fill that need we sent 210,000 lend-lease motor vehicles to our allies that were engaged in the war against Japan.

In addition to the priority on shipments to the European theater which existed until VE-day, there was another major difficulty in sending adequate supplies to our allies who were engaged in the war against Japan. That was the difficulty of getting the goods to the areas where needed. General Marshall has pointed out that the supply lines to the Asiatic operations were the most precarious in history. They were across the broadest water distances in the world. The sea route from San Francisco to Sydney, Australia, is more than twice as long as the route from New York to Liverpool. The route to India is three times as long as the route to northern Russia. After the supplies were shipped over the long and hazardous ocean route there were still further transportation difficulties to be overcome before delivery could be made at some of the points where the goods were most needed.

China

By the middle of 1942 the Japanese had extended their area of conquest halfway across the Pacific, southward almost to Australia, and westward to the India-Burma front. At the beginning of the Pacific war, China was shut off from the sea and the only land route into China was cut off by Japan's invasion of Burma. At the time when China's need was greatest the only supply line was the 500-mile air line over the Himalayan Hump. In the gigantic and far-flung task of pushing back the Japanese and opening up communication and transportation lines in Asia, lend-lease played an important part.

Lend-lease exports to China from the beginning of the program to October 1, 1945, amounted to nearly \$224 million. Shipments in the first half of this year amounted to \$32 million and in the third quarter to about \$16 million.

Total lend-lease aid extended to China was substantially in excess of the value of exports. We consigned to United States commanding generals, for subsequent transfer to China under lend-lease, goods amounting to \$167 million, which were not included in export statistics. We also furnished other types of aid to China, such as trainer planes and equipment used in training Chinese pilots in the United States. Figures on the total amount of aid, reported to October 1, 1945, are given in Table 13. Transfers of goods in the field by United States forces to the Chinese Army are included in lend-lease aid; not all such

transfers have been reported to date. As stated in Chapter 1, lend-lease transfers of military supplies to the Chinese Army were continued after VJ-day under the directives of the Joint Chiefs of Staff. Final figures on lend-lease aid to China, therefore, will reflect aid furnished subsequent to the date of this report as well as aid previously furnished and not yet reported.

LEND-LEASE AID TO CHINA

March 1941 to October 1, 1945

Category	Amount
Ordnance and ammunition.....	\$164, 805, 000
Aircraft and parts.....	112, 970, 000
Tanks and parts.....	11, 070, 000
Motor vehicles and parts.....	89, 493, 000
Machinery and metals.....	34, 644, 000
Petroleum products.....	7, 087, 000
Other supplies.....	193, 948, 000
Shipping and other expenses.....	17, 492, 000
Total aid.....	631, 509, 000

Table 13

The Chinese forces were in greatest need of munitions and transportation equipment and these categories made up most of the goods supplied. We also provided limited but vital quantities of precision tools, machine parts and scarce metals to help the Chinese increase their own munitions output. We rendered further assistance under lend-lease by training Chinese technicians in this country who then returned to supervisory and technical positions in China. We sent more than a thousand American technicians to the Far East to train thousands of Chinese in the work of repairing and operating transportation equipment.

In the war against Japan, China furnished supplies and services to United States forces to the extent of her limited resources. The work of many thousands of Chinese in helping to build airfields for the United States Army Air Forces and in constructing the Ledo Road and other projects was of immense help. These airfields proved of great strategic importance in the bombing of Japan by the USAAF. China's great contribution to the united war effort was of course her determined 7-year stand against the Japanese. That heroic struggle of hundreds of millions of people resisting aggression made insignificant any material contribution measured in dollars.

India

A great supply base was established in India for the allied armies operating under the Southeast Asia Command. India was also important during the war as a base for munitions and other war

LEND-LEASE EXPORTS TO INDIA *

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
Ordnance and ammunition.....	17, 652	10, 036	258, 681
Aircraft and parts.....	86, 305	15, 785	524, 424
Tanks and parts.....	5, 409	4, 371	130, 317
Motor vehicles and parts.....	55, 625	13, 292	309, 445
Watercraft.....	23, 624	4, 212	65, 631
All munitions.....	188, 615	47, 696	1, 288, 498
Petroleum products.....	72, 190	10, 810	161, 721
Industrial materials and products.....	77, 779	23, 767	494, 673
Agricultural products.....	30, 854	20, 529	183, 911
Total.....	369, 438	102, 802	2, 128, 803

*Includes Ceylon, Burma, and British Malaya.

Table 14

supplies moving into China. We aided these operations by sending to India from March 1941 through September 1945 lend-lease goods valued at more than \$2 billion.

Munitions for the British and Indian troops accounted for somewhat more than half of the total, with aircraft making up about one-fourth of total shipments.

Industrial and transportation equipment and materials ranked second to munitions, in importance to the war effort as well as in dollar value. Rapid progress was made during the war in developing India as an arsenal for allied troops. Labor and many raw materials were available but machinery and tools were needed. These were supplied in part by lend-lease.

The transportation system and particularly the dock facilities of India originally were not adequate to support the operations being carried on by allied troops. We sent large quantities of materials to India under lend-lease to improve the limited facilities. In 1944 alone we shipped 33,000 tons of railroad rails and accessories, 317 steam locomotives, \$475,000 worth of locomotive parts and accessories, 110 bulldozers, 451 cranes, 145 concrete mixers, 228 road rollers, 150 graders and a large volume of other equipment for improving railroads, roads and docks. With the help of native Indian labor and lend-lease materials, the port battalions of Calcutta established records exceeding those of every other military port in the world for quick unloading and turnaround of American ships. Much of the capital equipment was paid for in cash.

Foodstuffs and other agricultural products which we sent to India under lend-lease totaled \$184 million. These consisted largely of provisions for the British troops stationed there. As an indication of the quantities of food which we supplied, we shipped during the

REVERSE LEND-LEASE AID IN INDIA*

Thousands of Dollars

Category	Cumulative to July 1, 1945
Capital installations.....	131, 372
Foodstuffs.....	41, 718
Clothing.....	7, 275
Petroleum and coal products.....	318, 866
Air Force supplies and equipment.....	19, 020
Other military supplies and equipment.....	55, 838
Shipping and other transportation.....	40, 612
Other services.....	24, 742
Total.....	639, 443

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

(Conversion from Indian rupee: 330.44=\$100.)

Table 15

year 1944 more than 58 million pounds of meat, 197 million pounds of evaporated milk and cream, 20 million pounds of canned salmon, 44 million pounds of canned peas, 16 million pounds of canned peaches, 2.6 million pounds of canned pineapple, 10.5 million pounds of dehydrated vegetables and large quantities of various other foods.

The Indian Government and the British forces stationed in India supplied to our troops needed supplies, services and construction having a total value of \$639 million as of July 1, 1945. Petroleum products and coal made up half of the total, with capital installations second in importance. This reverse lend-lease aid resulted in a very substantial saving in shipping space.

Australia

To aid the Australians in their part in the war against Japan, we sent them lend-lease goods valued at a billion and a quarter dollars from the beginning of the program to October 1, 1945. Exports amounted to \$190 million in the first half of 1945 and to \$73 million in the third quarter of 1945.

Planes, tanks, and ordnance accounted for about 45 percent of total lend-lease exports, motor vehicles for 15 percent and petroleum products for more than 10 percent. Industrial materials, which made up about one-fourth of the total, included machine tools, metals, food processing and canning equipment, farm machinery, synthetic rubber, paper and other supplies needed by the Australian war economy to enable it to make the utmost contribution to the war effort.

Reverse lend-lease aid supplied by Australia to the United States through June was valued at \$835 million. Approximately 18 percent of the Australian war budget was devoted to reverse lend-lease to the United States, with the total amount representing approximately \$120 per capita of the Australian population.

The total amount of reverse lend-lease aid consisted of supplies and equipment furnished to our troops amounting to \$454 million, construction amounting to \$131 million and shipping and other services amounting to \$249 million. The figures on lend-lease exports to Australia reflect only the value in this country of the goods shipped and do not include the cost of shipping or other services rendered to Australia. Statistics on lend-lease exports and reverse lend-lease aid are therefore not comparable.

One of the most important items supplied our troops by Australia was the tremendous total of 2½ billion pounds of food. By receiving such a quantity of foodstuffs locally, there was a smaller drain on

LEND-LEASE EXPORTS TO AUSTRALIA*

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
Ordnance and ammunition.....	11, 643	4, 485	116, 696
Aircraft and parts.....	98, 462	39, 027	402, 970
Tanks and parts.....		4	41, 188
Motor vehicles and parts.....	20, 817	8, 569	187, 903
Watercraft.....	5, 734	1, 557	16, 354
All munitions.....	136, 656	53, 642	765, 111
Petroleum products.....	11, 188	2, 684	136, 721
Industrial materials and products.....	35, 095	11, 790	296, 801
Agricultural products.....	6, 824	4, 562	43, 362
Total.....	189, 763	72, 678	1, 241, 995

*Includes British Oceania and New Guinea.

Table 16

REVERSE LEND-LEASE AID FROM AUSTRALIA

Thousands of Dollars

Category	Cumulative to July 1, 1945
Capital installations.....	131, 327
Foodstuffs.....	224, 495
Air Force supplies and equipment.....	67, 400
Other military supplies and equipment.....	162, 600
Shipping and other transportation.....	229, 181
Other services.....	20, 001
Total.....	835, 004

(Conversion from Australian pound at \$3.23.)

Table 17

United States food supplies, shipping space was made available for other goods which were vitally needed, and our troops were able to have fresh fruits, vegetables, and dairy products.

New Zealand

Total lend-lease exports to New Zealand to October 1, 1945 amounted to \$217 million. In addition, there were substantial amounts of lend-lease aid in the form of shipping and other services which, although received by New Zealand, are not included in lend-

LEND-LEASE EXPORTS TO NEW ZEALAND

Thousands of Dollars

Category	Jan.-June 1945	July-Sept. 1945	Cumulative to Oct. 1, 1945
Ordnance and ammunition.....	341	13	33, 323
Aircraft and parts.....	2, 802	3, 263	52, 164
Tanks and parts.....			14, 109
Motor vehicles and parts.....	2, 431	1, 205	27, 260
Watercraft.....			2, 445
All munitions.....	5, 574	4, 481	129, 301
Petroleum products.....	2, 144	558	16, 158
Industrial materials and products.....	3, 473	1, 834	64, 805
Agricultural products.....	753	615	6, 661
Total.....	11, 944	7, 488	216, 925

Table 18

REVERSE LEND-LEASE AID FROM NEW ZEALAND

Thousands of Dollars

Category	Cumulative to July 1, 1945
Capital installations.....	26, 550
Foodstuffs.....	112, 224
Clothing.....	8, 417
Petroleum and coal products.....	3, 367
Air Force supplies and equipment.....	678
Other military supplies and equipment.....	25, 359
Shipping and other transportation.....	12, 017
Other services.....	15, 954
Total.....	204, 566

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

Table 19

lease exports. As the scene of battle moved closer to Japan, lend-lease shipments to New Zealand fell off. Exports in the third quarter of 1945 amounted to \$7½ million, compared with a peak of \$29 million in the second quarter of 1943.

Munitions made up about 60 percent of exports in the entire lend-lease period and a somewhat smaller proportion this year. Shipments of other types of goods, including petroleum products and industrial materials and products, did not decline at as rapid a rate this year as did munitions shipments.

Reverse lend-lease aid from New Zealand to July 1, 1945 totaled \$205 million, with foodstuffs furnished to our troops amounting to half of the total. Clothing and other supplies and equipment amounted to about one-fourth of the total, with construction, shipping, and other services accounting for the other fourth.

The cost of reverse lend-lease aid from New Zealand was equivalent to \$154 for each person in that country.

Chapter 5

STATISTICAL TABLES

LEND-LEASE AID, BY CATEGORY

March 1941 to October 1, 1945

Category	Amount
Goods transferred to foreign governments:	
Munitions:	
Ordnance.....	\$1, 422, 188, 000
Ammunition.....	2, 802, 123, 000
Aircraft.....	5, 277, 937, 000
Aircraft engines and parts.....	2, 755, 221, 000
Tanks and parts.....	3, 740, 348, 000
Motor vehicles and parts.....	2, 326, 834, 000
Watercraft.....	3, 777, 070, 000
Total.....	22, 101, 721, 000
Petroleum products.....	2, 316, 985, 000
Industrial materials and products:	
Machinery.....	2, 520, 657, 000
Metals.....	2, 350, 192, 000
Miscellaneous materials and manufactures.....	4, 818, 198, 000
Total.....	9, 689, 047, 000
Agricultural products:	
Foods.....	5, 228, 252, 000
Other agricultural products.....	860, 672, 000
Total.....	6, 088, 924, 000
Total transfers.....	40, 196, 677, 000
Services rendered:	
Rental of ships, etc.....	2, 724, 662, 000
Servicing, repair of ships, etc.....	483, 866, 000
Miscellaneous expenses.....	546, 600, 000
Total services.....	3, 755, 128, 000
Total lend-lease costs charged to foreign governments.....	43, 951, 805, 000
Lend-lease costs not charged to foreign governments:	
Production facilities in United States.....	709, 627, 000
Transfers to Federal agencies.....	972, 468, 000
Losses on inventories and facilities.....	9, 027, 000
Administrative expenses.....	31, 706, 000
Miscellaneous charges.....	365, 421, 000
Total.....	2, 088, 249, 000
Total lend-lease aid.....	46, 040, 054, 000

Table 20

TOTAL LEND-LEASE AID

Quarterly, in Millions of Dollars

Quarter	Amount
1941	
I.....	3
II.....	200
III.....	491
IV.....	825
1942	
I.....	1, 660
II.....	2, 118
III.....	1, 681
IV.....	1, 725
1943	
I.....	2, 078
II.....	3, 890
III.....	3, 877
IV.....	3, 903
1944	
I.....	4, 300
II.....	4, 416
III.....	3, 357
IV.....	3, 070
1945	
I.....	3, 275
II.....	3, 276
III.....	1, 895

Table 21

LEND-LEASE EXPORTS CUMULATIVE TO OCTOBER 1, 1945

Millions of Dollars

Category	United Kingdom	U. S. S. R.	China, India, Australia, and New Zealand	Other countries	Total
Munitions:					
Ordnance.....	647	329	176	386	1,538
Ammunition.....	1,306	486	256	504	2,552
Aircraft and parts.....	2,500	1,652	1,093	1,484	6,729
Tanks and parts.....	1,048	478	186	689	2,401
Motor vehicles and parts.....	714	1,411	580	608	3,313
Watercraft.....	694	296	84	95	1,169
Total munitions.....	6,909	4,652	2,375	3,766	17,702
Petroleum products.....	1,531	111	316	116	2,074
Industrial materials and products:					
Machinery.....	599	1,325	290	220	2,434
Metals.....	745	922	298	269	2,234
Other.....	628	793	298	393	2,112
Total industrial.....	1,972	3,040	886	882	6,780
Agricultural products:					
Foodstuffs.....	2,762	1,511	189	508	4,970
Other agricultural products.....	668	164	45	112	989
Total agricultural products.....	3,430	1,675	234	620	5,959
Total.....	13,842	9,478	3,811	5,384	32,515

Table 22

LEND-LEASE EXPORTS—BY CATEGORY

Quarterly, in Millions of Dollars

Quarter	Muni- tions	Petro- leum products	Indus- trial items	Agri- cultural products	Total
1941					
I.....	1				1
II.....	23		7	26	56
III.....	67	8	44	106	225
IV.....	111	54	81	213	459
1942					
I.....	362	42	150	156	710
II.....	560	51	250	283	1,144
III.....	729	52	306	249	1,336
IV.....	993	69	387	294	1,743
1943					
I.....	1,068	71	376	356	1,871
II.....	1,428	90	512	400	2,430
III.....	1,837	134	606	562	3,139
IV.....	1,744	91	586	495	2,916
1944					
I.....	1,733	123	532	387	2,775
II.....	1,911	220	603	486	3,220
III.....	1,481	260	650	431	2,822
IV.....	1,270	236	584	398	2,488
1945					
I.....	992	235	448	373	2,048
II.....	948	255	420	399	2,022
III.....	444	82	239	345	1,110

Table 23

LEND-LEASE EXPORTS—BY COUNTRY

Quarterly, in Millions of Dollars

Quarter	United Kingdom	U. S. S. R.	China, India, Australia, and New Zealand	Other countries	Total
1941					
I.....				1	1
II.....	36		2	18	56
III.....	169		8	48	225
IV.....	368	1	42	48	459
1942					
I.....	345	168	87	110	710
II.....	507	342	137	158	1,144
III.....	548	358	183	247	1,336
IV.....	638	493	234	378	1,743
1943					
I.....	720	584	189	378	1,871
II.....	1,185	536	251	458	2,430
III.....	1,278	858	339	664	3,139
IV.....	1,102	988	333	493	2,916
1944					
I.....	1,286	806	256	427	2,775
II.....	1,573	859	353	435	3,220
III.....	1,217	949	272	384	2,822
IV.....	1,024	829	323	312	2,488
1945					
I.....	813	680	274	281	2,048
II.....	694	713	329	286	2,022
III.....	339	315	199	257	1,110

Table 24

LEND-LEASE EXPORTS

Exports are classified by the country to which the goods are shipped, not by the country for whose account they are shipped. The bulk of supplies exported to Egypt, for example, was for use by the British troops in North Africa and the Middle East and was charged to the United Kingdom account.

Thousands of Dollars

Country	Jan.-June 1945	July-Sept. 1945	Cumula- tive to Oct. 1, 1945
Europe:			
United Kingdom.....	1, 507, 140	339, 077	13, 842, 043
U. S. S. R.....	1, 392, 427	314, 936	9, 477, 666
France.....	117, 594	109, 190	243, 900
Netherlands.....	1, 550	15, 706	17, 256
Belgium and Luxembourg.....	42, 132	21, 944	64, 076
Iceland.....	1, 087	82	6, 840
Other countries.....	119, 904	33, 042	641, 571
Total Europe.....	3, 181, 834	833, 977	24, 293, 352
Africa and Middle East:			
French Morocco.....	13, 274	7, 178	106, 843
Algeria.....	36, 074	17, 261	407, 194
Tunisia.....	9, 208	4, 597	25, 117
Libya.....	250	22	1, 315
Egypt.....	113, 685	20, 828	2, 014, 806
Anglo-Egyptian Sudan.....	69	12	13, 192
French Equatorial Africa.....	681	108	6, 203
French West Africa.....	8, 296	2, 530	35, 066
Gold Coast.....	143	117	42, 299
Nigeria.....	131	72	21, 971
British West Africa.....	350	71	20, 071
Belgian Congo.....	368	118	20, 144
British East Africa.....	1, 653	330	66, 617
Union of South Africa.....	9, 553	1, 037	234, 067
Southern Rhodesia.....	72	12	12, 631
Other Africa.....	1, 660	229	10, 252
Turkey.....	27	142	104, 012
Syria.....	182	21	1, 863
Iraq.....	2, 164	832	161, 477
Iran.....	3, 144	2, 361	64, 839
Palestine and Transjordan.....	680	702	16, 172
Other Middle East.....	2, 976	256	6, 574
Total Africa and Middle East.....	204, 640	58, 836	3, 392, 725

LEND-LEASE EXPORTS—Continued

Thousands of Dollars

Country	Jan.-June 1945	July-Sept. 1945	Cumula- tive to Oct. 1, 1945
Far East and Oceania:			
China.....	32, 129	15, 827	223, 904
India and Ceylon.....	369, 438	102, 351	2, 116, 135
Burma.....		451	3, 878
British Malaya.....			8, 790
Netherlands Indies.....			23, 550
Australia.....	189, 272	72, 515	1, 226, 216
New Guinea.....	192	49	13, 826
New Zealand.....	11, 944	7, 488	216, 925
British Oceania.....	299	114	1, 953
French Pacific Islands.....	84	36	1, 431
Total.....	603, 358	198, 831	3, 836, 608
North, Central and South America:			
Canada.....	44, 243	10, 278	628, 013
Newfoundland and Labrador.....	112	57	2, 197
Mexico.....	2, 644	355	18, 832
Guatemala.....	2		1, 089
El Salvador.....		1	851
Honduras.....	7	11	324
Nicaragua.....	31		628
Costa Rica.....	1	6	145
Bermuda.....	92	36	2, 500
Bahamas.....	5, 685	1, 297	58, 641
Cuba.....	605	138	3, 777
Jamaica.....	123	75	6, 969
Haiti.....	7		713
Dominican Republic.....	123		1, 140
Trinidad and Tobago.....	1, 093	115	27, 494
Curacao.....	66	151	8, 237
French West Indies.....	1, 355	794	5, 565
Colombia.....	391	68	5, 352
Venezuela.....	232	35	2, 751
Surinam.....	70	5	3, 131
Ecuador.....	181	21	4, 868
Peru.....	1, 832	186	14, 184
Bolivia.....	2, 201	44	4, 436
Chile.....	1, 678	325	20, 988
Brazil.....	15, 103	4, 842	159, 128
Paraguay.....	162		1, 387
Uruguay.....	1, 511	9	5, 627
Other Countries.....	391	143	3, 688
Total.....	79, 941	18, 992	992, 655
Total, All Countries.....	4, 069, 773	1, 110, 636	32, 515, 340

Table 25

STATUS OF NATIONS

Lend-Lease Countries and United Nations

Country	Declared eligible for lend-lease aid	Lend-lease agreement signed	Reciprocal aid agreement signed	United Nations declaration signed	Earliest date of existence of state with any Axis power	Earliest date of severance of diplomatic relations with any Axis power
Argentina	May 6, 1941				Mar. 27, 1945	Jan. 26, 1944
Australia	Nov. 11, 1941	(¹)	Sept. 3, 1942	Jan. 1, 1942	Sept. 3, 1939	
Belgium ²	June 13, 1941	June 16, 1942	Apr. 17, 1945	Jan. 1, 1942	May 9, 1940	
Bolivia	May 6, 1941	Dec. 6, 1941		May 5, 1943	Apr. 7, 1943	Jan. 28, 1942
Brazil	May 6, 1941	Mar. 3, 1942		Apr. 10, 1943	Aug. 22, 1942	Jan. 28, 1942
Canada	Nov. 11, 1941	(⁴)		Jan. 1, 1942	Sept. 10, 1939	
Chile	May 6, 1941	Mar. 2, 1943		Feb. 14, 1945	Feb. 12, 1945	Jan. 20, 1943
China	May 6, 1941	June 2, 1942		Jan. 1, 1942	Dec. 9, 1941	
Colombia	May 6, 1941	Mar. 17, 1942		Jan. 17, 1944	Nov. 27, 1943	Dec. 8, 1941
Costa Rica	May 6, 1941	Jan. 16, 1942		Jan. 1, 1942	Dec. 8, 1941	
Cuba	May 6, 1941	Nov. 7, 1941		Jan. 1, 1942	Dec. 9, 1941	
Czechoslovakia	Jan. 5, 1942	July 11, 1942		Jan. 1, 1942	Dec. 9, 1941	
Dominican Republic	May 6, 1941	Aug. 2, 1941		Jan. 1, 1942	Dec. 8, 1941	
Ecuador	May 6, 1941	Apr. 6, 1942		Jan. 1, 1942	Dec. 8, 1941	
Egypt	Nov. 11, 1941			Feb. 14, 1945	Feb. 2, 1945	Jan. 29, 1942
El Salvador	May 6, 1941	Feb. 2, 1942		Feb. 28, 1945	Feb. 26, 1945	Sept. 4, 1939
Ethiopia	Dec. 7, 1942	Aug. 9, 1943		Jan. 1, 1942	Dec. 8, 1941	
France ³	(³)	Feb. 28, 1945	Feb. 28, 1945	Mar. 7, 1944	Dec. 1, 1942	
Greece	Mar. 11, 1941	July 10, 1942		Jan. 1, 1945	Sept. 3, 1939	
Guatemala	May 6, 1941	Nov. 16, 1942		Jan. 1, 1942	Oct. 28, 1940	
Haiti	May 6, 1941	Sept. 16, 1941		Jan. 1, 1942	Dec. 8, 1941	
Honduras	May 6, 1941	Feb. 1, 1942		Jan. 1, 1942	Dec. 8, 1941	
Iceland	July 1, 1941	Nov. 21, 1941		Jan. 28, 1942	Dec. 8, 1941	
India	Nov. 11, 1941			Jan. 1, 1942	Sept. 3, 1939	
Iran	Mar. 10, 1942			Sept. 14, 1943	Sept. 9, 1943	Sept. 16, 1941
Iraq	May 1, 1942	May 17, 1945		Apr. 10, 1943	Jan. 16, 1943	Sept. 5, 1939
Liberia	Mar. 10, 1942	June 8, 1943		Apr. 10, 1944	Jan. 27, 1944	Oct. 2, 1942
Luxembourg				Jan. 1, 1942	May 10, 1940	
Mexico	May 6, 1941	Mar. 18, 1943		June 10, 1942	May 22, 1942	Dec. 8, 1941
Netherlands ²	Aug. 21, 1941	July 8, 1942	Apr. 30, 1945	Jan. 1, 1942	May 10, 1940	
New Zealand	Nov. 11, 1941	(¹)	Sept. 3, 1942	Jan. 1, 1942	Sept. 3, 1939	
Nicaragua	May 6, 1941	Oct. 16, 1941		Jan. 1, 1942	Dec. 8, 1941	
Norway	June 4, 1941	July 11, 1942		Jan. 1, 1942	Apr. 9, 1940	
Panama	May 6, 1941			Jan. 1, 1942	Dec. 7, 1941	
Paraguay	May 6, 1941	Sept. 20, 1941		Feb. 14, 1945	Feb. 8, 1945	Jan. 28, 1942
Peru	May 6, 1941	Mar. 11, 1942		Feb. 14, 1945	Feb. 11, 1945	Jan. 24, 1942
Philippines				June 14, 1942	Dec. 7, 1941	
Poland	Aug. 28, 1941	July 1, 1942		Jan. 1, 1942	Sept. 1, 1939	
Saudi Arabia	Feb. 18, 1943			Apr. 12, 1945	Mar. 1, 1945	Uncertain.
South Africa	Nov. 11, 1941	Apr. 17, 1945		Jan. 1, 1942	Sept. 6, 1939	
Turkey	Nov. 7, 1941	Feb. 23, 1945		Feb. 28, 1945	Feb. 23, 1945	Aug. 2, 1944
United Kingdom	Mar. 11, 1941	Feb. 23, 1942	Sept. 3, 1942	Jan. 1, 1942	Sept. 3, 1939	
United States				Jan. 1, 1942	Dec. 7, 1941	
U. S. S. R.	Nov. 7, 1941	June 11, 1942		Jan. 1, 1942	June 22, 1941	
Uruguay	May 6, 1941	Jan. 13, 1942		Feb. 24, 1945	Feb. 22, 1945	Jan. 25, 1942
Venezuela	May 6, 1941	Mar. 18, 1942		Feb. 20, 1945	Feb. 14, 1945	Dec. 31, 1941
Yugoslavia	Nov. 11, 1941	July 24, 1942		Jan. 1, 1942	Apr. 6, 1941	

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

² Agreements under Section 3 (c) of the Lend-Lease Act have been signed with Belgium on April 17, 1945, with the Provisional Government of France on February 28, 1945, and with the Netherlands on April 30, 1945.

³ Territory under the jurisdiction of the French National Committee was declared eligible to receive lend-lease aid on November 11, 1941, and all French territory not under the control of the Axis was declared eligible on November 13, 1942.

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

Table 26

APPENDICES

Appendix I

JOINT UNITED STATES—UNITED KINGDOM STATEMENT REGARDING SETTLEMENT FOR LEND-LEASE, RECIPROCAL AID, SURPLUS WAR PROPERTY AND CLAIMS

1. The Governments of the United States and the United Kingdom have reached an understanding for the settlement of Lend-Lease and Reciprocal Aid, for the acquisition of United States Army and Navy surplus property, and the United States interest in installations, located in the United Kingdom, and for the final settlement of the financial claims of each government against the other arising out of the conduct of the war. Specific agreements necessary to implement these understanding, setting forth the terms in detail, and consistent herewith, are in the course of preparation and will shortly be completed.

2. This settlement for Lend-Lease and Reciprocal Aid will be complete and final. In arriving at this settlement both Governments have taken full cognizance of the benefits already received by them in the defeat of their common enemies. They have also taken full cognizance of the general obligations assumed by them in article VII of the Mutual Aid Agreement of February 23, 1942, and the understandings agreed upon this day with regard to commercial policy. Pursuant to this settlement, both Governments will continue to discuss arrangements for agreed action for the attainment of the economic objectives referred to in Article VII of the Mutual Aid Agreement. The Governments expect in these discussions to reach specific conclusions at an early date with respect to urgent problems such as those in the field of telecommunications and civil aviation. In the light of all the foregoing, both Governments agree that no further benefits will be sought as consideration for lend-lease and reciprocal aid.

3. The net sum due from the United Kingdom to the United States for the settlement of lend-lease and reciprocal aid, for the acquisition of surplus property, and the United States interest in installations, located in the United Kingdom, and for the settlement of claims shall be \$650,000,000 subject to the accounting adjustment referred to below. This amount consists of (a) a net sum of \$118,000,000 representing the difference between the amount of the services and supplies furnished or to be furnished by each Government to the other Government after VJ-day through lend-lease and reciprocal aid channels, less the net sum due to the United Kingdom under the claims settlement, and (b) a net sum of \$532,000,000 for all other lend-lease and reciprocal aid items, and for surplus property and the United States interest in installations located in the United Kingdom owned by the United States Government. The actual amounts due to the respec-

tive Governments for items included in (a) above other than claims will, however, be ascertained by accounting in due course, and the total sum of \$650,000,000 will be adjusted for any difference between the sum of \$118,000,000 mentioned above, and the actual sum found to be due. All new transactions between the two Governments after December 31, 1945, will be settled by cash payment.

4. The total liability found to be due to the Government of the United States will be discharged on the same terms as those specified in the Financial Agreement for the discharge of the credit provided therein.

5. In addition to the financial payments referred to above, the two Governments have agreed upon the following:

(a) Appropriate nondiscriminatory treatment will be extended to United States nationals in the use and disposition of installations in which there is a United States interest;

(b) Appropriate settlements for the lend-lease interest in installations other than in the United Kingdom and the Colonial Dependencies will be made on disposal of the installations;

(c) The United States reserves its right of recapture of any lend-lease articles held by United Kingdom Armed Forces, but the United States has indicated that it does not intend to exercise generally this right of recapture;

(d) Disposals for military use to forces other than the United Kingdom Armed Forces of lend-lease articles held by the United Kingdom Armed Forces at VJ-day, and disposals for civilian use other than in the United Kingdom and Colonies of such lend-lease articles, will be made only with the consent of the United States Government and any net proceeds will be paid to the United States Government. The United Kingdom Government agrees that except to a very limited extent it will not release for civilian use in, or export from, the United Kingdom and Colonies lend-lease articles held by the United Kingdom Armed Forces;

(e) The Government of the United Kingdom will use its best endeavors to prevent the export to the United States of any surplus property transferred in accordance with this understanding.

6. The Government of the United Kingdom agrees that, when requested by the Government of the United States from time to time prior to December 31, 1951, it will transfer, in cash, pounds sterling to an aggregate dollar value not in excess of \$50,000,000, at the exchange rates prevailing at the times of transfer, to be credited against the dollar payments due to the Government of the United States as principal under this settlement. The Government of the United States will use these pounds sterling exclusively to acquire land or to acquire or construct buildings in the United Kingdom and the Colonial Dependencies for the use of the Government of the United States, and for carrying out educational programs in accordance with agreements to be concluded between the two Governments.

7. The arrangements set out in this statement are without prejudice to any settlements concerning lend-lease and reciprocal aid which may be negotiated between the Government of the United States and the Governments of Australia, New Zealand, the Union of South Africa, and India.

Appendix II

AGREEMENT BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND THE U. S. S. R. ON THE DISPOSITION OF LEND-LEASE SUPPLIES IN INVENTORY OR PROCUREMENT IN THE UNITED STATES

The Government of the United States and the Government of the Union of Soviet Socialist Republics, in order to provide for the orderly disposition in their mutual interests of the undelivered articles which were in inventory or procurement in the United States, prior to the cessation of active military operations against the common enemy, for the purpose of providing war aid to the Union of Soviet Socialist Republics under the act of Congress of March 11, 1941, as amended, agree as follows:

Article I

All articles and services undertaken to be provided by the Government of the United States under this agreement shall be made available under the authority and subject to the terms and conditions of the act of Congress of March 11, 1941, as amended, and any acts supplementary thereto.

Article II

Within such periods as may be authorized by law, the Government of the United States undertakes to transfer to the Government of the Union of Soviet Socialist Republics, and the Government of the Union of Soviet Socialist Republics agrees to accept subject to the right of inspection referred to in article V, those articles which are or will be available to the Government of the United States for transfer to the Government of the Union of Soviet Socialist Republics out of articles that are included in the requisitions set forth in schedule I-A or in the categories of articles set forth in schedule I-B and that were in inventory or procurement in the United States for the purpose of providing war aid to the Union of Soviet Socialist Republics, but were not transferred, prior to the date of the signature of this agreement.

The Government of the Union Soviet of Republics undertakes to pay the Government of the United States in dollars, for the articles transferred to the Government of the Union of Soviet Socialist Republics under this article, an amount to be determined as set forth in schedule II, and interest thereon, according to the terms and conditions set out in that schedule. The obligation of the Government of the Union of Soviet Socialist Republics to make payment in dollars in accordance with the terms of this agreement may be discharged by the delivery of gold, which will be valued at the buying price for gold provided in the provisional regulations issued under the Gold Reserve Act of 1934 as the same may be in effect at the time of each delivery.

Schedule I-A, Schedule I-B, and Schedule II, which are annexed hereto, are made a part of this Agreement.

Article III

Changes may be made from time to time by mutual agreement of the parties in the list of requisitions and categories in schedule I-A and schedule I-B.

The Government of the Union of Soviet Socialist Republics shall be released from its obligation to accept articles under the provisions of article II upon payment to the Government of the United States of any net losses to the Government of the United States, including contract cancellation charges, resulting from the determination of the Government of the Union of Soviet Socialist Republics not to accept such articles.

The Government of the Union of Soviet Socialist Republics reserves the right, without payment as provided in the foregoing paragraph, not to accept articles which cannot be made available by the Government of the United States in complete units as specified in the approved requisitions or written requests of the Government of the Union of Soviet Socialist Republics, or in the offerings made by the United States Government, relating to such articles and units.

Article IV

Within such periods as may be authorized by law, the Government of the United States undertakes to aid in the movement to the Union of Soviet Socialist Republics of the articles provided under article II by furnishing American flag shipping and related services so far as it deems necessary to supplement Soviet flag shipping and so far as it is consistent with the national interest of the United States, and the Government of the Union of Soviet Socialist Republics agrees to pay the Government of the United States for such shipping and related services as may be made available under the provisions of this article in an amount and on terms and conditions set forth in schedule II.

Article V

The Government of the United States will, in lieu of granting any warranty express or implied with respect to articles transferred to the Union of Soviet Socialist Republics, assign to the Government of the Union of Soviet Socialist Republics any assignable rights which it may have against the suppliers, inland carriers, or other private contracting agencies for breach of warranty, or any assignable claims for loss of or damage to articles prior to transfer to the Government of the Union of Soviet Socialist Republics. The Government of the Union of Soviet Socialist Republics shall have the right of inspection of articles prior to delivery. The Government of the United States undertakes to use its best efforts to provide appropriate assistance to the Government of the Union of Soviet Socialist Republics to effectuate a satisfactory settlement with the suppliers, inland carriers, or other private contracting agencies of any claims of the Government of the Union of Soviet Socialist Republics covered by the aforesaid assignment.

The Government of the United States agrees that the provisions of article V of the Mutual Aid Agreement of June 11, 1942, shall not apply to supplies made available to the Government of the Union of Soviet Socialist Republics under the provisions of article II of this agreement.

Article VI

The provisions of this agreement shall not apply to those articles which the Government of the Union of Soviet Socialist Republics has agreed to purchase and the United States Government has agreed to transfer under the terms and conditions of the letter dated May 30, 1945, from the Foreign Economic Administrator to the Chairman of the Government Purchasing Commission of the Soviet Union in the United States.

Nothing in this agreement shall modify or otherwise affect the final determination, under the act of March 11, 1941, as amended, and the Mutual Aid Agreement between the two Governments of June 11, 1942, of the terms and conditions upon which the Government of the Union of Soviet Socialist Republics has received aid except for the articles and services made available under the provisions of this agreement.

Article VII

This agreement shall take effect as from this day's date.

In witness whereof the undersigned, duly authorized by their respective Governments, have signed the present agreement in duplicate in Washington on the 15th day of October 1945.

For the Government of the United States:

(Signed) LEO T. CROWLEY.

For the Government of the Union of Soviet Socialist Republics:

(Signed) LEONID G. RUDENKO.

SCHEDULE I

(Schedule I-A and Schedule I-B contain voluminous detailed information concerning the materials and equipment to be supplied under the Agreement.)

SCHEDULE II

The terms and conditions upon which articles are to be transferred and shipping and related services rendered by the Government of the United States to the Government of the Union of Soviet Socialist Republics under the provisions of this Agreement are as follows:

A. *Definitions*.—1. The term "contract price" means the contract price f. o. b. point of origin, or the price computed by the United States Government f. o. b. point of origin in cases in which contracts are written on terms other than f. o. b. point of origin (confirmed by proper documents), which is paid by the United States Government to the contractor. The contract price shall be evidenced by a specific contract in cases where specific contracts have been entered into by a United States Government procurement agency in pursuance of an approved requisition or other written request of the Soviet Government Purchasing Commission or to fulfill offerings made by the United States to the Union of Soviet Socialist Republics for the war programs of the Union of Soviet Socialist Republics. In cases where

articles so requested or offered are not procured on contracts placed by a U. S. Government procurement agency in part or in whole specifically for the Union of Soviet Socialist Republics but are procured by a United States Government procurement agency on general war supply contracts without specification of the particular ultimate recipient or recipients, the contract price shall be the average contract price (as computed by the United States Government) f. o. b. point of origin paid by the United States Government procurement agency for similar articles.

2. The term "the fair value of the articles" means: (a) In the case of nonfoodstuffs, in the aggregate, the contract price less 10 percent of such contract price; (b) In the case of foodstuffs, the price (as computed by the United States Government) at which the United States Government sells similar articles in similar quantities in the United States to other foreign governments at or about the time of transfer to the Union of Soviet Socialist Republics.

3. The term "Inland point of origin" means the factory in the case of articles in production or under contract for production at the time of the signing of this agreement and in the case of articles completed at the time of the signing of this agreement the point at which such articles are then situated or their immediate next destination if the articles are in transit.

B. Unless otherwise provided by mutual agreement, transfers of articles to the Government of the Union of Soviet Socialist Republics shall take place, in the case of nonfoodstuffs, immediately upon delivery of the articles at the inland point of origin, and in the case of foodstuffs, immediately upon the loading of the articles on board ocean vessels in a United States port, and title and risk of loss with respect to articles shall pass upon transfer to the Government of the Union of Soviet Socialist Republics; provided, that any article which shall not have been transferred to the Government of the Union of Soviet Socialist Republics as above set forth prior to 3 months following the time of the signing of this agreement or 3 months following the time of notice to the Government of the Union of Soviet Socialist Republics of the availability of the articles, whichever is the later, shall be deemed to be transferred to the Government of the Union of Soviet Socialist Republics upon such date, and the Government of the Union of Soviet Socialist Republics shall thereafter assume complete financial responsibility for the articles.

All articles made available shall be properly packed or prepared to meet the requirements of ocean shipping. The invoice delivered by the Government of the United States as certified by authorized officials of the Government of the Union of Soviet Socialist Republics with respect to articles transferred under article II shall be final. The Government of the Union of Soviet Socialist Republics shall, with respect to foodstuffs transferred, supply the Government of the United States with the necessary number of ship manifests and signed-on-board bills of lading with related invoices, packing lists, and other documents, whenever the foodstuffs are transported on a vessel not under the control of an agency of the Government of the United States.

C. The amount which the Government of the Union of Soviet Socialist Republics shall pay the Government of the United States, for articles transferred under the provisions of article II of this agreement,

shall be the sum of the following items set forth in subparagraphs 1 and 2:

1. The fair value of the articles.

2. The costs incurred subsequent to transfer for storage, inland transportation, inland accessorial charges, and port accessorial charges normally incurred by cargo in accordance with the custom of the port.

In the case of nonfoodstuffs, such costs shall be evidenced by bills of lading, warehouse receipts or other appropriate invoices which shall be certified by the Government of the Union of Soviet Socialist Republics to represent true charges. Upon presentation of such documents to the Government of the United States by the Government of the Union of Soviet Socialist Republics the Government of the United States will pay the carrier, warehouse or other contracting agency, as the case may be. The Government of the Union of Soviet Socialist Republics undertakes to identify by marking on the bill of lading, warehouse receipt, or other documents involved, the requisition and contract numbers and shipping marks or a description of the articles covered by such documents.

In the case of foodstuffs, such cost is included in the fair value of the article determined in accordance with subparagraph (1) above.

D. The amount which the Government of the Union of Soviet Socialist Republics shall pay the Government of the United States for shipping and related services made available under the provisions of article IV of this agreement shall be determined on the basis of applicable rates established by the Government of the United States, which shall be subject to acceptance by the Government of the Union of Soviet Socialist Republics.

E. Payment of the total amount determined as set forth above in paragraphs C and D shall be made by the Government of the Union of Soviet Socialist Republics, on or before July 1, 1975, in 22 annual installments, the first of which shall become due and payable on July 1, 1954. The amounts of the annual installments shall be as follows: each of the first 4 installments shall be in an amount equal to 2.5 percent of the amount determined as set forth above; each of the second 4 installments shall be 3.5 percent of said determined amount; each of the third 4 installments shall be 4.5 percent of said determined amount; each of the fourth 4 installments shall be 5.5 percent of said determined amount; and each of the last 6 installments shall be 6 percent of said determined amount.

Nothing herein shall be construed to prevent the Government of the Union of Soviet Socialist Republics from anticipating the payment of any of the installments, or any part thereof, set forth above.

If by agreement of both Governments it is determined that, because of extraordinary and adverse economic conditions arising during the course of payment, the payment of a due installment would not be in the joint interest of the United States and the Union of Soviet Socialist Republics, payment may be postponed for an agreed upon period.

Interest on the unpaid balance of the total amount determined as set forth above in paragraphs C and D shall be paid by the Government of the Union of Soviet Socialist Republics at a fixed rate of 2% percent per annum accruing from July 1, 1946. Interest shall be payable annually, the first payment to be made July 1, 1947.

For the Government of the United States:

(Signed) LEO T. CROWLEY.

For the Government of the Union of Soviet Socialist Republics:

(Signed) LEONID G. RUDENKO.

Appendix III

CHRONOLOGICAL SUMMARY OF LEND-LEASE AND OF DEVELOPMENTS AFFECTING LEND-LEASE

1939

- September 1..... Poland is invaded by Germany.
- September 3..... Great Britain and France declare war on Germany.
- November 4..... U. S. embargo on export of arms to belligerents is repealed by Public Resolution No. 54, but shipments are limited to "cash and carry" terms.
- December 6..... Interdepartmental Committee for the Coordination of Foreign and Domestic Military Purchasing is set up by the President: The President's Liaison Committee.

1940

- April..... British aircraft purchases (first large-scale foreign orders) involve foreign capital investment in new plants and equipment in U. S.
- May 10..... The Netherlands, Belgium and Luxemburg are invaded by Hitler. Churchill succeeds Chamberlain as British Prime Minister.
- May 27..... Beginning of rout of the British at Dunkerque: not 100 tanks left in England.
- May 29..... Advisory Commission to the existing Council of National Defense is created by the President: first of the U. S. defense agencies.
- June 14..... German troops enter Paris: armistice signed with Germany on June 22, and with Italy on June 24. With the fall of France, Great Britain assumes French war contracts in the United States.
- June 15..... Pittman Act authorizes the Secretaries of War and the Navy to transfer military equipment, for cash, to American republics: forerunner of Lend-Lease Act.
- June 22..... U. S. Army arranges through private interests to sell and ship to Great Britain large quantities of "surplus" military equipment.
- September 2..... The destroyer deal: first non-cash transfer along policy lines that developed into lend-lease.
- December 18..... In a speech containing a parable about lending a neighbor a "garden hose" to put out a fire in his house, the President gives the first public intimation of the lend-lease concept.

1941

- January 10..... Lend-Lease Bill introduced into the Senate and House of Representatives: S. 275 and H. R. 1776.
- January 15..... House Committee on Foreign Affairs begins hearings on Lend-Lease Bill.
- January 27..... Senate Committee on Foreign Relations begins lend-lease hearings.
- February 8..... Administration's Lend-Lease Bill passes the House of Representatives, 260 to 165.
- March 8..... Amended Lend-Lease Bill passes the Senate, 60 to 31.
- March 11..... Lend-Lease Act passes the House, 317 to 71, and is signed by the President.
- March 27..... First lend-lease money—\$7,000,000,000—is appropriated to the President by Congress.
- April 1..... First lend-lease requisitions are filed, 54 at one time by the United Kingdom, the first requesting evaporated milk.
- April 14..... President's Liaison Committee is dissolved.
- May 2..... Division of Defense Aid Reports is organized in the Executive Office of the President to supervise the lend-lease program.
- June 11..... First lend-lease report by the President to Congress.
- June 22..... Germany attacks U. S. S. R.

1941

- July 21..... Division of Defense Aid Reports is made responsible for supervising Soviet Aid Program.
- July 26..... Executive Officer, Division of Defense Aid Reports, is delegated limited authority to allocate lend-lease funds.
- September 10..... Eden White Paper: unilateral policy declaration by Great Britain specifying conditions under which Britain is to use U. S. materials, both internally and in export trade.
- September 11..... Second Report to Congress on Lend-Lease Operations.
- September 16..... Appointment of Edward R. Stettinius, Jr., as Lend-Lease Administrator.
- September 18..... Lend-Lease Administrator receives authority from the President to allocate, amend, alter or revoke lend-lease funds up to \$300,000,000.
- October 1..... First Soviet Protocol (aid to the U. S. S. R.) is approved by the President.
- October 14..... Lend-Lease Administrator receives further authority to allocate lend-lease funds and to transfer between categories.
- October 28..... Office of Lend-Lease Administration is established by Executive Order No. 8926 (succeeding Division of Defense Aid Reports) and the Administrator receives most powers conferred on the President by the Lend-Lease Act.
- October 28..... Second Lend-Lease Appropriation: \$5,985,000,000.
- November 8..... U. S. and British forces land in North Africa.
- December 7..... Japanese attack Pearl Harbor.
- December 8..... U. S. declares war on Japan.
- December 11..... Germany and Italy declare war on the U. S.; and the U. S. declares war on Germany and Italy.
- December 12..... Third Report to Congress on Lend-Lease Operations.

1942

- January 1..... United Nations declaration signed by 26 nations.
- February 23..... Lend-lease master agreement is signed with the United Kingdom: first statement of terms and conditions governing lend-lease aid.
- March 5..... Third Lend-Lease Appropriation: \$5,425,000,000.
- March 11..... President Roosevelt submits to Congress his report on the first year of lend-lease operations.
- April 30..... Burma Road closed: lend-lease goods destined for China burned to prevent enemy capture.
- June 11..... Fifth Report to Congress on Lend-Lease Operations.
- September 3..... Reciprocal lend-lease agreements are signed with Australia, Fighting France, New Zealand and United Kingdom.
- September 11..... Sixth Report to Congress on Lend-Lease Operations.
- October 6..... Second Soviet Protocol is signed by the United States and Great Britain in Washington.
- December 11..... Seventh Report to Congress on Lend-Lease Operations.

1943

- January 14-24..... Casablanca Conference between President Roosevelt and Prime Minister Churchill.
- January 25..... Report to the 78th Congress on Lend-Lease Operations.
- January 29-Feb-
ruary 23..... Hearings on the extension of the Lend-Lease Act before the House Foreign Affairs Committee
- March 1, 2..... Hearings on the lend-lease extension before the Senate Foreign Relations Committee.
- March 10..... House of Representatives voted 407-6 to extend the Lend-Lease Act until July 1, 1944.
- March 11..... Senate voted 82-0 to extend lease-lend for one year.
- March 11..... President Roosevelt signs the act extending the Lend-Lease Act.
- March 11..... Eighth Quarterly Report to Congress on Lend-Lease Operations.
- May 7..... Tunis and Bizerte fall to Anglo-American forces.
- May 25..... Report to Congress on Lend-Lease Operations.
- June 14..... Fourth Lend-Lease Appropriation: \$6,273,629,000.

1943	
July 9-----	Anglo-American forces under General Eisenhower land in Sicily.
August 11-24-----	First Quebec Conference between President Roosevelt and Prime Minister Churchill.
August 25-----	Eleventh Report to Congress on Lend-Lease Operations.
September 25-----	Foreign Economic Administration is established by Executive Order 9380, with Leo T. Crowley named Administrator.
October 19-----	Third Soviet Protocol is signed by the United States, Great Britain and Canada in London.
November 11-----	Twelfth Report to Congress on Lend-Lease Operations: Reverse Lend-Lease Aid from the British Commonwealth of Nations.
November 11-----	White Paper of the Chancellor of the Exchequer to Parliament on British Reverse Lend-Lease Figures and Policy.
November 22-26--	Cairo Conference between President Roosevelt, Prime Minister Churchill and Generalissimo Chiang Kai-shek.
November 28-December 1-----	Teheran Conference between President Roosevelt, Prime Minister Churchill and Marshal Stalin.
December 24-----	General Eisenhower appointed Supreme Commander of the Allied Expeditionary Forces in Europe.
1944	
January 6-----	Thirteenth Report to Congress on Lend-Lease Operations.
January 20-----	The Red Army liberates Leningrad after a 29-month siege.
March 1-9-----	Hearings on the extension of the Lend-Lease Act before the House Foreign Affairs Committee.
March 11-----	Fourteenth Report to Congress on Lend-Lease Operations.
April 19-----	House of Representatives voted 344 to 1 to extend the Lend-Lease Act until July 1, 1945.
April 26-----	Hearings on the lend-lease extension begin before the Senate Foreign Relations Committee.
May 1-----	Report of the Senate Appropriations Committee on Lend-Lease Aid and Government Expenditures Abroad.
May 8-----	Senate voted 63 to 1 to extend the Lend-Lease Act for one year.
May 17-----	President Roosevelt signed the Act extending lend-lease for one year.
May 22-----	Fifteenth Report to Congress on Lend-Lease Operations.
June 4-----	Rome is liberated by the American Fifth Army.
June 6-----	D-day. Allied forces land on the Normandy coast of France.
June 30-----	Fifth Lend-Lease Appropriation: \$3,538,869,000.
June 30-----	UNRRA Participation Appropriation Act authorizes the transfer of supplies, services or funds from lend-lease appropriations amounting to \$350,000,000.
August 21-October 7-----	Dumbarton Oaks Conference.
August 23-----	Sixteenth Report to Congress on Lend-Lease Operations.
September 11-16--	Second Quebec Conference between President Roosevelt and Prime Minister Churchill.
September 25-----	Report to Congress on Operations of the Foreign Economic Administration.
September 29-----	President Roosevelt's letter to the FEA Administrator outlining the policies of the Foreign Economic Administration after V-E Day.
October 20-----	American forces invade Leyte, marking the American return to the Philippine Islands.
November 24-----	Seventeenth Report to Congress on Lend-Lease Operations: Reverse Lend-Lease Aid from the British Commonwealth of Nations.
November 24-----	White Paper presented by the Chancellor of the Exchequer to the British Parliament on Mutual Aid (Reverse Lend-Lease).
November 30-----	Joint Statement issued by the Foreign Economic Administrator, Secretary of the Treasury, and Secretary of State on policy of lend-lease aid to the British.
December 16-----	The German counter offensive opens against allied armies in the West: Battle of the Belgian Bulge.

1945

January 9----- American forces under General MacArthur land on Luzon in the Philippine Islands.

February 4-11---- Crimea Conference between President Roosevelt, Prime Minister Churchill and Marshal Stalin at Yalta.

February 7-March 6. Hearings on the extension of the Lend-Lease Act before the House Foreign Affairs Committee.

February 19----- U. S. Marines land in Iwo Jima.

February 20----- Eighteenth Report to Congress on Lend-Lease Operations.

February 28----- An Agreement under Section 3 (c) of the Lend-Lease Act is signed with the Provisional Government of France.

March 13----- House of Representatives votes 354 to 28 to extend the Lend-Lease Act for one year.

March 28, April 4. Hearings on the lend-lease extension before the Senate Foreign Relations Committee.

April 1----- American forces land on Okinawa in the Ryukyus.

April 10----- Senate votes unanimously to extend the Lend-Lease Act for 1 year.

April 16----- President Truman signs the Act extending lend-lease to July 1, 1946.

April 17----- Belgium and the United States sign an Agreement under Section 3 (c) of the Lend-Lease Act.

April 17----- Fourth Soviet Protocol is signed by the United States, Great Britain and Canada at Ottawa.

April 25----- United Nations Conference on International Organization convenes at San Francisco.

April 30----- The Netherlands and the United States sign an Agreement under Section 3 (c) of the Lend-Lease Act.

May 8----- V-E day.

May 22----- Nineteenth Report to Congress on Lend-Lease Operations.

July 5----- Sixth Lend-Lease Appropriation: \$2,475,000,000.

July 17-August 2. Potsdam Conference.

August 6----- Atomic bomb dropped on Hiroshima.

August 8----- Soviet Union enters the war against Japan.

August 9----- Atomic bomb dropped on Nagasaki.

August 14----- Japan capitulates.

August 21----- The President directs the Foreign Economic Administrator to take steps immediately to discontinue lend-lease operations.

August 30----- Twentieth Report to Congress on Lend-Lease Operations.

September 2----- V-J day.

October 4----- Hearings begin before House Appropriations Committee on rescission of \$1,729,561,000 of funds previously appropriated for lend-lease.

October 20----- Foreign Economic Administration abolished and lend-lease functions transferred to the Department of State.

December 5----- United States and United Kingdom announce agreement regarding settlement for lend-lease, reciprocal aid, surplus war property, and claims.

1946

January 31----- Twenty-first Report to Congress on Lend-Lease Operations.

Appendix IV

LEND-LEASE ACT

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

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

Section 2

As used in this Act—

(a) The term "defense article" means—

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

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

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

Section 3

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

(1) To manufacture in arsenals, factories, and shipyards under their jurisdiction, or otherwise procure, to the extent to which funds are made available therefor, or contracts are authorized from time to time by the Congress, or both, any defense article for the government of any country whose defense the President deems vital to the defense of the United States.

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

propriated 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: *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.

(c) After June 30, 1946, or after the passage of a concurrent resolution by the two Houses before June 30, 1946, 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, 1949, any of such powers may be exercised to the extent to carry out a contract or agreement with such a foreign government made before July 1, 1946, or before the passage of such concurrent resolution whichever is the earlier; *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 post-war relief, post-war rehabilitation or post-war 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 post-war relief, post-war rehabilitation or post-war reconstruction.

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

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

Section 4

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

Section 5

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

(b) The President, from time to time, but not less frequently than once every 90 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, 1949.

Section 7

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

Section 8

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

Section 9

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

Section 10

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

Section 11

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



On March 13, 1945, the House of Representatives voted 354-8 to extend the Lend-Lease Act, as amended, until July 1, 1946. The Senate voted unanimously for the extension of the Act, as amended, on April 10, 1945. The President signed the Act on April 16, 1945. The Amendment consisted of a proviso added to subsection (c) of section 3.

Appendix V

BRITISH MASTER AGREEMENT

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

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

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

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

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

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

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

Article I

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

Article II

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

Article III

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

Article IV

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

Article V

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

Article VI

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

Article VII

In the final determination of the benefits to be provided to the United States of America by the Government of the United Kingdom, in return for aid furnished under the Act of Congress of March 11, 1941, the terms and conditions thereof shall be such as not to burden commerce between the two countries, but to promote mutually advantageous economic relations between them and the betterment of world-wide economic relations. To that end, they shall include provision for agreed action by the United States of America and the United Kingdom, open to participation by all other countries of like

mind, directed to the expansion, by appropriate international and domestic measures, of production, employment, and the exchange and consumption of goods, which are the material foundations of the liberty and welfare of all peoples; to the elimination of all forms of discriminatory treatment in international commerce, and to the reduction of tariffs and other trade barriers; and, in general, to the attainment of all the economic objectives set forth in the Joint Declaration made on August 12, 1941, by the President of the United States of America and the Prime Minister of the United Kingdom.

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

Article VIII

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

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

For the Government of the United States of America:

[SEAL]

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

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

[SEAL]

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

☆ ☆ ☆

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