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**EIGHTH QUARTERLY REPORT
TO CONGRESS
ON LEND-LEASE OPERATIONS**

For the Period Ended March 11, 1943

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

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

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LETTER OF TRANSMITTAL

TO THE CONGRESS OF THE UNITED STATES OF AMERICA:

Under the authority vested in me by the Executive Order of October 28, 1941, and pursuant to the direction of the President, I am submitting herewith to the Congress the eighth quarterly report on operations under the Lend-Lease Act, for the period ended March 11, 1943.

In addition to the eight quarterly reports, there was submitted on January 25, 1943 a special report to the 78th Congress, covering the period from the passage of the Act, March 11, 1941, to December 31, 1942. *

EDWARD R. STETTINIUS, JR.,

Lend-Lease Administrator.

WASHINGTON, D. C.,

March 11, 1943

TOTAL LEND-LEASE AID

\$9.6 BILLION TO FEB. 28, 1943

**SHIPPING, REPAIRS,
PROD. FACILITIES**
\$1.8

FOODSTUFFS
\$1.4



MUNITIONS
\$4.3

**INDUSTRIAL
ITEMS**
\$2.1

Chapter 1

LEND-LEASE AID TO DATE

The total dollar value of lend-lease aid rendered by the United States in the first two years of lend-lease operations is \$9,632,000,000. Of this amount \$7,831,000,000 is the value of goods transferred—munitions, industrial materials for war production, and food for the fighting men and war workers of our allies. \$1,801,000,000 is the value of services rendered—shipping and ship repairs, production facilities, and various supply services. These figures are for the period from March 11, 1941 to March 1, 1943.

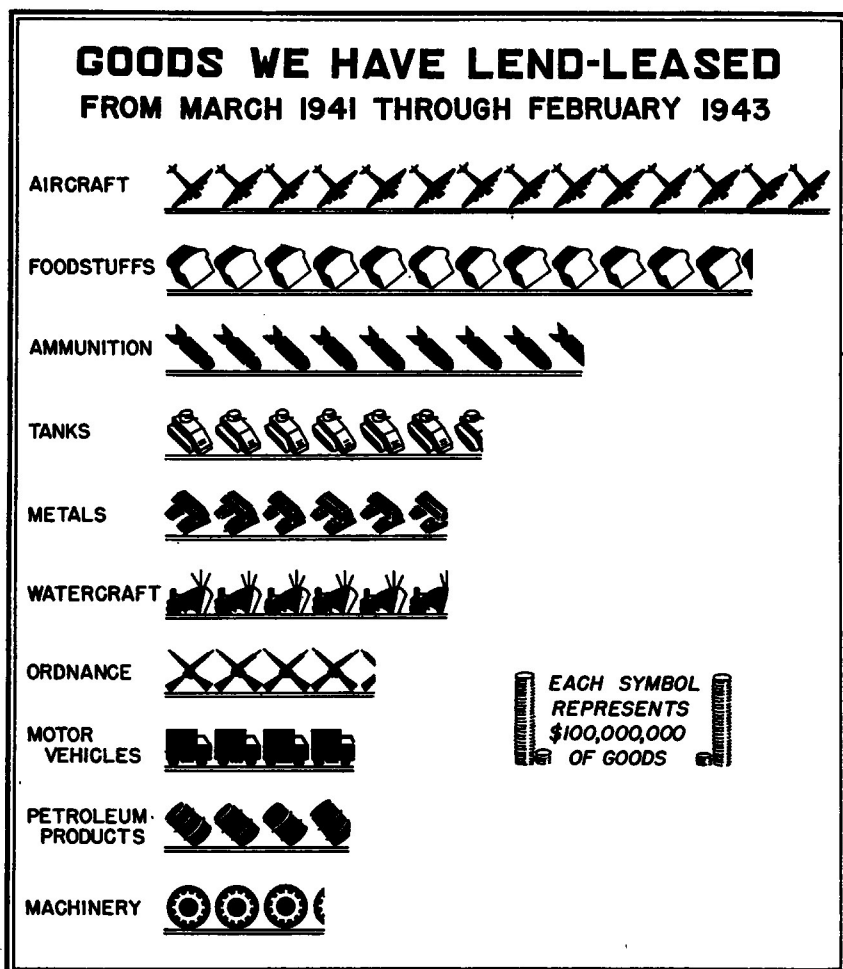
The value of aid in the first year of Lend-Lease operations, from March 11, 1941 to March 1, 1942, was \$1,954,000,000—approximately one-fifth of all lend-lease aid to date. Almost four-fifths of total aid to date, or \$7,678,000,000, was provided in the year just ended, from March 1, 1942 to March 1, 1943. Almost as much aid was provided in the last six months as in the previous eighteen months.

Goods Transferred

Of all goods transferred to date, about 90 percent have been shipped. The value of goods transferred in the last three months is \$1,977,000,000, compared to \$1,844,000,000 in the preceding three months and \$680,000,000 in the three months from December 1, 1941, to March 1, 1942.

Of goods transferred from March 11, 1941 to date, munitions have made up 55 percent, or \$4,294,000,000; industrial materials and equipment 27 percent, or \$2,088,000,000; food and other agricultural products 18 percent or \$1,449,000,000.

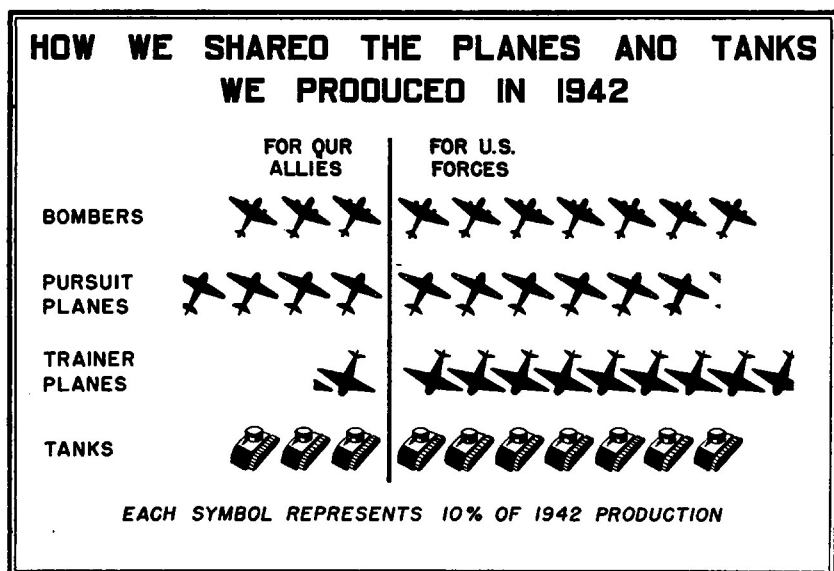
In the last three months 60 percent of lend-lease transfers have been munitions, such as planes, tanks, guns and trucks. These had a value of \$1,175,000,000. In this same period agricultural products made up 16 percent and industrial materials 24 percent.



These proportions are in contrast to those which prevailed in the first year of the lend-lease program, when munitions constituted only 35 percent of all lend-lease transfers, industrial materials 30 percent and agricultural products 35 percent.

In the past twelve months we shipped to our allies, under lend-lease or in fulfillment of previous direct purchase

contracts, 30 out of every 100 bombers we produced. We shipped 38 out of every 100 fighter planes, 28 out of every 100 light tanks and 33 out of every 100 medium tanks.



These shipments were in addition to the very large numbers of planes and tanks that we sent to our own forces overseas. Of our total munitions production, we shipped to our allies 19 percent.

Services Rendered

Of the value of services rendered, 49 percent has been for the rental and charter of ships to carry lend-lease goods and for the operation of air ferry routes and supply lines and bases abroad. These routes and bases are now being used by our own forces as well as by our allies. Another 20 percent has been for the repair of allied warships and merchant ships in American yards and for training of United Nations air forces in this country.

There has been little additional expenditure in the last three months for plant facilities in the United States for the production of lend-lease goods. These, however, constitute 31 percent of the total value of all lend-lease services since the beginning of the program.

TOTAL LEND-LEASE AID

Value of Goods Transferred and Services Rendered

Millions of Dollars

	Monthly			Cumulative		
	1941	1942	1943	1941	1942	1943
Jan.....	0	322	682	0	1,566	8,935
Feb.....	0	388	697	0	1,954	9,632
Mar.....	10	468		10	2,422	
Apr.....	28	554		38	2,976	
May.....	45	449		83	3,425	
June.....	63	548		146	3,973	
July.....	101	595		247	4,568	
Aug.....	126	560		373	5,128	
Sept.....	181	643		554	5,771	
Oct.....	182	915		736	6,686	
Nov.....	234	810		970	7,496	
Dec.....	274	757		1,244	8,253	

Where Lend-Lease Aid Is Going

Total lend-lease aid to date, including both goods and services, has been distributed by areas as follows:

United Kingdom.....	\$4,430,000,000	46%
U. S. S. R.....	\$1,826,000,000	19%
Africa and Middle East..	\$1,573,000,000	16%
China, India, Australia, and New Zealand...	\$1,344,000,000	14%
Other Areas.....	\$459,000,000	5%

The First Year of Lend-Lease

From March 11, 1941 to March 1, 1942 about two-thirds of lend-lease goods went to Britain. In 1941 Britain was the last remaining important base standing between Hitlerism and the United States, and Britain was threatened with invasion. Lend-lease shipments also went to British and allied forces in

LEND-LEASE AID—GOODS AND SERVICES

Millions of Dollars

VALUE OF GOODS TRANSFERRED

	Monthly			Cumulative		
	1941	1942	1943	1941	1942	1943
Jan.....	0	220	627	0	1,130	7,175
Feb.....	0	260	656	0	1,390	7,831
Mar.....	6	362		6	1,752	
Apr.....	20	455		26	2,207	
May.....	35	394		61	2,601	
June.....	41	459		102	3,060	
July.....	73	504		175	3,564	
Aug.....	95	446		270	4,010	
Sept.....	144	544		414	4,554	
Oct.....	132	680		546	5,234	
Nov.....	164	620		710	5,854	
Dec.....	200	694		910	6,548	

VALUE OF SERVICES RENDERED

	Monthly			Cumulative		
	1941	1942	1943	1941	1942	1943
Jan.....	0	102	55	0	436	1,760
Feb.....	0	128	41	0	564	1,801
Mar.....	4	106		4	670	
Apr.....	8	99		12	769	
May.....	10	55		22	824	
June.....	22	89		44	913	
July.....	28	91		72	1,004	
Aug.....	31	114		103	1,118	
Sept.....	37	99		140	1,217	
Oct.....	50	235		190	1,452	
Nov.....	70	190		260	1,642	
Dec.....	74	63		334	1,705	

Egypt and the Red Sea Area. The lend-lease program for Russia was begun in October 1941 but shipments to the Soviet did not go in important quantities until the early months of 1942. Lend-lease help in the development of the southern supply route to Russia by way of the Persian Gulf and Iran was begun in 1941. Lend-lease aid to China in 1941 consisted principally in improvements on the Burma Road that doubled its previous capacity and in building a new railroad line from Burma into China. Over these expanded supply lines it had been hoped to send full equipment for 30 Chinese Divisions. Before the railroad was completed the Japanese took Burma and cut all communications in this area except by air.

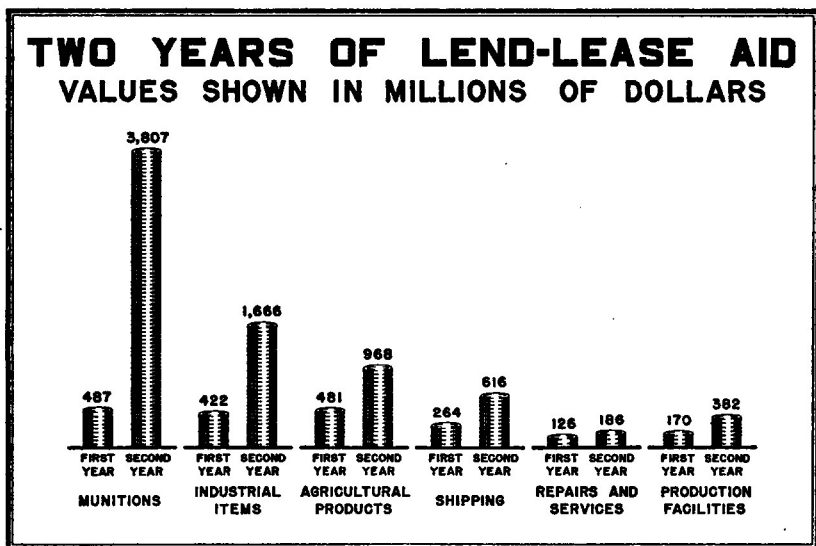
In the first year 68 percent of lend-lease goods went to the British Isles, 13 percent to Africa and the Middle East, 6 percent to U. S. S. R., 9 percent to India, China, Australia and New Zealand and 4 percent to other areas.

The Second Year

From March 1, 1942 to March 1, 1943 the emphasis shifted from the United Kingdom. More than half of all lend-lease goods went to the Middle and Far East and to Russia. Substantial shipments, however, were continued to the British Isles, which were being built up into a base for offensive operations against the European end of the Axis. The expeditionary force which invaded North Africa in November used the British Isles as its principal base. At the same time lend-lease supplies helped to strengthen Britain as a base for large-scale air operations against Axis Europe and for future land offensives.

About 29 percent of lend-lease goods in the second year went to the U. S. S. R. The value of goods exported to Russia was \$1,553,000,000. In the three important categories of combat planes, tanks and other military motor vehicles, we sent more to Russia than to any other military theatre. Half of all the tanks shipped so far under lend-lease have gone to Russia and 40 percent of all the tactical planes. We also developed the southern supply route to Russia as an alternative for the

Murmansk-Archangel route, and we began lend-lease shipments to Russia by both air and water from the Pacific Coast. By the end of 1942 the capacity of the Persian Gulf-Iran route to Russia was three times what it was at the beginning of the year. Aid to Russia is steadily increasing.

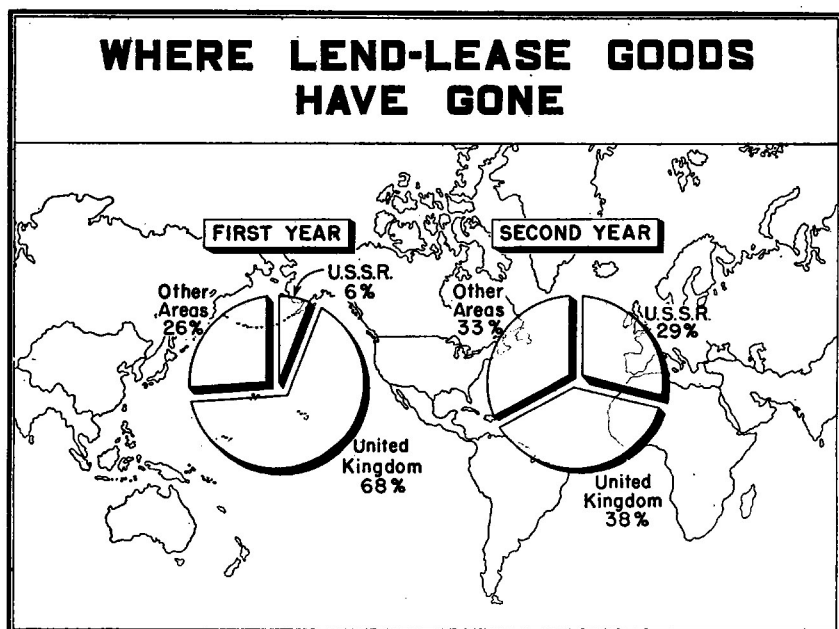


Lend-lease supplies sent to the allied forces and countries of the Middle East and Africa in the second year were 15 percent of total lend-lease exports. The value of the goods sent to this area was \$804,000,000. This was five times the 1941 figure. To date we have sent 16 percent of all lend-lease tanks and 17 percent of all lend-lease planes to British and allied forces in Egypt and Africa. These weapons had a significant part in the British Eighth Army's success last summer in preventing Rommel from taking Suez and breaking through into Iran and India. They had a significant part last fall in driving Rommel out of Egypt and back about 1,300 miles across Libya into Tunisia. They are playing a vital part in the Battle of Tunisia today.

About 38 percent of lend-lease goods in the second year went to the British Isles. These totalled \$2,039,000,000. Approximately 43 percent of lend-lease shipments were munitions, some of which were sent on to British and allied forces on

other fronts. About 28 percent of the shipments to the British Isles consisted of foodstuffs, and 29 percent of industrial items, materials and machinery for British production of guns and planes, and fuel for the R. A. F. and the British Navy.

Lend-lease goods for the war against Japan, sent to Australia, New Zealand, India and China, were 14 percent of lend-lease exports in the past year, and had a value of \$741,000,000. Most lend-lease shipments to Australia and New Zealand were



munitions. We also sent Australia materials and tools for her munitions industry. Lend-lease shipments into China in the second year, carried in by air transport from India, were very small. Additional supplies for China shipped from the United States are now in India awaiting transport into China. Lend-lease shipments for India were aimed at building up India as a base for offensive operations against the Japanese in Burma and as a supply base for offensive action against the Japanese in China itself. In addition to military equipment for General Wavell's army, lend-lease helped to expand India's considerable war production capacity, to improve railroads and docks and highways, to build airfields, other military bases and repair and assembly depots.

The dollar value of total lend-lease aid to date, including both goods and services, for this area is divided as follows:

China.....	\$158,000,000
India.....	\$595,000,000
Australia.....	\$452,000,000
New Zealand.....	\$139,000,000

New Developments

In the first two months of 1943 lend-lease shipments have continued the trend evident in 1942. The principal new developments have been: (1) An increase in the proportion of total lend-lease shipments going to the Soviet Union as compared with that going to the United Kingdom; (2) a sharp increase in the amount of food going to U. S. S. R.; (3) assignment of additional planes to the India-China air transport routes; (4) shipment to North Africa of lend-lease arms for General Giraud's army, and of food, clothing, and other supplies to the liberated people of French North Africa. Shipments of civilian supplies to North Africa have been small, but they are relieving acute shortages and will help restore North Africa as an important area for the production of food and strategic raw materials, both greatly needed by the United Nations.

In the last few months the percentage of total aid going to Russia has been increasing as compared with the percentage going to the United Kingdom. Because of acute and growing food shortages in the Soviet Union, food shipments have become as important to the Russian Army as planes and tanks. Food shipments to Russia in January and February were 35 percent greater than in the previous two months and five times what they were in January and February 1942. In 1943 we may ship more food to the U. S. S. R. than to any other country.

Further development of the air route from India into China is one of several new measures being taken to increase lend-lease aid to China in 1943.

Lend-Lease and Cash Exports

In addition to lend-lease exports the United States has shipped to lend-lease countries large quantities of supplies that have been paid for in cash.

The value of lend-lease exports from March 11, 1941, to January 31, 1943 (the last month for which export figures are available), was \$6,500,000,000. In this same period the value of cash exports to lend-lease countries was \$7,000,000,000.

Cash exports from the United States to all countries in the past 12 months exceeded 1938 and 1939 pre-war cash exports. The 1938 exports totaled \$3,004,000,000 and 1939 exports \$3,073,000,000, compared to \$3,173,000,000 of cash exports in the 12 months ended January 31, 1942.

Lend-Lease Procurement

Lend-lease munitions are procured by the War and Navy Departments and transferred by them to lend-lease countries in accordance with the allocations made by the Munitions Assignments Board. Lend-lease food is procured by the Department of Agriculture, and non-military supplies and equipment by the Treasury Department. Merchant ships chartered to lend-lease countries are built by the Maritime Commission. Lend-lease shipping services are provided under the direction of the War Shipping Administration.

Chapter 2

MUTUAL AID

While lend-lease supplies have been going abroad for use against the enemy in greatly increased quantities during the past eight months, we have also been arming American forces moving into battle. We now have more than a million and a half men overseas. Wherever American forces are on foreign soil they are receiving from our allies supplies and services as reciprocal aid.

This aid from our allies—provided without dollar payment—has already reached substantial proportions and it will continue to grow in proportion to the increasing size of our overseas armies.

Virtually all of the supplies furnished by the British to our troops in the United Kingdom are supplied as reverse lend-lease, in addition to almost all of the facilities our troops use and the transportation and other services they require. Part of the equipment our troops are using in North Africa is British equipment provided as reciprocal aid.

American forces under General MacArthur and Admiral Halsey in the Southwest and South Pacific are receiving much of their food as reciprocal aid from Australia and New Zealand, in addition to many other supplies and services.

American troops in Iceland and the Fijis, in India, Egypt, and Iran, and in various parts of Africa, are being supplied by Great Britain, the Dominions and India with reciprocal aid.

The Fighting French are providing our forces with reciprocal aid in Equatorial Africa. Belgium is providing aid to our forces in the Congo. Even hard-pressed China is providing supplies for the U. S. Air Forces in China as reciprocal aid.

Outgoing lend-lease and lend-lease in reverse are both parts of one process—effective pooling of United Nations' resources for the fighting of the war. They are not a process of barter. They are the application in practice of the principle of a united war effort, in which each nation supplies, to the extent of its available resources, the needs of its partners.

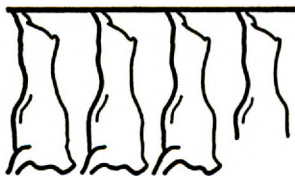
We send supplies needed by our allies because they are fighting our enemies. They supply us with things we need because we are fighting their enemies.

LEND-LEASE WORKS BOTH WAYS

LESS BEEF WAS LEND-LEASED IN 1942
THAN WAS RECEIVED UNDER REVERSE LEND-LEASE

WE SENT

TO OUR ALLIES



WE RECEIVED

FROM AUSTRALIA
AND NEW ZEALAND
FOR OUR TROOPS



EACH SYMBOL REPRESENTS 5,000,000
POUNDS OF BEEF

The volume of reciprocal aid cannot be accurately measured at the present time. Unlike outgoing lend-lease aid, which comes from a central source, incoming lend-lease is provided in literally hundreds of different places all over the world through local supply officers. Reciprocal aid is being recorded, however, in terms of quantities and types of items. These reports are now beginning to come in to Washington. The records lag behind the figures for outgoing lend-lease, but the incomplete reports so far at hand show:

(1) In 1943 the British have agreed to provide our troops in the European theater with more than 400,000,000 pounds of food. This year the United Kingdom is furnishing our men with:

89,100,000 pounds of potatoes,
89,200,000 pounds of fresh vegetables,
148,000,000 pounds of flour,
55,000,000 pounds of sugar,
18,000,000 pounds of fruit,
4,100,000 pounds of jam,
2,300,000 pounds of dry cereals,
2,300,000 pounds of cocoa.

This food is either produced by the British in the United Kingdom or it is imported from countries other than the United States. Since the beginning of the war the United Kingdom has increased its acreage under cultivation by one-third. This year the British have undertaken a further intensification of their farm program for raising potatoes and other garden vegetables on every available quarter-acre of land in order to provide American troops with the kinds of food Britain is able to produce. This food-growing program is also helping to keep down British requirements for lend-lease foods from the United States.

(2) The British have made available as reverse lend-lease more than 700,000 dead weight tons of shipping for American military operations.

(3) From July 1 to December 31, 1942, the British furnished to our forces in the United Kingdom as reverse lend-lease 1,121,000 ship tons of supplies, not including construction materials. This was more than we shipped to our troops from the United States in that period. In addition, construction materials totaling another 1,595,000 tons were supplied. The United States spent only \$25,000 in the United Kingdom in December for supplies for our armed forces there.

(4) In addition to other supplies, the United Kingdom is furnishing new facilities for our troops including hundreds of airfields, barracks and hospitals. The cost of these facilities is estimated at over a half billion dollars. Transportation,

heat, light and telephone and other communications services are being provided free of charge on reverse lend-lease without payment by us in cash.

(5) Australia's shipyards are building many hundreds of landing craft, barges, and other small boats for General MacArthur's men as reverse lend-lease. In addition, scores of trawlers and coastal steamers have been turned over for our use by Australia.

(6) Most American troops and their equipment have been carried from the United States to the British Isles in British ships. Whenever American troops are carried in British ships to any area they are transported under reverse lend-lease, without any payment by us.

(7) From June 1, 1942, to January 1, 1943, India built or turned over to American air forces more than a score of airfields; provided 3,500,000 gallons of gasoline and several hundred trucks; constructed warehouses, repair shops, barracks, hospitals, and miles of roads; is furnishing such quartermaster supplies as shoes, shirts, mosquito- and gas-proof clothing; engineers' stores; small arms and other munitions; and is providing such services as light, heat and communications as reverse lend-lease.

(8) Australia and New Zealand together furnished our troops with more than 235,000,000 pounds of food from June to December, 1942. This was the equivalent of 26 pounds from each man, woman, and child in these two countries. In the same period the United States lend-leased 2,109,000,000 pounds of food to Russia, the United Kingdom, and all other countries, the equivalent of 16 pounds from each man, woman, and child in the United States. In 1942 we received as reciprocal lend-lease from Australia and New Zealand more beef, veal, lamb and mutton than we exported to all lend-lease countries.

(9) Australia is also providing munitions to our forces out of its own production. New Zealand and Australia both have constructed bases, barracks, and airfields for our forces. Australia is providing uniforms made in Australian mills, and New Zealand is providing army boots for our forces there.

Lend-Lease by Other Countries

Lend-lease and reverse lend-lease are not limited to transfers between the United States and other United Nations. They are also supplying each other on substantially the same terms.

During the last year Canada has provided Great Britain, Russia, Australia, and New Zealand with a billion dollars' worth of supplies without payment. In proportion to population, this is the equivalent for the United States of at least 12 billion dollars' worth of lend-lease aid. The Canadian Government is now proposing to grant mutual aid to the extent of another \$1,000,000,000 for the United Nations.

Already Canada has supplied its allies with important quantities of war equipment, for the most part without cash reimbursement. Shipments have included \$50,000,000 of tanks to Russia alone, in addition to large shipments to the United Kingdom. More than 400,000 military motor vehicles, excluding tanks, have been sent to other United Nations. More than 1,000,000 shells a month are going abroad. Canada is producing rifles and light machine guns at the rate of 1,500,000 a year, and most of these are going to the forces of other United Nations.

Canada and the United States up to now have been on a cash basis in both directions but our respective war production programs have been closely integrated.

The United Kingdom has furnished very large quantities of arms to Russia on a lend-lease basis. In such items as tanks and planes, British aid to Russia has substantially matched our own. In addition, the British have equipped under lend-lease the forces of many of the governments-in-exile, and British lend-lease aid has been extended to Chinese forces.

The Soviet Union has been engaging the main force of Hitler's armies in a desperate struggle for over 20 months on its own soil. It has not been in a position to provide lend-lease aid to its allies in any considerable amount, nor has there been occasion to request such aid. However, the U. S. S. R. has agreed to provide reciprocal aid to the United States whenever it is able to do so on the same terms as reciprocal aid is being provided us by other countries.

Chapter 3

LEND-LEASE IN ACTION

North Africa

As the struggle in North Africa progresses, it becomes ever more apparent that lend-lease is playing a vital part in the United Nations war effort in that theatre. A constant flow of new lend-lease aid is helping to sustain the allied battle lines in Tunisia. Lend-lease aid which was supplied to our allies many months ago is only now bearing its full fruit there. Our allies are in turn supplying the United States forces in North Africa with important tools of war as reciprocal aid.

The United Nations offensive in North Africa may be said to have started in the early fall of 1942 with the British Eighth Army's decisive expulsion of Rommel's Afrika Korps from Egypt, Libya, and finally Tripolitania. The United States played an important role in this campaign both with American air forces, which aided the R. A. F. in the air battles over the desert, and with lend-lease tanks, planes and food which we supplied to the British.

Equally vital to that advance, although more remote from the actual field of battle, were the docks and naval facilities, the supply bases, the railroad equipment and new roads, the air bases and air ferry routes, the repair and assembly shops developed by the joint efforts of Britain and the United States. These ensured the supply lines of the Eighth Army, and lend-lease funds had an important part in their development.

The present campaign in Tunisia is in every sense a united military effort. General Eisenhower commands combined American, British and French forces; he is aided in the direction of the campaign by generals of all three nations.

The Tunisian campaign is a joint effort also in weapons and war supplies. Both the British Eighth Army on the east and the British First Army on the west are supplied in part with lend-lease equipment. The British Air Forces are flying many American light and medium bombers, chiefly Havocs and Mitchels; British ground forces are making good use of American-made General Sherman and General Lee tanks as well as British Valentine tanks. Some of our fighter squadrons are flying British Spitfires provided by British reciprocal lend-lease. Many of the planes of our own air forces are



landing and taking off on portable airfield runways furnished us by the British. Among our ground forces, one entire division is using British 25-pounder guns in place of United States 75's. In addition, the British have furnished us with over 3,800 tons of ammunition, 30,000 tons of engineering equipment, 80,000 tons of coal, over 2,000 tons of army rations, and many other essentials of war.

The French forces under General Giraud were inadequately equipped when they began fighting side by side with British and American forces. They are being provided with American lend-lease arms as fast as we can get equipment there. The

LEND-LEASE AID

Cumulative from March 1941 through February 28, 1943

Thousands of Dollars

TYPE OF AID	UNITED KINGDOM	U. S. S. R.	AFRICA AND MIDDLE EAST	CHINA, INDIA, AUSTRALIA AND NEW ZEALAND	OTHER	TOTAL
GOODS TRANSFERRED						
MUNITIONS:						
Ordnance.....	150,067	48,207	103,331	88,430	37,973	428,008
Ammunition.....	245,903	194,117	202,059	163,090	46,385	851,554
Aircraft and Parts.....	354,538	354,938	247,131	224,742	164,437	1,345,786
Tanks and Parts.....	96,158	213,412	149,023	186,403	25,065	670,061
Motor Vehicles.....	56,851	165,160	93,185	81,014	8,122	404,332
Watercraft and Parts.....	397,664	52,307	105,646	25,369	13,544	594,530
TOTAL.....	1,301,181	1,028,141	900,375	769,048	295,526	4,294,271

INDUSTRIAL PRODUCTS:						
Machinery	149,660	84,770	54,174	43,883	3,463	335,950
Metals	258,250	146,266	80,147	85,128	8,905	578,696
Petroleum Products	275,965	18,007	39,011	43,468	5,779	382,230
Other Industrial Products	415,492	129,996	124,193	85,856	35,112	790,649
TOTAL	1,099,367	379,039	297,525	258,335	53,259	2,087,525
AGRICULTURAL PRODUCTS:						
Foodstuffs	981,047	127,580	38,989	25,290	8,430	1,181,336
Other Agricultural Products	247,669	514	4,008	13,667	1,870	267,728
TOTAL	1,228,716	128,094	42,997	38,957	10,300	1,449,064
TOTAL GOODS	3,629,264	1,535,274	1,240,897	1,066,340	359,085	7,830,860
SERVICES RENDERED						
Ship Repairs, Etc.	165,150	30,399	56,359	43,743	16,263	311,914
Shipping	435,867	126,799	148,742	125,561	42,921	879,890
Production Facilities	167,271	131,940	115,931	98,817	38,091	552,050
Miscellaneous	32,496	1,188	11,089	9,106	3,200	57,079
TOTAL SERVICES	800,784	290,326	332,121	277,227	100,475	1,800,933
TOTAL LEND-LEASE AID	4,430,048	1,825,600	1,573,018	1,343,567	459,560	9,631,793

Certain transfer totals include small amounts of goods diverted to United States armed forces after lend-lease transfer, but subject to future replacement.

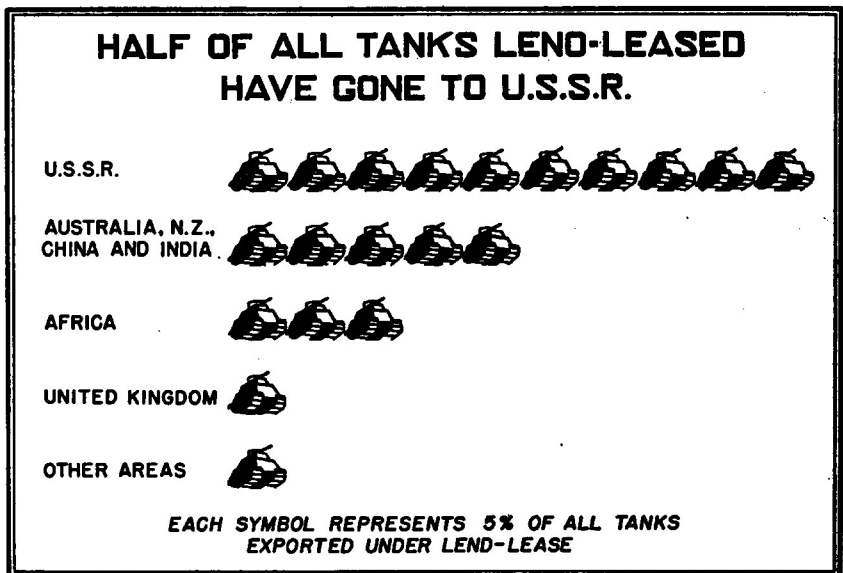
Fighting French column which came across the desert from Lake Chad in Equatorial Africa to join the British Eighth Army in the attack on Tunisia is also equipped to an important extent with American lend-lease arms and supplies. These troops rode in lend-lease trucks. They were supplied during their 2,000-mile advance by cargo planes flying from a base on the African air ferry route which lend-lease funds helped to develop. This same ferry route is now being used also to send to the battlefield in Tunisia planes and supplies which have come from the United States.

Lend-lease is also helping to strengthen the civilian front behind the lines where famine or pestilence might seriously jeopardize our chances of success on the actual fighting lines. North Africa, normally a food-exporting region, has been stripped bare by the Nazis. We and the British are sending vitally needed food, clothing, and medical supplies to that area. 123,000 tons of supplies have gone from the United States up to the present; the British also have sent supplies in considerable volume. This program is going forward under the supervision of General Eisenhower. With such emergency aid to tide them over until they can get their own production going again, the North Africans should be able to supply most of their own food needs and contribute substantially to the support of our forces there. Besides wheat, fruits and vegetables, lamb and mutton, and olive oil, North Africa produces such critical raw materials as manganese, cobalt, cork, and phosphates. More than 50,000 tons of these materials have already been shipped to the United Kingdom and the United States for use in the united war effort.

The Lend-Lease Administration is working in close relationship with the Office of Foreign Relief and Rehabilitation Operations in the North African civilian supply program. Although under present arrangements the United States will be reimbursed for the bulk of nonmilitary supplies sent into North Africa, a small portion of these supplies is being distributed as direct relief. These relief operations are being conducted by a field mission of the OFRRO which is working

through such agencies as the Red Cross. In planning for the extension of this relief program into Tunisia, OFRRO and Lend-Lease are collaborating.

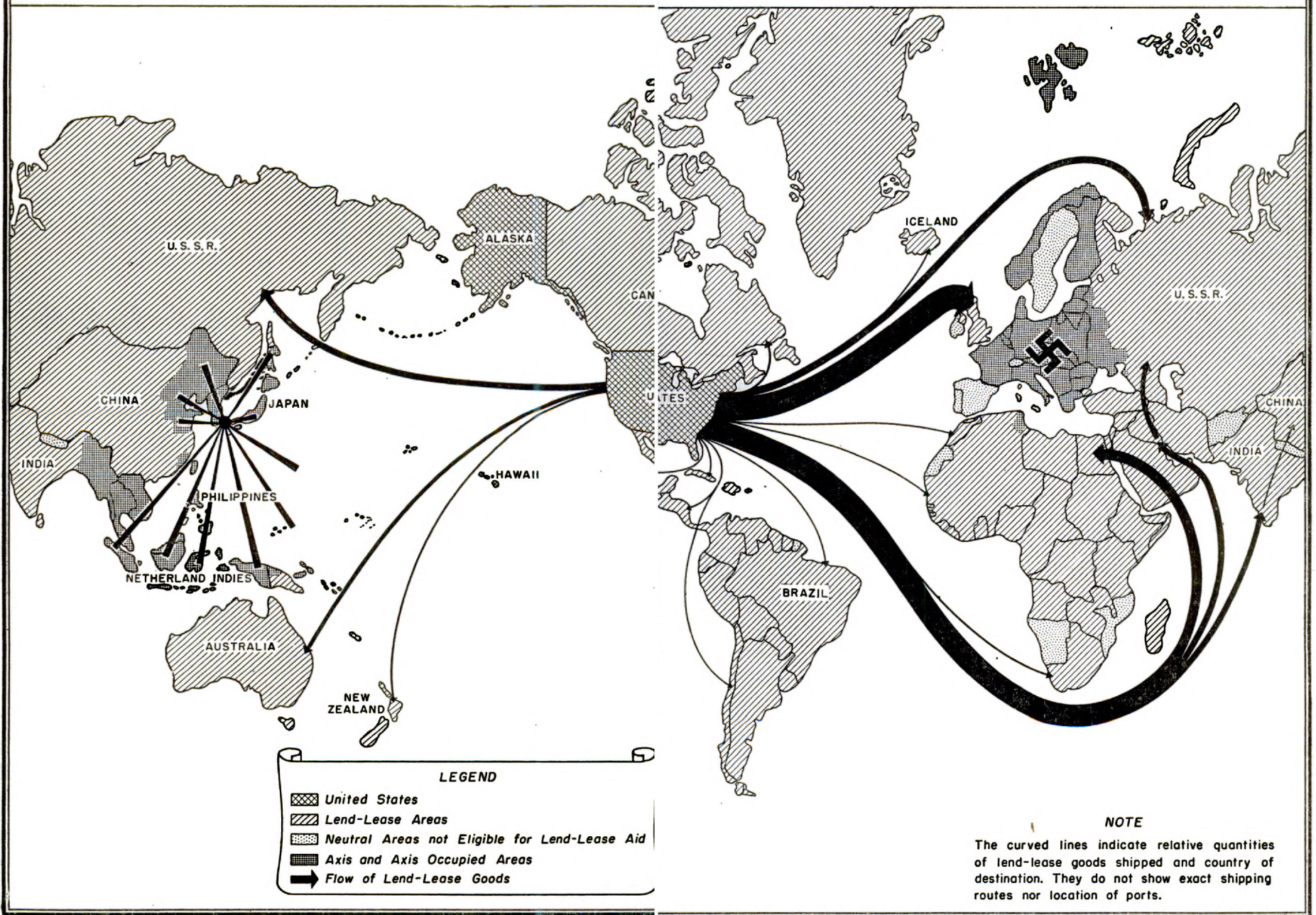
The French in North Africa have offered to the United Nations cause not only their armies and the raw materials available there. They have pledged to the United Nations war effort those ships of the French Fleet which were in African ports. Some of these—the *Richelieu*, the *Montcalm*, and other French warships—are now in American ports being repaired through Lend-Lease so that they may as soon as possible join the United Nations' navies.



Russia

Although the Soviet Union has carried on its magnificent struggle against the Nazis principally with equipment produced in Russian factories, Lend-Lease has been a factor in supplying the armies fighting on the Russian front. Up to March 1, 1943, we had shipped more than 3,250,000 tons of supplies to the Soviet Union. The value of Lend-Lease aid, including supplies and services such as ship repairs and shipping, totals \$1,826,000,000 up to March 1, 1943.

LEND-LEASE MAP



This aid has been rendered in accordance with two protocols under which the United States has given the Soviet Government formal assurance that we would furnish specified quantities of weapons and supplies. The first of these, signed two months before we entered the war, called for the transfer to the Soviet Government of specified articles estimated to be worth nearly \$1,000,000,000. In spite of the great increase in the demands of our own armed forces after Pearl Harbor, the terms of this protocol were substantially carried out. A second protocol covers the period from July 1, 1942 to June 30, 1943, and aid is now being extended to Russia under this agreement.

The volume of aid to Russia is increasing. Thus lend-lease shipments in January to the Soviet Union were almost ten percent greater than the month before. In February shipments increased 30 percent further. In addition to sending to the Soviet more lend-lease planes, tanks, and trucks than to any other area, we have shipped more than 130,000 submachine guns, more than 98,000,000 pounds of TNT and toluol, more than 188,000,000 pounds of copper and brass, hundreds of thousands of miles of telephone wire, 92,000 tons of rails, car wheels and other railroad equipment, and almost 3,000,000 pairs of Army boots. We have sent as well many other munitions and war supplies and considerable quantities of raw materials, such as steel and chemicals, which have been used to manufacture bombs and high-explosive shells. British aid to Russia in planes and tanks has substantially matched our own in volume.

Two-thirds of all supplies sent to Russia from this country have been transported in American ships. Moreover, the great majority of the supplies to the Soviet Union are arriving safely.

China

The Chinese are now holding a 3,000-mile front against the invading armies of the Japanese. This line is a crucial battle-front of the war. We are determined to provide the aid to China which is necessary to enable her to drive the Japanese from her soil.

The fall of Burma and the seizure of the southern portion of the Burma Road by the Japanese closed a supply route to the improvement of which we had devoted a large proportion of our lend-lease aid to China during the year 1941. The closing of the Burma Road left air transport as the only effective means of getting supplies into China. Constant efforts have been made to enlarge this air service but up to now the amount of lend-lease supplies that we have been able to get into China itself has been very small.

There is much more to the story of lend-lease aid for China than the quantity of goods which have been actually sent into China. The Chinese troops which retreated into India after the fall of Burma have been issued new weapons and other equipment under lend-lease and have been instructed in the use of this equipment by American Army officers. The British also have made available supplies and facilities to Chinese troops in India. In addition to Chinese pilots now training in India, over four hundred Chinese student pilots have come to this country to go through the standard U. S. Army Air Corps training; more are coming. A hundred of these have completed the course and returned to China to aid in the struggle against Japan.

In addition, arrangements are now under way for making available to China cargo ships which will be manned by Chinese seamen.

In estimating our aid to China, there must be considered also the large amounts of supplies sent to allied forces under the command of General Wavell and General Stilwell in China, India and Burma. These forces are cooperating with the Chinese in operations looking toward eventual reopening of the Burma supply routes. Military operations to open these routes, as well as other military measures, may well be considered the most important type of aid which we could possibly render China at the present time.

United States air forces under General Chennault, stationed in China itself, are maintaining the control of the air over unoccupied China which the famous Flying Tigers won in

December 1941 and which has never been lost since. The supplies sent by the British and American Governments to their forces in this area and the actual services of those forces are not recorded in the lend-lease figures.

The air route into China is being flown by planes of both the China National Aviation Corp. and the U. S. Army Air Transport Command. Cargo planes have been supplied to CNAC under lend-lease and additional planes are now being made available. However, the large majority of the planes on the India-China run are flown by the Air Transport Command. The value of this service, carried on over wild and mountainous country under most difficult weather conditions by U. S. Army personnel with U. S. Army equipment, is not reflected in the statistics of lend-lease aid.

The problem of lend-lease to China has always been more than anything else a problem of securing adequate routes of supply. Almost half of the lend-lease supplies sent from the United States for China are now in storage in India. The volume of lend-lease supplies getting into China cannot be expanded until the supply routes are expanded. American efforts are being concentrated, therefore, on enlarging the capacity of the air routes to China, on exploration and development of new routes, and on preparations for recapturing those which have been seized by the enemy.

It takes many months to manufacture supplies in the United States and transport them to India. We are therefore planning to have a balanced reserve of supplies in India to be sent into China as fast as the supply routes can handle them.

Recent lend-lease aid to India will play an important part in future aid to China. As India assumes more and more the role of a supply reservoir for the Burma-China-India war front, more emphasis is being placed in lend-lease operations on the development of India's own natural resources, her factories and arsenals, and her transportation system. One-fifth of the \$595,000,000 of aid rendered to India from March 11, 1941 to March 1, 1943, represents machinery, tools, and raw materials.

India is the second largest producer of iron ore in the British Empire. She has the largest single steel plant in the British Empire. Labor is plentiful there. With the aid of the machines, tools, and raw materials which we are sending her, India can step up her production of arms, military vehicles, lumber for war construction, textiles for uniforms and tents, and she can improve her internal transportation system so as to get these supplies more quickly to the battlefronts.

With the industrial and transportation facilities thus provided, the factories and arsenals of India can produce many vital war supplies for China. This will free much shipping over the long route from the United States for additional supplies for China.

The lend-lease aid we have extended to Australia and New Zealand, totaling \$591,000,000 up to March 1, 1943, is also directed against the Japanese. The President has said, "There are many roads which lead right to Tokyo. We shall neglect none of them."

Chapter 4

LEND-LEASE AND FOOD

Mutual aid between the United Nations in the provision of food supplies is as indispensable in this total world-wide war as the interchange of guns or planes.

Some of the United Nations are not able to produce enough food for their soldiers and sailors and for their men and women working behind the front. Others of the United Nations can produce more food than they need for their own essential requirements. Thus, the United States, Canada, Australia, New Zealand, and South Africa are able to export food products to Great Britain or the Soviet Union, which cannot supply all of their own needs. Similarly, we expect that French North Africa, to which we are now sending food, will revitalize its agricultural production and begin to export food to these nations.

Mutual aid in the provision of food is also necessary as a part of the strategy of war supply. Because of the shipping shortage we cannot afford to send food instead of munitions to those of our soldiers who are stationed in parts of the world where local food production can meet their needs. Thus Australia and New Zealand have curtailed their own food consumption and are supplying our troops with almost all of their food requirements as reciprocal aid. Shipping is thereby freed to carry more munitions and essential equipment to those areas. Even our soldiers in the United Kingdom, although receiving most of their food from the United States, are receiving large quantities of flour, potatoes, fresh vegetables, and other locally produced commodities. This lend-lease aid and reciprocal aid in food are essential elements in the pooling of war supplies by the United Nations.

Dehydration of Foods

During the past two years, lend-lease has done much to encourage the development of food dehydration. The amount of lend-lease funds invested in food dehydration plants has been small, but the large lend-lease orders have caused private food companies to expand greatly their dehydration facilities and to experiment with new dehydrated food products.

Dehydrated foods require only 10 to 30 percent of the cargo space which would be required to ship the same foods in their normal form. In addition, dehydrated foods require no refrigeration and do not spoil easily.

Our own armed forces are now making good use of some of the techniques and facilities for dehydrating foods developed as a part of the lend-lease food program.

Prior to lend-lease, there were 18 egg-drying plants in the United States with a capacity of 10,000,000 pounds annually; today there are 94 plants with an annual capacity of 315,000,000 pounds and 29 plants under construction which will increase capacity to 400,000,000 pounds. Some 259,000,000 pounds of these dried eggs have already been purchased for lend-lease purposes. Nearly 90 percent of the egg requirements of our own armed forces overseas are now being supplied by dried eggs.

There were, before lend-lease, only 20 vegetable dehydration plants in this country, with a capacity of around 15,000,000 pounds annually. This summer, a total of 110 plants will be operating. Before the end of 1943, it is probable that 100 additional plants will come into operation.

There have been similar large increases in the facilities for producing dried milk and concentrated fruit juices.

In addition to encouraging the expansion of existing processes for dehydrating foods, lend-lease has encouraged the development of important new food products of reduced bulk.

The process of meat dehydration, which was not fully developed when the war began, has now been largely perfected and dehydrated meat is becoming available for shipment overseas. Lend-lease orders have resulted in the con-

struction of plants for large-scale production, and within the next six months at least eleven processing units, principally in the mid-west, will be producing dehydrated pork. This product is made of pre-cooked, fresh, lean pork. It has about one-third the volume of the original boneless meat and weighs about one-fourth as much.

Another type of concentrated pork product known as Tushonka is made of a boneless cut of lean meat, highly spiced and packed with lard. This is prepared especially to suit Russian needs and is being provided in large quantities for the Soviet Army. It can be eaten hot or cold, as a stew, a soup, or even as a meat loaf. It saves valuable shipping space on the routes to Russia.

A new custard powder has been developed which will keep in all climates. When a little water is added and the mixture boiled, the result is an easily digested, highly nutritious food. Over a half million pounds of this product have already been purchased for lend-lease purposes.

A number of new uses for soybeans have been developed. An excellent sausage made of pork and twenty-two per cent soybean flour has been sent to the British armed forces in the United Kingdom and overseas through lend-lease, and it is very popular. Soybean products such as dehydrated soya soups, grits and flour are rich in proteins, vitamins, and minerals. They are highly concentrated and take up a minimum of cargo space.

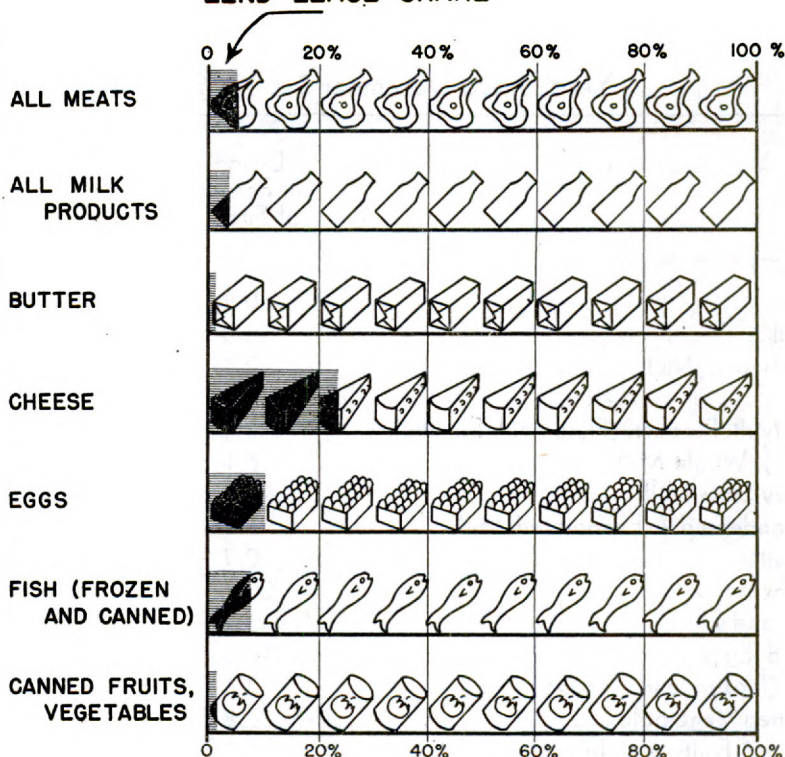
A number of other products which possess valuable nutritive properties in a small bulk have been developed or are in experimental stages.

An even further advance in the techniques of preparing food products of high nutritive value which can be shipped in small space has been made by the development of compressed dehydrated foods. These compressed foods save an additional 30 to 50 per cent of shipping space. These food products are still largely in the experimental stage, but certain foods such as dried eggs, are already being shipped in compressed form.

LEND-LEASE SHARE OF OUR 1942 FOOD SUPPLY

(TOTAL SUPPLY EQUALS 100%)

LEND-LEASE SHARE



Lend-Lease Food Shipments

During the two years in which lend-lease has been operating, we have sent to our allies over 4,000,000 tons of food-stuffs, costing approximately \$1,250,000,000. This amount, however, represented only a small percentage of our total food supply. The accompanying picture chart and table show the relation of lend-lease food exports to supply in 1942.

The quantity of beef which Australia and New Zealand together supplied to our forces was 40 percent larger than the amount of beef which we shipped to all lend-lease countries.

The small amount of butter we shipped all went to the Soviet Union for the use of the Soviet Army in the cold climate on the Russian front. It was used particularly for wounded soldiers in military hospitals. Lend-lease exports of butter substitutes were many times larger than the exports of butter.

LEND-LEASE FOOD EXPORTS IN RELATION TO SUPPLY

Year Ended December 31, 1942

	Exports in Percent of Supply	Exports per 1,000 Units
Beef	0.2	2 pounds.
Veal	0.0	0 pounds
Lamb and Mutton	0.4	4 pounds.
Pork	9.7	97 pounds.
All Milk Products (Fluid Milk Equivalent) ..	3.4	34 quarts.
Dry Whole Milk	6.1	61 pounds.
Dry Skim Milk	23.0	230 pounds.
Condensed & Evaporated Milk	7.2	72 cans.
Butter	0.7	7 pounds.
Cheese	23.1	231 pounds.
Fats and Oils	13.2	132 pounds.
Dried Eggs ¹	10.0	100 dozen.
Fish (Frozen and Canned)	7.1	71 pounds.
Canned Vegetables	0.8	8 cans.
Canned Fruits and Juices	1.7	17 cans.
Corn and Corn Products	0.1	1 bushel.
Wheat Products	0.3	3 bushels.
Dried Beans	5.0	50 pounds.
Dried Peas	6.0	60 pounds.
Dried Fruits	15.7	157 pounds.

¹ Expressed in terms of fresh egg equivalent.

Until December 1942 most lend-lease exports of foodstuffs went to the United Kingdom. The British have increased their own production of food by one-half since the beginning of the war but are still dependent on overseas sources for about 40 percent. They have been able to obtain from Canada most

of the wheat they have imported and have received large quantities of meat, cheese and other foodstuffs from Canada, New Zealand, Australia, and South American countries. In addition, they had to import from the United States in 1942 about ten percent of their meat (practically all in the form of pork), twenty percent of their edible fats, and about twenty percent of their other protein foods such as cheese, dried and evaporated milk, and dried eggs. The amounts which we sent, however, constituted less than 25 percent of Britain's total food imports and only 10 percent of her total supply of all foods.

In the last three months, shipments of food to the Soviet Union have shown a sharp increase, and we may send more food to the Soviet Union than to Great Britain in 1943.

The foods which we have sent to Russia have been energy foods with meat and animal fats accounting for about thirty percent of the total, wheat and flour about twenty-five percent, sugar about seventeen percent, dried beans, peas, rice and cereals about twelve percent, vegetable oils about six percent, and dairy products about five percent.

In 1942, we exported for lend-lease purposes between 5½ and 6 percent of our total food supply. In order to meet the urgent war needs in the coming year it is hoped and expected that more will be sent.

In the first two months of 1943 lend-lease shipments of food have increased in many items and decreased in others. Further increases in some items may be expected. The Russian Army, and the Russian people will need all that we can send them. In addition we must be prepared to meet the requirements of areas now held by the Axis which will be liberated by United Nations forces in the coming months. Food must be sent into those areas not merely to alleviate the suffering of the populations, but as a military necessity. We need the active assistance of the people of the liberated areas, with those who are able to do so fighting by our side. This help can be secured only if we take steps to counteract the starvation imposed on the occupied countries by their Axis conquerors.

The amount of food actually shipped under lend-lease in 1943 will depend, of course, upon the total volume of production achieved in the United States, the amount of the different kinds of food available for our military and civilian consumption, and the availability of shipping. Our own armed forces and civilian population must be adequately fed and food must be supplied to our fighting allies. The allocation of food between the requirements of our own armed forces, our civilians, our territories, and our allies is made by the Food Administration of the Department of Agriculture, after consultation with the Food Advisory Committee, on which the Army, the Navy, Lend-Lease, Board of Economic Warfare, and other food claimant agencies are represented. The Food Administration's program is coordinated with the allocations of United Nations supply made by the Combined Food Board.

APPENDICES

Appendix I

LEND-LEASE ACT

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

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

Section 2.

As used in this Act—

(a) The term "defense article" means—

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

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

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

Section 3.

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

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

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

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

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

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

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

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

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

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

Section 4.

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

Section 5.

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

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

Section 6

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

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

Section 7

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

Section 8.

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

Section 9.

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

Section 10.

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

Section 11.

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

APPROVED, March 11, 1941.

Appendix II

PUBLIC LAW 1—78TH CONGRESS

Chapter 1—1st Session

SEC. 4. Hereafter any ship, boat, barge, or floating drydock of the Navy may be leased in accordance with the Act approved March 11, 1941 (55 Stat. 31), but not otherwise disposed of, for periods not beyond the termination of the present wars, but title thereto shall remain in the United States.

Appendix III

AMOUNTS OF LEND-LEASE AID AUTHORIZED

Lend-Lease Act—March 11, 1941

This Act appropriated no money, but empowered the President to transfer a maximum of \$1,300,000,000 of defense articles, obtained with funds appropriated prior to the date of the Act.

First Lend-Lease Appropriation Act—March 27, 1941

This Act appropriated \$7,000,000,000 for lend-lease, of which \$13,000,000 was transferred to the Treasury Department to cover the cost of 10 Coast Guard cutters turned over to Great Britain.

First Supplemental Nat'l Defense Approp. Act—August 25, 1941

Title III of this Act added \$1,296,650,000 in appropriated funds and contract authorizations to the Maritime Commission's general funds, established by the 1936 Merchant Marine Act, for ship and facilities construction, and empowered the President to lease vessels constructed or acquired with funds appropriated by this title.

Second Lend-Lease Appropriation Act—October 28, 1941

Title I of this Act appropriated \$5,985,000,000 for the procurement of defense articles, information and services under the Lend-Lease Act. In addition, it authorized the President to enter into contracts for the procurement of defense articles, information or services for the government of any country whose defense has been deemed vital to the defense of the United States upon the agreement of such country to pay for the same, and also authorized the President to dispose of such articles, information, and services upon payment of the full cost thereof. This authority to contract is limited by the provision that the total amounts remaining to be paid under outstanding contracts shall not exceed \$600,000,000 at any one time.

Third Supplemental Nat'l Defense Approp. Act—Dec. 17, 1941

Title I of this Act appropriated money to the War Department and changed the provisions of the Lend-Lease Act in regard to the transfer of defense articles. The President was empowered to transfer War Department articles procured from funds appropriated prior to or since March 11, 1941, to the value of \$2,000,000,000. The limitation of \$1,300,000,000, which applied to goods obtained from appropriations made prior to March 11, 1941, was reduced to \$800,000,000, and this new limitation was made to apply only to articles other than War Department articles.

Fourth Supplemental Nat'l Defense Approp. Act—Jan. 30, 1942

Title I of this Act appropriated money to the War Department and empowered the President to lend-lease War Department articles procured from funds appropriated in this title to the value of \$4,000,000,000. These articles will come principally from the aircraft category and to a lesser extent from ordnance and other categories.

Naval Appropriation Act—February 7, 1942

Title III of this Act empowered the President to lease, for a period of time not exceeding the duration of the existing emergency, ships to be constructed at a cost not to exceed \$3,900,000,000, and to transfer defense articles procured from funds appropriated by this Act to the value of \$2,500,000,000.

Fifth Supplemental Nat'l Defense Approp. Act—March 5, 1942

Title I of this Act appropriated money to the War Department and empowered the President to lend-lease defense articles procured from funds appropriated in this title to the value of \$11,250,000,000. These articles will come principally from the ordnance category and to a lesser extent from other categories.

Title II of this Act appropriated to the Maritime Commission additional funds and authorized contracts totaling \$3,850,000,000 for construction of ships and facilities, and empowered the President to lease ships authorized in this title.

Title III of this Act appropriated directly to the President \$5,425,000,000 for lend-lease.

Sixth Supplemental Nat'l Defense Approp. Act—April 28, 1942

Title I of this Act appropriated money to the War Department and empowered the President to lend-lease defense articles procured from funds therein appropriated up to the value of \$2,220,000,000, and defined "defense article" to include defense information and services, and the expenses incurred in connection with the procurement of defense articles, information and services.

Military Appropriation Act, 1943—July 2, 1942

This Act appropriated money to the War Department and empowered the President to lend-lease defense articles procured from funds therein appropriated up to the value of \$12,700,000,000, and defined "defense article" to include defense information and services, and the expenses incurred in connection with the procurement of defense articles, information and services.

Second Suppl. Nat'l Defense Approp. Act, 1943—Oct. 26, 1942

Title I of this Act empowered the President to lend-lease defense articles, information, and services procured from any funds appropriated to the Navy

Department subsequent to March 11, 1941 up to a value of \$3,000,000,000 for defense articles (other than ships), information and services, and authorized the leasing of ships without limitation as to amount—the \$3,000,000,000 limitation on the lend-lease of defense articles, information and services replacing the \$2,500,000,000 limitation imposed by the Naval Appropriation Act of February 7, 1942.

Title II of this Act expressly provided that funds appropriated for lend-lease purposes shall be available retroactively as well as prospectively for the procurement, disposition or furnishing of defense information or defense services whether or not such information or services are necessary to or connected with the procurement or disposition of any defense article.

RECAPITULATION OF AID AUTHORIZED

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

Lend-Lease Appropriations to the President

First Lend-Lease Appropriation.....	\$7,000,000,000
Second Lend-Lease Appropriation.....	5,985,000,000
Third Lend-Lease Appropriation (Fifth Supp. 1942).....	5,425,000,000
Total.....	18,410,000,000

Transfers Authorized From Other Appropriations

War Department—Third Supplemental, 1942.....	\$2,000,000,000
War Department—Fourth Supplemental, 1942.....	4,000,000,000
War Department—Fifth Supplemental, 1942.....	11,250,000,000
War Department—Sixth Supplemental, 1942.....	2,220,000,000
War Department—Military Appropriation Act, 1943....	12,700,000,000
Navy Department—Second Supplemental, 1943.....	3,000,000,000
Departments other than War—Third Supplemental, 1942.....	800,000,000
Total.....	35,970,000,000

Value of Ships Which May Be Leased

Maritime Commission—First Supplemental, 1942.....	1,296,650,000
Maritime Commission—Fifth Supplemental, 1942.....	3,850,000,000
Navy Department—Naval Appropriation Act, 1942.....	(no limitation as to amount. See note.)

NOTE.—Title III of the Naval Appropriation Act of February 7, 1942, authorized the leasing of specified naval ships to be constructed at a cost not exceeding \$3,900,000,000. Under Title I of the Second Supplemental National Defense Appropriation Act, 1943, however, naval ships may be leased, but not otherwise disposed of, without limitation as to amount.

In previous reports, the value of ships which may be leased was included in the table of transfers authorized. It is more accurate to separate this item since the appropriation acts provide that the ships may only be leased.

Appendix IV

EXECUTIVE ORDER ESTABLISHING OFFICE OF LEND-LEASE ADMINISTRATION

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

1. There shall be in the Office for Emergency Management of the Executive Office of the President an Office of Lend-Lease Administration, at the head of which shall be an Administrator, appointed by the President, who shall receive compensation at such rate as the President shall approve and, in addition, shall be entitled to actual and necessary transportation, subsistence, and other expenses incidental to the performance of his duties.

2. Subject to such policies as the President may from time to time prescribe, the Administrator is hereby authorized and directed, pursuant to Section 9 of the Act, to exercise any power or authority conferred upon the President by the Act and by the Defense Aid Supplemental Appropriation Act, 1941 and any acts amendatory or supplemental thereto, with respect to any nation whose defense the President shall have found to be vital to the defense of the United States: *Provided*, That the master agreement with each nation receiving lend-lease aid, setting forth the general terms and conditions under which such nation is to receive such aid, shall be negotiated by the State Department, with the advice of the Economic Defense Board and the Office of Lend-Lease Administration.

3. The Administrator shall make appropriate arrangements with the Economic Defense Board for the review and clearance of lend-lease transactions which affect the economic defense of the United States as defined in Executive Order No. 8839 of July 30, 1941.

4. Within the limitation of such funds as may be made available for that purpose, the Administrator may appoint one or more Deputy or Assistant Administrators and other personnel, delegate to such Deputy or Assistant Administrators any power or authority conferred by these orders, and make provision for such supplies, facilities, and services as shall be necessary to carry out the provisions of this Order. In so far as practicable, the Office of Lend-Lease Administration shall use such general business services and facilities as may be made available to it through the Office for Emergency Management.

5. Executive Order No. 8751 of May 2, 1941, establishing the Division of Defense Aid Reports and defining its functions and duties, is hereby revoked.

THE WHITE HOUSE,
October 28, 1941.

FRANKLIN D. ROOSEVELT

Appendix V

STATUS OF NATIONS (LEND-LEASE COUNTRIES AND UNITED NATIONS)									
 UNITED NATIONS DECLARATION SIGNED  ELIGIBLE FOR LEND-LEASE AID					 LEND-LEASE AGREEMENT SIGNED  RECIPROCAL LEND-LEASE AGREEMENT SIGNED				
ARGENTINA					INDIA				
AUSTRALIA					IRAN				
BELGIUM					IRAQ				
BOLIVIA					LIBERIA				
BRAZIL					LUXEMBOURG				
CANADA					MEXICO				
CHILE					NETHERLANDS				
CHINA					NEW ZEALAND				
COLOMBIA					NICARAGUA				
COSTA RICA					NORWAY				
CUBA					PANAMA				
CZECHOSLOVAKIA					PARAGUAY				
DOMINICAN REPUBLIC					PERU				
ECUADOR					PHILIPPINES				
EGYPT					POLAND				
EL SALVADOR					SOUTH AFRICA				
ETHIOPIA					TURKEY				
FIGHTING FRANCE					UNITED KINGDOM				
GREECE					UNITED STATES				
GUATEMALA					U. S. S. R.				
HAITI					URUGUAY				
HONDURAS					VENEZUELA				
ICELAND					YUGOSLAVIA				

STATUS OF NATIONS (Continued)

The Master Agreement with the U. S. S. R. is contained in Appendix VI. Lend-lease agreements with the following countries are identical with the Russian agreement: China, United Kingdom, Belgium, Poland, Netherlands, Greece, Czechoslovakia, Norway, and Yugoslavia. In addition, Australia and New Zealand have accepted the same principles. Canada has agreed to the principles set forth in Article VII of the Master Agreements, in an exchange of notes with the United States, dated November 30, 1942.

The reciprocal aid agreement with United Kingdom is contained in Appendix VII. Reciprocal aid agreements have also been signed with Australia, New Zealand, Fighting France and Belgium. The terms of all these agreements are substantially similar.

Appendix VI

SOVIET MASTER AGREEMENT

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

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

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

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

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

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

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

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

Article I

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

Article II

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

Article III

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

Article IV

If, as a result of the transfer to the Government of the Union of Soviet Socialist Republics of any defense article or defense information, it becomes necessary for that Government to take any action or make any payment in order fully to protect any of the rights of a citizen of the United States of

America who has patent rights in and to any such defense article or information, the Government of the Union of Soviet Socialist Republics will take such action or make such payment when requested to do so by the President of the United States of America.

Article V

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

Article VI

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

Article VII

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

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

Article VIII

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

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

For the Government of the United States of America

CORDELL HULL,

Secretary of State of the United States of America.

For the Government of the Union of Soviet Socialist Republics

MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics at Washington.

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

DEPARTMENT OF STATE,

Washington, June 11, 1942.

EXCELLENCY:

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

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

CORDELL HULL,

Secretary of State of the United States of America.

His Excellency MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics.

JUNE 11, 1942.

EXCELLENCY:

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

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

MAXIM LITVINOFF,

Ambassador of the Union of Soviet Socialist Republics at Washington.

His Excellency CORDELL HULL,

Secretary of State of the United States of America,

Washington, D. C.

Appendix VII

UNITED KINGDOM RECIPROCAL AID AGREEMENT

The Honorable CORDELL HULL,
Secretary of State, United States Department of State,
Washington, D. C.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

HALIFAX.

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

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

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

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

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

CORDELL HULL,

Secretary of State of the United States of America.