The thoughts and opinions expressed are those of the authors and not necessarily of the U.S. Government, the U.S. Department of the Navy or the Naval War College.
III. Agreements for Reciprocal Lend-Lease Aid to the United States and Its Armed Forces


Agreements specifying the principles and procedures applicable to the provision of aid to the United States and its armed forces by the Governments of the United Kingdom, Australia, and New Zealand were concluded on September 3 by exchanges of notes between the Secretary of State and the British Ambassador, Lord Halifax; the Australian Minister, Sir Owen Dixon; and the New Zealand Minister, Mr. Walter Nash. A similar agreement concerning the provision of aid by Fighting France was concluded in London on September 3 by an exchange of notes between Brig. Gen. John E. Dahlquist, Acting Military Representative of the United States of America, and M. Maurice de Jean, representing the French National Committee. The texts of these documents are printed below.

These agreements formalize the principles and procedures applicable to the provision of aid to the armed forces of the United States by the other parties on the same terms as those under which the United States supplies aid to them in accordance with the provisions of the Lend-Lease Act. Each of them, without awaiting conclusion of a formal agreement, has been providing such aid on these terms as occasion requires since the
passage of the Lend-Lease Act. This aid is rapidly increasing in importance as the intensity of the American war effort increases in the various theaters of operations concerned.

Each of these agreements specifies that the general principle governing the provision of mutual aid is that the war production and war resources of each contracting party should be used in ways which most effectively utilize the available materials, manpower, production facilities, and shipping space. The agreements further specify that a maximum of the articles and services provided by each party to the other shall be in the form of reciprocal aid so that the need of each for the currency of the other may be reduced to a minimum. Each of the other parties agrees to provide the armed forces of the United States with military equipment, munitions, military and naval stores, other supplies, materials, facilities, and services when they can most effectively be procured in their respective countries.

The agreements with the Governments of Australia and New Zealand also make applicable to their relations with this Government the principles of the agreement between the Governments of the United States and the United Kingdom on the principles applying to mutual aid, signed in Washington on February 23, 1942.

Note From the British Ambassador to the Secretary of State

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 Lon-
don 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. In so far 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 [etc.]

HALIFAX

Note From the Secretary of State to the British Ambassador

EXCELLENCY:

I have the honor to acknowledge the receipt of your 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 under-
standing 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 [etc.]  

Cordell Hull