AID TO CHINA UNDER THE LEND-LEASE PROGRAM 1

803.24/1259a: Telegram

The Secretary of State to the Consul General at Rangoon (Schnare)

WASHINGTON, January 11, 1942—9 p. m.

10. From General Marshall 2 for Lieutenant Colonel Adrian St. John.3

"The difficulties which have arisen in Rangoon over handling of defense aid equipment have apparently been caused by misunderstandings as to ownership but have nevertheless created some resentment. It is understood that materials on the SS Tulsa regarding which some difficulties arose have now been released to the Chinese and that similar cases will probably not recur. It is essential that your attitude reflect a desire to cooperate with all concerned but in no case except one of extreme emergency involving the safety of the equipment should you permit even a temporary diversion of defense aid materials destined for China without the prior and specific approval of the Generalissimo.4 It is most important to exercise incessant supervision to insure expeditious delivery to proper destination. General Magruder 5 being informed of gist this message and is also being advised of the necessity of preventing public statements or attitude of any American mission member from offending the authorities of China or other associated powers. Acknowledge this message."

Hull

803.24/1266

Memorandum of Conversation, by the Chief of the Division of Far Eastern Affairs (Hamilton)

[WASHINGTON,] January 15, 1942.

Mr. Hayter 6 of the British Embassy called at his request. He said that he wished to communicate information in regard to a situation

---

1 For correspondence concerning the Lend-Lease Agreement between the United States and China, signed June 2, 1942, see pp. 566 ff.

2 The operation of Lend-Lease was a function of the Lend-Lease Administration and the role of the Department of State was one of consultation. The documents here published, therefore, show only some aspects of the operation of Lend-Lease aid to China.

3 Gen. George C. Marshall, Chief of Staff, United States Army.

4 Member of United States Military Mission to China.

5 Generalissimo Chiang Kai-shek, President of the Chinese Executive Yuan (Premier) and Supreme Allied Commander in the China Theater.


7 First Secretary of the British Embassy.
which had been unpleasant but which had ended satisfactorily. He
then proceeded to say that, some time ago when the S. S. *Tulsa* was
at Rangoon, the Governor of Burma had information indicating the
likelihood of an imminent Japanese air attack; that consequently the
Governor of Burma felt it important that the *Tulsa*, which carried
American Lend-Lease goods consigned to China, be unloaded as rapid-
ly as feasible and that the goods be not left on the wharves but be
transported promptly to some inland place where they would be less
exposed to Japanese air attack; that Colonel Twitty, American Army
officer at Rangoon, had been consulted by the Governor and had ex-
pressed agreement; that it was very difficult to get in touch with rep-
resentatives of the Chinese Government; that the only Chinese official
with authority and a willingness to make decisions was ill; and that
the Lend-Lease goods of the *Tulsa* were by order of the Governor
unloaded from the *Tulsa* and removed inland. Mr. Hayter continued
that the Chinese Government and Chiang Kai-shek, when they heard
of this, had been quite upset; that T. V. Soong, here had seen Prime
Minister Churchill; and that Prime Minister Churchill had sent out
telegrams in regard to the matter.

I commented that from the reports which I had seen of the case
it was my recollection that there had been involved Lend-Lease mate-
rials in addition to those on the S. S. *Tulsa* and that these Lend-Lease
materials had been taken over by the British. Mr. Hayter was rather
vague on this point. He mentioned that General Brett, and General
Wavell had been passing through Rangoon about this time and that
they had indicated concurrence in the procedure adopted by the Gov-
ernor of Burma. Mr. Hayter said that the American Army officers
in Burma had indicated a willingness to go farther in the matter of
taking action with reference to China Lend-Lease supplies than the
Governor of Burma.

I told Mr. Hayter that this Government’s attitude was that Lend-
Lease supplies consigned to China should go forward to China and
that no interference or diversion of such supplies should be made
except after and on the basis of full consultation with the Chinese
Government. Mr. Hayter said that that also represented the atti-
dude and policy of the British Government. He said that the British
Government had sent instructions to the British Ambassador at Chung-
king to inform Chiang Kai-shek that the British Government would
of course not interfere with Lend-Lease supplies consigned to China,
except in a case of great emergency where the safety of the supplies
or the safety of a situation of vital interest to all was urgently in-

---

^1 Chinese Minister for Foreign Affairs.
^3 British Commander in Chief in India.
volved. I commented that we thought it very important that the Chinese Government be treated in every way possible as a full equal and that it seemed preferable to me, rather than to state an exception in the way which Mr. Hayter had outlined, to suggest some affirmative measure which would take care of a vital emergency situation. I said that I understood that our Army authorities had suggested to Chiang Kai-shek that he arrange to have some representative in Burma who could, in the event of there developing an acute emergency situation, confer on behalf of Chiang Kai-shek with appropriate British and American officers there and make decisions. Mr. Hayter said that that was also their idea.

Mr. Hayter concluded by saying that yesterday afternoon T. V. Soong had told him that he now considered the matter closed.

M[AxwELl] M. H[AMILTON]

893.24/1267a : Telegram

The Secretary of State to the Consul General at Rangoon (Schnare)

WASHINGTON, January 24, 1942—4 a.m.

40. For Lt. Colonel St. John, Ammisca from Adams.¹⁹

Begin paraphrase. All lend-lease items of a critical nature at Rangoon should be moved by you to the interior of China by every means available to you. The above is a direction of the Secretary of War. To accomplish this lend-lease funds necessary for wages, bonuses and transport may be obligated by you through Major Haywood, such action on your part being authorized, as a military necessity. The above is being communicated to Magruder. End paraphrase.

Hull

893.24/1268

Memorandum of Conversation, by the Assistant Chief of the Division of Far Eastern Affairs (Mackay)

[WASHINGTON,] January 27, 1942.

Mr. Hayter telephoned to Mr. Mackay and, after referring to his conversation with Mr. Hamilton on January 15 in regard to the attitude of the British authorities in Burma toward American Lend-Lease supplies consigned to China, said that as the Chinese Government had been made aware of the various factors which had occasioned the removal by the British authorities of Lend-Lease supplies con-

signed to China, and as in consequence thereof misunderstanding and ill-feeling on the part of the Chinese had been dissipated, the British Government, contrary to its original intention, had decided that it was no longer necessary or advisable to approach General Chiang Kai-shek in regard to the matter and that therefore no such approach would be made.

Mr. Mackay thanked Mr. Hayter for bringing this development to the attention of the Department.

893.24/1282b: Telegram

The Secretary of State to the Consul General at Rangoon (Schnare)

WASHINGTON, February 5, 1942—11 p.m.

58. Please transmit a paraphrase of the following message from General Marshall to Colonel Adrian St. John:

"Reports indicate that commendable progress has been made in speeding up the northward movement of lend lease materials from Rangoon. Have emergency preparations been made to destroy or render useless any lend lease materials that might be remaining in that area in the event that imminent capture should so require? Preparatory plans, developed in collaboration with proper Chinese and British authorities, should be thorough and practical. You are authorized, through your disbursing officer, to obligate sufficient lend lease funds to insure effectiveness of such plans. Magruder has been informed. Acknowledge."

Hull

893.24/1278a: Telegram

The Secretary of State to the Ambassador in China (Gauss)

WASHINGTON, February 9, 1942—11 p.m.

65. "Personal from the President to Generalissimo Chiang Kai-shek. We are rapidly increasing our ferry service to China via Africa and India. I can now give you definite assurances that even though there should be a further setback in Rangoon, which now seems improbable, the supply route to China via India can be maintained by air.

The whole plan seems altogether practical and I am sure we can make it a reality in the near future. Roosevelt."

Hull
The Ambassador in China (Gauss) to the Secretary of State

CHUNGKING, February 25, 1942—noon.
[Received February 25—9:39 a.m.]

157. The Embassy has received through the American military mission copy of letter addressed to General Ho Ying Chin by the Chief of the British Military mission.

The letter reads in substance as follows:

Terms in summary of the agreement reached between the Government of India and the Generalissimo.
1. Available facilities will be provided for [by] India by [for] the forwarding of materials to China by land, sea and air. India will provide storage facilities for Chinese Lend-Lease materials at Calcutta, other Indian ports and at road heads in Assam as needed.
2. In addition to the Imphal-Kalewa road, a road from Ledo to Lungling via Fort Hertz and Myitkyina will be constructed.
3. At Karachi, India, will assemble aircraft for China and will fly them to Calcutta where Chinese pilots will take them over or will arrange for Chinese pilots to fly them across India.
4. To facilitate signal traffic concerning the movement of Lend-Lease planes between India and China, joint Sino-Indian war press station will be constructed.
5. A wireless transmitter will be provided at Calcutta to handle Lend-Lease signal traffic for Lashio, Kunming and Rangoon. Priority facilities will be given Chinese representatives at Calcutta and Colombo sending Lend-Lease messages.
6. It is agreed by the Government of India that China will be permitted to use airfields in the Sadiya area in Assam for military, passenger and freight planes. With regard to items 3, 4, 5 and 6, detailed arrangement will be made direct between India and China.

The letter requested the names of Chinese representatives selected to proceed as soon as possible to New Delhi to discuss the details of the installation of the wireless transmitter sets.

GAUSS

The Chargé in the United Kingdom (Matthews) to the Secretary of State

LONDON, March 18, 1942—10 p.m.
[Received March 18—7:35 p.m.]

1297. For Hopkins and Stettinius from Harriman, Wellington Koo, Chinese Ambassador to Great Britain, has advised me that

---

11 Chinese War Minister and Chief of Staff.
12 Harry Hopkins, Special Assistant to President Roosevelt.
13 Edward R. Stettinius, Jr., Lend-Lease Administrator.
14 William Averell Harriman, Special Representative of President Roosevelt to facilitate material aid to the British Empire.
he has been attempting to get certain munitions from Britain with only partial success. He has recently been advised that these requests must now go to the United States first. On the other hand, it is apparent that certain of these items can be supplied at the present time only from British production, for example twenty-five pounders. He would appreciate it if you would give the matter attention to the end that when Dr. Soong presents the requests they will be acted upon promptly in so far as items that the United States can supply, and those that the United States cannot supply will be referred promptly to the British. [Harriman.]

 Matthews

893.24/1318]

The Chinese Minister for Foreign Affairs (Soong) to the Under Secretary of State (Welles)

[WASHINGTON,] April 20, 1942.

Dear Mr. Welles: In connection with our talk this afternoon, I am enclosing copy of a message to Mr. Lauchlin Currie, dated Chungking, April 19th, which I think will interest you.

With kind regards [etc.]

Tse Vun Soong

[Enclosure]

Telegram from Madame Chiang Kai-shek to Dr. Lauchlin Currie, Dated Chungking, April 19th

"Few days ago in reply to Generalissimo's enquiry War Department through Bissell stated that no Lend-Lease planes designated for China can or will be given to third party regardless of pressure without consent of Generalissimo. But today Bissell presented War Department memorandum purporting that aside from maintaining personnel and equipment A. V. G. full strength consisting 80 planes it intends divert remaining pursuit planes originally meant for China through Lend-Lease to the U. S. Tenth Air Force for protection invasion North East India and avoid risk of destruction British Eastern Navy. Believe you should know Generalissimo shocked at suggestion since in his message to the President he urged immediate despatch 300 additional planes support Chinese Expeditionary Force. Generalissimo most strongly opposes War Department move and expressed himself to Bissell as follows: First, Chinese nation has waited

*Administrative Assistant to President Roosevelt.
*American Volunteer Group.
patiently anxiously for arrival planes for over year while Chinese Army already disgruntled because since formation A. V. G. all planes sent protect Rangoon and Burma instead of the Chinese front. If any Lend-Lease planes diverted to Tenth Group people and Army will feel themselves robbed widow’s mite and will certainly resent not being treated as worthy ally who has unstintedly given all to common cause. Second, if planes necessary to defend India, etc., why not take from lot assigned to Russia or Britain who are receiving thousands from America instead of from paltry few designated for China. Third, Chinese Army and people are asking with all aid from America what has Britain contributed to Allied cause. Please inform President Generalissimo’s attitude. Today British Army in Burma again retreated even from Magwe and all oil fields lost.”

893.24/1318½ : Telegram

Mr. Lauchlin Currie, Administrative Assistant to President Roosevelt, to Madame Chiang Kai-shek

[Paraphrase]

[WASHINGTON,] April 20, 1942.

General Arnold\(^a\) assures me that any decision with reference to the disposition of any airplanes on the Chinese program rest with the Generalissimo and Stilwell. Arnold believes that the 209 pursuit planes sent, plus 40 more in 10 days, will be more than the A. V. G. can handle immediately. He hopes, therefore, that some of them will be diverted to General Brereton\(^b\) who is under Stilwell’s command. He put this forward, however, only as a suggestion.

893.24/1335b

The Secretary of State to Mr. J. Franklin Ray, Jr., of the Lend-Lease Administration

WASHINGTON, May 16, 1942.

My Dear Mr. Ray: The Deputy Lend-Lease Administrator has advised the Department of State that he has instructed you to proceed to Chungking, China, via New Delhi, India, on business for the Lend-Lease Administration. I take pleasure in advising that you have been attached to the American Embassy at Chungking for the duration of your mission as Special Assistant to the American Ambassador.

\(^a\) Lt. Gen. Henry H. Arnold, Commanding General, United States Army Air Forces.

You will carry out your mission under your instructions from the Lend-Lease Administration. However, you will be expected to cooperate closely with the American Embassy at Chungking and with the American Mission at New Delhi, and your work in these countries will be under the general supervision of the Embassy and of the Mission, respectively. The mail and telegraph facilities of these offices will be placed at your disposal and all communications between you and the Lend-Lease Administration in Washington will be sent through these channels.

[Here follow instructions regarding pay, travel, etc.]

Sincerely yours,

For the Secretary of State:

G. Howland Shaw

Assistant Secretary

893.24/1361 : Telegram

The Chargé in India (Merrell) to the Secretary of State

NEW DELHI, June 21, 1942—4 p. m.
[Received June 22—8:17 a. m.]

406. For Currie from Ray.

"1. After some discussion of program for handling China supplies in India:

(a) Service of supply staff under Wheeler²⁰ will receive all cargo including Universal Trading, Foo Shing, National Resources Commission and Red Cross at Indian ports, unload, store, guard and forward them to Wheeler's staff at Kunming for checking and transfer to appropriate Chinese authorities. Airforce responsibility will be plane operation only.

(b) Chinese Board with Chungking headquarters and representatives in India will determine import priorities.

(c) Wheeler will use maximum Indian facilities and labor under reverse Lend-Lease procedure with full support of Eric Dunn. Similar arrangements are contemplated in China. All necessary cash outlays will be made by Wheeler.

(d) Any available Chinese assistance within India will be accepted under Wheeler direction. This eliminates rigid defense supplies and China-Burma-[India] administration organizations as such in India.

(e) [Referring?] above program now [to?] Colonel [General] Stilwell for final approval is favored by Commissioner Shen²¹ and Shaughnessy and myself as Wheeler organization commands universal confidence.

²¹ Shen Shih-hua, Chinese Commissioner in India.
2. Summary of Air Ferry plans.

(a) Pending Wheeler contract puts 5 of 13 China National Airways planes on regular eastward freight service supplementing 28 Army transports. Combined capacity with three trips weekly is 200 tons weekly. During monsoon season entire space believed required to supply expanding American tactical units in China. See current Wheeler cable to Somervell on Chinaward delivery possibilities.

(b) Naiden expects to procure 17 additional freighters in July and plans to equalize equipment of Assam-Burma-China Ferry Command operating Dinjan to Kunming with equipment of trans-India Ferry Command operating Karachi to Dinjan which has heretofore monopolized available equipment. Over latter sector railroad service is slow but good.

(c) Naiden disapproves four engined freighters for high altitude service as they would require superchargers which he mistrusts technically.

(d) Wheeler is directing construction of second Assam airfield at Chabui near Dinjan scheduled for completion by Royal Engineers under reverse Lend-Lease about mid-July. Third Assam airfield scheduled for November completion.

(e) Naiden wants to accredit additional airfields near Kunming to balance Assam layout. Shen reports Chinese hesitancy pending military developments in Yunnan since either Japanese advance or retreat would make additional Kunming airfields unnecessary. Both agree conquest of Northern Burma desirable.

(f) Naiden considers alternate route via Peshawar, Kashgar and Kashmir to Chengtu completely impossible as gasoline cannot be supplied to six stations required.

3. Aircraft maintenance plans.

(a) Adler is arranging to take over Bangalore factory for limited manufacture and full maintenance repair and overhaul work on all American made planes in this area regardless of ownership. This plan under reverse Lend-Lease leaves unaffected the Indian Government contract with Pawley but provides that we retain title to equipment and supplies added by the Army. And therefore will supply additional mechanics.

(b) Adler is also organizing an army air base unit at Agra and thinks a small advance maintenance unit may eventually be needed in China.

---

22 Lt. Gen. Brehon B. Somervell, Commanding General, United States Services of Supply.
25 William D. Pawley, President, Intercontinent Corporation.
4. Miscellaneous.
   (a) Wheeler is not being informed of Lend-Lease shipments for
       India account. I recommend he be provided information copies
       shipping lists in view his activity in reverse operations in India.
   (b) I have found no accurate tally of China cargo in India. Shen
       and Shaughnessy agree on overall estimate of 45,000 tons.
   (c) Shaughnessy is preparing report on aviation gasoline controls
       in India. Supplies to date appear adequate but all from vulnerable
       [sic] Abadan.
   (d) I plan to investigate Delhi reports that China medical supply
       problem is mainly distribution not shortage. None being forwarded
       from India now.
   (e) Am proceeding Assam today and may visit Calcutta before
       Chungking."

Merrell

893.24/1382: Telegram

The Secretary of State to the Ambassador in China (Gauss)

WASHINGTON, July 8, 1942—8 p.m.

609. "For J. Franklin Ray from McCabe. We are glad to hear

of your safe arrival in Chungking.

In view of the critical shipping situation from India to China, the
large amount of material in storage in India and the increasing stock-
pile in the United States, it has been necessary to reassign all standard
and critical material and equipment originally earmarked for China
for immediate use by our own and other allied forces. This has been
 carried out for all Lend-Lease material. Tires and tubes for existing
vehicles in China and 2,366 tons of oils and lubricants are to be held
in storage for shipping at the earliest possible moment. Arsenal
material, except copper which has been reassigned to the War Depart-
ment for the fabrication of 7.92 mm and other ammunition, is to be
held in storage until either there is a critical need for it by our own
forces or routes are opened for shipment to China. Cotton goods and
blankets are likewise to be held in storage for China. All tractors
procured for China have been released to the War Department for
reassignment.

War Department procured items have been reassigned elsewhere by
the War Department and a 3,500 tons a month program for China has
been substituted. Third and fourth quarter allocation of raw mate-
rials for China have been made with the understanding they will not

*Thomas B. McCabe, Deputy Lend-Lease Administrator.
be claimed unless shipment into China can be made. Such items as tire retreading plants and oil reclaiming plants are the only orders being expedited through Treasury Procurement.

Cash purchases for China have been limited to items of direct military importance. All orders already placed are to take their normal course through production without an increase of ratings, until such time as routes are open or Air freight facilities are increased.”

HULL

893.24/1412

The Indian Agent General (Bajpai) to the Chief of the Division of Near Eastern Affairs (Alling)

WASHINGTON, July 10, 1942.

My Dear Mr. Alling: Sometime ago, it was brought to our notice that, on account of the current shipping shortage and its effect on the United States programme of aid to China, the Administration wished us to consider the practicability of supplying some of China’s needs from resources in areas closer to China. The examples of materials that could thus be supplied were saltpetre, acetone, benzol, glycerine, asphalt and tar, tyres and tubes, leather, shellac, canvas duck and webbing, mica, cement, linseed oil, iron and steel products. India being one of the areas near to China, I made inquiries from my Government as to the extent to which they had already helped or could help. They have informed me that the Chinese already have a Purchasing Agency in India, representative of A. J. Bell of the Peking Syndicate, through which orders for textiles, canvas and cotton yarn, of the aggregate value of 1½ million pounds sterling have already been placed in India. In addition, the Government of India have supplied small quantities of textiles machinery and accessories of paper machinery, chemicals and drugs, mica, graphite, brass sheets, paints and varnishes, emery cloth, copper wire, manila ropes and sundry machinery. In addition, the needs of the Chinese Government are under constant investigation of Mr. Bell in close co-ordination with the Supply Department of the Government of India and India would be able to supply shellac, cement, linseed oil, leather other than of the higher qualities and limited quantities of leather belting, insulated copper wire and bensol. Acetone, glycerine, asphalt, tar, tyres and tubes, iron and steel products are not, unfortunately, available. I am passing on this information as it may prove of some interest to you.

Yours sincerely,

G. S. Bajpai
The Ambassador in China (Gauss) to the Secretary of State

CHUNGKING, July 16, 1942—10 a.m.  
[Received 11:36 a.m.]

845. I learn from a reliable source that Central Broadcasting Administration has sent a long telegram to T. V. Soong requesting assistance in obtaining 15 million United States dollars worth of radio equipment under Lend-Lease. Message is stated to have been sent by Chen Kuo Fu, head of Administration, and to have had the approval of Wang Shih Chieh, Minister of Information of Kuomintang. Chen Kuo Fu is one of leaders of so-called “CC” clique, the reactionary wing of the party.

I am told the administration now has adequate equipment in use and in reserve and the request being made is designed to provide equipment for political use after war, advantage being taken of Lend-Lease to obtain additional equipment at this time without cost.

I recommend that if this request is put forward by Soong it should be referred to Chungking for checkup before action thereon is taken. A survey of actual needs could be made by Lusey or Brown, radio engineers sent out by COI. Lusey at present in East China and Brown has not yet arrived but both of them are expected later to be in Chungking.

GAUSS

The Secretary of State to the Ambassador in China (Gauss)

WASHINGTON, July 22, 1942—7 p.m.

657. “For J. Franklin Ray from McCabe. Further to our cable of June 22, no. 295, sent you at New Delhi. In view of the policy of not increasing stockpile in India, information from China is necessary for continued procurement and shipment from the U.S. We have a large stockpile of arsenal material on hand:

1. What is the importance and need for this in respect to all aid to China?

2. Will sufficient air priority be granted this material to move it into China from India?

A quarterly forecast of transport tonnage revised and submitted monthly is necessary for clearing and programming material for shipment. A balanced program for air transport plus small extra tonnage to make up for sinkings submitted from China side to C. D. S.  

---

27 Chen brothers, Chen Li-fu and Chen Kuo-fu.
28 Coordinator of Information.
29 Not printed.
30 China Defense Supplies.
and OLLA 41 would be extremely useful. Unable to work out a program with C.D.S. here until forecast of monthly air transport tonnage is submitted regularly.”

HULL

898.24/1397: Telegram

The Ambassador in China (Gauss) to the Secretary of State

CHUNGKING, July 28, 1942—10 a.m.
[Received 12:13 p.m.]

878. For McCabe from Ray. Replying to your 657, July 22.
1. There is serious need for arsenal materials in China second only to acute need for supplies for maintenance of and expansion of American air force. Visits to seven representative arsenals and three talks with General Yu Ta Wei convince me that arsenal materials need for rest of 1942 can be almost completely met by (1st) using inventories now at arsenal and (2d) moving supplies now at Yunnan to the arsenal.

2. Priority on air freight movement into China of CDS supplies as distinct from American Army supplies are set by the Chinese Board per my last telegram. As stated therein first priority has been assigned to rifle powder, copper, zinc, and bullet cups, all for making small arms ammunition. None of these items shipped into China during July as all available eastward space devoted to supplies and personnel for American air force here. This condition is likely to continue during third quarter.

Present stocks of priority arsenal materials in India appear sufficient for several months of freight movement into China when started. You may therefore wish to resume shipment of arsenal materials from America to replenish stockpile in India only when movements into China have commenced which is unlikely before October.

3. Forecast of air transport space available to move CDS supplies into China is impossible because of unpredictability of space to be preempted by American air force supplies.

(Greater strategic importance of latter causes constant pressure to expand same despite resulting postponement of arsenal material shipments!)

4. Will report actual July air freight movements by Army and CNAC 42 next week.

5. Currie has seen this message. [Ray.]

GAUSS

41 Office of Lend-Lease Administration.
42 China National Aviation Corporation.
The British Embassy to the Department of State

Mr. Ashley Clarke of the Foreign Office sent a letter to Dr. Hornbeck on July 7th in which, among other things, he referred to the question of air communications between India and China. In this letter Mr. Clarke said that the Foreign Office were still awaiting further details about the rate at which the transport aircraft carrying supplies between India and China were actually operating.

Mr. Clarke has now written to the Embassy saying that some further information on the subject has been received from India which would seem to indicate that the quantities of supplies to be carried will be slightly higher than those previously indicated by General Brereton. Mr. Clarke has suggested that the State Department might be interested to have this additional information. It is to the following effect.

The total number of aircraft operating at present is twenty-one, including twelve of the United States of America Ferry Command. Flights have been irregular owing to monsoon conditions. By the end of the year it is estimated that possibly seventy-five aircraft of the Ferry Command will be operating plus twenty-five to be operated by C. N. A. C. with a frequency of one trip per aircraft per day.

The freight for China consists of war stores ordered according to priorities laid down by General Stilwell. Exact tonnage figures are not available, but air headquarters in India estimate that the present twenty-one aircraft when fully employed could carry 130 tons per week during the monsoon, while after the monsoon twelve tons per aircraft per week would be a reasonable target. The freight which is at present being carried from China to India consists of tin and tungsten.

The main factors at present limiting the development of the service are the monsoon conditions and signal facilities, which are, however, now being improved. As regards aerodromes, it is hoped that if expected progress is made in construction the aerodrome capacity should be sufficient for the estimated number of aircraft.

In his letter to the Embassy Mr. Clarke pointed out that it may well be that more up-to-date or more exact figures and estimates are in the possession of the United States authorities. Should that be the case the Foreign Office would be very interested to be informed of these figures. The Foreign Office would also, Mr. Clarke emphasises, be very glad to know if there are any ways in which the State Department think that they could assist in this question of improving the means of air communication between India and China.

Washington, August 10, 1942.

*Stanley K. Hornbeck, Adviser on Political Relations; letter not found in Department files.*
The Department of State to the British Embassy

Reference is made to the British Embassy’s memorandum of August 10, 1942 in regard to the question of air communications between India and China.

It is the understanding of this Department that operating conditions on the India-China route are subject to so many vicissitudes of weather and military and other developments that statistics in regard to these operations are subject to frequent change. We are informed that the United States Army Ferry Command supplies current reports to the United States War Department and that these reports are available to the Combined Chiefs of Staff.

The Department has noted the Embassy’s statement that the Foreign Office would be very glad to know if there are any ways in which this Department considers that the Foreign Office could assist in the question of improving the means of air communication between India and China. Although the question of assuring adequate supplies to China involves primarily considerations of a military nature, it is believed that officials concerned with Far Eastern political relations can be of considerable assistance to the military and other agencies which are most directly charged with responsibility in this matter. In our opinion, the furnishing of supplies to China through India is a matter of important significance to the war effort of the United Nations and constitutes a problem the solution of which involves continuing and increasing cooperative effort among this Government, the British Government, the Government of India, and the Chinese Government.

The cooperative spirit manifested in the British Embassy’s memorandum under reference is appreciated.

WASHINGTON, September 19, 1942.

The Acting Secretary of State to the Ambassador in China (Gauss)

WASHINGTON, October 15, 1942—11 p. m.

960. The following from Stettinius for J. Franklin Ray. Through UTC 34 we have received numerous requests from various agencies in China to ship cash purchase material now being stored here to India. Although tonnage involved is greatly in excess of air transport capacity each agency has assured us that it will be able to arrange air transport into China.

312883—56—38
Will it be possible, in China, to investigate the possibility of clearing all such requests through a central agency or through Air Transport Priority Board for approval subject to limitations of emergency air program?

It is the policy of the War Department that unless it can be put into operational use in the near future no stock pile of material shall be accumulated in India. We follow War Department's policy. Before additional indirect military supplies will be shipped from the U. S. we must receive indications of ability to move material into China. This is necessary in view of the large stockpile in India.

Will you be able to supply information regarding Air Priority Board as follows: 1—Membership; 2—How it functions; 3—General priority list?

With his party Dr. T. V. Soong is departing for China immediately.

We are interested in having accurate monthly reports covering air cargo shipments between China and India with an indication of the type of cargo. From what source can we get this information?

In Chungking, what confirmation have you concerning Soviet agreement to permit Chinese lend-lease material to be transported to China from India by way of Turkestan-Siberian Railroad and Sinkiang Highway? [Stettinius.]

Welles

892.24/1470

The Ambassador in China (Gauss) to the Secretary of State

No. 729 Chungking, November 17, 1942.

[Received December 14.]

Sir: I have the honor to enclose for the information of the Department, copy of a confidential memorandum submitted to me by Mr. John S. Service, Third Secretary of the Embassy, reporting observations made during his recent trip to the northwest, on the alleged misuse and misappropriation of lend-lease and relief supplies sent to China.

Soon after the fall of Burma to the Japanese, it was reported here that in the haste and confusion of evacuating Rangoon and other points in Burma and of endeavoring to move deeper into China the large quantities of lend-lease and relief supplies accumulated at Rangoon and other points—including places inside the Chinese border—quantities of equipment and supplies were abandoned or fell into private hands and were being offered for sale in Kunming and

---

For further correspondence on this subject, see pp. 591 ff.

*Not printed. It reported evidence of Red Cross cloth and quinine being improperly sold, jeeps in use by persons not in military uniform, aviation tools for sale, and lack of care of lend-lease trucks.*
other places in Free China. It was reported, for example, that lend-lease motor cars, trucks and "jeeps" could be had at Rangoon for the asking or taking, and that all manner of supplies were similarly available to those who could or would move them to prevent their falling into the hands of the Japanese.

For a time there was considerable comment and criticism on this subject heard at Chungking; but the Embassy is not in possession of information to confirm that any substantial volume of equipment or supplies came into the possession of private persons. Lend-Lease operations in China at that time were under the supervision of Brigadier General John Magruder, U. S. A., head of the American Military Mission. No information on the subject was communicated to the Embassy by General Magruder.

There have also been reports from time to time that medical supplies provided by the American Red Cross and other American relief organizations have gotten into private hands and were being sold at extortionate prices. The Military Attaché, when he returned recently from a visit to the Chekiang-Kiangsi front, informed me that while there were no medicines or medical supplies for the troops, quinine and such drugs were being sold on the streets of the cities and towns, at very high prices. I know that the American Red Cross and other relief organizations have been alert to the rumors circulating from time to time that medicines intended for relief purposes were being sold privately. I have no doubt that they have taken and will continue to take all possible measures to prevent supplies reaching private hands for sale; and I do not believe that the more responsible Chinese organizations to which supplies are distributed are parties to such misappropriation.

In a country such as China, and with large quantities of supplies being handled, it is not surprising that some supplies may be stolen or misappropriated and sold for private gain.

In transmitting the enclosed memorandum from Secretary Service, I do not wish to suggest that any serious situation exists as to lend-lease and relief supplies; but it is well to record the reports which have reached the Embassy from time to time as well as the observations made by Mr. Service on his trip to the northwest.

In connection with this general subject, I might mention that some months ago the New York Times local correspondent at Chungking, who is somewhat inclined to exaggeration and to a florid type of reporting, filed a message to his paper stating that lend-lease and relief supplies from Burma were being sold privately in Free China, that steps had been taken by the Chinese authorities to detect the unauthorized possession of such goods, and that the measures taken were so drastic that in Chungking persons appearing in "shorts"
fashioned of a cloth supplied only for military purposes were being made by the police publicly to remove the garments and hand them over.

This telegram appears to have slipped past the censors and to have been published in New York with a resulting sharp complaint from Dr. T. V. Soong to the Generalissimo. Dr. Hollington Tong, Vice Minister of Information, in charge of press cable censorship, was held accountable for the report having been passed by the censors. Dr. Hollington Tong telephoned to the Embassy and asked that I be informed that he proposed to withdraw the press-telegraph card of the New York Times correspondent. I advised quietly against any such action, pointing out that the New York Times was most friendly and favorable to China in its editorial and news policy, and that the withdrawal of facilities accorded to its correspondent would not serve the best interests of China. I suggested that if the Times correspondent had transmitted a false report and was unwilling to correct it, the matter might appropriately be taken up with the New York Times through this Embassy or the Chinese Embassy in Washington. I heard nothing more of the matter. The Times correspondent did not approach the Embassy in regard to it, nor was he informed of the approach made by Dr. Tong and the advice given.

I cite this incident merely to indicate the supersensitiveness of the Chinese to criticism of misappropriation of lend-lease and relief supplies. Such misappropriation undoubtedly exists, but I am unable to say that it has at any time reached any substantial volume.

Respectfully yours,

C. E. Gauss