LEND-LEASE

Weapon for Victory

BY EDWARD R. STETTINIUS, JR.

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In Memory of My Father

EDWARD R. STETTINIUS

whose example of distinguished service in the cause of the United States and of our Allies in the last war has been a constant inspiration and source of strength to me.

PREFACE

THE life-blood of our democracy is the free exchange of ideas. That fact is symbolized in the first of the Four Freedoms—Freedom of Speech. It is our affirmation of the right of every man to speak his mind on any subject. But it also affirms another and equally important right—the right of every citizen to know the facts on all matters that vitally concern him.

Lend-Lease is a new and important development in the foreign policy of the United States. The American people have a right to know how it came into being, what it is, and how it works. That is the reason why I have taken the time during the war to set down in book form the origin and development, and the significance as I see it, of our aid to the other nations battling the Axis and of their aid to us.

In time of war, of course, there is certain information which must temporarily remain secret. Our supply plans are a part of our war plans, and our supply routes are part of our fighting lines. It is no more possible, for example, to tell how many Lend-Lease planes we are going to send to Russia or to Australia next month, and by what route we propose to send them, than it is to tell where and how many planes we are sending abroad for our own pilots to fly. Knowledge such as this must be kept from our enemies until they learn it to their sorrow in the skies over their heads. With this necessary limitation, I have tried to tell the full story of Lend-Lease.

The story of inter-allied supply through Lend-Lease and Reverse Lend-Lease is world-wide. It concerns every battlefront and all the United Nations, but it is only one part of the story of this war. If I seem in this book to have neglected the great accomplishments of the men who are responsible for organizing, training and supplying the American armed forces and the magnificent achievements of American fighting men and their commanders on land and sea and in the air, it is not because I would overempha-

size the role of Lend-Lease in bringing us victory. I have, in the main, written only of that side of the war with which I have been directly concerned. This book is the story of Lend-Lease. Some day the other aspects of America's participation in this war will be described in full, I am sure, in the records written by the commanders of our armed forces and by the civilian officials who are rendering such memorable service to their country.

I cannot let this book be published without first explaining that the Lend-Lease Administration itself is only a small part of the Lend-Lease machinery which we have built up for sending war supplies to the other nations fighting the Axis. The Munitions Assignment Board, the War Department and the Navy Department are entrusted with the Lend-Lease munitions program. American arms production is allocated by military men on the basis of military strategy. Lend-Lease in merchant shipping is the province of the War Shipping Administration. The War Production Board and the War Food Administration make the allocations of our industrial resources and of our food for the Lend-Lease program. The Department of Agriculture buys Lend-Lease food; the Procurement Division of the Treasury Department buys Lend-Lease industrial items; the Maritime Commission builds Lend-Lease ships. The State Department negotiates the Lend-Lease Agreements which set forth the terms under which our aid is given.

Just as the policy of Lend-Lease is an expression of the will of the American people as a whole, so the carrying out of the Lend-Lease program is in truth a combined operation of the United States Government as a whole, in which most of the Executive Departments and agencies and the Congress participate.

The Office of Lend-Lease Administration itself has played a dual role. First, we have been concerned with the requests from our allies for the host of industrial supplies and raw materials, the food and other agricultural commodities, the ships, the shipping services and repairs, and the many other supplies and services which are as necessary as weapons in waging war. But we have had another and equally important duty. That is to keep watch over Lend-Lease operations and policy in every field, and to

report regularly on all phases of the program to the President and to Congress. Our records are the point at which the over-all story of the aid we have given and received under Lend-Lease is concentrated. It is for this reason, and not because the Lend-Lease Administration would desire to receive the credit for all that appears in these pages, that I have presumed to tell this story.

The Lend-Lease Administration is an organization which I shall always be proud to have led. It is composed of men of many different skills and backgrounds. There are civil servants who have been in the Government for many years, to whom we look for that indispensable know-how of Government operations without which such an agency could not possibly function. There are Army and Navy officers whose long experience in the strategy of supply is of constant aid in making Lend-Lease a vital weapon of war. There are businessmen, lawyers, bankers, engineers, economists, and men from other walks of life, many of whom have come to Washington at great personal sacrifice. Upon them we have leaned heavily for that practical and technical knowledge in a multitude of different fields without which our plans could not possibly be turned into realities.

To the man who gave me my first job, John Lee Pratt of Virginia, I shall ever be grateful for giving up his well-earned retirement at "Chatham" to serve us so faithfully with his sound judgment. And to the others I am no less grateful—to Thomas B. McCabe, who ably carried many heavy burdens as Deputy Administrator and who acted as Administrator during my trip to Britain; to Bernhard Knollenberg, distinguished lawyer and Librarian of Yale, who joined us relatively late but has served effectively as Senior Deputy Administrator; to Oscar S. Cox, our General Counsel, whose advice has always proved so very helpful; to the Deputy Administrators, Arthur B. Van Buskirk, who has so ably headed the Operations Staff, and Philip Young, who has served Lend-Lease so well since the beginning; to our Senior Assistant Administrators, Major General Charles M. Wesson, John E. Orchard, William V. Griffin, Laurence J. Martin and their staffs; to my special assistants, John D. East, Hayden Raynor, Samuel D. Boykin, and Ira C. Hopkins; to our Assistant Administrators,

Charles Denby, Rupert Emerson, John N. Hazard, Joseph M. Juran, Harry M. Kurth, Robert J. Lynch, H. C. L. Miller, James W. Pope, J. Franklin Ray, Jr., G. Ruhland Rebmann, Jr., William M. Simmons, Lt. Commander Donald Watson and their staffs; to our Associate General Counsel, George W. Ball, and the other members of the legal staff; to our consultants, Brigadier General George R. Spalding and Dr. George B. Waterhouse; and to all the others who have served the Lend-Lease Administration so well. To the men who have served Lend-Lease so loyally and effectively as heads of the overseas missions—W. Averell Harriman, Frederic W. Ecker, Walter S. Robertson, Charles A. Ferguson, Livingston L. Short, Blackwell Smith and all the others—we in Washington owe an enormous debt. They and their able staffs have been our indispensable eyes and ears abroad.

It would be impossible for me even to begin to name the men throughout the other departments and agencies of the Government whose magnificent cooperation has made possible the carrying out of the Lend-Lease program.

This book is in a very real sense the product of all these men, both inside and outside the Lease-Lease Administration. Without their imagination, their resourcefulness, and their devotion to duty, there would have been no Lend-Lease story for me to tell.

EDWARD R. STETTINIUS, JR.

"The Horse Shoe"
Rapidan, Culpeper County, Virginia
September 18th, 1943

The manuscript of this book was written during the spring and summer of this year. When I was appointed by the President as Under Secretary of State, my active direction of Lend-Lease affairs ended. But I have been urged by my associates to continue with the plans for publishing this book so that the American people might know the full story of Lend-Lease.

E. R. S. JR.

Washington, D. C.
October 15th, 1943

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PATTERN FOR VICTORY

"SUPPOSE my neighbor's house catches fire, and I have a length of garden hose four or five hundred feet away. If he can take my garden hose and connect it up with his hydrant, I may help him to put out the fire.

"Now what do I do? I don't say to him before that operation, 'Neighbor, my garden hose cost me $15; you have to pay me $15 for it.'

"What is the transaction that goes on? I don't want $15—I want my garden hose back after the fire is over . . ."

The President of the United States was talking to the reporters crowded into his oval office for the weekly press conference. It was December 17th, 1940. To the newsmen around his desk, he described a simple event that might take place any day in any American town—a man helped his neighbor when the neighbor was in trouble. But in helping to put out a fire in his neighbor's house, the man who loaned the hose was also helping himself, for the fire which menaced his neighbor's house also menaced his own. As the story made clear, sensible neighbors do not waste time bargaining over the price of a hose when there is a fire going on. Their one idea is to get the hose working as fast as possible.

The President told the story of the garden hose for a purpose. At the time he spoke, the most terrible conflagration the world had ever seen was already raging. It had started in 1931 with a small fire in Manchuria that seemed far away and of no great concern to the rest of the world. Then in 1937, the fire of Japanese aggression broke out again with new fury and now had grown so big that it threatened to overwhelm all of China and to spread from there all over Eastern Asia and far out into the Pacific. In Europe ever since 1933, there had been a smoldering fire that flared up from time to time in sudden bursts which consumed

one nation after another—Ethiopia, Spain, Austria, Albania and Czechoslovakia.

But the nations not yet touched by the fire did not get together to put it out while it was still smoldering. In September 1939, the fire suddenly broke into a furious blaze of Nazi aggression, and in the ten months that followed, Poland, Denmark, Norway, Holland, Luxembourg, Belgium and finally France were consumed. Now in December 1940, the British were fighting a desperate, lone battle to keep the fire from spreading across the few short miles of the Channel and out into the Atlantic toward both North and South America.

We in the United States had watched this conflagration spread over the world with a curiously divided state of mind. As in Britain and France, the root of most of our thinking about international affairs was a deep hatred of war. But that very hatred had tended to push our thinking in two different directions.

We were determined, on the one hand, that the United States should not suffer the tragedy of war again. Beginning in 1935, we had erected an elaborate system of Neutrality Acts intended to keep war away from this hemisphere by cutting us off from nations involved in war anywhere else in the world. Yet most Americans felt instinctively that we could not stay at peace if the rest of the world were at war. We recognized this when we took the lead in securing from all the nations of the world in 1929 the pledge of the Kellogg-Briand Pact renouncing war as an instrument of national policy. We had refused to recognize the military conquests of Japan, Italy and Germany which violated this pledge. Again and again, we had emphasized our desire for peace and for a peaceful solution of all problems between all nations.

As the world crisis steadily deepened in the thirties, we were faced ever more clearly with the brutal fact that there were three nations in the world determined on aggression. If we cooperated with other peace-loving nations in taking really effective measures to stop the aggressors before they came closer to us, there was always the possibility that we might have to go to war with them in order to finish the job. Yet if we sat back and let the aggressors go on and on with their march of conquest, we might end up by

having to fight alone against the world to protect our own soil. While we hesitated, the power of the Axis grew steadily and the danger to us grew greater.

With the benefit of hindsight, we Americans can now see, of course, that had we and the other democracies been willing to stop Japan in 1931, Italy in 1935, and Germany in 1936, by force if necessary, we would have been spared the necessity of fighting the greatest war in history. But it was hard for us, then, to accept the fact that there were powerful nations in the world bent on a course of unlimited conquest—by deceit, by treachery, by economic and political infiltration, and finally by force of arms.

When the President said in 1937 that if the aggressors really got started, "Let no one imagine that America will escape, that America may expect mercy, that this Western Hemisphere will not be attacked," most Americans, I think, knew in their hearts that this was so. But like the people of Britain and France, we hated the idea of war so profoundly that it was a slow, difficult process to wake up to the facts. The British and the French woke up a little earlier because they were nearer the danger, but it was not early enough to save France. Not until late in the spring of 1940, when Britain was left alone in mortal danger and control of the Atlantic was in the balance, did we Americans finally make up our minds to prepare ourselves against attack.

Now in December 1940, the United States was faced with another brutal fact. Britain, China and the other nations battling the Axis could not get enough arms from this country to keep on fighting unless we became something much more than a friendly seller on a business basis. We had, it is true, taken a few important emergency steps—loans to China, sales of old World War guns to Britain after Dunkirk, trading fifty overage destroyers for naval bases. And all the time we were cooperating more and more closely with these nations in their purchasing programs here. But now something much bigger was needed.

The solution that the President proposed to the nation at his press conference on December 17th, 1940, was embodied in his story of the garden hose: we should act as a nation in the same way that an individual American would act if a raging fire had

broken out in other houses nearby. We should send all the equipment we could possibly spare from the building of our own defenses to our neighbors who were already fighting the blaze. We would defend our own home by helping them to defend theirs. As for the settlement, that could wait until the danger had passed, and we could take stock of how we and our neighbors stood. That proposal was the essence of what we now call "Lend-Lease."

In the three months that followed, the American people debated Lend-Lease as no issue in our foreign policy had ever been debated before. As a nation, we finally thought through the entire problem of our national security in a dangerous world. The debate reached from the halls of Congress to every fireside in America. The discussions grew violent and sometimes bitter, but that was all a part of our democratic way of talking matters out with ourselves.

After three months we were ready for a decision, and when the vote in Congress was taken, Lend-Lease was approved by a large majority. The Act was signed on March 11th, 1941. We had considered the matter publicly and thoroughly, and then we had freely decided that our security was bound up with the security of the other freedom-loving peoples of the world. Their defense was vital to our own defense.

Henceforth, the security of the United States was to be protected by a double-barrelled defense. We would send weapons abroad to help the nations still holding the Axis in check. Meanwhile, here in the United States, we would arm and train a great military force to protect ourselves if we also were attacked. Lend-Lease might keep aggression from ever reaching our country. Even if it did not, it would give us precious time to build the defenses we so gravely needed.

In the months that followed, we sent war supplies to Britain, to China and, after she too was treacherously attacked, to the Soviet Union. They had the assurance of much more to come. They bore the full weight of Axis aggression and were still fighting strongly when our turn came.

On December 7th, 1941, the threat from our enemies suddenly

materialized in the skies over Pearl Harbor. By then, although we had far from enough weapons to take the offensive at once, we were far better prepared to protect ourselves than we had ever been before at the beginning of a war. We had two million men already under arms. From almost nothing in 1938, our war industry had grown already to great proportions—first through the cash purchases of France and Britain here, then through the arms orders for our own forces and for Lend-Lease. Most important of all, we had friends to fight by our side. We and they became United Nations, fifteen hundred million people fighting together against aggression.

The story of the garden hose must now be carried forward another step: The fire which started in the house of our neighbor spread from house to house until it became finally a general conflagration throughout the whole town. In this emergency, the citizens of the town united to fight it together, pooling their strength and their equipment, because they knew that this was their only hope of saving anything for any of them. And the man who had loaned his hose in the beginning found, now that the fire had spread to his own house, that his neighbors were in turn giving him all the help they possibly could.

Under its original terms, the Lend-Lease Act would have expired on June 30th, 1943. In January of that year Congress began consideration of a bill to extend it. By that time Lend-Lease operations were so intertwined with our entire war effort that it took officials of many different government agencies to explain all that we had done under the Act and why it must be extended. It was my privilege, however, to open the hearings before both the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House with a summary of the overall story. To tell that story, I had to do something for which there is little opportunity in war-time Washington—sit down and look back over the road we have travelled.

As I put together the story of Lend-Lease, I found that I had to speak of almost all the theaters of the war—Egypt, China, Russia, the air front over Europe, New Guinea, India, and finally of the great combined offensive in North Africa. The story in-