

The Lend-Lease Act



After the passage of the Lend-Lease Act, Roosevelt soon found himself signing the Declaration of War against Japan in 1941.

As Congress debated the passage of the Lend-Lease bill, British official H. Duncan Hall summarized what the measure meant to Great Britain. "For the first time in its history the United Kingdom waited anxiously on the passage of an American law, knowing that its destiny might hang on the outcome."

The Lend-Lease plan was indeed viewed by many Britons as all that stood between their survival and defeat in 1941. With much of Western Europe conquered by then, the British faced the Axis powers all alone—and with little money to mount a fight. "Britain's broke," British ambassador Lord Lothian told the American press in late 1940.

Strangely enough, few Americans—including even Franklin Roosevelt—believed at first that Britain could be in such dire financial

straits. After all, the British were still rulers of a large and far-flung empire. Holdings such as India and Suez Canal, however, did not necessarily translate into cash, and it was only after British Prime Minister Winston Churchill handed over Britain's accounting records to U.S. officials did they realize how much help the British needed.

It was not long after this that the Roosevelt administration developed the idea to in essence lend military equipment and other forms of aid to Britain and the other countries aligned against the Axis powers.

The Lend-Lease measure won passage despite intense and vocal opposition from isolationists, who viewed the plan as a significant step toward American involvement in the war. In one of the more famous attacks, Montana Senator Burton K. Wheeler called the bill "the New Deal's triple A foreign policy; it will plow under every fourth American boy." Roosevelt referred to the remark "as the most dastardly, unpatriotic thing . . . that has been said in public life in my generation."

The Lend-Lease program, which lasted through the end of the war, handed out nearly \$50 billion in aid to some 38 countries. Great Britain—which included the United Kingdom, Australia, New Zealand, and South Africa—received the largest amount of assistance, with \$31,392,361,000. The Soviet Union was second with \$11,297,833,000.

The largest portion of the aid—about 49 percent—consisted of munitions, from weapons to airplanes and tanks. About 21 percent came in the form of industrial materials and parts, 14 percent in agricultural products, 5 percent in petroleum products, and 11 percent in miscellaneous services.

The Lend-Lease program proved most beneficial to the Allied military effort, with Prime Minister Churchill once referring to it as "Hitler's death warrant". The plan turned out to be a less than an ideal economic measure for America, in the short term. However, it was instrumental in helping defeat Germany and propelling the United States to superpower status after the war. In the end, only about \$10 billion in loans were repaid to the United States. Britain, which had little money by 1945, was asked to repay only \$650 million. Belgium was the only country to pay back the United States (\$191,215,983) more than it received (\$148,394,457).

1. What was the British attitude towards the Lend-Lease bill?
2. What was the United States attitude towards Britain's need for "financial assistance? How did the British convince us otherwise?
3. Why did some people oppose the Lend-Lease bill?
4. How much money did the United States eventually give out? How many countries benefited?
5. Why do you suppose the program covered many non-military items, such as agricultural products?
6. How much money was eventually repaid to the United States? Why do you suppose we did not demand full repayment?