

# History of World War II: America Was Providing Military Aid to the USSR, While Also Supporting Nazi Germany

Franklin D. Roosevelt's Lend Lease. Part II

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See Part I:

Roosevelt's World War II Lend-Lease Act: America's War Economy, US "Military Aid" to the Soviet Union By Evgeniy Spitsyn, May 13, 2015

Nonlethal lend-lease aid

Besides weapons, other supplies were also provided under lend-lease. And those figures are absolutely indisputable indeed.

Specifically, the USSR received 2,586,000 tons of aviation fuel, an amount equal to 37% of what was produced in the Soviet Union during the war, plus almost 410,000 automobiles, making up 45% of the Red Army's vehicle fleet (not counting cars captured from the enemy). Food shipments also played a significant role, although very little was provided during the first year of the war, and the US supplied only about 15% of the USSR's canned meat and other nonperishables.

This support also included machine tools, railway tracks, locomotives, rail cars, radar equipment, and other useful items without which a war machine can make little headway.

Of course this list of lend-lease aid looks very impressive, and one might feel sincere admiration for the American partners in the anti-Hitler coalition, except for one tiny detail: US manufacturers were also supplying Nazi Germany at the same time ...

For example, John D. Rockefeller Jr. owned a controlling interest in the Standard Oil corporation, but the next largest stockholder was the German chemical company I. G. Farben, through which the firm sold \$20 million worth of gasoline and lubricants to the Nazis. And the Venezuelan branch of that company sent 13,000 tons of crude oil to Germany each month, which the Third Reich's robust chemical industry immediately converted into gasoline. But business between the two nations was not limited to fuel sales – in addition, tungsten, synthetic rubber, and many different components for the auto industry were also being shipped across the Atlantic to the German Führer by Henry Ford. In particular, it is no secret that 30% of all the tires produced in his factories were used by the German Wehrmacht.

The full details of how the Fords and Rockefellers colluded to supply Nazi Germany are still not fully known because those were strictly guarded trade secrets, but even the little that has been made public and acknowledged by historians makes it clear that the war did not in any way slow the pace of the US trade with Berlin.

### Lend-lease was not charity

There is a perception that lend-lease aid was offered by the US out of the goodness of its heart. However, this version does not hold up upon closer inspection. First of all, this was because of something called "reverse lend-lease." Even before the Second World War had ended, other nations began sending Washington essential raw materials valued at nearly 20% of the materials and weapons the US had shipped overseas. Specifically, the USSR provided 32,000 tons of manganese and 300,000 tons of chrome ore, which were highly prized by the military industry. Suffice it to say that when German industry was deprived of the manganese from the rich deposits in Nikopol as a result of the Soviet Nikopol-Krivoi Rog Offensive in February 1944, the 150-mm frontal armor on the German "Royal Tiger" tanks turned to be much more vulnerable to Soviet artillery shells than the 100-mm armor plate previously found on the ordinary Tiger tanks.

In addition, the USSR paid for the Allied shipments with gold. In fact, one British cruiser, the *HMS Edinburgh*, was carrying 5.5 tons of that precious metal when it was sunk by German submarines in May 1942.

The Soviet Union also returned much of the weaponry and military equipment after the war, as stipulated under the lend-lease agreement. In exchange they were issued an invoice for \$1,300 million. Given the fact that lend-lease debts to other nations had been written off, this seemed like highway robbery, and Stalin demanded that the "Allied debt" be recalculated.

Subsequently the Americans were forced to admit their error, but they inflated the interest owed in the grand total, and the final amount, including that interest, came to \$722 million, a figure that was accepted by the USSR and the US under a settlement agreement signed in Washington in 1972. Of this amount, \$48 million was paid to the US in three equal installments in 1973, but subsequent payments were cut off when the US introduced discriminatory practices in their trade with the USSR (in particular, the notorious Jackson-Vanik Amendment).

The parties did not return to the discussion of lend-lease debt until June 1990, during a new round of negotiations between Presidents George Bush Sr. and Mikhail Gorbachev, during which a new deadline was set for the final repayment – which would be in 2030 – and the total outstanding debt was acknowledged to be \$674 million.

After the collapse of the Soviet Union, its debts were categorized as either sovereign debt (the Paris Club) or debts to private banks (London Club). The lend-lease debt was a liability owed to the US government and is part of the Paris Club debt, which Russia repaid in full in August 2006.

### Direct speech

US President Franklin D. Roosevelt explicitly stated that aid to Russia was money well spent, and his successor in the White House, Harry Truman, was quoted in the pages of *New York* 

Times in June 1941 as saying,

"If we see that Germany is winning the war, we ought to help Russia; and if that Russia is winning, we ought to help Germany, and in that way let them kill as many as possible ..."



Nikolay Voznesensky (1903-1950)

The first official assessment of the role played by lend-lease aid in the larger victory over Nazism was provided by the chairman of Gosplan, Nikolai Voznesensky, in his work *Voennaya Ekonomika SSSR v Period Otechestvennoi Voiny* [Soviet military complex during the Great Patriotic War] (Moscow: Gospolitizdat, 1948), where he wrote,

"If one compares the quantity of industrial goods sent by the Allies to the USSR with the quantity of industrial goods manufactured by socialist factories in the Soviet Union, it is apparent that the former are equal to only about 4% of what was produced domestically during the years of the war economy."

American scholars and military and government officials themselves (Raymond Goldsmith, George Herring, and Robert H. Jones) acknowledge that allthe Allied aid to the USSR was equal to no more than 1/10 of the Soviets' own arms production, and the total quantity of lend-lease supplies, including the familiar cans of Spam sarcastically referred to by the Russians as the "Second Front," made up about 10-11%.

Moreover, the famous American historian Robert Sherwood, in his landmark book, *Roosevelt and Hopkins: An Intimate History* (New York: Grossett & Dunlap, 1948), quoted Harry Hopkins as claiming the Americans "had never believed that our Lend Lease help had been the chief factor in the Soviet defeat of Hitler on the eastern front. That this had been done by the heroism and blood of the Russian Army."

British Prime Minister Winston Churchill once <u>called</u> lend-lease "the most unselfish and unsordid financial act of any country in all history." However, the Americans themselves admitted that lend-lease brought in considerable income for the US. In particular, former US Secretary of Commerce Jesse Jones stated that the US had not only gotten its money back via supplies shipped from the USSR, but the US had even made a profit, which he claimed was not uncommon in trade relations regulated by American state agencies.

His fellow American, the historian George Herring just as candidly wrote that lend-lease was not actually the most unselfish act in the history of mankind, but rather an act of prudent egotism, with the Americans fully aware of how they could benefit from it.

And that was indeed the case, as lend-lease proved to be an inexhaustible source of wealth for many American corporations. In fact, the United States was the only country in the anti-Hitler coalition to reap significant economic dividends from the war. There's a reason that Americans often refer to WWII as "the good war," as evidenced, for example, in the title of the book by the famous American historian Studs Terkel: The Good War: An Oral History of World War II (1984). With unabashed cynicism he quoted, "While the rest of the world came out bruised and scarred and nearly destroyed, we came out with the most

unbelievable machinery, tools, manpower, money ... The war was fun for America. I'm not talking about the poor souls who lost sons and daughters. But for the rest of us the war was a hell of a good time."

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