UNITED STATES LEND-LEASE POLICY
IN LATIN AMERICA

DISSERTATION

Presented to the Graduate Council of the North Texas State University in Partial Fulfillment of the Requirements

For the Degree of

DOCTOR OF PHILOSOPHY

By

Thomas D. Yeilding, B.A., M.A.
Denton, Texas
August, 1983
Yeilding, Thomas D., United States Lend-Lease Policy in Latin America. Doctor of Philosophy (History), August, 1983, 308 pp., Appendix, bibliography, 216 titles.

President Franklin D. Roosevelt and Undersecretary of State Sumner Welles began trying to make military matériel available to Latin America during the latter 1930s. Little progress was made until passage of the Lend-Lease Act in 1941 enabled Washington to furnish eighteen Latin American nations with about $493,000,000 worth of military assistance during World War II.

This study, based primarily on State Department lend-lease decimal files in the National Archives and documents published in Foreign Relations volumes, views the policy's background, development, and implementation in each recipient nation. The conclusion is that the policy produced mixed results for the United States and Latin America. Even so, the president's course was realistically grounded on national interests.

Mixed results were evident in the president's not being straightforward with his fellow-countrymen in explaining his major justification for the policy, the Nazi threat to the hemisphere. He exaggerated the menace to maneuver the United States into aiding the allies fighting Hitler. Additionally, he warmly embraced dictators in the hemisphere while the Allied powers fought totalitarian governments
abroad. In Latin America, the supply of armaments inflamed jealousies among suspicious neighbors and encouraged military officials to meddle in politics. Numerous recipient nations revealed that they were not prepared to use effectively the weapons Washington sent. Inefficient use of the matériel adversely affected the flow of arms and Washington's opinion of various nations.

The policy was grounded on national interests. For the United States this meant aiding the democracies, defending the Panama Canal, confronting the Nazi threat, assisting political stability in Latin America, supporting Brazil's and Mexico's active participation in the war, acquiring military bases and raw strategic materials, seeking to standardize arms, furthering United States economic opportunities, and aligning political support for Washington's positions. For Latin America lend-lease meant receiving arms from the only available supplier to defend the hemisphere and canal, to counter the military power of a neighbor, and to further political ambitions.
Copyright by Thomas David Yeilding
1983
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Chapter</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. THE LEND-LEASE ACT AND DEVELOPMENT OF AN ARMS SUPPLY POLICY FOR THE AMERICAN REPUBLICS</td>
<td>1</td>
</tr>
<tr>
<td>II. MEXICO</td>
<td>31</td>
</tr>
<tr>
<td>III. GUATEMALA, HONDURAS, EL SALVADOR, NICARAGUA, AND COSTA RICA</td>
<td>55</td>
</tr>
<tr>
<td>IV. CUBA, DOMINICAN REPUBLIC, AND HAITI</td>
<td>78</td>
</tr>
<tr>
<td>V. COLOMBIA</td>
<td>107</td>
</tr>
<tr>
<td>VI. VENEZUELA, ECUADOR, AND PERU</td>
<td>127</td>
</tr>
<tr>
<td>VII. BOLIVIA AND PARAGUAY</td>
<td>155</td>
</tr>
<tr>
<td>VIII. URUGUAY</td>
<td>175</td>
</tr>
<tr>
<td>IX. CHILE AND ARGENTINA</td>
<td>193</td>
</tr>
<tr>
<td>X. BRAZIL: LEND-LEASE UP TO PEARL HARBOR</td>
<td>229</td>
</tr>
<tr>
<td>XI. BRAZIL: LEND-LEASE AFTER PEARL HARBOR</td>
<td>251</td>
</tr>
<tr>
<td>XII. CONCLUSIONS</td>
<td>273</td>
</tr>
<tr>
<td>APPENDIX</td>
<td>290</td>
</tr>
<tr>
<td>BIBLIOGRAPHY</td>
<td>292</td>
</tr>
</tbody>
</table>
CHAPTER I

THE LEND-LEASE ACT AND DEVELOPMENT OF AN ARMS SUPPLY
POLICY FOR THE AMERICAN REPUBLICS

President Franklin Delano Roosevelt's belief that the Nazi movement threatened the Western Hemisphere caused his administration to pursue a policy of making arms available to the American republics. Although many historians have written about the administration's Latin American policies and have mentioned the Nazi threat, not all agree when the administration became aware of it.


One former member of Roosevelt's administration, Cordell Hull—the Tennessean who had served as Roosevelt's secretary of state from 1933 until 1944--wrote in his Memoirs that he became aware of the menace while attending the 1936 foreign minister's meeting in Buenos Aires.

¹
Hull's visit to Lima for the 1938 Pan American Conference revealed that the Nazi threat had become so pervasive that it put the Western Hemisphere in imminent danger. The secretary concluded that although invasion was a possibility, "propaganda, penetration, organizing political parties, buying some adherents, and blackmailing others" were more acute forms of the threat.²

The Roosevelt administration began efforts to make arms available to the republics to counter the threat as early as 1936 when Assistant Secretary of State Sumner Welles, Roosevelt's fellow New Yorker and close friend, convinced the president that the United States should sell Brazil ten cruisers. Welles believed that the sale—ultimately aborted—would make the Brazilian navy an auxiliary of the United States Navy in the event there was a "confrontation between the Old and New Worlds."³

The unsuccessful 1936 endeavor was only the first effort to supply the republics, and especially Brazil, with armaments in the latter half of the 1930s. In 1937 Welles, who had become undersecretary of state during the year, tried again to find a method of supplying arms to Brazil's navy. This attempt involved a plan to lend six decommissioned vessels to Brazil, but the United States discarded the idea when Argentina objected.⁴

Unable to discover a method for supplying arms, Roosevelt found it easier to create an administrative
organization in Washington charged with strengthening military ties and promoting the sale of munitions and hardware in the American republics. At the State Department’s request, FDR, in 1938, created the Standing Liaison Committee with Welles as its chairman and with representation from the War and Navy Department.\(^5\)

Late in the same year, Roosevelt told Welles that he wanted legislation to permit sale of surplus military equipment at cost to the American republics. The legislation was thought necessary because, at the time, sales of munitions were strictly commercial—not governmental—transactions. Welles drafted a joint resolution early in 1939 that met the president's wish. Congress altered the resolution by making only defensive equipment (coastal defense and anti-aircraft guns) available. In addition, Congress prohibited the United States from promoting the sale of weapons and required purchasers to pay cash, although the price of the arms was to be the same as the United States government paid for its purchases. By charging the same price, Washington hoped the weapons would be within the budgetary limits of the republics. Congress did not pass the resolution (Joint Resolution 367) until June 1940.\(^6\)

After introduction of the resolution in Congress and long before its passage, Chile, in the autumn of 1939, requested arms from the United States. Welles desired to
accommodate the Chilean request, but until Congress passed
the resolution that Roosevelt wanted, there appeared to be
no way to help. Eventually the Roosevelt administration
decided that it did have the authority to meet Chile's
request based on a 1920 measure authorizing the sale of
surplus matériel.\(^7\)

Once Washington had determined its ability to sell
surplus arms, the United States began to inventory its
supply to determine what was available. As word leaked out,
requests poured in from Brazil, Argentina, Colombia, Cuba,
Mexico, El Salvador, and the Dominican Republic for lists
of available weapons. Panama expressed an interest in
buying rifles.\(^8\)

Requests for surplus arms posed questions for the
Roosevelt administration. Would the United States sell
surplus rifles and machine guns in addition to defense
equipment? Which republics would be able to purchase arms?
What method of payment would be used?

In December 1939 Roosevelt agreed to sell rifles and
machine guns to Haiti. The president did not, at the time,
determine which republics were eligible for purchasing arms.
A problem in this area arose in early January 1940 when
Undersecretary Welles told Chief of Staff George C. Marshall
that he should refuse a Dominican Republic request to
purchase 4,000 rifles even though, in the previous month,
Roosevelt had authorized the sale of rifles to Haiti, the
Dominicans' neighbor. Welles advised Marshall to tell the Dominicans that their request was under consideration but that the rifles they wanted (Springfields) were unavailable. Marshall, apparently embarrassed because there was a large supply of Enfield rifles available (although not requested), told the undersecretary he wanted advice on how he could tactfully reject the Dominican request.⁹

Before the Roosevelt administration could resolve the question of which republics would be able to purchase arms, it had to study the strategic importance of each Latin American nation in relation to the limited supply of matériel in United States arsenals. The administration completed its study, and the president approved the allocation policy in early August 1940. It provided:

a. For arming the countries named to the extent indicated, is determined in each case by our estimate of the requirements:

   1. (a) Brazil--to insure her ability to defend herself against a major attack from neighboring states, or from overseas, and against internal disorder, until United States armed aid can arrive in sufficient force to insure success.
       (b) Mexico--to insure her ability to defend herself against internal disorder, until U.S. armed aid can arrive in sufficient force to insure success.

   2. Ecuador, Colombia, and Venezuela--to insure their ability to meet and repel any probable minor attack from overseas, and to insure their internal stability.


   4. Argentina, Uruguay, Chile, Paraguay, Bolivia, and Peru--to be determined after requirements of other republics have been computed and plans to supply them have been approved.
b. For providing these arms on financial terms these Republics can meet.

c. For assistance in the matter of military, naval, and industrial personnel.

d. For adjusting the economic relations between the United States and Latin American states to insure the latter's political cooperation. Financial arrangements to accomplish this adjustment should be made on the basis of accepting the loss as a proper charge against our national defense.  

Listing the republics in order of priority did not answer fully the issue of eligibility of arms purchases. It provided insight to Washington's attitude on supplying each of its neighbors with war equipment, but ultimately the Lend-Lease Act solved the matter when the president extended the act to all of the republics.

The method of payment for American arms was difficult to resolve. Because United States arms were expensive and laws required payment in cash, there were few sales of surplus arms to the American republics. In June 1940 Welles wrote the president about the republics' financial plight. The nations wanted to buy United States arms but could not arrange financing through the Reconstruction Finance Corporation or the Export-Import Bank. Neither organization could lend money for arms purchases. Welles appealed to Roosevelt that it was time to change that policy and allow arms procurement on credit. Congress responded in the autumn by authorizing the Export-Import Bank to lend the American republics a total of $500,000,000 but not, as Welles wanted, for purchasing arms. The bank's increased
lending capacity was to assist economic projects in the republics such as constructing a steel plant in Brazil and highways in Nicaragua.11

By the fall of 1940, then, Washington had not resolved the practical question concerning arms purchases—how to finance them. The absence of a solution did not prevent Washington from discussing the subject with each of the republics. From fall of 1940 until spring of 1941, after Congress passed the Lend-Lease Act and the president declared the American republics vital to the defense of the United States, Washington was in the embarrassing position of being unable to assist the republics to buy arms necessary for their defense.

Even though Washington had not resolved the financial question, there were steps in fall of 1940 to establish the bureaucratic machinery to handle the republics' future arms purchases. In December a new agency, the Joint Advisory Board on American Republics, was in place to perform the function. The board, composed of three army and two navy members, was to process arms requests from the republics and to "study problems related to inter-American military collaboration and make recommendations to the secretaries of war and navy." The chairman of the joint board throughout the war was Captain (later Admiral) William O. Spears, a Tennessean who had graduated from the Naval Academy in 1905 and who had served on naval missions to Brazil and Peru.
before his retirement in 1940. The navy appointed Spears, after his retirement, to the joint board as well as to the directorship of its Pan American Division.\textsuperscript{12}

In early March 1941, eight days before Roosevelt signed the Lend-Lease Act into law, the board recommended selling $400,000,000 worth of arms over the next four or five years to the republics. The board suggested that the United States should begin immediate financial negotiations with Brazil, Chile, and Uruguay (the republics the board identified as upset with their inability to acquire United States arms) for purchases without waiting for passage of the Lend-Lease Act. Nonetheless, Washington did wait for the act to supply the necessary funding arrangement for the arms purchases for all the republics except Brazil, which had been conducting arms negotiations since January.\textsuperscript{13}

In addition to the Nazi threat, another influence behind Washington's armament sales to the American republics was a desire to achieve political objectives. Roosevelt's August 1940 arms allocation policy repeatedly mentioned the need to provide arms to assist the republics in preventing internal disorder. In its March 1941 recommendations, the joint board reiterated and expanded Roosevelt's policy by stating that the United States should "aid in maintaining in office a government willing to cooperate with us in hemisphere defense."\textsuperscript{14}
The lend-lease idea began to solidify in Roosevelt's mind during his vacation in December 1940. Almost immediately after he returned to Washington, Roosevelt delivered his "Arsenal for Democracies" fireside chat in which he stressed the Nazi threat and the need to aid democracies, especially Great Britain. Should Germany defeat the British, then "all of us, in all the Americas, would be living at the point of a gun—a gun loaded with explosive bullets, economic as well as military," he said. The Americas represented the "most tempting loot in all the round world," and Hitler's forces were already "within our gates" seeking the prize.15

Shortly after his speech to the nation, Roosevelt addressed Congress where he again mentioned his desire to have the United States act as the arsenal for the democracies. On 10 January 1941, therefore, Representative John W. McCormack, a Democrat from Massachusetts, and Senator Alben Barkley, a Kentucky Democrat, introduced a measure designed to do what the president wanted. The measure was House Resolution 1776, "A Bill to Promote the Defense of the United States and for Other Purposes." The resolution proposed giving the president authority to acquire defense articles for sale, transfer, exchange, lease, or lend to countries he believed vital to the defense of the United States. A defense article was any matériel, service, or information required in waging war. Additionally, the
resolution provided the president with discretionary power in determining repayment from the recipient nations.¹⁶

There is no doubt that Roosevelt intended the Lend-Lease Act to apply to the American republics. Robert E. Sherwood relates that during the drafting of the "Arsenal for Democracies" speech, there was controversy among White House insiders over whether some republics met the criteria of being democratic. Welles, shortly before introduction of the act in Congress, told a War Department officer that Roosevelt was planning a measure to aid the republics in acquiring arms. Historian Warren F. Kimball writes that originally the draft copy of the bill "specifically mentioned Britain, Greece, China, and the American Republics," but Hull suggested that the act should not list eligible recipients. The drafters agreed and dropped the enumeration. In a news conference held on 10 January 1941, the day FDR supporters introduced the act, the president said that the proposed measure's benefits would be available "to Latin American countries and to all democracies resisting aggression in the world."¹⁷

There was little mention of the American republics during congressional debate on the Roosevelt proposal. Adolph J. Sabath, a Democrat from Illinois, favored the measure as a method to guard the Western Hemisphere from the Nazi threat. He saw the threat coming from a Nazi invasion. Sabath's suggestion to neutralize the threat was to support
the president's proposal and give all possible aid to Great Britain. Other members of the House expressing similar thoughts included Butler B. Hare, a Democrat from South Carolina; Charles L. Gifford and George J. Bates, Republicans from Massachusetts; and Wirt Courtney, a Democrat from Tennessee. Not all members, however, agreed on the threat to the hemisphere. Hamilton Fish, a Republican from New York, discounted the likelihood of Germany ever invading South America.\textsuperscript{18}

After the House approved the measure on 8 February, the Senate began debate. As in the House, the Senate only modestly mentioned the Western Hemisphere, and most references were to a potential threat if Germany won the war in Europe. Tom Connally, a Democrat from Texas, predicted an Axis victory would eventually lead to an attack on the Western Hemisphere. Lister Hill, a Democrat from Alabama, remarked that if Germany defeated the British, then Hitler could take "some of the South American countries by telephone." The senator's graphic illustration reflected his belief that there were enough Germans living and working in South America to take control whenever Berlin gave the order.\textsuperscript{19}

Some senators scoffed at the idea of Hitler invading the United States through South America. William J. Bulow, a Democrat from South Dakota, said the United States could defeat Hitler easier in Mexico "or in South America than we
can lick him in Germany." Robert A. Taft, Ohio Republican, discussed logistical problems confronting a German invasion of South America and concluded that the thought of an invasion was fantasy. Robert M. LaFollette, Jr., a Republican from Wisconsin, and Dennis Chavez, a New Mexico Democrat, lamented that Roosevelt had not consulted the American republics before introduction of the act and that passage of the act might have an adverse impact on the Good Neighbor Policy. Francis Maloney, a Democrat from Connecticut, thought the act might speed United States collaboration with the republics. Burton K. Wheeler, a Democrat from Montana, feared the bill might lead to the United States supplying aid to uphold the "dictator of our choice in each of these countries." By providing or not providing arms to the republics under the proposed bill, Wheeler warned, the United States might find itself with a greater string of puppet governments than any nation in history.20

The Senate approved the Lend-Lease Act on 8 March. Since the upper house's version differed from that of the lower, the latter gave its approval on 10 March. Roosevelt signed the measure the following day.21

While Roosevelt had always intended the act to apply to the American republics, the newly passed law required the president to declare recipient nations vital to the defense of the United States. Welles, privy to the president's
thoughts, stated that the republics were eligible; and the undersecretary, in late March, informed the Brazilians of their eligibility. Not all Washington officials agreed with Welles. Lieutenant Colonel Matthew B. Ridgway, a member of the general staff in the War Department from 1939 until 1942 and member of the Joint Advisory Board on American Republics, suggested to Laurence Duggan, the State Department's adviser on Latin American political relations, that there was a need for an "authoritative decision that the Lend-Lease Bill will be extended to cover the American republics." In early April Duggan asked Welles and Assistant Secretary of State Dean Acheson if the president intended to use the Lend-Lease Act to fund the joint advisory board's recommendation of $400,000,000 worth of arms sales to the American republics. Action came swiftly. About two weeks after Duggan's inquiry, the secretaries of state, war, and navy sent the president a letter recommending that he declare the republics vital to the defense of the United States. Roosevelt concurred on 6 May with the authoritative decision Ridgway thought was necessary.²²

At long last, a program supplying arms to the American republics was a reality. The immediate need was for the State Department to work out the mechanics for negotiating lend-lease agreements with the republics. Brazil, the republic with whom the United States had been negotiating arms purchases since January, provided the department's
first experience in preparing an acceptable format for a lend-lease agreement. By late June, the department finished its proposal, and the president approved it.23

By the middle of July the department began to deliver proposed lend-lease agreements to the republics. Each proposal called for the United States to transfer a set value of arms for which the recipient nations would repay a portion of the value over a six-year period. Departmental personnel at first favored repayment in raw materials, but the final decision favored cash payments of about one-third of the armaments' value.24

By late December, about two and a half weeks after the attack on Pearl Harbor, Welles wrote the president that the United States and seven American republics had signed lend-lease agreements and that several other agreements were imminent. Unfortunately, the United States declaration of war following the Pearl Harbor attack delayed arms deliveries to the republics. Undersecretary Welles pleaded for at least modest shipments of arms to the area to avoid loss of political support for the war and loss of confidence in the United States. Nonetheless, arms deliveries in 1942 were slow and limited because Washington stressed aid to those countries actually fighting the Axis powers.25

During the last five and a half months of 1941, when the United States was negotiating lend-lease agreements with the republics, some nations wanted to use lend-lease credit
allocations for purposes other than acquiring arms. Cuba, for example, wanted to use $2,000,000 to buy firefighting equipment and devices for detecting illegal radio stations. Bolivia wanted $1,000,000 for purchasing locomotives; Venezuela wished to have funds for dredging the mouth of the Orinoco River and constructing aviation fields; and Colombia and Paraguay desired to construct military hospitals, barracks, and roads. The department, after studying congressional intent, rejected these proposals.  

Emilio Collado, a Harvard trained economist serving as assistant chief of the Division of the American Republics, fashioned the department's policy. He argued that lend-lease funds were to purchase arms and not to finance construction projects. The Export-Import Bank stood ready to provide loans for the latter purpose. There was no departmental intention of using lend-lease funds to finance economic development.

The United States concluded lend-lease agreements with seven of the republics by the end of 1941 and eighteen by March 1943. There were no new agreements after that date. Panama and Argentina were not included in the program. The United States cared for Panama's needs through other means, and relations with Argentina did not permit conclusion of an agreement. Even with the two exceptions, total authorized lend-lease allocation for the republics reached $425,890,000 by the end of 1943. By 1 November 1943, the
United States had either invoiced or delivered slightly over one-fourth of the authorized aid. After thirty months of operation of the Lend-Lease Act, the Latin Americans had received or were to receive less than $110,000,000 worth of arms. The republics had, in addition, received the use of $22,000,000 worth of leased naval vessels. Such equipment did not count in the grant of credits for repayment purposes. Charges for the leased vessels were nominal.27

Even though Washington had invoiced or delivered less than one-fourth of the authorized aid by the end of 1943, the United States had begun in June to formulate a revised policy on making lend-lease arms available to the republics. Revising the policy began when the Standing Liaison Committee questioned continuation of the operations. Welles brought the issue to the committee because of his belief that the primary rationale for providing the republics with lend-lease arms—to protect the hemisphere from an Axis threat—had largely ceased. The undersecretary sought a newer and more realistic basis for providing arms. His ideas included recognition that the United States had to carry out all "solemn commitments" to deliver arms, determination if the United States should supply additional arms, and examination of the likelihood that the war in the Pacific would require the United States to continue shipping arms to republics which might be of assistance in that area.28
In addition to the need for a revised basis for supplying arms, requests for equipment upset Welles. Uruguay, the undersecretary thought, sought far more arms than its defense required. Its requests, including dive bombers, combat planes, howitzers, mortars, anti-aircraft guns, and destroyers, were not based on any enemy threat to Uruguay. Another aspect of lend-lease that troubled Welles was the rise of jealousies over what armaments various nations received. Paraguay and Bolivia, suspicious neighbors, were prime examples. Paraguay demanded "point-by-pint" everything that Bolivia received. Argentina's attitude motivated Welles to want a revision in lend-lease policy. Only ten days before the undersecretary spoke to the committee of the need for revision, there had been an army-led revolution in Argentina resulting in a new government. Welles believed that the new Argentine administration would try to secure a lend-lease arms agreement, and the undersecretary did not want that to happen. A change in policy was one way to prevent it.  

In the middle of August, the committee brought the subject of revision before the secretary of state who, a month later, suggested that the secretaries of war and navy might wish to reconsider the program. At the request of the War and Navy Departments, the Joint Advisory Board on American Republics studied Hull's suggestion. The board proposed, in a study forwarded to Hull on 30 December 1943
and approved by the Joint Chiefs of Staff, a revision of lend-lease which provided:

That in general, future procurement under Lend-Lease shall be approved only for the following projects:

(1) The development and preparation of such ground, naval, and air forces, with their supporting establishments and installations as may be required for joint operations with the United Nations Forces engaged in antisubmarine or other offensive military operations within the hemisphere.

(2) The training and equipping of such American Republic Forces as may be employed in conjunction with forces of the United Nations in offensive operations overseas.

(3) The repair and maintenance of existing equipment essential to the war effort where facilities do not exist for making repairs locally.

(4) The shipment of limited amounts of certain armaments to enable our military and naval missions to maintain an interest in American matériel and training methods to the exclusion of non-American matériel and influences.

(5) The furnishing of munitions and equipment by type and in the quantities best designed to maintain internal security in those countries exporting vital strategic materials to the United Nations and whose governments continue to support the United States.30

The board also recommended that the United States should conduct a new round of staff conversations with the American republics. The purpose of the conversations would be to "arrive at an inter-American understanding and plan as to the type and strength of the Armed Forces necessary to maintain order and insure continuing military collaboration in the Western Hemisphere." Under this plan, primary responsibility for military cooperation of the republics and for arrangements to deliver American arms rested with
the War and Navy Departments and not with the State Department. The board suggested that after the War and Navy Departments conducted staff conversations and concluded new arms arrangements with the republics the United States cancel the original lend-lease agreements. The former lend-lease funds would then be available to procure armaments in harmony with the guidelines set out above. If a republic wished to buy arms other than what the War and Navy Departments thought were necessary, then the republic could purchase the matériel for cash. An underlying theme in the board's recommendations was that the United States should make available "surplus standard United States war materials for the purpose of equipping Latin American Armed Forces as may be determined by inter-American agreements." State Department reaction was favorable. The secretary of state was willing to accept the board's recommendations on future arms supply as being an interim policy pending staff conversations and revision of the lend-lease agreements. There was one point, however, upon which the department insisted—there should be no revisions of any lend-lease agreements until after the staff conversations. Any attempt to refuse lend-lease arms requests from the republics without first paving the way with staff conversations would result, Hull said, in creating "political
problems of a very serious character which might go far to undermine our relationships with those republics." In late June, the State Department informed the chiefs of missions in the American republics that United States policy would limit future shipments of lend-lease armaments after 1 July 1944.33

The secretary of state's amazingly agreeable attitude in accepting the board's suggestion that the War and Navy Departments should have complete control over allocation of arms credit purchases by the republics did not last long. Hull changed his mind by mid-August. Departmental personnel informed him that acceptance of the board's suggestions precluded the State Department's having any say in arms allocations financed on credit terms. Hull affirmed that such a development was not acceptable because "the delivery of arms, ammunition and implements of war to the other American republics whether under Lend-Lease or for cash, always involves important political considerations." The department's willingness to agree to the board's suggestion of limiting the flow of matériel to the republics did not mean that the department had given up its right "to consider the question of [assigning] arms from the point of view of their possible effect on the foreign relations of this country."34

When late in August Hull took the issue to the president and argued his point that the further supply of arms to
the republics was a foreign policy issue, the president agreed. Soon the secretaries of war and navy agreed that
the State Department should have controlling weight "in the
determination of the order of priority in point of time of
issues of equipment among the Latin American Republics."35

The secretaries of state, war, and navy sparred over
what was to be the proper relationship between State Depart-
ment personnel in each of the republics and War and Navy
Department officers who conducted staff conversations. Hull
argued that his diplomats had responsibility for maintaining
friendly relations between the United States and the host
government. America's chiefs of diplomatic missions should
be, the secretary of state maintained, "in a position to
guide the [staff] conversations within proper channels."
Further, Hull wanted the chiefs of missions free to appoint
members of their own staffs to attend the conversations in
Cuba, Colombia, Mexico, and Panama because "special con-
ditions" in those countries required political rather than
military officers to lead the talks. The Departments of
War and Navy did not share the State Department outlook.
They insisted that chiefs of missions should have only
limited functions such as arranging meetings, introducing
military officers who would conduct the conversations,
presiding over the first meeting, resolving any impasse,
receiving reports on the progress of talks, and expressing
their views after the conversations ended.36
Such an attitude on the role of the chiefs of missions was unacceptable to the State Department. The issue was so serious, the department believed, that Edward R. Stettinius, Jr., whom Roosevelt appointed as secretary of state following the ailing Hull's late November resignation, sent a letter to the president complaining of the War and Navy Departments' disregard for the ambassadors' role in the upcoming talks. Secretary of War Henry L. Stimson urged Stettinius to retrieve his letter to the president and commented that the secretaries of war, state, and navy should work out their differences; Stettinius did. In early December the departments, after arguing for four months, resolved their differences on the role each would play in the staff conversations.37

By the end of 1944 the secretaries were ready to enter staff conversations for ending the lend-lease agreements with the American republics. A new arms arrangement resulting from the conversations was to replace the earlier pacts, but events in 1945 scuttled the plan. By the middle of May, a week after Germany's surrender, the United States had completed conversations with only seven republics while discussions were in progress with the others. In August Japan surrendered, and shortly after that event President Harry S. Truman, who succeeded to the office upon Roosevelt's death in April, terminated lend-lease. The result was that the United States never did cancel
its lend-lease operation with the republics until the
president terminated the whole program. The Department of
State adopted the joint board's 1943 recommendations, but
there was no reallocation of lend-lease dollars to provide
arms to standardize equipment as the joint board had
recommended.38

During the war years, the United States allocated
$425,890,000 for the American republics' lend-lease
accounts; however, total aid supplied reached approximately
$493,000,000. The reason for the overrun was that Brazil's
transfers far exceeded the authorized amount. Brazil's
experience was different from that of most other republics,
who received less than the authorized amount. Appendix A
illustrates this point.

Reviewing the value of the transferred arms reveals
that Brazil received about 73 percent of the total. The
remaining 27 percent of the aid (about $131,654,000) went
to seventeen republics. Aircraft and aeronautical matériel
as well as naval vessels and other watercraft accounted for
almost one-half of the lend-lease expense (about
$240,000,000). Slightly over one-fourth of the money pur-
chased ordnance, tanks, and other vehicles. The balance was
miscellaneous military equipment, facilities, and other
items. In addition to these expenses, the United States
leased to the republics $56,500,000 worth of naval vessels
but they were not a part of the total lend-lease aid.

Adding the value of the leased vessels, the total reached about $550,000,000. \textsuperscript{39}

2. Cordell Hull, The Memoirs of Cordell Hull, 2 vols. (New York: Macmillan Company, 1948), I:495-96 and 601-2. One has to view skeptically Hull's ability to have seen clearly the Nazi threat as he described it in his 1948 Memoirs. The reason is that in mid-July 1939 he discounted the threat in a telegram sent to Ferdinand L. Mayer, United States minister to Haiti. In his message the secretary of state was rejecting a Haitian request for construction of a United States military installation in the tiny Caribbean nation. Hull told Mayer that he was in a state of bewilderment over Haiti's claim that the installation was necessary because of concern over outside aggression. "Despite occasional alarmist reports," the secretary of state wrote, "there appears to be no deep-seated similar feeling in Cuba, the Dominican Republic, Puerto Rico, or any other part of this hemisphere." U. S., Department of State, Papers Relating to the Foreign Relations of the United States, 1939, 5 vols. (Washington, D. C.: Government Printing Office, 1957), 5:645 (hereafter referred to as Foreign Relations, Year, volume: page).


After Congress began consideration of the joint resolution, Hull informed United States embassies and legations in the American republics of the proposal. The secretary requested that the diplomats report reactions which news of the resolution caused in governmental circles in the nations in which they served. Jefferson Caffery, ambassador to Brazil, reported that Brazilians believed the measure was vitally necessary and long overdue. Norman Armour, ambassador to Argentina, replied that the Argentinians viewed the proposal as an "expression of [a] policy of good neighborliness and collaboration." Foreign Relations, 1939, 5:3 and 12-13.

7 Conn and Fairchild, Framework, pp. 210 and 208-9; and Gellman, Good Neighbor Diplomacy, pp. 131-32.

8 Foreign Relations, 1940, 5:2-3.

9 Conn and Fairchild, Framework, p. 210; and Standing Liaison Committee, minutes of meeting held 9 January 1940, Record Group 353, "Minutes of the Standing Liaison Committee, 1938-1943," Box 2, National Archives, Washington, D. C. (hereafter referred to as Standing Liaison Committee, minutes of meeting, RG 353, and Box).

Eventually Brazil purchased some coastal defense guns, Nicaragua purchased some rifles, and Haiti appeared to have purchased some rifles—those approved by Roosevelt. Most studies on this topic record Haiti's purchase; however, the sale never materialized because Haiti's minister in Washington killed the deal. He objected to the idea of buying arms for the Haitian Garde, so he failed to execute the arrangement. When the Haitians did not buy the rifles, the United States sold them to Canada in the summer of 1940. Richard M. Leighton and Robert W. Coakley, Global Logistics and Strategy, 1940-43 (Washington, D. C.: U. S. Government Printing Office, 1955), p. 40; and U. S., Department of State, Selden Chapin to Mr. Welles, memorandum, 26 July 1940, 838.24/87; and Welles, memorandum of conversation with Elie Lescot [Haiti's minister to Washington], 19 October
Conn and Fairchild, Framework, p. 210, records that Haiti was unable to complete the sale due to a lack of money. That is an error because Haiti's minister to Washington, Elie Lescot, received $31,250 from his government to make the purchase. Lescot's failure to spend the money or to return it promptly to his government became a political issue in Haiti when Sidney de la Rue, an American serving as Haiti's fiscal representative, charged Lescot had erred in not returning the funds. Lescot did return the funds and de la Rue had to leave Haiti after the Haitian won election as the nation's president. Lescot to Welles, letter, 14 October 1940, 838.24/94; Duggan to Welles, memorandum, 18 October 1940, FW838.24/94; and Welles, memorandum of conversation with Elie Lescot, 19 October 1941, 838.24/95.


14 Ibid.


19 Ibid., pp. 1158 and 1165.

20 Ibid., pp. 1254, 1283, 1306, 1483-90, 1511, and 1522.

21 Ibid., p. 2097; and Stettinius, Lend-Lease, pp. 84-85.


23 Foreign Relations, 1941, 6:138-41.

24 Ibid., pp. 142-43, and 135; and Ibid., 1944, 7:88. By the middle of July the department had begun negotiations with Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, the Dominican Republic, Guatemala, Haiti, Honduras, Nicaragua, Paraguay, El Salvador, Uruguay, and Venezuela.

25 Ibid., 1941, 6:147. The seven nations which had already signed an agreement before the end of 1941 were Bolivia, Brazil, Cuba, the Dominican Republic, Haiti, Nicaragua, and Paraguay.

26 Ibid., pp. 144-45.

27 Ibid., 1944, 7:88-89. The thirty months of operation of the lend-lease program starts when Roosevelt declared the republics vital to the defense of the United States in May 1941 until November 1943. Who's Who in America, s.v., "Collado, Emilio G."

28 Standing Liaison Committee, minutes of meeting 14 June 1943, RG 353, Box 2.

30 Foreign Relations, 1944, 7:87, and 90-91.
31 Ibid., pp. 91-92.
32 Ibid.
33 Ibid., pp. 96-98; and Ibid., 1945, 9:244. The final version of the State Department policy differed slightly from what the joint board had recommended. The department told its missions that the policy, effective until 30 June 1945, was:
   a. The development and preparation of such ground, naval and air forces, with their supporting establishments and installations as may be required for joint operations with United Nations forces within this hemisphere.
   b. The training and equipping of such American republic forces as may be employed in conjunction with forces of the United Nations in offensive operations overseas.
   c. The repair and maintenance of existing equipment essential to the war effort where facilities do not exist for making repairs locally.
   d. The shipment of limited amounts of certain armaments and material deemed essential to the carrying on of the programs in which United States military and naval missions are engaged.
34 Ibid., 1944, pp. 99-102.
36 Ibid., pp. 113-14, 123, and 121-22.
37 Ibid., pp. 127-30. The settlement of the controversy provided:
   a. All preliminary arrangements for military staff conversations will be made through diplomatic channels.
   b. The United States ambassador will be the adviser on all protocol arrangements, make the necessary introductions to the foreign representatives designated to conduct these conversations, attend the opening and closing plenary sessions, and, if he deems it advisable,
attend or be represented at other general meetings.
c. Throughout these military staff conversations the
ambassador will be kept fully advised of the progress
of all conversations, and although he will have a right
to be present at any meeting if he thinks this neces-
sary, it is not contemplated that the ambassador will
find it advisable to be present at conversations of a
technical, military and exploratory nature.
d. The ambassador will have general guidance of the
conversations on all political matters.
e. The ambassador will have the power to veto or
terminate any part of the conversations which he con-
siders would have injurious political results, subject
to review by the State, War, and Navy Departments in
Washington.
f. The ambassador will not have power to give direc-
tions to military or naval representatives as to
technical military or naval matters.
g. In case the ambassador or naval representatives
disagree as to the conflict of the conversations and
the question arises whether military (naval) or politi-
cal matters are involved, the disagreement will be
referred to the appropriate departments in Washington
for decision.

Ibid., 1945, 9:242, 256-57, and 244; and Ibid., 1944,

U. S. Government, Forty-Fourth Report to Congress on
Lend-Lease Operations, For the Year Ending December 31, 1962
App. 1 (b) (hereafter referred to as Forty-Fourth Report).
CHAPTER II

MEXICO

On the day after Japan attacked Pearl Harbor, Mexico—the United States' closest southern neighbor—severed relations with Japan and three days later, with Germany and Italy. Mexico's act of friendship toward the United States in 1941 was completely different from its pro-German attitude during World War I when two or three United States divisions patrolled the Rio Grande border.¹

As late as September 1939, President Lázaro Cárdenas said there was no difference in war objectives of the Allied and Axis powers in Europe. In early 1940 there was a strong Nazi minority in Mexico, causing apprehension over a possible fifth-column movement. Washington defense planners, by mid-1940 after the fall of France, placed emphasis on Mexico for defense of the United States and the hemisphere. Finally, there was concern over Mexico's presidential election scheduled for July 1940. Some observers worried that disturbances might follow the election and give Nazi agents an opportunity to take advantage of the situation.²

About the time of the fall of France, the United States began conversations with Mexico on hemispheric defense.
Mexico's position was that there was no immediate threat of a German invasion and that Nazi activities in Mexico were not a serious danger to the continent. Still, Mexico expressed willingness to collaborate with the United States on defense. Mexico's greatest need was for arms and equipment.\(^3\)

Shortly after the conversations, Mexico held elections and selected Avila Camacho as its new president. Despite fears of a political uprising protesting the election, the new president took office in December without incident. Looking back on the years immediately before the war, historians note a \textit{rapprochement} between the United States and Mexico. Perhaps it began as early as 1939, but it was clearly in place in late July 1940 when Mexico's president-elect hinted that his country would go to war if a power attacked the United States.\(^4\)

After Avila Camacho became president and the United States declared war almost a year later, Mexico demonstrated its friendship by aligning quickly and publicly with its neighbor. Washington, long under pressure to provide arms to the republics, had established Mexico's eligibility for lend-lease shipments in early May 1941; however, two problems prevented the State Department from presenting Mexico with the mid-July War and Navy Departments' proposed $31,000,000 lend-lease agreement.\(^5\)
One problem was Mexico's 1938 expropriation of American oil properties. Happily, the State Department announced a broad settlement to this issue in mid-November 1941. Hull later described the agreement as "a large factor in having our neighbor to the south in full accord with us at the moment of Pearl Harbor." 6

Another problem was United States access to Mexican airfields and naval bases. United States military representatives had discussed the matter with Mexican officials since July 1940, but efforts to win agreement had been futile. In early August 1941 Welles directed that the State Department not discuss lend-lease with Mexico "until there has been a satisfactory outcome of certain negotiations regarding use of Mexican harbor facilities." 7

Even though the two nations had not resolved the issue by mid-October, Welles changed his mind and directed Herbert S. Bursley, assistant chief of the Division of the American Republics, to explain to Mexican officials the purchase of American arms under lend-lease. Welles wanted Bursley to avoid mentioning exact dollar amounts but to stress the approximate 50 percent reduction and six-year payback aspects of the proposed agreement. The specific terms the undersecretary wanted down-played involved a $31,000,000 arms transfer program with army equipment making up $25,000,000 and naval matériel amounting to $6,000,000. First year deliveries were to total $13,000,000 with about
75 percent of the armaments for the Mexican army and the balance for the navy. Repayment was spread over six years with annual installments at $2,500,000. Although Welles stood ready to support the full agreement if the War Department insisted it was necessary for hemispheric defense, he believed that Mexico's needs were significantly less and that announcement of the figures would encourage Mexico to order more arms than needed.\textsuperscript{8}

Soon after Welles's approval of discussions, Mexico consented to allow use of its airfields and naval bases. The Mexican concession came on Christmas Eve 1941, two and a half weeks after the attack on Pearl Harbor. Mexico agreed to the request because the United States had been the victim of aggression and was at war.\textsuperscript{9}

At the same time, the United States and Mexico approved creation of a joint defense commission to coordinate the nations' joint efforts on the southern United States boundary as the Permanent Joint Board on Defense, Canada-United States, did on its northern boundary. Settlement of the oil controversy in November and the airfields and other defense matters in December paved the way for an arms agreement in early 1942.\textsuperscript{10}

In March Bursley called on Mexico's ambassador to Washington, Castillo Nájera, to discuss a lend-lease agreement. Bursley left Nájera with two proposals. One provided for a $31,000,000 lend-lease agreement, and the other was
for a much smaller program, $10,000,000 in arms transfers. Bursley told the ambassador that the option to accept the smaller agreement was only for convenient reference and was not an effort to reduce the amount from $31,000,000, if that was what Mexico desired.11

The Mexicans opted for the lesser figure and signed an agreement with the United States on 27 March 1942. It provided for $10,000,000 in armaments at a 52 percent reduction of their value. Mexico agreed to repay $4,800,000 over six years.12

The United States was happy to have its southern neighbor sign the agreement and be on its side in the war. Harold D. Finley, first secretary of the United States embassy in Mexico City, reported that the signing of the agreement "will go far toward influencing the average Mexican to take a more heartfelt interest in the war." Finley observed that the agreement had potentially enormous propaganda value. The announcement of the pact occurred almost at the same time that Mexico swapped airplane engines for six United States lend-lease airplanes. President Avila Camacho made much of the swap and was on hand when the planes arrived. One of the great strengths of the agreement was that it demonstrated that the United States had found Mexico to be a "sufficiently worthy ally [as] to be permitted to share our military might."13
Little time passed before the war hit Mexico. German submarines sank the *Portrera de Llano* off the Florida coast on 14 May and the *Paja de Oro* off the coast of Cuba eight days later; both vessels were tankers. Twelve Mexicans lost their lives in the sinkings. In response to the attacks, Mexico declared war on 30 May and signed the United Nations Pact in mid-June.14

Less than two weeks after Mexico's declaration of war, the Lend-Lease Administration inquired if the State Department favored making changes in Mexico's arms agreement. At first the response was that no changes were necessary, but after Mexico requested an enlarged arms program, the State Department supported it. Laurence Duggan told Orme Wilson, the State Department liaison officer with the War and Navy Departments, in late July that Welles would support an increase if the War and Navy Departments desired it. The undersecretary was thinking of an increase in Mexico's agreement to between $50,000,000 and $75,000,000.15

The War and Navy Departments supported an increase. Their proposal enlarged Mexico's allocation to $70,000,000. They reasoned that Mexico's entry into the war would lead to heavy military requirements. Also, Brazil and Mexico were the two most strategically important of the American republics, and the War and Navy Departments believed Mexico should receive special consideration similar to the generous way in which the United States had recently aided Brazil.16
The State Department informally told Najera of the War and Navy Departments' desire for increasing Mexico's lend-lease agreement. Najera learned that the State Department proposed to couple the increase with a reduction in the percentage Mexico had to repay for arms transfers. The original agreement obligated Mexico to repay 48 percent of their value while the department planned to require 35 percent in the enlarged agreement. The new discount would apply to any arms shipments Mexico received under the original agreement. Part of the expanded funds were to pay for construction costs of a road in Lower California and other highway projects, but none was available for rehabilitating Mexico's railroads. The State Department explained that the Mexican ambassador might better request a loan from the Export-Import Bank for the latter purpose.\(^{17}\)

Negotiations between the two countries on the enlarged lend-lease agreement carried over into the winter of 1942. By early December, Mexico wanted the agreement increased to $40,000,000 rather than $70,000,000. Mexico decided on the lesser figure after receiving an Export-Import Bank loan of $30,000,000 to purchase highway equipment. The agreement, signed on 18 March 1943, required Mexico to repay $13,200,000 or 33 percent of the value of arms received.\(^{18}\)

During the rest of 1943 there were two incidents which involved Mexico's agreement. One was a minor flare-up when Senator Arthur H. Vandenberg, Republican from Michigan,
raised questions about negotiation of lend-lease agreements, and the other stemmed from a distressing assessment of Mexico’s lend-lease aviation program.

Senator Vandenberg, in a Senate debate over supplemental lend-lease appropriations, asked if the United States had entered into any new lend-lease agreements since 11 March 1943, the date Congress extended the act. When Senator Kenneth D. McKellar, a Democrat from Tennessee, told him there had been none, the Michigan Republican said he hoped,

if any new agreements are written that those who write them will not ignore the unanimous, bipartisan observation of the Senate Foreign Relations Committee with respect to Article VII, if they wish to avoid considerable annoyance the next time there is a lend-lease appropriation.\textsuperscript{19}

The article to which Vandenberg referred was common to all lend-lease agreements. It was Article VII in the United Kingdom’s master agreement, and it was Article VI in Mexico’s revised agreement. The article referred to a desire for the signatory nations to promote mutually advantageous economic relations. Expanding trade, eliminating trade barriers, and attaining the Atlantic Charter’s economic objectives were among the desirable objectives.\textsuperscript{20}

Vandenberg’s reference to the need for lend-lease agreements to comply with the Senate Foreign Relations Committee’s observation revealed his suspicion that the executive branch would try to obtain the article’s economic
objectives by bypassing Congress's constitutional rights and obligations. He feared that there might be an attempt to reduce tariffs by executive action through lend-lease agreements. To forestall any such practice, Vandenberg noted that the Senate Foreign Relations Committee, nine days before the United States and Mexico signed the increased lend-lease agreement, had declared that, "The committee believes that there is no authority in the Lend-Lease Act to warrant any general post-war commitments of post-war policies." Vandenberg interpreted the statement to mean that the committee would not recognize executive branch tariff reductions, achieved by its authority under the lend-lease agreement, after the war.\(^2^1\)

The realization that the United States government had concluded the Mexican lend-lease agreement nine days after the Senate committee had objected to the offensive article particularly galled Vandenberg. He realized in June when he received a copy of the secret agreement with Mexico that McKellar's denial of the United States' having entered into any new agreements since 11 March 1943 had been in error. Since Washington treated the American republics' lend-lease agreements as secret, Vandenberg had received a copy of Mexico's agreement only after he had asked for it. He found that it included the exact language the Senate committee had recently condemned.\(^2^2\)
Since the executive branch had disregarded the Senate's viewpoint, the Michigan Republican believed the action required a complete disclosure of the matter to the Senate. "The question involved," Vandenberg explained, "is one of basic constitutional authority—to say nothing of the policy involved in thus making peace commitments and post-war commitments exclusively by executive fiat." The senator added that keeping the agreements secret lent weight to fears that the executive branch intended to seize unconstitutional power.23

Hull ended the issue early in July. He denied Vandenberg's assertion that the Senate Foreign Relations Committee had condemned the language of Article VII (of the master agreement). Furthermore, a State Department officer testified before the House Foreign Affairs Committee that neither the Lend-Lease Act nor any lend-lease agreement gave the executive branch power to change established constitutional procedures, especially in post-war economic policy matters.24

The second incident in 1943 involving Mexico's agreement was a lengthy analysis of Mexico's lend-lease aviation program by Major Herman W. Brann and Captain Paul B. Miller, both members of the United States Air Corps. Brann was temporarily in Mexico on a supply and maintenance mission, and Miller was the assistant attaché for air at the United States embassy in Mexico City. The commanding general of
the Mexican air force, Gustavo Salinas, requested that Brann spend the majority of his time in Mexico straightening out Mexico's lend-lease program. Miller assisted Brann in investigating the operation. They sent a report of their findings to George S. Messersmith, the United States ambassador to Mexico, who sent it to the State Department in late 1943. Messersmith characterized the account as "illuminating and devastating and distressing" and said that the picture it painted was "indeed a sorry one and one which does us no credit." 25

The Brann-Miller report bares Mexico's failure to use the matériel it received from the United States and reveals major United States errors in handling Mexico's aviation lend-lease program. Aviation equipment—about one train carload a week—began arriving in Mexico in April 1942. Even at this rate the Mexicans could not unpack and store the matériel. By early December 1943 there were approximately 2,800 unpacked crates in Mexico. The best estimate was that Mexico had "recorded, unpacked, binned or otherwise organized" 10 percent of its shipments. Actual usage was not over 5 percent. Brann and Miller blamed United States' administration of the program for the problem. 26

Washington's mistake in Mexico's aviation lend-lease operation was automatic assignment of equipment which the Mexican air force did not request. Possibly as much as 60 percent of the deliveries was in this category. Although
Mexican officials had repeatedly requested $50,000 worth of machine tools and raw materials to enable them to make minor repairs to damaged parts, none had arrived. Instead of sending the few items Mexico wanted, the United States assigned and sent unrequested shipments of $280,000 worth of searchlights, eight tons of aluminum alloy, and a three-year supply of tires. In addition, there were parts for planes which Mexico did not have and would not receive. Not only did the United States ship huge quantities of unrequested equipment, but much of the matériel, to the considerable amusement of Mexican officials, bore a "Rush" stamp on packaging labels. 27

Brann and Miller also found that Mexicans were reluctant to complain about United States errors in preparing shipping tickets because they feared their remarks might offend high United States officials engaged in a scheme to enrich themselves. Speculation put the overcharges at a minimum of $150,000. Brann and Miller noted that the discrepancies were the product of errors, not the enrichment scheme the Mexicans had suspected. 28

Finally, Brann and Miller found waste of critical resources in crating lend-lease goods for shipment. At a time when plywood, yellow pine, nails, wrapping space, shipping space, and manpower were critical for the war effort, United States lend-lease shipments to Mexico made conspicuous use of all of these items. One shipment of
six 3/4-inch rivets arrived in Mexico in a heavy pine box, 4 feet by 3 feet by 2 feet, and inside were several cardboard boxes packed with kapok and shredded paper. The rivets were in a cloth bag in the center of one of the cardboard boxes. There were thousands of examples of such excessive packaging. Brann and Miller believed a less extensive preparation-for-shipment procedure was appropriate. 29

In their conclusion the authors suggested that Mexico exchange unneeded and unrequested equipment for matériel the Mexican air force needed and wanted. Brann and Miller argued that failure to move swiftly on this action might lead Mexican officials to decide that "a bird in the hand [was] worth two in the bush and refuse to consider an exchange . . . ." Certainly the example of Maximino Avila Camacho, a Mexican politician and brother of Mexico's president, showed that Brann and Miller had a legitimate concern. Camacho took a lend-lease C-60 Lockheed airplane and offered it to the Compañía Mexicana de Aviación, a subsidiary of Pan American Airways. As a result the Mexican air force lost use of the plane. 30

To prevent future deliveries of inappropriate equipment, Brann and Miller suggested that lend-lease requisitions should originate from the United States embassy in Mexico City. The existing system of filing requisitions in Washington by the Mexican attaché was an obvious failure
because there was no coordination between the commanding
general of Mexico's air force and the attaché. Elimination
of the old procedure would automatically end the mis-
shipments of equipment to Mexico.31

Brann and Miller concluded with a skeptical view of
Mexico's ability to employ effectively aviation equipment
scheduled for delivery in 1944. President Avila Camacho
had just announced the 1944 air force appropriation of
$800,000, an amount far below the $12,000,000 requested by
the air force. With such meager resources to fund opera-
tions, the authors wrote:

the Lend-Lease aircraft and other materials
scheduled for the Mexican Air Force for the year
of 1944 will not be able to be used, and it is
quite likely that much of this material will
deteriorate to a point beyond serviceability.
Indeed, the latter is already occurring to numer-
ous Lend-Lease aircraft delivered in the last six
months to the Mexican Air Force, some of which
have not been flown since the 16th of September
review and which have since been run up seldom,
if ever.32

To underscore the point, Brann and Miller noted that
although Mexico had 165 trained pilots, the nation had
received 170 lend-lease aircraft, and twenty more planes
were at Kelley Field in San Antonio, Texas, awaiting
delivery. There was, however, some glimmer of hope because
if Mexico did not receive too many planes during 1944, 100
Mexican cadets finishing pilot training by the first of
January 1945 could use the excess.33
Messersmith's characterization of the report as not a pretty picture was apt. Messersmith blamed the United States Army for the problems. Both the United States and Mexico took quick action to correct the matter. Apparently the action was effective because in early April 1945 Messersmith said, "I believe the record will show that in no country of the other American Republics has Lend-Lease equipment been used more effectively and been kept in better condition than in Mexico."  

During 1944 the lend-lease program enabled Mexico to begin active participation in the war. The participation had begun at the end of the previous year when, in December 1943, President Roosevelt had deemed it advisable "to organize, train, and equip a Mexican air unit for ultimate employment in an active combat theater." As a result, a Mexican air squadron, the 201st Fighter Squadron, began training at Randolph Field in Texas in 1944. In early 1945 the 201st went into combat in the Pacific theater of operations. Its service was commendable, and two members received individual decorations from General Douglas MacArthur, supreme allied commander in the Pacific.  

Despite Mexico's contribution to the war effort there was criticism in April 1944 when Representative Fred Bradley, a Republican from Michigan, recklessly lambasted Mexico's lend-lease program. He based his allegation on the word of a friend (who he said was a nationally known engineer and
contractor) just back from a six weeks' tour of Mexico. Bradley charged that Mexicans, and even recently arrived European refugees, were able to acquire electric refrigerators, electric stoves, vacuum cleaners, radios, and enamel bathtubs under lend-lease. While in the United States, Bradley said, "You and I [have to] revert to using the galvanized washtub before the kitchen range, if we are fortunate in finding either."  

The Michigan congressman condemned the administration's efforts to use lend-lease funds to rehabilitate Mexico's railways and to build a flood-control hydroelectric development in the El Fuerte Valley. Bradley viewed both projects as examples of squandering lend-lease funds.

His only reference to military equipment was that the United States was sending hundreds and perhaps thousands "of our latest military aircraft" to Mexico. Along with all of the planes went "countless numbers of tanks, half-tracks, and other automotive and mechanized war equipment which we are furnishing the Mexican Army, also under lend-lease."  

Senator McKellar answered Bradley's charges in early May. McKellar reported that Mexico had received slightly less than $15,000,000 worth of lend-lease military equipment. The senator refuted Bradley's other assertions by quoting Leo T. Crowley, administrator of the Foreign Economic Administration, the Washington bureaucracy responsible for administering the lend-lease program, who had
written that no consumer goods were going to Mexico. All shipments were military items. 38

The final issue in Mexico's lend-lease program developed late in November 1944 when the State Department informed Mexico's ambassador in Washington that his country had received approximately $17,500,000 in arms deliveries and requested payment of $2,200,000. Messersmith received a copy of the communication along with a departmental request that he discreetly approach appropriate officials to urge payment. As late as mid-February 1945 Messersmith refused to do so. He did not wish to raise the subject because he did not want to appear to be dunning Mexico.

After all, he reasoned, Mexico's ambassador in Washington had undoubtedly notified the appropriate authorities in Mexico City of the State Department's message.

There were other reasons for the ambassador's reluctance to press the payments issue. He was not sure what the United States lend-lease policy on repayment was. It appeared to him that Washington had not settled firmly on the need for American republics to repay their lend-lease debts; he had the impression that Washington intended to cancel lend-lease debts of European and Asian allies. If Washington cancelled some debts, Messersmith believed fairness required cancelling all of them.

Messersmith suspected that the State Department did not want to press Mexico for payment. He thought the department
had requested satisfaction merely because the Foreign Economic Administration had wanted it.39

The State Department did not mind Messersmith's delay in approaching the Mexican government because the department wanted to hold off discussions of the subject until after the Mexico City conference (Chapultepec, 21 February - 8 March). Another reason for the delay was that Messersmith had been correct in perceiving that the department did not have a firm policy on repayments. The chief of the Division of Mexican Affairs, John W. Carrigan, was not sure what the policy was, and, in fact, the department could not agree on how much money Mexico actually owed.40

In the months following the Mexico City conference, Messersmith encouraged cancellation of Mexico's debts, but the department rejected that suggestion. Collection of the obligations was not a token gesture to the Foreign Economic Administration as Messersmith had earlier theorized.41

Total lend-lease shipments to Mexico reached approximately $39,275,000, just $725,000 short of the $40,000,000 allocation. The largest classification of the aid was about $16,100,000 for Mexico's air force. The rest of the equipment went to its army and navy.42
ENDNOTES


7 Conn and Fairchild, *Framework*, p. 339; and Duggan to Bursley and Collado, memorandum, 1 August 1941, 812.24/1081.

8 Bursley to Welles, memorandum, 17 October 1941, 812.24/1177.


10 ibid., pp. 341-42.

11 Bursley to Duggan, memorandum, 20 March 1942, 812.24/1194. The Mexicans had indicated that a $10,000,000 program was about what they had in mind.

12 Secretary of State to Amembassy, Mexico City, telegram no. 433, 27 March 1942, 812.24/1211A; Foreign Relations, 1942, 6:485-88; and New York Times, 28 March 1942, p. 15. In Mexico City the report was that the
agreement would provide Mexico with anti-aircraft guns, trucks, 30 locomotives, and 200 airplanes.

13 Finley to Secretary of State, despatch no. 647, 31 March 1942, "Editorial Comment on the Lend-Lease Arrangement," 812.24/1209.

14 Cline, The United States and Mexico, pp. 268 and 270; New York Times, 15 May 1942, p. 5; 17 May 1942, p. 9; 29 May 1942, pp. 1 and 4; 30 May 1942, pp. 1 and 3; and 31 May 1942, pp. 1 and 15; Time, 1 June 1942, p. 28; and Conn and Fairchild, Framework, p. 348. Time reports that Mexico had seized the tanker Faja de Oro from the Italians in 1941 and that the Mexican skipper of the tanker claimed to have rammed and sunk an Axis submarine during the spring, shortly before Germany sank the de Oro.

15 Bunn to Bonsal, Duggan, and Collado, memorandum, 11 June 1942, "Lend-Lease - Mexico," 812.24/1319%; and Duggan to Wilson, memorandum, 22 July 1942, 812.24/1388%. The $50,000,000 to $75,000,000 range Welles said he would support was what Mexico had requested.

16 Patterson and Knox to Secretary of State, letter, 1 August 1942, 812.24/1435. Mexico's army was to receive $60,000,000 of the equipment, and the navy was to acquire matériel valued at $10,000,000 under the proposed increase. See Barber to Wilson, memorandum, 3 August 1942, "Increased allotment of Lend-Lease Funds for Mexico," 812.24/1456%. In March 1942 the United States and Brazil had revised Brazil's original lend-lease agreement upward from $100,000,000 to $200,000,000 (see Chapter XI).

17 Duggan, memorandum of conversation with Nájera, 8 August 1942, "Increase in lend-lease funds to Mexico," 812.24/1448½.

18 Duggan to Welles, memorandum, 7 December 1942, 812.24/1717; and Foreign Relations, 1943, 6:397-402.

19 Vandenberg to Stettinius, letter, 15 June 1943, FW812.24/2591. At the time McKellar was unaware of Mexico's revised lend-lease agreement of 18 March. For the Senate's debate on the extension of the Lend-Lease Act, see Congressional Record, 78th Cong., 1st Sess., 1943, 89, part 2:1843-53.

20 Foreign Relations, 1943, 6:400.

21 Vandenberg to Stettinius, letter, 15 June 1943, FW812.24/2591. Vandenberg was a member of the Senate committee.
22 Ibid.

23 Ibid.

24 Hull to Vandenberg, letter, 6 July 1943, FW812.24/7891. Hull told the senator that the Senate committee had refused to call a member of the State Department to testify on the question of extending the Lend-Lease Act (the extension came in March 1943). The House committee had called Assistant Secretary of State Dean Acheson to testify before it, Hull informed Vandenberg. Acheson, in his remarks which Hull quoted for the senator, had repeatedly denied that the executive branch possessed any power to disrupt normal constitutional procedures. Acheson had testified that the Lend-Lease Act did not confer any new economic policy powers in the presidency, and it did not rescind any existing policy powers of Congress.


26 Ibid.

27 Ibid. One package sent "Rush" contained $6.00 worth of equipment.

28 Ibid. Brann and Miller observed that many of the shipping errors occurred at the San Antonio Air Depot. The depot's commander, Brigadier General Paul C. Wilkins, at first dismissed the errors as not worth correcting because he did not expect Mexico would ever have to pay for the equipment. When advised of the seriousness of the matter, Wilkins promised to have future shipments checked more carefully. Some of the errors Brann and Miller discovered were amazing. For instance, they found one shipping ticket listing twelve "Cylinder-Machine and Stud Assembly" at a cost of $12,275.12 while another ticket showed fourteen "Cylinder Assembly, Machine and Stud" at a cost of $1.68. Brann and Miller said that both items were similar. Other examples included charging $5.00 for a single carburetor drainage plug which the authors say was obtainable at almost any United States automobile supply store for a dime.

29 Ibid. The report notes that one shipment was made up of: "One 5-ply wood box, 2 feet by 2 feet by 18 inches, containing one slightly smaller corrugated cardboard box, containing quantities of Kapok, in the center of which was
one small bag, containing two small steel bolts, 2 inches long and \( \frac{1}{4} \)-inch in diameter, with nuts and lock washers. This shipment emanated from Patterson Field."


31 Messersmith to Bonsal, letter, 30 December 1943, 812.24/12-3043, Brann-Miller report.

32 Ibid.

33 Ibid.

34 Ibid.; and Foreign Relations, 1945, 9:111. In the same message praising Mexico's lend-lease program, Messersmith noted that high ranking officers of the United States Army had been in Mexico during the last three years and that they had been able to observe how the Mexicans used their lend-lease equipment. The United States had acted quickly to clear up the problems Brann and Miller uncovered. An American technical officer went to Mexico City to help straighten out the situation, and Mexico dispatched a captain from Salinas's staff to assist Mexico's military attaché in processing air force requisitions. Brann, following his trip to Mexico, assisted the Mexican captain sent to Washington. Harrison, "United States-Mexican Military Collaboration," pp. 154-55.

35 Combined Chiefs of Staff/Joint Chiefs of Staff, "Participation of One Mexican Air Unit in Overseas Operations," 2 February 1945, Record Group 218, "Records of the United States Joint Chiefs of Staff," Folder CCS 810, Box 45, National Archives, Washington, D.C. (hereafter referred to by document, RG 218, Folder, and Box); Foreign Relations, 1943, 6:413-15; and Ibid., 1944, 6:1182-97; and Cline, The United States and Mexico, p. 278. For a sympathetic report on the 201st see Harrison, "United States-Mexican Military Collaboration," pp. 228-41.

36 Congressional Record, 78th Cong., 2d Sess., 1944, 90, part 3:3764.

37 Ibid., p. 3765. Bradley's charges made the headlines in only one newspaper in Mexico City, Novedades. It published both a Spanish and English paper daily. Thomasson to Secretary of State, despatch no. 17,446, 8 May 1944, "Statements of Representative Bradley of Michigan Regarding Misuse of Lend-Lease Funds and Materials in the Other American Republics, Particularly in Mexico," 812.24/4137.
Congressional Record, 78th Cong., 2d Sess, 1944, 90, part 3:3814-15; and U. S. News and World Report, 12 May 1944, pp. 48-49. Roosevelt first had Harry Hopkins, the president's closest adviser and confidant, administering the lend-lease program, but FDR later had the Office of Lend-Lease Administration created to handle the operation. Edward R. Stettinius, Jr., headed the OLLA until 1943 when Roosevelt combined it into the Foreign Economic Administration.

Messersmith to Carrigan, letter, 12 February 1945, FW812.24/3-545. The departmental message was the second one within five months. The first one went out in late June. Clayton to Gavito, letter, 812.24/3-2245.

Carrigan to Messersmith, letter, 28 February 1945, FW812.24/3-545. Carrigan noted that in the State Department there were three interpretations of how much money Mexico owed. One view was that Mexico's agreement required payment of $4,400,000 by 1 January 1945, and that is what Mexico owed. This interpretation did not take into consideration the fact that Mexico had received only about half of the arms provided in the $40,000,000 lend-lease agreement. A second view was that because Mexico had only received about half of the arms provided in the agreement, then Mexico only owed a total of $6,600,000 (33 percent of $20,000,000). Further, Mexico should pay that amount spread over the next six years with an immediate payment of $2,200,000 and the balance in the next few years. The third view was that Mexico was not in default and had no obligation to pay immediately. This interpretation held that Mexico had six years to repay its debt and that it would not be in default until 1 January 1949. Carrigan preferred the second view but admitted that only his division and the legal section in the State Department supported it.

Maxwell to Phelps, memorandum, "Lend-Lease to Mexico," 3 July 1945, FW812.24/7-345. Messersmith's writings were extremely long. For instance, he wrote the secretary of state a ten-page message on 12 October and a five-page letter on 16 October in addition to writing the undersecretary, Dean Acheson, a four-page letter on 16 October. In all of these writings he argued for cancellation of Mexico's lend-lease debt. Messersmith to Secretary of State, despatch no. 26,904, "Reporting Conversation with the Minister of Foreign Relations on Lend-Lease Obligations to Mexico . . . ," 12 October 1945, 812.24/10-1245 (Note: an edited version of this despatch, deleting four and a half pages of the original, appears in Foreign Relations, 1945, 9:1119-25. In the deleted portion Messersmith argues that failure to cancel the American
republic's lend-lease debt would be evidence that the United States discriminated against some of its allies—canceling some debts but requiring payment from other debtors. He believed that the time was ripe for standardizing United States arms in all of the American republics and that the United States should seize the initiative); Messersmith to Byrnes, letter, 16 October 1945, 812.24/10-1645; and Messersmith to Acheson, letter, 16 October 1945, 812.24/10-1645.

Mexico's former ambassador to Washington, Nájera, argued for cancellation of Mexico's debt on the ground that Roosevelt and Welles had promised to do so. Of course Nájera did not have any proof of the former president and undersecretary's intention. Carrigan, memorandum of conversation with Nájera, "Mexico and Lend Lease," 14 September 1945, 812.24/9-1445.

Forty-Fourth Report, App. 1 (b).
CHAPTER III

GUATEMALA, HONDURAS, EL SALVADOR
NICARAGUA, AND COSTA RICA

The United States concluded lend-lease agreements with all of the Central American republics except Panama. The arms pacts were similar (except for the amount), but there were differences in negotiating and implementing the agreements with the five nations.

Proximity to the United States and to the Panama Canal made these republics important in hemispheric defense. Honduras was the only Central American republic not providing a military base site—because the United States did not request it.¹

I

The key to concluding a lend-lease agreement with Guatemala was its dictator-president, Jorge Ubico. He had won election to the presidency in 1931 and had subsequently extended his powers to such an extent that he had become a dictator. Born into an aristocratic family, Ubico studied in Guatemala's most prestigious schools as well as in private institutions in the United States and Europe. He joined Guatemala's army as a lieutenant in 1897 and resigned his post in 1923 (he had attained the highest rank
possible--general of division). After leaving military
service, Ubico managed his landholdings and entered into
politics, eventually winning the presidency.²

Ubico believed that he resembled Napoleon and on
occasion would strike an appropriate pose for photographers.
He earned the sobriquet, "Napoleon of the Tropics."
Francisco Franco and Benito Mussolini appealed to him
because of their emphasis on strongman rule. Adolf Hitler
was, in Ubico's mind, a peasant and far inferior to
Mussolini.³

After the United States made it obvious (in the latter
half of the 1930s) that it would oppose fascism, Ubico began
to temper his attitude about Mussolini and to praise the
United States. By the fall of 1941, he said Guatemala would
support the United States if it entered the war. He
delivered on his word after the Japanese attacked Pearl
Harbor by having Guatemala's national assembly declare war
in early December. Shortly after the war declaration, Ubico
further demonstrated his attitude toward the Axis powers by
returning an Italian decoration the King of Italy had con-
ferred on him in 1936.⁴

Five months before the Pearl Harbor attack (July 1941),
Enrique Lopez-Herrarte, Guatemala's chargé d'affaires in
Washington, received a proposed $3,000,000 lend-lease agree-
ment. His government was wary of the pact's value because
lend-lease equipment was expensive and arms deliveries were,
due to the great needs of the United States and Great Britain, uncertain. During the summer two Guatemalan generals discussed arms purchases with the War Department and reported that the only equipment the United States could supply in the near future was a few machetes.5

Believing the lend-lease agreement was of dubious merit, Guatemala discussed an alternative arms arrangement with the State Department in mid-August. The Guatemalan chargé explained that his country proposed accepting an offer from Spain to swap arms for Guatemala's surplus coffee crop. Lopez-Herrarte explained that his country had to have United States technical expertise to conclude such an arrangement, and he said that Guatemala would not pursue the project if the United States objected. Laurence Duggan told the chargé that Washington did not favor the proposition because Spain might use the arrangement to try to influence Guatemala's internal affairs.6

After the State Department discouraged the mid-August Guatemalan alternative arms arrangement, there was little contact with Guatemala on lend-lease for the rest of the year. The department's lack of enthusiasm in concluding an arrangement undoubtedly stemmed from its belief that sending considerable quantities of arms to Guatemala would be a waste since the Guatemalan army's only expertise lay in its parade ground drills and exercises. To counter the army's lack of training, the State Department favored sending a
military mission to Guatemala. Since Ubico had been trying to get the United States to station airplanes at the Guatemalan airport since late 1940, the State Department believed an aviation mission was suitable. Such a mission would provide Guatemala with planes and enable the United States to train Guatemalan pilots. At first the War Department agreed but changed its mind by late 1941. The War Department was, though, desirous of using the Guatemalan airport to maintain communications with the Canal Zone. The Department of State feared that Guatemala might refuse use of its airport if war broke out. An aviation mission, with its accompanying aircraft, would, the State Department believed, reduce the likelihood of a refusal. The mission never materialized.\footnote{7}

Following the attack on Pearl Harbor, Ubico turned his attention to seeking lend-lease arms. His idea was a literal lend-lease arrangement whereby the United States would lend arms to Guatemala, and when the war was over, Guatemala would return them all except those necessary for the nation's defense. Guatemala would pay only for the retained weapons and those returned in damaged condition. The State Department rejected the suggestion because it varied considerably from agreements concluded with Guatemala's neighbors. Ubico then suggested buying with cash those arms necessary to defend Guatemala and signing a lend-lease agreement to provide arms necessary for his country's part
in defense of the hemisphere (unused or unneeded weapons returnable at the end of the war). 8

At the same time Ubico was discussing lend-lease with the State Department, he was also negotiating another agreement with the United States concerning use of military bases. At one point in the negotiations on the bases, Guatemala proposed making delivery of United States arms a quid pro quo but dropped the proposal when Washington promised a separate agreement to supply arms. 9

Ubico fretted over the State Department's reluctance to conclude the lend-lease agreement he wanted. Failure to close an arrangement was becoming a sore point in relations because Guatemala had supported the United States by declaring war immediately after Pearl Harbor and had allowed the United States to occupy La Aurora Airport, a strategic link in defense of the canal. 10

In February 1942 Ubico's government advanced an arms proposal which became the basis for its lend-lease agreement. The proposal included a request for a grant of arms for 10,000 men at a cost of $3,000,000 in return for agreement to the War Department's request for military bases. In addition, Ubico wanted a further grant of arms for 25,000 men for his country's contribution to continental defense. The United States drew up its base and lend-lease agreements to satisfy Ubico's wishes. 11
In its final version Ubico's lend-lease agreement, which the nations signed on 16 November 1942, provided for a $5,000,000 arms transfer program. There was no responsibility for Guatemala to repay the first $3,000,000 in arms transfers, that being the value of Guatemala's base concession to the United States. For all transfers above $3,000,000, Guatemala would repay 60 percent of their value. Guatemala would receive credit against its potential $1,200,000 liability for weapons returned to the United States at the end of the war.\textsuperscript{12}

As mentioned previously, Ubico was the key to concluding the lend-lease agreement. He was obviously the dominant political power in Guatemala; however, he was more than that. He was, as his biographer has pointed out, an adept politician. Ubico saw his nation as a client of the United States, and the dictator followed Washington's lead in most matters—especially foreign policy issues. He usually proclaimed that he acted on Washington's request. But Ubico's compliant attitude had more reason to it than just being a client—Ubico was trying to place Washington under the maximum possible obligation to Guatemala in the hope of future benefits. One benefit he hoped to achieve was Washington's support for Guatemala's claim to British-held Belize.\textsuperscript{13}

During the war the United States transferred approximately $1,500,000 in lend-lease aid. At the end of the war,
Guatemala argued that the United States had failed to fulfill its lend-lease obligations. Jorge García Granados, Guatemala's ambassador to Washington, noted that the agreement required the United States to transfer $3,000,000 worth of arms in return for Guatemalan concessions and to provide $2,000,000 in lend-lease arms above and beyond the $3,000,000 obligation. The department quickly rejected García Granados's second point but had more difficulty with the first.\textsuperscript{14}

There was considerable debate on the issue within the State Department. Personnel in the Division of Caribbean and Central American Affairs believed that the United States owed Guatemala the balance between its wartime lend-lease deliveries and $3,000,000. Representatives of the department's legal division argued against it. Citing the agreement, the assistant legal adviser, Raymond T. Yingling, noted that the United States had promised only to endeavor to furnish the lend-lease aid. Such an indefinite phrase did not obligate the United States to any further deliveries after lend-lease's termination.\textsuperscript{15}

In an effort to resolve the matter, Assistant Secretary of State Spruille Braden—formerly ambassador to Colombia, Cuba, and Argentina—contacted the man who had negotiated the agreement, John M. Cabot, who was counselor at the United States embassy in Buenos Aires. Cabot recalled that, "There is no possible question but that the purpose in the
minds of the people that negotiated the Guatemalan Lend-Lease Agreement was that Guatemala should get $3,000,000 worth of arms or its equivalent. Further, he said that the United States had a binding "moral obligation to see that Guatemala gets $3,000,000 worth of arms in one form or another." Reference to Guatemala's receiving $3,000,000 worth of arms or its equivalent reflected State Department concern that United States officials might later decide that that much matériel was not available for delivery or that they did not wish to deliver that much equipment. In either case, Cabot explained, the department's plan was to negotiate a supplementary agreement giving Guatemala either cash or equivalent-in-kind aid, perhaps assistance in highway construction.16

Influenced by Cabot's remarks and supporting departmental documentation plus the constant pressure from García Granados, the chief of the Division of Caribbean and Central American Affairs, William P. Cochran, pushed the department in early March for a resolution of the matter along lines the Guatemalans wanted. In early April the departmental divisions involved in the matter recommended to Braden that Guatemala receive the rest of its $3,000,000 worth of arms. There were two major issues involved in the recommendation. One was that the decision did not establish precedent which other American republics could use to acquire more arms. Guatemala's claim for additional weapons rested on its
unique lend-lease agreement with a reciprocity clause. Second, there were—-even though the president had terminated the program—-sufficient lend-lease funds to finance additional transfers.¹⁷

Braden agreed and the acting secretary of state, Dean Acheson, recommended the action to President Truman as an "exception to the general rule that lend-lease transfers of arms and ammunition were to be terminated on V-J Day[.]" Truman agreed.¹⁸

The State Department handed the Guatemalans a list of armaments worth $1,700,000, which they happily accepted in fulfillment of Washington's obligation. Later when Colonel Oscar Morales López, Guatemala's military attaché in Washington, sought to enlarge the lend-lease settlement, the department refused. His attitude seemed to be "no harm in trying" and the rejection was no surprise.¹⁹

The United States had, by early 1947, sent about $700,000 worth of the settlement's arms when shipments ceased because the General Accounting Office prohibited funding of all lend-lease transfers after 31 December 1946. When Colonel Morales López complained, the State Department was not too embarrassed, as there was a belief that the Guatemalans' "slowness in deciding [what arms they wanted] has held up the whole transaction."²⁰

Eventually the United States completed the transfers. The arms, approved by Truman, were in the "pipe-line" for
shipment when the General Accounting Office stopped them at the end of 1946. The secretary of state appealed to Congress for funds to complete the transfers because failure to send the equipment, the State Department believed, would harm United States relations with Guatemala. In the end, Guatemala's lend-lease arms amounted to approximately $3,100,000. By far the largest single category of weapons was for aircraft ($1,755,000) with ordnance being the second largest ($730,000).  

II

In late 1941 Honduran dictator Tiburcio Carías Andino appointed a military mission to determine what armaments were available to Honduras under the pending $1,300,000 lend-lease agreement. The mission consisted of his nephew, General Calixto Carías, and an American who was in charge of Honduras's aviation school, Lieutenant Colonel Harold A. White.

The mission arrived in Washington in early January 1942, and a lend-lease agreement was signed the following month. It provided for arms transfers valued at $1,300,000 at a cost of $120,000 to Honduras. The discount on the weapons was about 91 percent. Although initial War Department plans called for making $450,000 of the transfers in the first fiscal year, Honduras's total lend-lease transfers eventually amounted to only $368,000--the second smallest
account among the American republics with a lend-lease agreement. Honduras's aircraft equipment absorbed over two-thirds of its dollar transfers with ordnance the second largest category. There was no naval lend-lease to Honduras.  

III

In mid-July 1941 David Castro, El Salvador's minister at Washington, discussed with a State Department spokesman the $1,500,000 lend-lease agreement offered El Salvador. Castro remarked that the agreement's credit arrangement was contrary to his country's policy of avoiding debts and paying cash for purchases, even arms. Nonetheless, El Salvador soon changed its cash-only arms purchase policy.

In the fall El Salvador sent its undersecretary of finance, R. Arturo Bustamante, to Washington to negotiate military purchases in the United States. The list of arms Bustamante wished to acquire exceeded, by $140,000, the proposed lend-lease agreement. Because Bustamante had prepared and presented his arms list in a business-like fashion and because he had impressed the State Department favorably in conducting other matters, the department supported raising the agreement to $1,640,000. The War Department readily agreed to the increase.

El Salvador's legislative assembly, on Christmas Eve, authorized the $1,640,000 lend-lease agreement signed in
Washington on 2 February 1942. El Salvador contracted to repay $900,000, or about 55 percent of the total amount.\textsuperscript{26}

In mid-1943 El Salvador's military attaché approached a Navy Department official about acquiring 1,000 submachine guns from the coast guard. The State Department quickly disapproved the request because the guns "could only be used either to put down local opposition to the dictatorship [of Maximiliano Hernández Martinez] or to bestow a hail of lead on the neighbors." The State Department did not wish "to connive at either."\textsuperscript{27}

Walter Thurston, United States ambassador to El Salvador, doubted El Salvador's contention that the machine guns were necessary to equip its national guard. He lent credence to speculation on the possible sinister motives behind the military attaché's request for the weapons. Thurston reminded the State Department that Dictator Hernández's third term as president was about to expire. There was some speculation in El Salvador that his forces would try to amend the nation's constitution to allow a fourth term in office. If that move developed and opposition grew, Thurston said, the machine guns would help to quell civil disorder.\textsuperscript{28}

By the time the department received Thurston's comments, it learned that the coast guard wanted to sell the guns for cash. El Salvador proposed to purchase them and thus avoid the lend-lease arrangement. Because the State
Department could not readily come up with a reasonable excuse to reject the commercial transaction, there was some thought given to approving the sale but preventing El Salvador from getting the magazines that held the ammunition. Another difficulty was the embarrassment of blocking the transaction after the department had approved a similar sale to Costa Rica. Nonetheless, when the commanding general of the Panama Canal Zone opposed the sale of the machine guns to El Salvador, the State Department also rejected it.²⁹

Early in April 1944 an unsuccessful revolution broke out in San Salvador but ended quickly with Hernández still in power. Thurston reported rumors that Hernández planned to replace government arms and ammunition used in the insurrection with supplies from the United States. Further, there was the possibility that Hernández might try to acquire arms and ammunition from neighboring Central American republics which would replace them with purchases in the United States. The State Department notified embassies in Guatemala, Honduras, and Nicaragua that the War Department did not intend to send additional lend-lease shipments to El Salvador. Additionally, the department advised the embassies in the neighboring republics that Article VI of the lend-lease agreements "prohibits the transfer of title to or possession of such equipment without the consent of the President of the United States."³⁰
El Salvador's lend-lease transfers eventually totaled slightly over half ($880,000) of those authorized in the lend-lease agreement ($1,640,000). Aircraft equipment accounted for about 50 percent of the transfers.  

IV

In late 1925 when Emiliano Chamorro led a revolution in Nicaragua, President Calvin Coolidge responded by ordering United States marines into the Central American republic, where they remained until their removal in 1933. The result of the revolution and intervention was creation of the Somoza family dictatorship. Anastasio "Tacho" Somoza officially acquired power in 1936 when Nicaraguans elected him president. Throughout his tenure in office he emphasized his close relationship to the United States.  

In early May 1939 Somoza made an official trip to Washington. The president of the United States and his family, the cabinet, the Supreme Court, and the entire Congress met the Nicaraguan dictator upon his arrival at the train depot. "Tacho" repeatedly referred to his trip as evidence of his closeness to Washington. After the war started, Somoza continued to look for opportunities demonstrating Washington's support for him which he could use to political advantage in Nicaragua. He even asked for permission on one occasion to address a political rally from the balcony of the United States embassy in Managua. The
State Department refused the obviously politically motivated request. 33

In mid-October 1941, about a month and a half before Pearl Harbor, the United States and Nicaragua signed a lend-lease agreement. It called for arms transfers of $1,300,000 with delivery of $300,000 of the equipment in the first fiscal year. Nicaragua agreed to repay $900,000, or about 70 percent of the value of the agreement. 34

During the war, Nicaragua received $890,000 in lend-lease transfers. As was almost always the case in the American republics, Somoza's aircraft transfers were by far the largest category of aid, over half the total. Somoza's emphasis on friendship with the United States did not help him acquire all of the arms authorized in the lend-lease agreement. He received only about $10,000 more in transfers than neighboring El Salvador acquired. 35

V

Costa Rica was the only one of the five Central American republics with a democratic government during all of World War II. Its president, Rafael Angel Calderón Guardia, a medical doctor elected in 1940 who continued—as rumor had it—to make house calls and deliver babies, was friendly to the United States. 36

As it had done with other republics, the State Department presented Costa Rica with a draft lend-lease agreement
in 1941. The nations were unable to conclude the pact before the end of the year because Costa Rica could not complete its list of desired military equipment it wanted delivered in the first fiscal year. By mid-January, however, the nations were able to resolve their differences and conclude the agreement. Costa Rica was to receive arms transfers of up to $550,000 and to repay about 55 percent ($300,000) of the value of the arms.37

When in May 1943 a Costa Rican embassy official approached the War Department about acquiring 300 tear gas grenades, the State Department requested the War Department not to allow the transaction under the lend-lease agreement. The War Department agreed, basing its actions on the belief that Costa Rica did not require grenades to assist defense of the hemisphere.38

A lend-lease arrangement was not the only way for Costa Rica to acquire grenades. The State Department soon learned that Costa Rica could acquire them by direct purchase from United States manufacturers. It had to approve the Costa Rican request for export clearance because it did not "appear that it would be appropriate to refuse permission for such shipments to a friendly Government. Such a refusal might reasonably have been resented by the Costa Rican government."39

In late 1944 there was one minor controversy concerning
disposition of Costa Rican lend-lease equipment. There was an allegation that the Costa Rican government had sold or transferred jeeps to non-government agencies. The National Bank of Costa Rica acquired one of the jeeps. An investigation revealed that the jeeps had not been lend-leased at all but had been in use by the United States Corps of Engineers in a roadbuilding project. When the corps discontinued its construction project, the contractor, the Martin Wunderlich Company, sold several jeeps to various non-government agencies, including the National Bank of Costa Rica.  

Costa Rica's lend-lease transfers finally amounted to about $157,000, the smallest program for any of the American republics. There were no aircraft sent to Costa Rica; but there were $34,000 worth of ordnance, $51,000 worth of tanks and other vehicles, and $68,000 worth of miscellaneous military equipment.
ENDNOTES


5. Wilson, memorandum of conversation with Lopez-Herrarte, Wilson, and Cabot, 18 July 1941, "Agreement covering the deliveries of war material under the Lend-Lease Act," 814.24/111; Cabot to Bonsal, memorandum, 16 July 1941, 814.24/112; Duggan, memorandum of conversation with Lopez-Herrarte, 18 August 1941, "Proposed plan for securing armament by Guatemala from Spain," 814.24/121. The War Department denied the charge that the only equipment available for immediate delivery to Guatemala was machetes. Cabot to Duggan, memorandum, 9 September 1941, 814.24/116.


7. Cabot, memorandum, 5 December 1941, FW814.24/72 (Cabot wrote this memorandum for Welles); Cabot to Secretary of State, despatch no. 1628, 21 December 1940, "Military Assistance to Guatemala," 814.24/106. This document includes reports written by Lieutenant Colonel Edward L. N. Glass, director of the Guatemalan Polytechnic School, and Captain Frank M. June, naval attache, which note how poorly trained Guatemala's army was (there is a copy of Cabot's despatch transmitting these reports in Foreign Relations, 1940, 5:121-22). Cabot had been the chargé d'affaires at the American embassy in Guatemala before his assignment to the State Department's Division of the American Republics.

Des Portes to Secretary of State, despatch no. 2667, 18 March 1942, "Furnishing of Military Equipment to Guatemala," 814.24/204; and Tomlinson to Winters, and Bonsal, memorandum, 25 March 1941, 814.24/300/115. Fay Allan Des Portes was United States minister to Guatemala.

Des Portes to Secretary of State, despatch no. 2667, 18 March 1942, "Furnishing of Military Equipment to Guatemala," 814.24/204; Foreign Relations, 1942, 6:440; and Cabot, memorandum, 10 June 1942, "Memorandum for the Files: Guatemalan Air Base and Lend-Lease Agreements," 814.24/6-1042.

Cabot, memorandum, 10 June 1942, "Memorandum for the Files: Guatemalan Air Base and Lend-Lease Agreements," 814.24/6-1042.


Grieb, Caudillo, pp. 71-73 and 260.

Deputy chief of staff to Salazar, letter, 10 December 1942, 814.24/399; and Maxwell to Petter, memorandum, 26 October 1945, "Meeting Concerning Guatemalan Lend-Lease," 814.24/10-2645.


Cochran, memorandum, 12 March 1946, "Guatemalan Lend-Lease," 814.24/3-1246; and Williams, memorandum, 9 April 1946, "Guatemalan Lend-Lease," 814.24/4-946. The money to finance the additional transfers was available from two sources. The War Department still had some lend-lease funds, and the president had funds available for this purpose.

Foreign Relations, 1946, 11:885-86.
Ibid.; and Cochran, memorandum of conversation with García Granados, Miller, and Newbegin, 23 May 1946, Guatemalan Lend-Lease," 814.24/5-2346. The $1,700,000 proposal was the equipment the United States wanted to provide Guatemala under an interim arms program but decided instead to provide it to the Guatemalans in discharging the lend-lease obligation. See also Foreign Relations, 1946, 11:886-88.

Foreign Relations, 1947, 8:700-1; and Newbegin to Briggs, and Braden, memorandum, 4 February 1947, "Difficulties in Guatemalan Lend-Lease," 814.24/2-447. The GAO order also affected lend-lease arrangements with several other countries besides Guatemala. One of the other countries was Russia. Since Russia was one of the countries involved, the State Department believed that Congress would be helpful in solving the problem. This issue concerned shipments referred to as "pipe-line" shipments.

Newbegin to Woodward, Briggs, Braden, Acheson, and Secretary of State, memorandum, 21 May 1947, "Lend-Lease-Guatemalan Interest," 814.24/5-2147; and Forty-Fourth Report, App. 1 (b). There has been some question about the amount of lend-lease Guatemala received. One account in October 1945 alleged that Guatemala had received $21,089,000 in lend-lease aid. When the Guatemalan government heard the story there was an immediate denial and an explanation that, in fact, it had a balance of $2,000,000 owed by the United States. See Woodward to Secretary of State, despatch no. 776, 29 October 1945, "Guatemalan Official Comment concerning Lend-Lease Account of Guatemalan Government with United States Government," 814.24/10-2945. The despatch notes that the $21,089,000 figure evidently included "the airport development program for the construction and improvement of airports at Guatemala City, San Jose and Puerto Barrios in Guatemala." That was undoubtedly correct because the lend-lease transfers were far from that figure.

Erwin to Secretary of State, despatch no. 1735, 26 December 1941, "Appointment of Honduran Mission to go to Washington to Purchase Arms," 815.24/344.

Foreign Relations, 1942, 6:479-82; and Ridgway to Wilson, memorandum, 28 October 1941, "Request of the Bolivian Government for an Increase in the Value of the Equipment to be delivered during Fiscal Year Ending June 30, 1942," 824.24/310k. The nations signed the agreement on 28 February. See also Forty-Fourth Report, App. 1 (b).

Foreign Relations, 1941, 7:310.
Ibid., pp. 310-11; Stimson to Secretary of State, letter, 21 November 1941, 816.24/107; and Collado to Wilson, memorandum, "El Salvador," FW816.24/109½. The War Department agreed to increase the agreement from $1,500,000 to $1,590,000. Bustamante noticed that the draft agreement provided $50,000 for naval lend-lease. He believed that amount was too small for El Salvador to acquire a useful amount of equipment; therefore, he asked the Navy Department to transfer the money to the War Department for his country's lend-lease account. The departments were agreeable and El Salvador's agreement was for $1,640,000, all for purchases from the War Department.

Frazer to Secretary of State, despatch no. 1954, 12 January 1942, "Proposed Purchase of Armament from the United States," 816.24/122; and Foreign Relations, 1942, 6:431; New York Times, 26 December 1941, p. 6; 29 December 1941, p. 5; and 3 February 1942, p. 10. The final version of the agreement was more favorable for El Salvador than the terms approved by its legislative assembly on Christmas Eve, 1941. At that time El Salvador's repayment obligation was $1,040,000, but in February the repayment obligation was $900,000, a slight advantage in favor of El Salvador.


Foreign Relations, 1943, 6:310.

Cabot to Bonsai, memorandum, 17 July 1943, 816.24/708; Foreign Relations, 1943, 6:311; Cabot to Bonsai, memorandum, 4 August 1943, "Salvadoran Request for Machine Guns," 816.24/709; Wilson to Cabot, and Bonsai, memorandum, 13 August 1943, 816.24/710; and Foreign Relations, 1943, 6:311-12. Costa Rica had acquired tear gas in the United States. The Foreign Relations document does not reflect the reason(s) the commanding general of the Canal Zone rejected the sale of the machine guns to El Salvador.

Hull to Amembassy, Guatemala, telegram, 29 April 1944, 816.24/948B. Hull also said that the neighboring republics could not receive replacement arms in the United States if they provided arms to Hernández. Although Hernández survived the April uprising, his tenure of office ended with his resignation in the month following the insurrection (May). He was one of the dictators who received American arms during the war. Ambassador Thurston addressed the matter of aiding dictators by saying:
Considerable misunderstanding (real or affected) has been displayed in El Salvador with respect to the modern military equipment—especially tanks and planes—placed in the possession of the military Dictatorship. Despite the fact that when an armed uprising took place here all tanks and planes were seized by the rebels and used against the Government, the complaint persists that the Government of the United States strengthened and supported the Dictatorship as against the People by furnishing such Lend-Lease equipment.

Thurston to Secretary of State, despatch no. 2023, 21 September 1944, 816.24/9-2144.

31 Forty-Fourth Report, App. 1 (b).


34 Foreign Relations, 1941, 7:410-13. The nations signed the agreement on 16 October 1941. Of the first-year deliveries ($300,000), the United States agreed to provide army equipment valued up to $250,000 and up to $50,000 worth of naval matériel. For a brief reference to the agreement see Richard Millett, Guardians of the Dynasty (Maryknoll, N. Y.: Orbis Books, 1977), pp. 199-200.

35 Forty-Fourth Report, App. 1 (b).


37 Wilson to Collado, memorandum, 3 December 1941, 818.24/58; and Foreign Relations, 1941, 7:235-38. Costa Rica's first fiscal year deliveries were to be $250,000. Lane to Secretary of State, telegram, 17 February 1943, 818.24/75. Costa Rica's lend-lease agreement was the smallest concluded with the American republics. Probably the reason was that its army was small. After the war
Costa Rica disbanded its army (in 1948). Denton, Patterns, p. 30; and Bell, Crisis in Costa Rica, p. 160.


39 Tomlinson to Cabot, and Bonsal, memorandum, 13 May 1943, "Costa Rican Request for Tear Gas," FW818.24/335; and Hull to Amembassy, San Jose, telegram, 14 August 1943, 818.24/455. The Costa Rican commercial transaction for the tear gas grenades was similar to the El Salvadoran machine gun purchase. Neither was a lend-lease transaction; both were thought at first to be under the lend-lease agreement. The State Department was suspicious of El Salvador and Costa Rica's motives in buying the items, but the department could not prevent a purely private transaction.

40 Hazera to Kempter, letter, 5 October 1944, 818.24/12-2944; Hazera to Kempter, letter 13 November 1944, 818.24/12-2944; and Stettinius to Amembassy, San Jose, airgram no. A-24, 9 January 1945, 818.24/12-744.

41 Forty-Fourth Report, App. 1 (b).
CHAPTER IV

CUBA, DOMINICAN REPUBLIC, AND HAITI

Lend-lease operations in Cuba, the Dominican Republic, and Haiti had one characteristic in common. All three nations signed their agreements shortly after the State Department proposed them.

In Cuba and the Dominican Republic, United States ambassadors sought unsuccessfully to control the lend-lease program. In both instances the ambassadors wanted greater decision-making authority in allocating lend-lease equipment.

Haiti was one of three republics (Brazil and the Dominican Republic were the other two) that received more lend-lease transfers than authorized in its agreement. Haiti's overage, about $325,000, resulted from faulty recordkeeping practices in the War and Navy Departments and the Foreign Economic Administration.

The Cuban government's first reaction to the mid-July 1941 draft lend-lease agreement was negative. The proposed $3,700,000 arms transfer agreement provided for first fiscal year deliveries of $1,000,000 for Cuba's army and $100,000 for its navy. News of the size of the agreement depressed
Cuba's military leaders, especially the head of the navy, who believed that no allocation was preferable to the inadequate $100,000 proposal. President Fulgencio Batista ordered Aurelio F. Concheso, the Cuban ambassador in Washington, to consult State Department personnel about increasing Cuba's lend-lease allocations.¹

Concheso found a sympathetic attitude at the State Department. The War and Navy Departments were similarly sympathetic, although navy cautioned that larger first-year deliveries were doubtful. Navy's position was that there would be little difficulty in increasing Cuba's total naval allotment by $3,000,000 but that first-year deliveries were already set by pending congressional funding.²

Even though the Navy Department was at first cautious about promising larger first-year deliveries, the United States did promise to enlarge them as well as the total lend-lease allocations. The revised figures amounted to an arms transfer program valued at $7,200,000 and provided for first-year deliveries of $1,000,000 in army equipment (the same as in the original draft) and $300,000 in naval matériel (a $200,000 increase over the original draft). Cuba's repayment obligation was $4,200,000, or approximately 58 percent of the transfers. The revision was acceptable to the Batista government, and the nations signed the agreement on 7 November 1941.³
Washington's willingness to increase Cuba's lend-lease allocation reflects the reasons motivating the arms program. The United States believed it necessary to aid Cuba to help in the defense of the hemisphere as well as to support Batista's government politically.

Cuba was important for several reasons. Its geographic location, only ninety miles off Florida and lying at the mouth of the Caribbean area, made it important in continental defense. Cuba was also an important sugar exporting nation. Politically, Batista was about as cooperative an ally as the United States had during the war. In mid-January 1941 Batista wrote Roosevelt that the United States was getting 100 percent "cooperation from the Cuban government in defense matters, and it is my endeavor to keep it so." Within two weeks of the letter, Batista ordered suppression of all totalitarian propaganda in Cuba. His order suppressed movies, radio programs, plays, insignia, and flags of totalitarian regimes except for those used by diplomatic officials and political parties already in existence. Washington wanted to see Batista succeed in Cuba, and lend-lease arms were one method to evidence support for the island president. 4

Within a week after the Japanese attack on Pearl Harbor, Concheso visited officials in Washington for the purpose of increasing Cuba's arms program to strengthen its continental defense efforts. The ambassador explained his
country's desire to enlarge its armed forces by 25,000 men, eventually by 80,000. Such an expansion required up to $25,000,000 worth of equipment beyond Cuba's lend-lease agreement. Soon the Cubans reduced their request to double their arms pact (about $15,000,000) in order to provide various construction projects for accommodating the force buildup. Welles immediately supported the increase.\(^5\)

The State Department considered how best to fund the enlargement. One option was to increase Cuba's lend-lease agreement while another was to tap defense funds controlled by Roosevelt. Efforts to arrange funding were unsuccessful, and the department had to reject the increase because the War Department opposed the project.\(^6\)

The War Department based its opposition to Cuba's enlargement plan on its belief that the idea was impractical because Batista's proposed force buildup would require United States rifles and other equipment. Such a huge amount of matériel was not available at the moment, and due to more critical demands for the items from combat areas, there was little likelihood of its availability in the foreseeable future. Furthermore, the War Department rejected use of lend-lease funds for the construction projects Cuba requested.\(^7\)

There was an interest in the War Department, however, in constructing United States defense facilities at San Antonio de los Baños and San Julián. The War Department
hoped that the facilities would be acceptable alternatives
to the munitions Cuba wanted. The department planned to
build an advanced aviation bombardment training course at
San Antonio de los Baños and to build an airfield at San
Julián for use in patrolling the Yucatan channel and the
area off Cuba's northwest coast.\(^8\)

Substitution of defense facilities for munitions did
not satisfy Batista for long. His ambassador in Washington
was back at the State Department in late October 1942 com-
plaining to Welles about the failure of the United States
to deliver arms under the lend-lease agreement. Concheso
explained that Cuba particularly wanted rifles. Havana did
not believe the island was in peril of subjugation without
rifles but that Washington's failure to supply them was
powerful evidence of its lack of confidence in Batista's
government. Concheso's president wanted United States
rifles to counter such an opinion which was "spreading like
wildfire" in Cuba.\(^9\)

Concheso reminded Welles that Cuba would hold presi-
dential elections in 1944 and that the Batista government,
a loyal American ally, needed help. Batista's party was in
disarray over the need to select a candidate to succeed him
as he was ineligible for re-election. The result was that
political instability in Cuba was increasing. Concheso
maintained that Washington's show of support by sending
rifles would stabilize Cuba's internal politics.\(^10\)
Welles's response was that the United States should invite Batista to Washington as a public display of confidence in him. This was the same tactic the State Department had used in 1938 when it invited then Colonel Batista to Washington for an official visit. The earlier trip had had the effect of showing that the United States tacitly approved the presidential aspirations of Batista, and he was successful in winning the office in 1940. Now, in late 1942, the undersecretary wanted another visit and wanted to send Cuba at least 5,000 rifles. The War Department's Munitions Assignment Board did not agree with the undersecretary. In early November it declined to assign rifles to Cuba because the American army was 1,000,000 rifles short and the War Department needed to send available rifles to combat theaters. The board signaled its willingness, though, to approve tanks and sub-machine guns if Cuba requested them. In addition, the War Department indicated that rifles might become available for Cuba when production increased.  

Despite the War Department position, Welles continued efforts to obtain rifles for Batista. Shortly after the Munitions Assignment Board refused to assign the rifles, Welles discussed the subject with the Standing Liaison Committee. He stressed that Cuba faced economic troubles stemming from a small sugar crop and growing unemployment. With political campaigns scheduled for 1944, Batista's
opponents, Welles explained, would use the economic setbacks as evidence that the United States did not support him. Welles urged the committee to recognize the urgency of helping Batista with 5,000 rifles.12

The undersecretary and others in the State Department did not want Batista, scheduled to arrive in Washington in early December 1942, to leave without something to show his countrymen upon his return. To this end, Welles succeeded in committing 5,000 .22-caliber rifles for use in training Cuba's army in the same manner that the United States used them to train its army.13

Spruille Braden, formerly ambassador to Colombia, became the United States ambassador to Cuba in May 1942. Within a few months, he raised an issue which became a major question in Cuba's lend-lease program. He wanted the Havana embassy to approve lend-lease equipment to Cuba before the War Department notified the Cubans of its assignment. Braden believed his personnel were in a better position to determine political significance and practicality as well as suitability of distributing lend-lease armaments to Cuba. Certainly the embassy was much closer to the situation than officials in Washington who actually made such decisions. He praised the Navy Department because it checked with its mission in Cuba before alloting lend-lease equipment.14

Late in 1943 and early in 1944 Braden found two major cases of misuse of War Department lend-lease equipment. The
instances strengthened his theme of needing to keep a close watch on the program. One of the cases involved Cuba's consigning four Aeronca lend-lease airplanes to ANACRA (Academia National de Aviacion Civil y Reserva Aerea), an academy training Cuban pilots. Braden's investigation revealed ANACRA was a private flying school whose contribution to the war effort was "in reality less than zero."
The academy did train pilots, but its students were civilians, and its graduates did not automatically become members of Cuba's air corps. Braden believed such misuse of lend-lease equipment would never have occurred if his embassy had passed upon the advisability of sending the planes. He contended that consignment of planes to ANACRA by the Cuban government was evidence of high level subversion of the lend-lease program.15

The second case of misuse Braden found concerned two jeeps which had fallen into the hands of the Sanchez family, owners of a large sugar estate in the province of Camaguey. Braden's first information was a rumor that the Sanchez family had purchased the jeeps from the Cuban army, while another report was that Batista had provided the jeeps in order for Emilio Sanchez to complete "a Government job on which he was to use [a] jeep." Braden discounted the likelihood of Emilio Sanchez having a government job. To the ambassador it was "obvious that [Emilio] Sanchez has obtained [the jeeps] by one means or another from the Cuban
Army." Again Braden advised the State Department that such misuse would not be as likely to occur if his embassy passed on assignment of lend-lease equipment to Cuba.\textsuperscript{16}

The State Department thought Braden had a valid point. It notified him in late December 1943 and again in early January 1944 that it endorsed his suggestion of evaluating Cuba's lend-lease requests, and Braden's staff conducted a review of the operation. Nonetheless, the War and Navy Departments rejected his recommendation.\textsuperscript{17}

While Braden's recommendations were making little headway in Washington, the ambassador pursued a State Department direction to discuss with the Cuban government the reported misuse of lend-lease equipment. To the allegation that ANACRA was a private flying school which had acquired four lend-lease airplanes, the Cuban response was that the school's graduates might "be required to lend their services [to] the armed forces of the Nation." As to the accusation that the Sanchez family had purchased two lend-lease jeeps from the Cuban government, Batista's minister of state told Braden, "I am ashamed to present (this excuse) to you but it is the only one I have, ingenuous though it be." His explanation was that the Cuban government had turned the jeeps over to the Sanchezes because one of the Sanchez family members was a second lieutenant in Cuba's reserves. The Cuban general staff wanted the lieutenant to use the jeeps and write a report on their "utility for military service."
These responses appeared to substantiate the alleged misuse of lend-lease equipment.\textsuperscript{18}

By the middle of April, Braden reported to the State Department that he had had further contact with officials about the misused equipment. Braden believed that he had proved his point and that it was time to drop the investigation. He advised the department that he believed the Cuban government would take precautions to prevent future misuses. While Braden did not do as the department had instructed him when it authorized him to discuss the matter --to inquire what the Cuban government intended to do to prevent future misuse of equipment--he pledged that the embassy would remain alert to future Cuban lend-lease deliveries.\textsuperscript{19}

In early May, after securing virtual admissions from Cuban officials on misuse of lend-lease equipment, Braden learned that the War and Navy Departments refused to change procedures of assigning equipment to Cuba. The decision annoyed the ambassador.\textsuperscript{20}

Braden refused to abandon his cause. When allegations of misuse of equipment failed to change lend-lease procedures, Braden changed his arguments. In late May he argued that there was "no justification on a war essential basis any longer to [send] Lend-Lease to this country." If the War Department insisted on sending equipment, Braden reasoned, then political considerations were the only basis
for its continuance. The State Department and the United States embassy in Havana were much better able to handle political questions than the War Department was.21

Off and on for the next year, Braden mentioned the issue to the State Department. He maintained his position until he departed for the United States embassy in Buenos Aires. In early April 1945, while he was still in Havana, the department defended the procedure of the War and Navy Departments' assigning lend-lease to the American republics. The department noted that it was able to give war and navy its assessment of the political factors involved in the assigning procedure. In addition to assuring Braden that state was taking care of political factors, the department stressed that the embassy was not in as good a position to refuse a request as Washington was. Direct participation in the decision-making process made it either a provider or a denier of equipment. Denying matériel to a host nation could put an embassy in a difficult situation. Finally, with the war almost over and lend-lease declining, the State Department saw no reason to change lend-lease procedures.22

During his last year in Havana, Braden pursued another issue—collecting Cuba's past-due lend-lease payments. The matter began in late June 1944 when the State Department requested Cuba to pay $1,400,000 on its approximate $2,400,000 lend-lease account. Braden discussed the subject
in Havana with Jorge Manach, minister of state, in mid-July. The ambassador formed the opinion that Batista did not plan to pay the bill before he left office in early October. In fact, Braden believed that Batista was allowing a systematic "raid on the Treasury" which would leave his successor, Dr. Grau San Martin, an empty treasury. Although Braden did not expect payment on the debt, he continued pressing for prompt settlement of it.  

When there was no prompt payment, the State Department, in late September, directed Braden to continue pushing the subject with Cuban officials. Manach told Braden that Batista "almost had a fit" when he learned the Americans were asking for their money. Less than ten days before Batista's administration left office, Manach explained that Cuba's treasury was almost bare and that there was nothing he could do about the bill.

Leo T. Crowley, administrator of the Foreign Economic Administration, viewed suspiciously the explanation Manach offered. Crowley had access to secret statements showing Cuba's gold and dollar holdings, disputing Manach's claim of having a bare treasury. In order to collect the debt, Crowley suggested withholding future lend-lease aid until Cuba paid. The State Department rejected Crowley's suggestion because Cuba's new president, Dr. Grau, had indicated he wanted to pay the bill.
In late 1944 the American embassy in Havana learned why Cuba was being so reluctant to pay its lend-lease debt. Ambassador Guillermo Belt, Concheso's successor, had stated that his country did not plan to discharge its obligation because there was an "understanding around generally" among Washington's diplomats that no one would ever have to pay the debt. When Belt suggested that Cuba was reluctant to pay because others might not pay, the embassy told him that recipient nations would have to reimburse the United States in accordance with terms of their agreements.\(^\text{26}\)

Cuba failed to make any payments before the war ended but did pay $2,400,000 in February 1947 and liquidated its lend-lease obligation on 1 May 1951. Cuba's total lend-lease transfers approximated $6,550,000, or about 91 percent of its $7,200,000 lend-lease agreement. Naval equipment ($2,000,000) slightly exceeded aircraft transfers ($1,936,000).\(^\text{27}\)

II

In early June 1941 the Dominican Republic concluded negotiations with the commandant of the United States Marine Corps to purchase $127,000 worth of military clothing and equipment for which the Dominicans intended to pay cash. Late in June, officials in Washington informed Andrés Pastoriza, the Dominican minister to the United States, that the Dominican Republic could not use a previously negotiated
Export-Import Bank credit to pay for the cash purchase. After a few days' delay, Pastoriza told the State Department that he wanted to purchase the matériel under a lend-lease agreement. The department thought the suggestion appropriate and soon produced a draft agreement.²⁸

Shortly after the Dominicans received the draft, the nations signed the lend-lease agreement in Washington on 1 August. The Dominicans' agreement was the first one the United States concluded with any country. It provided for arms transfers of $1,600,000 with $250,000 in army and $100,000 in naval matériel authorized for delivery in the first year. Dominican repayment terms totaled $900,000, or about 56 percent of the value of the transfers. Four days after signing it, the nations signed a supplementary agreement providing for the sale of additional matériel for which the Dominicans would pay in advance.²⁹

Generalissimo Rafael Leonidas Trujillo Molina, dictator of the Dominican Republic, was in the United States in early December 1941. He and Pastoriza called on the State Department, two days after the attack on Pearl Harbor, for help in securing 1,500 Springfield rifles and 1,500,000 rounds of ammunition. Trujillo wanted the arms under the lend-lease agreement. The United States never filled the order but strung out negotiations on the request, as Welles recommended, "so as to avoid . . . throwing . . . any
cold water on [the Dominicans'] enthusiasm" for supporting
the United States in the war.\textsuperscript{30}

Welles's directive to string the Dominicans along by
avoiding a refusal of their arms request does not appear to
have been the attitude of lower-ranking State Department
officials. For about six months, the lower-ranking offi-
cials tried to help the Dominicans secure rifles and
ammunition. All of their efforts were fruitless, but there
were two occasions which almost succeeded. One was a War
Department offer to provide older model Enfield rifles,
which the Dominicans rejected, and the other was a proposal
for the United States government to purchase 1,000 recon-
ditioned Springfield rifles from a private American arms
firm and then lend-lease them to the Dominicans. The
Dominicans rejected the reconditioned rifles because they
were second-hand.\textsuperscript{31}

During the six months following Trujillo's rifle
request, the War Department and the Office of Lend-Lease
Administration assured Dominican representatives that they
would receive the rifles. By late May the lower ranking
State Department officials realized that the Dominicans
would not be able to acquire them without a presidential
directive. The War Department, while previously assuring
Dominicans of the future availability of the rifles,
believed that the weapons were too critically short to
release. Only a presidential directive could make the
rifles available. With the realization of the impossibility of fulfilling the request, officials advocated finding "some other item that we can supply which is not in such critical demand as rifles," as Laurence Duggan phrased it.32

Not only did the subordinate State Department officials shift their attitude toward supporting lend-lease equipment other than rifles, but they also developed an opposition to sending rifles to the Dominican Republic. This attitude was evident when the State Department rejected a late 1943 Dominican offer to trade 4,500 old Dominican rifles for 3,500 United States Springfield rifles and 4,500,000 cartridges. The department's response was that it viewed the request sympathetically, but war conditions made the swap impossible. Philip W. Bonsal, chief of the Division of the American Republics, had suggested the wording the department used in its rejection note, and he also expressed the department's basic reason for rejecting the offer. Not only were rifles in short supply but supplying them "would presumably greatly increase the Dominican military potential."

The department's concern over the Dominican military potential referred to its belief that shipment of rifles to the Dominicans posed a serious threat to neighboring Haiti. Concern over Haiti's security prompted the department to ask Mexico not to make 5,000 rifles available to the Dominicans.34
About the time the department expressed concern for the safety of Haiti, United States Ambassador Ellis O. Briggs came to much the same conclusion. He wrote, "We should be guided by the assumption that such arms as reach Hispanica are likely to be used by Dominicans against Haitians or vice versa." To limit the in-flow of lend-lease arms, he recommended a policy similar to the one Ambassador Braden had consistently pushed. Briggs wanted all lend-lease deliveries cleared with his embassy and the State Department. In this effort he had no more success than Braden.35

III

Early in July 1941 the United States began discussing a lend-lease agreement with Haiti's minister in Washington, Fernand Dennis. Negotiations moved swiftly with the nations signing the document in mid-September. Haiti's agreement provided for arms transfers of $1,100,000 with first-year deliveries of $350,000. Haiti agreed to repay the United States $60,000 for the equipment.36

There was a minor incident in Haiti's lend-lease program in late 1942 and early 1943 that caused a temporary disturbance in relations between the State and Navy Departments and showed the extent to which the Haitian government would go to satisfy a request of a high-ranking United States naval officer involved in the lend-lease program.
The incident began innocently enough when Admiral William O. Spears, chairman of the joint army navy advisory board as well as chief of the Navy Department's Pan American Division, received a request from a United States naval officer in Haiti that lend-lease equipment landing at Port-au-Prince should be exempt from Haitian wharf charges. The officer's specific concern was for lend-lease matériel needed to build a marine railway system which the navy was then constructing. Spears assumed that the Haitian government controlled wharfage charges at Port-au-Prince, and he wrote Haiti's minister in Washington requesting the wharfage exemption.  

Spears's assumption that the Haitian government controlled the wharfage charges at Port-au-Prince was wrong. An American firm operating as the Haitian Wharf Company of Port-au-Prince had a contract to run the waterfront. It set wharfage charges and assessed United States matériel at $1.25 per ton.  

Immediately upon receipt of Spears's request for exemption, the Haitian government moved to comply. In mid-January 1943 the secretary of state for finance, Abel Lacroix, wrote the Haitian Wharf Company requesting that it exempt shipments of United States lend-lease equipment, but Lacroix did not limit his request to equipment used to construct the marine railway as Spears wanted. Lacroix wanted all matériel shipped "under the purview of the Lend-Lease Act" exempted. The Haitian Wharf Company would not agree.
to what amounted to a modification of its contract to operate the wharf. 39

Haiti's president, Elie Lescot, moved quickly after the company rejected Lacroix's request. Lescot issued a decree directing the exemption to munitions and war equipment. 40

The incident passed without disturbing United States-Haitian relations, but it did interfere briefly with State-Navy Department relations. Jack C. White, United States ambassador to Haiti, expressed chagrin and shock over Admiral Spears's action. White thought Spears improperly waived a right of a private United States corporation and did so without bothering to go through the State Department. Willard F. Barber, of the department's Division of the American Republics, referred to Spears's action as "Quarter Deck Diplomacy." Spears helped to end the matter by requesting the State Department to take steps "through diplomatic channels to rectify this situation." 41

By far the biggest concern with Haiti's lend-lease agreement occurred in 1944 and centered on that nation's having exhausted its $1,100,000 transfer authorization. Andre Liautaud, Haiti's ambassador in Washington, brought the matter to the attention of the State Department in mid-January. He had prepared a list of equipment Haiti wanted during the coming year, but Liautaud thought there was a possibility that his country had already spent all of its lend-lease funds. He inquired as to the status of the
account and whether Haiti needed to request an increase in its allocation. The department suggested a delay in making any decision while it researched the matter. Liautaud was agreeable.42

What Liautaud did not know was that a State Department official had reason to believe, back in September 1943, that Haiti had already exhausted its lend-lease allocations, although the Foreign Economic Administration, two weeks before Liautaud’s call on the department, had reported that Haiti still had $400,000 in its account. Liautaud’s suspicions, plus the State Department's previous research, led the department to doubt the accuracy of the FEA's figure on Haiti's lend-lease account.43

By early February the State Department believed Haiti's shipments totaled $1,327,521, or about $200,000 above its lend-lease authorization. Further, the department believed that fault for the overage rested with the War and Navy Departments. They had refused to coordinate and consult with one another on shipments they had approved. As a result, they approved too many armaments for Haiti.44

In correcting the problem, the State Department could either cease further shipments or negotiate a supplemental agreement. Departmental sentiment favored ceasing the shipments. Increasing Haiti's allocation was potentially troublesome for Haitian-Dominican affairs as well as potentially troublesome for the United States throughout the
hemisphere. The United States could hardly justify increasing Haiti's lend-lease agreement while failing to increase others'.45

The department decided in early March that it would not negotiate a new agreement with Haiti. It would, however, permit lend-lease shipments of essential spare parts needed for maintenance and matériel necessary to complete construction projects to continue.46

Implementation of the State Department policy caught Haiti's president, Lescot, by surprise. Lescot voiced concern to Vinton Chapin, United States chargé d'affaires ad interim, because Haiti desired to acquire three primary training planes (PT-19) under lend-lease and would now have to pay $55,000 in cash for them. Haiti's budget was too weak to make the purchase, and the plan died.47
ENDNOTES

1 Messersmith to Welles, letter, 2 August 1941, 837.24/621; and Foreign Relations, 1941, 7:117-18. Concheso apparently sent word of the proposed lend-lease agreement directly to Batista, bypassing the minister of state, his normal channel. Batista had ordered him to do this in regard to the supply of naval and army equipment to Cuba. Ambassador Messersmith attacks Concheso for complying with Batista's order. Messersmith thought the Cuban uproar over the agreement was Concheso's fault for supposedly having withheld "any explanatory data or observations of any kind and this left Batista and the rest without any way of understanding the situation." Perhaps the ambassador was right about Concheso, but he had relayed correctly all the figures concerning the lend-lease agreement.

2 Wilson, memorandum, 13 August 1941, FW837.24/621; and Wilson to Duggan, and Bonsal, memorandum, 15 August 1941, FW837.24/621.

3 Foreign Relations, 1941, 7:120-25; and New York Times, 8 November 1941, p. 3. The Navy Department agreed to increase Cuba's lend-lease allocation in early September. Secretary Knox cautioned the secretary of state about increasing first-year deliveries because at the time Congress had not passed the appropriation act funding American republics lend-lease transfers. Knox believed that Cuba's first-year deliveries would not exceed $100,000 primarily because the equipment was under contract for future deliveries, it was not immediately available. The new agreement represented an increase of $3,000,000 for Cuba's navy ($3,700,000) and $500,000 for Cuba's army ($3,500,000). For a brief mention of the lend-lease agreement see Irwin F. Gellman, Roosevelt and Batista: Good Neighbor Diplomacy in Cuba, 1933-1945 (Albuquerque: University of New Mexico Press, 1973) pp. 193-94. Gellman notes that the secretary of war believed Great Britain and other lend-lease recipients fighting the war should have had a higher priority in receiving lend-lease equipment than a country like Cuba. "In spite of this argument, the government felt that it should grant Cuba $7,200,000 worth of military equipment," Gellman notes. (194) His point almost sounds like the United States hesitated or hated to extend the lend-lease agreement to Cuba. The State, Navy, and War Departments did not seem to evidence such an attitude in the negotiation of the agreement.

Wilson to Collado, and Acheson, memorandum, 17 April 1942, FW837.24/858; Welles to Wilson, memorandum, 13 March 1942, 837.24/857; Wilson, memorandum of conversation with Baron, and Satterthwaite, 21 March 1942, "Construction of Cuban airfields and training camps," FW837.24/713; and Duggan to Collado, memorandum, 2 March 1942, 837.24/856; Foreign Relations, 1942, 6:260; and Welles to Wilson, memorandum, 13 April 1942, 837.24/858. In December the State Department believed Cuba's construction work projects would cost about $4,500,000, but by mid-April Cuba requested $7,500,000 for the projects. It is possible that the price difference was due to faulty planning in the December set of figures or the April list was on a grander scale. Possibilities are endless. At any rate, the April request included work on the airfield at Ciudad Militar, construction of National Air Field at San Antonio de los Baños, construction of a naval airfield at Mariel, construction of training camps, and purchase of coastal artillery guns offered by the United States.

Wilson to Collado, and Acheson, memorandum, 17 April 1942, FW837.24/857; Duggan to Collado, memorandum, 2 March 1942, 837.24/856; Barber to Wilson, memorandum, 10 July 1942, "Lend-Lease for Cuba," 837.24/875; Foreign Relations, 1942, 6:280-81.

Barber to Wilson, memorandum, 10 July 1942, "Lend-Lease for Cuba," 837.24/875.

Ibid.; Foreign Relations, 1942, 6:258-60, 264-73, 277-80, and 287-89; New York Times, 20 June 1942, p. 6; and 6 August 1942, p. 7. Spruille Braden, United States ambassador to Cuba, has written in his memoirs that construction of the pilot training site cost $16,000,000 but that, "No real use was ever found for the base." Only a few pilots ever received any training there. Spruille Braden, Diplomats and Demagogues: The Memoirs of Spruille Braden (New Rochelle, N. Y.: Arlington House, 1971), pp. 276-77.

Even though the United States rejected Cuba's efforts to double its lend-lease agreement, there was apparent accord on Cuba's acquiring coastal artillery guns. The United States offered the guns at a lend-lease cost of $200,000 and Cuba agreed to acquire them. In early November 1942, several months after agreeing to take the guns, Cuba canceled the order because it believed the guns, built in 1888, would not be of any use to its army. Acheson to Concheso, letter 13 July 1942, 837.24/858; and Braden to Walmsley, letter, 1 August 1942, 837.24/942; and Braden to
Secretary of State, despatch no. 1429, "Certain Artillery previously ordered by the Cuban Government," 837.24/973. Ambassador Braden reported the Cuban government viewed unfavorably the American artillery offer. United States officials had not told the Cubans the date of the guns' manufacture when it had made the original offer.

9 Welles, memorandum of conversation with Concheso, "Cuban political situation," 26 October 1942, 837.24/977.

10 Ibid.; and Gellman, Roosevelt and Batista, p. 200.

11 Gellman, Roosevelt and Batista, p. 200; Louis A. Pérez, Jr., Army Politics in Cuba, 1898-1958 (Pittsburgh: University of Pittsburgh Press, 1976), p. 116; Welles to Wilson, memorandum 26 October 1942, 837.24/1011; and McK. Key to Welles, memorandum, 14 November 1942, FW837.24/1011. Concheso suggested the visit of Batista to the United States which Welles recommended to President Roosevelt.

12 Standing Liaison Committee, meeting of 16 November 1942, RG 353, Box 2.


14 Braden began his campaign by requesting a copy of the lend-lease agreement and a list of equipment promised along with its anticipated shipping date. Braden to Walmsley, letter, 1 August 1942, 837.24/942. Braden complained to the State Department for the next year because when he asked for reports on Cuba's equipment, the reports were almost always faulty. His major theme was the need for his embassy to pass upon assigning equipment to Cuba's army and navy. Braden to Secretary of State, despatch no. 4373, 2 September 1943, "Lend-Lease Equipment for Cuba," 837.24/1878; and Braden, Diplomats, pp. 280-82.

15 Braden to Secretary of State, despatch no. 5257, 27 November 1943, "Six Aircraft Obtained by the Cuban Government under Lend-Lease," 837.248/154; and Braden to Secretary of State, despatch no. 6492, 31 March 1944, "Possible misuse of material furnished Cuba under Lend-Lease," 837.24/2509. Braden discovered that Jaime Marine, a Cuban who sought selfish gain whether involved with private or
governmental agencies, was the driving force behind ANACRA. The ambassador discovered that the academy acquired, through lend-lease, a ten-year supply of spare parts for its planes.

16 Braden to Secretary of State, despatch no. 5709, 15 January 1944, "Further misuse of Lend-Lease Equipment made available to Cuba," 837.248/163.

17 Ibid.; Braden to Secretary of State, despatch no. 6081, 23 February 1944, "Lend Lease for Cuba, 837.24/2439 for an edited copy of Braden's despatch--minus the lengthy recommendations and attachments--see Foreign Relations, 1944, 7:905-6; and State Department to Braden, instruction no. 3105, 18 April 1944, 837.24/2439. George F. Scherer, of the Division of the American Republics, wrote the instruction, but the file copy has no signature. Braden's disclosures probably did little to improve his relationship with Batista. Batista requested Braden's recall in late 1943, but Hull did not agree. The secretary of state thought the two men should try to patch up their relations, and he did not want the adverse publicity surely to follow in any recall of a United States ambassador to Cuba. Batista had grown disenchanted with Braden's efforts to stop official corruption in Cuba. Braden insisted on honesty in government. Gellman, Roosevelt and Batista, pp. 210-11; and Braden, Diplomats, p. 290.

18 Braden to Department of State, airgram A-822, 18 April 1944, 837.24/2540; and Braden to Secretary of State, despatch no. 6691, 22 April 1944, "Misuse of Lend-Lease material," 837.24/2548.

19 Braden to Secretary of State, 22 April 1944, 837.24/2548.

20 Braden to Secretary of State, 4 May 1944, despatch no. 6783, "Lend-Lease to Cuban Army," 837.24/2564.

The State Department sided with the War and Navy Department's rejection of Braden's idea—even though state had at first been receptive. War and navy authorities believed referring every lend-lease requisition for guns, boats, planes, spark plugs, bolts, and screws to America's embassies for approval was an enormous waste. Only the War and Navy Departments were aware of what equipment had gone to each American republic, and only they were able to maintain a rough balance of armaments sent to neighboring republics. Finally, the State Department hoped that the War Department would approve the revised lend-lease policy which the Standing Liaison Committee had initiated almost a year earlier. If the War Department approved the proposed revision, state believed "the question of referring Cuban
Lend-Lease to [Havana] will seldom arise" because the flow of arms to all republics except Mexico and Brazil would lessen. McK. Key to Scherer, Cabot, and Duggan, memorandum, 23 May 1944, FW837.24/2661.


22. Warren to Braden, instruction no. 5058, 1 April 1945, 837.24/2-2445.


24. Ibid., pp. 910-12.

25. Ibid., pp. 914-16.

26. Ibid., p. 918.

27. Ibid., 1947, 8:607; and 1951, 2:1339; and Forty-Fourth Report, App. 1 (b).


29. Foreign Relations, 1941, 7:253-57. For a brief treatment of the Dominican Republic's lend-lease operation see G. Pope Atkins and Larmon C. Wilson, The United States and the Trujillo Regime (New Brunswick, N. J.: Rutgers University Press, 1972) pp. 80-81. One may quibble with a couple of Atkins and Wilson's comments. They write that the Dominican Republic was the "first Latin American state eligible for Lend-Lease aid." (81) Such a comment seems incorrect because all of the republics were eligible for lend-lease on the date Atkins and Wilson designate for the Dominican Republic, 6 May 1941. Atkins and Wilson seem to confuse the lend-lease agreement with the supplementary agreement. After briefly mentioning the two documents, the authors state "The Dominicans were to pay in advance for the goods they received." (81) Actually, the Dominicans had only to pay in advance for "certain additional materials" above and beyond the $1,600,000 lend-lease agreement. The second agreement did not modify or alter the earlier agreement. Whittington to Barnes, memorandum, 4 August 1941, "Supplementary Lend-Lease Agreement with the Dominican Republic," 839.24/176½.


Wilson to Bonsal, memorandum, 11 July 1941, 838.24/105; and Foreign Relations, 1941, 7:319-21. The United States made its lend-lease equipment available to the American republics at United States port facilities. Shipment of the equipment from the United States was the responsibility of the recipient nation. Haiti, a poor country, appealed to the State Department for help in paying its shipment charges. The department helped arrange a plan where $25,000 of the $1,100,000 agreement would be for paying the shipping charges on Haiti's lend-lease transfers. This was the second such arrangement with an American republic. Colombia, which had a similar arrangement, never used it. Wilson, memorandum, 24 September 1941, 838.24/112; and Wilson to Duggan, memorandum, 3 March 1944, PW838.24/637.

Spears to Wilson, memorandum, 20 March 1943, "Waiver of wharfage charges at Port-au-Prince," 838.24/413.

White to Secretary of State, despatch no. 1728, 23 January 1943, "Transmitting Documents in regard to Exonerating Lend-Lease Material Arriving in Haiti from Port Charges and Inviting Attention to a Possible Infringement of the Prerogatives of the Department of State by officials of the Navy Department," 838.24/375.

Ibid.

White to Secretary of State, despatch no. 1737, 29 January 1943, "Transmitting Copy of Letter from President of Compagnie Haitienne du Wharf de Port-au-Prince Giving History of Wharf Charges," 838.24/376.
White, despatch no. 1728, 838.24/375; Barber to Bonsal, memorandum, 10 March 1943, "Quarter Deck Diplomacy," 838.24/412; and Spears to Wilson, memorandum, 838.24/413.

Barber to Cabot, and Bonsal, memorandum, 19 January, "Lend-Lease Agreement with Haiti," 838.24/634.

Ibid. The official was Willard F. Barber.

Mck. Key to Wilson, memorandum, 8 February 1944, FW838.24/637; and Wilson to Collado, Bonsal, and Duggan, memorandum, 10 February 1944, FW838.24/637.

Collado to Bonsal, Duggan, and Wilson, memorandum, 11 February 1944, FW838.24/637; and Bonsal to Duggan, Collado, and Wilson, memorandum, 21 February 1944, "Lend-Lease Material for Haiti," FW838.24/637.

Duggan to Wilson, memorandum, 10 March 1944, "Excess of Lend-Lease Materials to Haiti," FW838.24/637.

Chapin to Secretary of State, despatch no. 2662, 18 March 1944, "Discussion with President Lescot in regard to Apparent Exhaustion of Lend-Lease Credit to Haiti," 838.24/643. It was unfortunate that the State Department had to make the purchase of the PT-19s a cash transaction. The United States had notified the Haitians on 28 February that the planes were available under lend-lease. Haiti was free to pick the craft up at Homestead Field (Florida). Three Haitian pilots arrived on 12 March to take delivery of the planes. On 15 March the Haitian embassy learned that the United States could not deliver them without Haiti's making a $55,000 cash payment. Lescot ordered an end to the plane purchase on 17 March. Secretary of State to Officer in Charge of the American Mission, Port-au-Prince, instruction no. 1684, 23 March 1944, 838.24/638.

Haiti's lend-lease transfers amounted to $1,425,000. This was $325,000 more than Haiti's lend-lease agreement had proposed. Forty-Fourth Report, App. 1 (b).
In August 1938 Eduardo Santos, the new president of Colombia, told Jefferson Caffery, United States ambassador to Brazil, of his desire for closer relations, including military contacts, with the United States. The new president said that he intended to request a United States naval mission to replace a similar British mission when its contract expired. Santos expressed hope that an American naval mission would not encourage purchase of armaments because two earlier Swiss missions had unloaded more than a million dollars worth of communication equipment and expensive French aircraft.¹

Santos's intention to request a naval mission was an example of his desire for "cooperation and understanding in all fields with [the United States] ..."; yet he had no interest in acquiring United States armaments. When he told Caffery that he hoped a military mission would not promote the sale of arms in Colombia, his remarks were consistent with what he had told Welles prior to his inauguration. "My dear friend," Santos remarked, "do not arm us because that is like giving a child morphine; it is the most habit-forming of drugs."²
The State Department assured Santos that it was "a funda-
damental tenet of policy that our military and naval
missions abroad [do not] engage in the promotion of the sale
of military or naval supplies." Later in the year, Colombia
and the United States signed an agreement authorizing a
naval mission and an aviation mission.³

Santos, in less than two years after his inauguration,
changed his opinion about United States arms. By the late
spring of 1940, he discussed possible United States military
assistance with United States Ambassador Spruille Braden,
who cautioned that the allies' war requirements were so
heavy that Colombia could not expect delivery on anything
other than training planes until the following year.⁴

In the latter part of June, Santos and Braden again
discussed arms for Colombia. Santos mentioned the need for
a United States loan to enable Colombia's purchase of 50
to 100 airplanes and 10 to 12 fast coastal craft as well as
improvement of landing fields in the country. If possible,
Santos wanted to borrow the money at the same rate the
United States government paid. He made clear that Colombia
would not accept the aid as a gift. In reporting Santos's
comments to the State Department, Braden recommended a loan
to improve Colombia's air force as recommended by the United
States aviation mission. The emphasis on aircraft rested on
Braden's belief that Colombia, if provided with the equip-
ment, could defend the Panama Canal more cheaply than could
the United States. Far more important, providing planes and relying on Colombia for the canal's defense would demonstrate the United States' confidence in the Colombians.5

Santos expanded his equipment requirements in early July and based the request upon a need not only to protect the canal but also to maintain internal political stability. Ten days before Colombia's congress convened, Santos requested a $16,000,000 United States loan to purchase military equipment. He wanted a quick answer to enable him to present his congress with a definite plan. His new requirements included 10 revenue cutters, 60 to 80 airplanes, 50,000 rifles, and all the equipment necessary to increase Colombia's army from 11,000 to at least 15,000 and maybe 22,000 men.6

The State Department could not meet Santos's timetable. The only possibility of financing the purchases lay with United States congressional authorization of an Export-Import Bank defense loan, and Congress was in recess until June 22. In the meantime, the department suggested that Santos prepare a list of his arms needs. The only military matériel available for Colombia was the War Department's surplus weapons, and there appeared to be no Colombian interest in acquiring the surplus arms.7

Santos, unable to present his congress with a definite plan for arms purchases, requested authorization for borrowing 30 million pesos for defense purposes. Although
subject to bitter attacks, a measure providing for borrowing up to 50 million pesos passed in late October 1940.  

In April 1941 Braden returned to Washington with a Colombian request for a $10,000,000 loan from the Export-Import Bank. Santos intended to spend 40 percent of the loan on military equipment with the balance targeted for economic development projects. Braden had been cautious about the ability of the bank to make loans for military acquisitions even though the State Department had, in the previous summer, thought Congress was about to authorize them. It had not. The ambassador suggested that the recently enacted Lend-Lease Act probably offered Colombia the most advantageous method of acquiring arms. Still, Braden delivered the loan request because that is what Santos wanted; however, the ambassador did not recommend all of the military equipment the Colombian president desired to purchase. Of the $4,000,000 list of defense matériel Santos wanted, Braden supported the repair of two Colombian destroyers and the purchase of six torpedo boats and some airplanes. He also approved Santos's request for rifles, machine guns, and ammunition. On the whole Braden's ideas involved spending about $3,100,000 plus the rifles, machine guns, and ammunition.  

Braden's advice to Santos about the inability of the Export-Import Bank to lend money for defense purposes was accurate. The State Department deleted the $4,000,000
Colombian defense proposal before it submitted the request to the bank. The department explained to Colombia's ambassador in Washington, Gabriel Turbay, that the military items were to be handled in a separate phase.10

Within less than two weeks Colombia learned that the Lend-Lease Act would provide funding for its separate phase (military items) purchases. By mid-May Turbay informed Bogota that the United States intended to lend Colombia $16,200,000 for defense purposes. In his communication Turbay misinformed Santos that part of the lend-lease money would be free funds available for such local projects as constructing a military road from Quibdo to the Pacific coast.11

Announcement of the availability of lend-lease funds caused Santos to move quickly to increase Colombia's $6,000,000 loan application before the Export-Import Bank. The Colombian president feared that the relatively small economic projects loan was out of proportion with the much larger lend-lease loan—almost three times larger. Such a disparity was fuel for Santos's political opponents, if for no other reason than the allegation that Ecuador had received a $20,000,000 economic projects loan from Washington and Cuba, $25,000,000. If possible, Santos wanted to conclude a larger loan before his congress convened on 23 July. If he could place before congress both proposals at the same time, he might avoid political criticism. The
Export-Import Bank agreed to increase Colombia's loan to $12,000,000.12

In early July, after Santos requested an increased Export-Import Bank loan but before his legislative assembly met, the State Department handed Turbay a draft lend-lease agreement. It provided a $16,200,000 loan for defense armaments with $5,000,000 worth of army equipment and $500,000 worth of naval matériel transferred in the first year. Colombia's obligation was to repay $9,750,000 (about 60 percent of the value of the transfers) at the rate of $1,625,000 per year for six years. Turbay attempted to secure lower annual payments spread over nine or ten years, but the department intended all of the American republics' agreements to run for six years.13

It soon became obvious that Santos would not be able to place both the loan for economic projects and the lend-lease agreement before the Colombian congress at the same time. One reason was that he did not receive a copy of the draft arms pact until about mid-August—approximately three weeks after the Export-Import Bank approved the economic projects loan. For another reason, Santos had several objections to the lend-lease agreement. The agreement did not include free funds—unencumbered money with which Santos wanted to purchase military uniforms, build roads, and construct barracks. He maintained that free funds were a sine qua non to concluding the agreement. Furthermore, Santos objected
to the wording of the agreement because it appeared to be an agreement between belligerents, because the United States reserved the right to suspend the pact's operations, and because it was too expensive. He said that while Colombia's congress authorized borrowing up to 50 million pesos for defense purposes, the legislation did not approve a lend-lease arrangement. A new law was necessary to cover such a transaction. In its place, he requested a thirty-year $6,000,000 loan at normal interest. The loan would provide Santos with his much desired free funds, enabling him to purchase aviation matériel, naval craft, and infantry equipment and would support internal defense related projects. Braden backed Santos's much smaller loan proposal. In the ambassador's opinion there were two advantages to the counterproposal. The first one was that $6,000,000 would increase the Colombian army's efficiency about as much as the $16,200,000 State Department plan. The second advantage was that Santos proposed to repay dollar for dollar the smaller loan.14

Word of Santos's new $6,000,000 counterproposal confused Washington. The confusion stemmed in part from Santos's inconsistent defense estimates. In July 1940 he said he needed a $16,000,000 defense program, but in a little over a year he had pared it by almost two-thirds. In the spring of 1941 Santos requested a $4,000,000 defense loan from the Export-Import Bank, but in the following
autumn he wanted 50 percent more for the same purpose. Colombia's ambassador in Washington, Turbay, added to the confusion because on several occasions he gave the State Department requests that differed from what Braden reported Santos wanted. The most recent example was the counterproposal. Turbay asked departmental officials for a $10,000,000 arms program about the time Braden reported Santos's $6,000,000 counterproposal. Secretary of State Hull wanted the Colombian government to state clearly what it desired.15

Braden thought there were two major causes for the confusion: internal politics and incompetence in the Colombian War Ministry. Colombia's internal politics affected lend-lease negotiations by making Santos hesitant to do anything which would give his opponents ground to attack him. Attacks came from opposition party leader Conservative Laureano Gómez and Santos's fellow Liberal party member Alfonso López. Gómez maintained that Colombia should pursue a neutralist foreign policy, and he criticized any decision Santos made without consulting congress. López, a former president of Colombia, hoped to receive his Liberal party's presidential nomination in 1942 since Santos could not succeed himself. López's faction tended to make Santos indecisive.16

The second cause for confusion was the War Ministry's incompetence, even with advice from United States military
missions, in determining Colombia's defense needs. In the latter half of January 1942, the ministry's incompetence lessened when it produced a realistic needs assessment that Braden found he could recommend to Washington. In addition to requesting armaments, the war minister wanted a free funds loan—the issue which Santos had championed. The new listing included a $1,500,000 free funds loan and an initial lend-lease agreement smaller than the $16,200,000 United States proposal. Equipment provided initially would enable Colombia to defend the Panama Canal. The nations could conclude an agreement covering what remained of the $16,200,000 authorization at a later time.17

With Braden supporting the free funds loan, the State Department approached the Export-Import Bank on the matter. The bank was willing to allow Colombia to use $1,500,000 out of its previously approved economic projects loan as free funds if Colombia would explain the specific military objectives it intended to accomplish. In early March the State Department informed Braden that Colombia would receive the free funds loan from the Export-Import Bank, but not before Bogota signed the lend-lease agreement. Eleven days later, officials signed the lend-lease agreement in Washington. By its terms Colombia was to receive $16,200,000 of assistance and repay $7,200,000, or about 44 percent. Payments were to start before June 1943 at $1,200,000 annually and would be complete before 30 June 1948.18
Late in November 1943, about a year and a half after signing the lend-lease agreement, Bogota recognized that Germany had placed itself in a state of belligerency with Colombia. This recognition followed a German attack in Atlantic waters upon the schooner Ruby, resulting in the death of four crew members and injuries to others. Colombia chose the recognition of a state of belligerency rather than a declaration of war because the latter would have required enactment of martial law and suspension of constitutional guarantees. Colombia's congress, noting that the United States had not taken such steps, opted for the belligerency status. In practical matters, there was little difference between the two.19

Two days after Colombia's declaration, Ambassador Arthur Bliss Lane, Braden's successor, recommended that the War Department send General George H. Brett, commander of the Caribbean Defense Command, and Admiral Harold C. Train, commander-in-chief of the Southeastern Pacific Fleet, to Bogota. Their mission would be to discuss steps Colombia could take "with a view to obtaining a more efficacious cooperation with the United States in the prosecution of the war." The War Department approved the recommendation, and Brett and Train were in Colombia within ten days.20

During Brett and Train's discussions in Bogota, Colombia agreed to patrol its coasts and to survey the possibility of constructing two or three new airports.
Alberto Arango Tavera, Colombia's minister of war, did not directly request an increase in his country's lend-lease program, but he did say his forces needed additional equipment to patrol effectively Colombia's coasts. Brett suggested that Arango send a list of needs to Colombia's embassy in Washington for presentation to the War Department. Brett invited General Domingo Espinel, Colombia's chief of staff, to visit the Canal Zone "to work out in greater detail the manner in which Colombia can help" the war effort.  

In early January 1944 Ambassador Turbay requested an increase in lend-lease aid and urged the State Department to expedite delivery of Colombian lend-lease requisitions. The ambassador justified his requests on Colombia's belligerent status. As such, the United States needed to furnish additional matériel to enable Colombia to patrol its coast. He also suggested that Peru had acquired more lend-lease aid and "overshadowed Colombia in military matters."  

Undoubtedly Turbay intended to alert the department to Colombia's keen interest in a speedy United States response to Brett's forthcoming recommendation for additional lend-lease aid. Within less than a month, the War Department had received and approved Brett's arms recommendations. Before the end of February the State Department informed Dario Enchandia, acting president of Colombia while President Alfonso López was in the United States seeking medical help.
for his wife, that Colombia would soon receive considerable lend-lease assistance. Among the recently approved equipment were 39 trucks, 15 motorcycles, 2 motor launches, 20 75mm guns, 12 37mm anti-tank guns, 189 automatic rifles, and over 350,000 rounds of ammunition ranging from high explosive 75mm rounds to caliber .30 cartridges. All of the matériel was to go to Colombia from Brett's own Canal Zone supply facilities.23

Before the United States announced approval of Brett's recommended arms, some State Department officials had argued unsuccessfully that Colombia should not receive Canal Zone equipment. The apprehension was that the transfer would insult Panama because its request for forty machine guns from the Canal Zone stock had received "rude treatment from the War Department."24

Two days after the State Department announced approval of Brett's recommended arms, Turbay again raised the issue of Peru's lend-lease. He commented that Colombia had received practically no aid in the last two years while Peru had received large amounts of equipment, especially airplanes. Turbay's reference to Peru's alleged lend-lease transfers reflected a suspicious attitude towards Peruvians, stemming from the Leticia dispute, which almost led to war between the two countries in the early 1930s.25

After raising the issue of how shabbily the United States had treated his country, Turbay sought State
Department approval of his plan calling for delivery of a large number of trainer and combat airplanes and enough ground equipment to outfit a 4,700-man Colombian division. He wanted this equipment in addition to what Brett had recommended. The State and War Departments were suspicious that Brett had not approved the listing of aircraft Turbay requested. The Navy Department believed the Colombians had greatly exaggerated their needs because the nation had "neither the personnel nor mechanical facilities to handle such planes." By the end of March the United States approved sending Colombia sixty-three trainer and transport airplanes but no combat aircraft. At the same time the War Department refused to send equipment including 4,700 rifles to outfit a Colombian division. Washington emphasized Colombia's lack of active participation in the war against the Axis powers as the basis for rejecting the rifles.26

Lane advised the State Department about mid-July that the Colombian justification for the firearms had changed from what Turbay had said in the winter. He had claimed Colombia needed the rifles to outfit a military unit; however, in the summer López told Lane he wanted them for Colombia's National Police. At the time López spoke to Lane, there was considerable friction between Colombia's army and the National Police, and López believed the police were the more loyal of the two. There was justification for the president's opinion because he had just experienced a
short detention at the hands of a few unsuccessful army revolutionaries. Apprehensive over the prospect that even news of a López request for the rifles might touch off a revolution, Lane alerted the State Department to its possible effects if the Colombian president pushed the rifle request. 27

A few days after alerting the department to the explosive nature of the request, Lane discussed the subject with Colombia's minister of government, Alberto Lleras Camargo, who told him that the director of the police force intended to file a request for the rifles through lend-lease. Lane worried about the timing and explained to Lleras that he did not want the responsibility for a clash between the army and police force to lie with the United States lend-lease program. Lleras admitted there was tension over possible governmental reprisals against the military after the unsuccessful revolution. Since the government intended to pursue only those officers who actually participated in the uprising, and not those who may have talked about it, Lleras predicted the tension would soon disappear. For that reason, and because the police wanted only a small number of rifles, Lleras did not believe the request would have any adverse effect on the army. 28

In late July Turbay requested 5,000 rifles for the Colombian army and made no mention of the police. The State Department, wiring Lane for his recommendation of the
request, explained that if there were "impelling political considerations" the War Department might find the weapons. Lane interviewed Lleras about the exact type of rifle the Colombians desired and whether the rifles were for the army or the police. Lleras identified two weapons as acceptable, the M-31 Carbine and the M-1 rifle. The weapons were definitely for use of the police. Lane recommended approval of the request on grounds that the rifles would help the Colombian government maintain order. "Obviously failure on the part of the Government to maintain order would react adversely to our interests," Lane wrote the department. 

After studying the proposal for several weeks, the State Department decided to support Colombia's rifle request. After Ambassador Lane argued that the firearms would promote Colombia's internal stability, a department official discovered a memorandum stating that "one of the original purposes of Lend-Lease for the other American Republics was to assist in maintaining internal stability during the war period." 

Nonetheless, the War Department opposed filling the rifle request, even on a cash basis. The department based its objection on concern that other republics would file similar requisitions if Colombia succeeded, on reluctance to provide rifles to enable Colombia's government to remain in power, and on short supply of the rifles. By early October the State Department bowed to the opposition and did
not press the matter although the issue arose on occasion until near the end of the war. 31

After the war a minor but embarrassing controversy over the Colombian lend-lease program appeared in June 1946. It was particularly embarrassing because it occurred while Colombia's newly elected president, Mariano Ospina Pérez, was visiting Washington at the invitation of President Truman. 32

The controversy began when the Washington Star reported on 13 June that the United States had forced Colombia to accept a $16,200,000 lend-lease agreement while the Colombians only wanted $2,000,000 worth of help. The charge, attributed to a "diplomatic source," pictured high-ranking Washington officers forcing Colombia to accept the much larger agreement. The report was that Colombia received the full amount of the agreement. A State Department rejection of the charge quickly ended the minor controversy. 33

A final tabulation of its lend-lease assistance reveals that Colombia received about half of the agreement's allocation, or $8,280,000. Aircraft and air corps equipment made up almost 50 percent of the aid. 34
ENDNOTES

1. Foreign Relations, 1938, 5:462. Apparently the Colombians badly needed help with their navy because the admiral heading the British mission was an alcoholic. The Colombian navy had become, under the admiral's tenure, drunken and disorderly. Braden, Diplomats, p. 255. Caffery, former minister to Colombia, was there upon the occasion of Santos's inauguration.


3. Ibid., 1938, 5:463 and 466.

4. Ibid., 1940, 5:63.

5. Ibid., pp. 68 and 58-59.

6. Ibid., pp. 71-72; and 1941, 7:3. Braden did not accept at face value Santos's justifications for the arms requests, that is to say, that Colombia would be able to defend the canal and to maintain internal political stability. The ambassador believed Colombians inefficient and dilatory and that Santos was timid. These traits, Braden believed, depreciated the assurances.

7. Ibid., p. 73; Green to RA, memorandum, 14 March 1940, 821.24/116; and Turbay to Hull, letter, 22 April 1940, 821.24/117.


10. Ibid., p. 62

11. Ibid., p. 4.

12. Ibid., pp. 5-7 and 72; and Vernon Lee Fluharty, Dance of the Millions: Military Rule and the Social Revolution in Colombia, 1930-1956 (Pittsburgh: University of Pittsburgh
Press, 1957), pp. 61-62. The State Department denied that there was any $20,000,000 loan approved for Ecuador, but it did admit Cuba had received $25,000,000. Foreign Relations, 1941, 7:8 and 69.

13 Foreign Relations, 1941, 7:15; and Bushnell, Eduardo Santos, p. 55.

14 Foreign Relations, 1941, 7:24-26; and Bushnell, Eduardo Santos, p. 57. The United States embassy in Bogota gathered information and sent it to Washington showing that Santos did need funds for military clothing and barracks. R. Kenneth Oakley, third secretary at the embassy, accompanied a Colombian general officer, General Torres Duran, on a trip to Ibague, Tolima, to attend a Boy Scout meeting. During the afternoon the army engineer school in Ibague entertained the general and his party. After a review of the school's students, Torres made a speech "which amounted to an outright apology for the conditions of [the troops'] barracks and their lack of equipment, uniforms and even clothing." Braden to Secretary of State, despatch no. 2097, 9 September 1941, "Lack of Discipline in Colombian Army," 821.24/8. For some reason Braden misnamed his despatch. There was no mention of discipline except that Torres had urged the engineer students to maintain loyalty and discipline in spite of all the sacrifices they suffered.

15 Foreign Relations, 1941, 7:28-30 and 33. Turbay's actions in submitting differing (and larger) figures to the State Department was probably the result of Colombian politics. That is to say Turbay asked for more money from the United States in a move to show that he could gain more for Colombia than Santos.

16 Ibid., p. 35; and Bushnell, Eduardo Santos, pp. 114, 24-31, and 40-44.

17 Braden to Secretary of State, despatch no. 3560, 23 January 1942, "Colombia's Immediate Requirement for Military Equipment and Matériel," 821.24/194; and Braden to Secretary of State, despatch no. 3561, 24 January 1942, "Colombia's Immediate Requirement for Military Equipment and Matériel," 821.24/195.

18 Hull to Amembassy, Bogota, telegram, 10 February 1942, 821.24/195; Braden to Secretary of State, despatch no. 3738, 21 February 1942, "$1,500,000 Credit in 'Free Funds' for the Colombian Army," 821.24/210; Welles to Amembassy, Bogota, telegram, 6 March 1942, 821.24/212; Foreign Relations, 1942, 6:189-92; and Bushnell, Eduardo Santos, p. 109.
After the nations signed the agreement (17 March 1942) and equipment began to arrive in New Orleans for export, Turbay advised the State Department that Colombia did not have the money to pay freight charges for delivering the matériel. At first the State Department opposed Colombia's new request but later supported it after learning of Colombia's budgetary problems. In an effort to assist the Colombians, the United States consigned shipments to the United States military attaché in Bogota. For some reason, though, Colombia never used the solution preferring, instead, to pay its own freight charges. Collado to Duggan, Acheson, and Welles, memorandum, 11 June 1942, "Inclusion of Ocean Freight Charges in the Colombian Lend-Lease Arrangement," 821.24/289; Daniels to Secretary of State, despatch no. 3200, 8 January 1944, "Ocean Freight Charges on Lend-Lease Material," 821.24/826; and Department of State, History of Lend-Lease, Part II, Chapter XX, "Other American Republics," (1946), pp. 271-73, RG 169, Entry 514.

Santos had objected to concluding the lend-lease agreement before the attack on Pearl Harbor because the Colombian congress had not approved such an arms arrangement. A week after the Japanese attack on the United States, Colombia's congress passed an emergency powers act giving Santos authority to conclude a lend-lease arrangement. Bushnell, Eduardo Santos, pp. 108-9.

19 Foreign Relations, 1943, 6:3-5.

20 Lane to Secretary of State, telegram, 29 November 1943, 821.20/269; and Foreign Relations, 1943, 6:9. In Lane's message to the secretary of state he reported that Colombia's embassy in Washington was to request the State Department to increase its lend-lease allotment from $16,200,000 to $25,000,000. The increase never materialized.


22 Duggan, memorandum of conversation with Turbay, 4 January 1944, "Importance of United States furnishing certain military equipment to Colombia," 821.24/828.

23 Lane to Secretary of State, despatch no. 3290, 31 January 1944, "Request of Minister of War for Radio Equipment Under Lend-Lease," 821.24/850; and Foreign Relations, 1944, 7:803-5. Alfonso López had served as president of Colombia from 1934-38 before winning the office again in 1942.


Bonsal, memorandum of conversation with Turbay, 18 February 1944, "Lend-Lease materials for Colombia," 821.24/867; Wilson to Hickman, memorandum, 4 March 1944, "Colombian Government's request for additional Lend-Lease material," 821.24/912A (this memo includes a copy of Turbay's 16 February list); Wilson, memorandum of conversation with Galletly, 6 March 1944, "Colombian Government's Request for Military and Naval Airplanes," 821.24/839\textsuperscript{3}; Wilson to Bonsal, memorandum, 8 March 1944, 821.24/839\textsuperscript{5}; Foreign Relations, 1944, 7:808-9; and Wilson to Keith, memorandum, 10 April 1944, "Colombian Government's Request for various Items of Individual Equipment for a Division of Infantry," 821.24/938.

Foreign Relations, 1944, 7:812-13. The Pasto Revolution occurred on 10 July 1944 when López and some of his cabinet ministers went to observe army maneuvers at Pasto, near the border with Ecuador. The revolutionary movement failed quickly. Fluharty sees the coup as a protest against the "chaotic state created by the government's weakness and by party conflict" as well as the jealousy between the army and the police. Fluharty, Dance, pp. 74-75; and Arthur P. Whitaker (ed.), Inter-American Affairs, 1944, An Annual Survey, No. 4 (New York: Columbia University Press, 1945), pp. 34-35.

Lane to Secretary of State, telegram, 19 July 1944, 821.105/7-1944.

Foreign Relations, 1944, 7:815.

Ibid., p. 816.

Ibid., pp. 817-20; and 1945, 9:846-50.


Acheson to Smith, letter, 25 June 1946, 821.24/6-1546; New York Times, 13 June 1946, p. 6; and 14 June 1946, p. 11.

Forty-Fourth Report, App. 1 (b).
CHAPTER VI

VENEZUELA, ECUADOR, AND PERU

Venezuela's two presidents in 1941 favored United States efforts for continental solidarity and cooperation. After the Japanese attack on Pearl Harbor, Venezuela supported the United States by severing relations with the Axis powers before the end of December, and Venezuelan public opinion supported its government's pro-United Nations policy throughout the war.¹

Washington feared a military attack on Venezuela or fifth-column activity. Although Roosevelt's defense planners did not anticipate more than a minor military threat to Venezuela, Venezuela's proximity to the Panama Canal made the country potentially significant in the event of an attack on the waterway. John Gunther, an American visitor to each of the Latin American nations shortly before the war, discounted official concern over fifth-column activity in Venezuela.²

During the war years, Venezuela made a minimal military contribution--limited patrol of its coastline against German submarines--but a significant economic contribution. Its oil production amounted to almost all of Great Britain's wartime needs.³
Roosevelt's administration considered Ecuador from the same defense perspective as Venezuela. Ecuador's Galapagos Islands, located about 600 miles out in the Pacific Ocean, were strategically important in defending western approaches to the Panama Canal. In early 1942 Ecuador allowed United States construction of a naval and an air base at Santa Elena near the entrance to Guayaquil Harbor. Both sites significantly aided hemispheric and Ecuadoran defense. The bases helped calm 1942 concerns that Japanese intrusions might result in seizure of the Galapagos Islands followed by an invasion of Ecuador in a drive toward the Panama Canal or the strategically important Amazon basin in South America.

Ecuador's southern neighbor, Peru, occupied a slightly lower level of priority in receiving United States armaments than Ecuador or Venezuela. Nevertheless, Washington viewed Peru as important to continental defense because of its location 1000 miles from the Panama Canal and because of its oil production at Talara (northern Peru near the Ecuadoran border). Additionally, Peru's president, Manuel Prado Ugarteche, elected in 1939, caused concern because his methods resembled those of an Axis dictator and because German, Japanese, and Italian residents enjoyed a preeminent position in Peruvian business circles. The Japanese, for example, numbered about 25,000 immediately before the war. To meet the concern of defending both the canal and Peru's oil facilities, the United States installed coastal guns and
established an air base near Talara. As events turned out, Prado proved to be agreeable and cooperative with the United States by severing relations with the Axis in January 1942 and by selling oil, guano, rubber, copper, wool, lead, and cotton to the United Nations as well as assisting United States naval units patrolling the Pacific coastline.5

I

In mid-July 1941 the State Department handed to Arturo Lares, Venezuela's chargé d'affaires in Washington, a draft lend-lease agreement, providing for arms transfers of $20,000,000. Venezuela's army was to receive $5,000,000 and its navy, $1,500,000 worth of matériel during the first fiscal year. Repayment terms were $1,500,000 a year for six years, or a total of $9,000,000, which represented a 55 percent discount from the United States.6

After a two-month delay, Diogenes Escalante, Venezuelan ambassador in Washington, reported that his government had a counterproposal. The Venezuelans believed spending $20,000,000 for purely military purposes was unjustifiable because "the construction of a ring of bases from Trinidad to the Panama Canal [had] reduced to almost nothing the probability of the success of an attack on Venezuelan shores by a foreign power." The counterproposal was to use lend-lease dollars in constructing roads, dredging the mouth of the Orinoco River, building new and expanding old arifields,
and deepening and canalizing the upper Orinoco to connect with the Meta River.\footnote{7}

The initial response among State Department personnel was positive. Walter N. Walmsley, of the Division of the American Republics, supported the counterproposal because he believed it was similar to a $15,000,000 lend-lease expenditure to construct a railroad in China and because he thought the War Department might welcome the Venezuelan plan. The initial response soon gave way to rejection, however, when the State Department determined that lend-lease funds were unavailable for developmental projects in the American republics. Escalante learned of the rejection about mid-October.\footnote{8}

There was no further action on the lend-lease arms agreement until after the Japanese attack on Pearl Harbor, when General Isaías Medina Angarita, president of Venezuela, requested United States arms to defend vital oil installations. In early February 1942, the United States responded with an offer of four 155mm mobile coastal defense guns with 300 rounds of ammunition per gun. The United States offered to send soldiers with the guns to train Venezuelans in their operation. As soon as the Venezuelans learned to operate the guns, which would take about four months, the United States promised to withdraw its soldiers and turn the guns over to Venezuela under lend-lease arrangements if Venezuela had signed an agreement by that date. If
Venezuela had not signed an agreement, Hull explained to the United States ambassador in Caracas, it "would be necessary to follow a less convenient procedure and one which would be less advantageous from the Venezuelan point of view."9

The lack of clarity in Hull's message created Venezuelan apprehension because of the impression that Venezuela had to sign a lend-lease agreement to receive the arms. In a memorandum to the State Department three days before Hull's message announcing the availability of the guns, a War Department official had said that the United States military attaché to Venezuela would have custody of the guns if there were no lend-lease agreement at the end of the four month training period. Although the State Department had quoted the War Department letter extensively, Hull used different language in referring to transferring title to the guns. The secretary's reference to a less convenient and less advantageous procedure for Venezuela being necessary if the nations had not signed a lend-lease agreement created confusion. Other departmental personnel, however, assured Escalante that the United States would expedite delivery of the guns independent of Venezuela's signing the lend-lease agreement.10

On 18 March 1942, shortly after the coastal defense guns offer, the United States and Venezuela signed a lend-lease agreement, which provided for a $15,000,000 military program, a reduction of $5,000,000 from the original July
proposal. Eighty percent of the matériel was for the Venezuelan army with 20 percent destined for its navy. Six annual payments were to total $6,750,000, meaning that Venezuela would receive a 55 percent reduction on the value of the weapons.11

Although the Venezuelan attempt to secure lend-lease for economic development failed, interest in development caused Caracas to make only modest military arms requests in the first few months after signing the agreement. Through May 1942 the only matériel the United States transferred was four mobile coastal defense guns and four advanced training (AT) planes. Until autumn of 1942, Venezuela was one of the most reticent of the American republics in asking for lend-lease equipment.12

In early September Venezuela changed its attitude on lend-lease because Brazil, in late August, had declared war. Brazil's action caused Venezuela to believe that it was in a precarious defense posture. The Venezuelan government asked the State Department to review its defense requirements with the objective of providing "a supply of the most indispensable armaments." After researching Venezuela's request, Welles asked the Venezuelan government to define what it meant by the "most indispensable armaments" because any increases in deliveries, especially considerable amounts of armaments and munitions, were out of the question at the moment due to United Nations combat needs.13
The Venezuelans took about a year to prepare the list of needed equipment which they submitted in November 1943. One War Department official referred to the request as a "huge affair" that included so many critically short combat items (such as 16,000 rifles) that the United States could not supply them. The War Department was willing, though, to consider sympathetically Venezuela's requests when war conditions permitted.14

A few months later, in the latter half of January 1944, Venezuela presented Washington with another list of equipment—enough to outfit three divisions. If some of the matériel was unavailable, the Venezuelan plan called for equipping at least one division. Venezuela's intention in presenting the request was to exhaust the $15,000,000 credit allocated in the lend-lease agreement.15

Venezuela did not acquire enough equipment to outfit one division. The War Department explained again that combat conditions made it extremely difficult to deliver substantial quantities of equipment. At a later, less critical time, perhaps such shipments would be possible. The Navy Department pledged to make two patrol boats available shortly, but other items Venezuela wanted were mostly unavailable.16

Washington's reluctance to supply Venezuela's requests stemmed in part from two adverse 1943 reports on Venezuela's poor use of lend-lease arms. Lieutenant Sterling J.
Cottrell, assigned to the naval attaché's office in Caracas, was the author of both reports. His first account was a damaging assessment of Venezuela's aviation lend-lease program, and his second reported on the condition of the mobile defense guns the United States had supplied in early 1942.

In Cottrell's first report, a thorough and impressive study of Venezuela's aviation lend-lease program, he described minutely the deplorable Venezuelan handling of aviation equipment. In his conclusions the lieutenant considered options available to the United States from two perspectives. One perspective assumed there was an irrevocable commitment to send additional equipment, and the other was that no such commitment existed.  

If the United States had an irrevocable commitment, Cottrell suggested sending spare parts and equipment, not airplanes. The Venezuelans had a tendency to ask for planes rather than spare parts because the planes were easier to obtain, but once in possession of the aircraft, the Venezuelans let them deteriorate. Cottrell maintained that the best assistance the United States could give would be to train key Venezuelans in the United States to be aviation instructors. The newly trained instructors could overhaul Venezuela's aviation school and encourage better care of United States-supplied aircraft.  

If there were no irrevocable commitment, Cottrell suggested that "further efforts on the part of the United
States to build or aid military aviation in Venezuela [were] inadvisable . . . ." He concluded:

In the last analysis, it is believed that because of the indifferent government attitude towards military aviation, and because of the indifference of the Aviation Regiment itself, the value of the good will developed is not commensurate with the value of the equipment supplied.19

In mid-June 1943, about three months after his analysis of the aviation program, Cottrell reported on Venezuela's misuse of the coastal defense guns the United States had provided. He discovered that the guns and related equipment at Puerto de la Cruz were deteriorating to the extent that they provided little protection. Venezuelans had refused practice-firing to maintain the guns. When the United States military attaché had advised the Venezuelan government of the situation, no action followed. Cottrell believed that the Venezuelans used their lend-lease equipment only when United States personnel were supervising and that they tended to stockpile lend-lease equipment with an eye for later use. He quoted a secret report by the United States military attaché saying:

Venezuela has at present, rather large stores of Lend-Lease property which she does not contemplate putting to use in the aid of the U. S. war effort, but intends to hold such property as Venezuelan war reserve to be utilized only when the needs of Venezuela demand such use.20

That Cottrell's reports had an impact on Washington's attitude towards Venezuela's lend-lease program was evident in early spring when a State Department official asked
Admiral William O. Spears about supplying Venezuela with additional naval aircraft. Spears responded that the Navy Department would take Cottrell's report on Venezuela's lend-lease aviation program into consideration in any future allocation.\(^{21}\)

The War Department also reacted to Cottrell's aviation report when its Munitions Assignment Subcommittee-Air recommended refusal of fifteen AT-6 aircraft for Venezuela. The State Department feared refusal of the planes would have adverse repercussions in relations with Venezuela, and, hence, asked the Munitions Assignment Board-Air to delay a definitive decision on the matter. Chargé d'Affaires Joseph Flack confirmed the department's concern about a refusal being "disadvantageous to our general relations." Flack advised that a refusal would have an adverse impact upon a United States effort, then underway, to build up an intelligence service in Venezuela. After the State Department's representations, the Munitions Assignment Subcommittee-Air compromised and approved sending six planes to Venezuela.\(^ {22}\)

Cottrell's report apparently had a positive as well as negative impact on Venezuela. The lieutenant had commented upon the possibility that a United States air mission might help Venezuela's air corps, but because he believed Venezuelans would not cooperate with such a mission, Cottrell did not recommend one. Still, the idea of an air mission received an official tone in mid-June when
Venezuela's foreign minister approached Frank P. Corrigan, Washington's ambassador in Caracas, about such a mission. Corrigan requested Cottrell to study the proposed air mission and prepare an analysis of it. Cottrell suggested that the United States could supply any one of three types of missions. Cottrell suggested a mission designed to survey Venezuela's military aviation and to submit suggestions for its improvement to the ministry of war and marine. There were three advantages to Cottrell's suggestion: it was purely advisory; it enabled the United States to "guide future deliveries of the right type of [matériel]"; and it created a cooperative spirit in Venezuela because of the prospect of acquiring more matériel. According to Cottrell, the last advantage was the reason Venezuela had requested the mission in the first place. He concluded:

In the last analysis, it is not so important to the United States to build a top flight aviation unit in Venezuela, but it is important that good will be generated rather than ill will. It is hoped that this report may be used to that end.

In the State Department, opinions differed on the request for the air mission. Bainbridge C. Davis, of the Division of the American Republics, suggested either postponing a favorable reply or sending one or two men to make a limited survey of its possibilities in the hope that Venezuela might lose interest in the project in the meantime. Laurence Duggan favored Cottrell's suggestion. The War Department ended the discussion by approving a mission
provided the Venezuelan government offered genuine cooperation. If it was only a method for obtaining more lend-lease equipment as Cottrell had suggested, then the United States would withdraw the mission.\textsuperscript{25}

In the end, Venezuela's aircraft equipment amounted to one-third of its $4,530,000 lend-lease arms transfers. Naval assistance was less than $800,000. About half of the aid was ordnance, tanks, vehicles, and miscellaneous equipment.\textsuperscript{26}

II

Carlos Arroyo del Rio, president of Ecuador, discussed his country's military needs with United States Minister Boaz Long in late-February 1941. He told Long of his need to acquire $30,000,000 worth of airplanes, ships, anti-aircraft guns, and other equipment. Ecuador's congress had authorized the president to arrange credit up to $30,000,000 to finance the purchases. Arroyo del Rio wanted Long to press Washington for prompt and favorable action on the defense requirements.\textsuperscript{27}

Internal Ecuadoran political pressures required Arroyo del Rio to demonstrate an ability to acquire arms—almost anything—for his country. While some Ecuadorans sided with the Axis powers and marveled at their wondrously efficient military machines, others, including Arroyo del Rio, sided with the democracies. A few planes piloted by Ecuadorans or
two small ships flying Ecuador's national flag would sufficiently demonstrate the effectiveness of the president's administration.28

The United States acted quickly to support Arroyo del Rio by transferring two patrol boats to Ecuador in early May 1941. About ten days later a government spokesman in Quito announced that Ecuador had acquired approximately 100 airplanes through an arrangement with the United States aviation mission.29

Within the next few weeks after providing the matériel, the United States tendered a draft lend-lease agreement to Ecuador. In late July, Long reported to the State Department that Ecuador's finance minister, Vicente Illingworth, would probably discuss the agreement when the minister arrived in Washington shortly.30

By the time Long reported Illingworth's proposed visit, an event occurred which temporarily derailed consideration of Ecuador's lend-lease agreement. An undeclared war between Ecuador and Peru broke out over a disputed boundary. So long as the two nations fought, the United States refused to negotiate lend-lease agreements or to supply military equipment to either country. The State Department even refused to allow Ecuador to purchase machine guns and ammunition for its police force in Quito.31

Washington wanted the controversy settled as quickly as possible because it threatened internal stability and peace
in the Western Hemisphere. The quarrel might impede the flow of raw material for defense preparations and might reduce aid to Great Britain and its allies.32

When Ecuador and Peru resolved their differences in early 1942, the State Department resumed lend-lease discussions. Ecuador's proposed agreement provided for arms transfers of $17,000,000 with repayment clauses of $100,000 for six years. The proposed agreement, with its 96.47 percent reduction, was one of the most generous offered any American republic. At first Arroyo del Río did not understand that his country would not have to repay the full $17,000,000, but after he learned of Ecuador's small liability, the nations signed the agreement on 6 April 1942.33

Within less than three months after signing the agreement, Arroyo del Río told Long that some members of his cabinet had reservations about United States assistance. Word was that Peru, Colombia, and Venezuela had all received more generous lend-lease allotments and that aid was flowing more liberally to those countries than to Ecuador. He wanted lend-lease deliveries as quickly as possible.34

The State Department was well aware that Arroyo del Río needed military assistance to strengthen his position. He was not too secure since he had accepted terms of the protocol ending the border clash with Peru. Some Ecuadorans believed the protocol was unfavorable to their country.35
In response to repeated requests from President Arroyo del Rio and his ambassador to Washington, Colon Eloy Alfaro, the War Department made available lend-lease equipment by early August. The equipment included a dozen Marmon-Harrington tanks (complete with armament), thirty radio sets, and a dozen light trucks.36

The State Department refused one Ecuadoran attempt in 1943 to increase its lend-lease agreement by $1,000,000. Arroyo del Rio wanted the additional funds to purchase supplies and equipment for his nation's police force, the carabineros. He wanted the new allocation because Ecuador's army commander would not agree to share existing lend-lease funds with the police. The State Department did not support creation of a separate lend-lease credit for Ecuador's national police force because officials in Washington thought the Axis threat to the Western Hemisphere had largely passed. In addition, Washington was then considering a revision to lend-lease policy limiting additional assistance. Philip W. Bonsal explained Washington's inability to meet the request on the basis that "strategic considerations involved would not warrant the increase . . . ."37

Near the end of 1943 Ambassador Robert M. Scollen, Long's successor in Quito, sent to the State Department an assessment of Ecuador's use of lend-lease matériel. Colonel William E. Shipp, author of the report, believed that
lend-lease shipments had not created good will in Ecuador's army; in fact, they had often produced ill will. He based his opinion on observations that the United States sent matériel before the Ecuadorans had facilities to store, maintain, or use it. At times the Ecuadorans received equipment which was not suitable for their army. For example, the United States sent mechanized matériel when the Ecuadoran army had practically no artillery pieces and almost no modern infantry weapons. Modern wheeled vehicles had a short span of usefulness because Ecuador lacked spare parts and tools to keep them running.38

Shipp observed that the United States furnished lend-lease equipment based upon Ecuador's requests, which were not necessarily its needs. He suggested that someone should advise Ecuador's military leaders as to what their army actually needed before they filed lend-lease requisitions. "It should be understood," Shipp noted, "that the [Ecuadoran] military authorities are rather childish and they are apparently willing to accept any kind of [matériel] or equipment which is offered them."39

Shipp cited shipment of forty-eight lend-lease tanks as evidence of Ecuador's military authorities' willingness to accept any matériel offered. Unfortunately, the country could neither store nor maintain the tanks, and the United States received the blame for the problem. Shipp called the forty-eight tanks "white elephants" in the Ecuadoran army,
and he predicted they would remain that way "until proper facilities for maintenance and storage become available."\textsuperscript{40}

In late May 1944, as Ecuador was nearing its presidential election, a revolt in Guayaquil and a general strike in Quito forced Arroyo del Rio from office. All the opposition parties, from Conservatives to Communists, took control and declared José María Velasco Ibarra president. During the brief encounter in Guayaquil between the carabineros loyal to Arroyo del Rio and soldiers supporting the revolt, the latter used two lend-lease tanks in their assault. Velasco Ibarra rode into Quito in a lend-lease jeep to take control of the country.\textsuperscript{41}

\section*{III}

Ecuador's southern neighbor and opponent in the border clash, Peru, also wanted a lend-lease arrangement with the United States. Such an agreement was unavailable for the Peruvians in 1941 for the same reason that it was unavailable for the Ecuadorans.

While the border controversy was underway (mid-summer 1941 until January 1942), the United States jolted Peru in late September 1941 by requisitioning eighteen Douglas 8A-5 bombers then in transit through the port of New York from Canada. Manuel de Freyre y Santander, Peru's ambassador at Washington, vigorously protested the arbitrary detention of the planes and requested their immediate release.\textsuperscript{42}
Secretary of State Hull responded that the requisitioning was regrettable but that critical world conditions had made it necessary. Hull argued that the United States had to employ scarce implements of war, such as the Peruvian aircraft, in the most advantageous manner. The secretary explained that the procedure was consistent with United States law, "Act to Authorize the President to Requisition Certain Articles and Materials for the United States and for Other Purposes" passed on 10 October 1940, and with an Executive Order dated 15 October 1940.  

The State Department noted that requisition of Peru's planes was one of several instances of such action. The Royal Air Force of Thailand had lost 16 planes and Sweden, respectively. The United States also requisitioned merchant vessels belonging to Russia, Japan, and Switzerland. Such arguments had little favorable impact in Peru where the action produced considerable ill will toward the United States. Newspapers, radio stations, and members of Peru's senate lambasted the action in extremely anti-American remarks. In January 1942 the United States paid Peru approximately $1,250,000 for the planes.  

Although Hull maintained that the seizure was necessary for national defense and was consistent with United States law, Welles told United States ambassador to Argentina Norman Armour that the seizure was in the interest of inter-American relations—not national defense. The United States
decided it could not allow the planes to reach Peru at the time of the conflict with Ecuador. Welles believed it was necessary to keep military matériel from both belligerents.45

After settlement of the border controversy early in 1942, the United States and Peru quickly concluded a lend-lease agreement on 11 March, the first anniversary of the Lend-Lease Act. Peru was to receive military matériel valued at $29,000,000 and was to repay $12,000,000 over six years. The terms of the pact involved a 58.62 percent reduction in the value of the arms transfers.46

In the summer of 1943, fifteen months after the nations signed the agreement, R. Henry Norweb, United States ambassador at Lima, asked the State Department for a list of the matériel Peru had received. Norweb suggested that Washington not assign further lend-lease equipment to Peru until his embassy had had time to comment on the desirability of the transfer.47

Norweb's requests resulted from a conversation he had had with Peru's minister of aviation, General Fernando Melgar, who informed the American ambassador that Peru was to receive thirty to forty training planes. News of the assignment surprised Norweb since none of his embassy personnel was aware of it. If the embassy had the opportunity to approve assignments in advance of shipment, Norweb thought he might alter Melgar's uncooperative attitude
toward the United States aviation mission in Peru. The ambassador believed Washington officials were assigning arms to Peru without considering their political significance.48

The War and Navy Departments were unsympathetic to Norweb's suggestion and pointed out that Norweb's embassy personnel received transfer directives of the matériel sent. Their responses, though obviously not germane to the issue Norweb had raised about the equipment's political significance, did indicate that the military personnel assigned to Norweb's embassy were probably not doing all they could do to keep the ambassador informed of equipment as it arrived in Peru.49

By 1 August 1943 Peru had received $6,600,000 of lend-lease. News of the amount of Peru's lend-lease transfers caused Norweb to suggest to the State Department that Peru had "received about enough such matériel." In fact, the ambassador believed, in late August that the State Department should consider a general policy of decreasing lend-lease to all American republics. He believed that Argentina was encouraging establishment of military dictatorships unfriendly to the United States in various nations. Assuming the allegation against Argentina to be correct, Norweb wanted the United States to discontinue sending arms that could strengthen military establishments in Latin America. He proposed that the State, War and Navy
Departments devise a general policy for decreasing arms allocations in order to avoid embarrassing situations for the embassy or State Department. Norweb's recommendation—although it had no effect on formulation of policy—did, nonetheless, coincide with the development of similar ideas in Washington where the Standing Liaison Committee had recently advised the secretary of state of the need to revise the lend-lease arms policy.  

These thoughts had little immediate influence, for in the months that followed, aid continued to flow to Peru. Although the United States had authorized the equipment in earlier years, it did not begin arriving until 1943. By the end of April 1944, Peru had received about $8,667,000 in lend-lease transfers.  

By that same date the State and Navy Departments had become embroiled in a squabble over providing Peru twelve lend-lease dive bombers. The Navy Department's position was that Peru should receive the planes because they were necessary to replace worn-out Peruvian patrol planes and because the United States was obligated to supply them when it vacated the Talara Air Base in late 1943. In addition, Navy Department officials in mid-1944 still maintained that Peru needed the dive bombers for protection against a possible Japanese attack and for protection of Peruvian coastal shippers from a potentially renewed German submarine menace.
The State Department opposed the allocation primarily for political reasons—the potential effect on neighboring Colombia and Ecuador. Colombia had already expressed concern over Peru's larger share of lend-lease armaments. The United States was in the midst of discussions with Ecuador concerning the naval base in the Galapagos Islands, and the State Department did not want to endanger these talks. It further opposed the allocation because the revised lend-lease arms supply policy made it "inadvisable to assign further combat planes to any of the republics except those engaged in the war." Ultimately the State Department's position prevailed. 53

During the war years, Peru received $18,900,000 in lend-lease equipment, the fourth largest amount of arms transfers to the American republics. Aircraft and related matériel amounted to slightly over one-third of the total ($6,822,000), and naval assistance amounted to $4,140,000. Tanks and vehicles totaled $1,655,000. 54
ENDNOTES


4. Gunther, Inside, p. 194; Mecham, Inter-American Security, pp. 221-22; and Whitaker, South America, p. 130.


7. Ibid., p. 610.


12. Walmsley to Duggan, memorandum, 3 June 1942, "Status of Lend Lease with Venezuela," 831.24/187. Venezuelan pilots crashed two of the four AT planes shortly after receiving them from the United States. For awhile some State Department officials tried to persuade the War Department to replace gratuitously the two crashed craft. War Department officials feared such a move would set a dangerous precedent, but the Venezuelans could request new AT planes under their lend-lease agreement. Corrigan to Secretary of State, telegram, 10 July 1942, 831.24/70; and Wilson to Bonsal and Duggan, memorandum, 22 July 1942, FW831.24/71.

13. Welles, memorandum of conversation with Escalante, 2 September 1942, "Military aid for Venezuela"; Escalante to Welles, memorandum, 2 September 1942, Wilson to Welles, memorandum, 22 September 1942, FW831.24/330 (all three documents bear the same file number); Spears to Wilson, memorandum, 18 September 1942, "Venezuelan request for supply of indispensable armaments," 831.24/334; Welles to Escalante, memorandum, 28 September 1942, 831.24/330. Welles included a list of equipment which the War Department had previously scheduled for delivery to Venezuela.


15. Wilson, memorandum, 21 January 1944, 831.24/1-2144.

16. Ibid. Venezuela was to receive some non-floating naval matériel which had been on requisition for about a year. It included $12,500 worth of steel bars, plates, bronze, and copper products. In addition, the United States was assisting Venezuela to purchase repair parts for two launches. The Navy Department was unable to fulfill Venezuela's request for two escort ships, two salvage tugs, two sub-chasers, and twelve patrol vessels, Metz to Mck. Key, memorandum, 18 January 1944, "List of Naval matériel desired by the Venezuelan Government," 831.24/1-1844.

17. Corrigan to Secretary of State, despatch no. 4180, 22 March 1943, "The supplying of aviation equipment to Venezuela by the United States Government," 831.24/74. Corrigan did not include a copy of Cottrell's report but did include a summary of it prepared by an embassy staff member. The summary included a few direct quotes from Cottrell's writing.

18. Ibid.

19. Ibid.
20. Cottrell to Navy Department, Intelligence Division, Intelligence Report, 17 June 1943, "Venezuelan Army Fortifications and Fixed Defenses Design, Armament, and Equipment," 831.24/1048. The Navy Department supplied a copy of Cottrell's report to the State Department. Cottrell says that his remarks about the guns at Puerto de la Cruz are similar to an earlier report he submitted on the condition of guns at Las Piedras. The lieutenant was too vague in his comments that Venezuelans intended to use certain lend-lease equipment for some future war. He did not explain who the Venezuelans might fight with the equipment.

21. Spears to Wilson, memorandum, 15 April 1943, 831.248/76.

22. Woodward to Satterthwaite, memorandum, 27 April 1943, FW831.24/74; Foreign Relations, 1943, 6:795; Flack to Secretary of State, despatch no. 412, 4 May 1943, 831.248/75; and Corrigan to Secretary of State, despatch no. 4566, 30 June 1943, "Transmitting comment on suggested Air Mission to Venezuela," 831.20/70. Flack's message 831.248/75 appears in Foreign Relations, 1943, 6:795, but the Foreign Relations does not print all of it.

23. Corrigan to Secretary of State, 831.248/74; and Davis to Bonsal, Duggan, and Wilson, memorandum, 18 September 1943, "Venezuelan Request for a Military Aviation Mission," 831.20/78.

24. Corrigan to Secretary of State, despatch no. 4566, 30 June 1943, "Transmitting comment on suggested Air Mission to Venezuela," 831.20/70. A Type I mission provided for a commitment of from two to four years designed to train and control Venezuela's aviation force. Cottrell rejected use of this type mission as running too likely a chance of alienating Venezuelan and American personnel. Vesting authority in the hands of the Americans was sure to cause friction among Venezuelans. A Type II mission provided for United States personnel's assuming instructional duties at Venezuela's aviation school but not assuming control of Venezuela's aviation force. Cottrell rejected the Type II mission in favor of a Type III mission.

25. Davis to Bonsal, Duggan, and Wilson, memorandum, 18 September 1943, "Venezuelan Request for a Military Aviation Mission," 831.20/78; and Foreign Relations, 1943, 6:798. The United States and Venezuela signed an aviation mission agreement on 13 January 1944. See Hull to Ambassady, Caracas, telegram, 13 January 1944, 831.20/Missions/3A. Shortly after the nations signed the agreement, Cottrell wrote another report in which he predicted success for the
mission. He based his positive attitude on the impact of allied successes in Europe—the successes were causing an improved attitude in Venezuela's air regiment—and new personnel in the ministry of war and marine and a new director of aviation. Colonel Manuel Moran, at the war and marine ministry, and Major Guillermo Pacanins, new director of Venezuela's aviation, were much easier to work with than their predecessors. Flack to Secretary of State, despatch no. 5427, 26 January 1944, "Transmitting copy of Naval Attaché's report to Navy Department on improvement in Venezuelan attitude toward aviation," 831.20Missions/6.

26 Forty-Fourth Report, App. 1 (b).

27 Foreign Relations, 1941, 7:291.


30 Foreign Relations, 1941, 7:294-303. Illingworth was in Washington to discuss trade matters.

31 Ibid., pp. 292-93, and 296; Duggan to Daniels, memorandum, 7 November 1941, 822.248/219; Daniels to Duggan, memorandum, 8 November 1941, 822.248/220; Welles to Wilson, memorandum, 17 November 1941, 822.248/221; and Wilson to Welles, memorandum, 19 November 1941, 822.248/222.


33 Foreign Relations, 1941, 7:297; 1942, 6:373, and 379-82.

34 Long to Secretary of State, despatch no. 3199, 4 July 1942, "Memoranda Covering an Interview with the President of Ecuador," 822.24/274.

35 Foreign Relations, 1942, 6:386-87; and Long to Secretary of State, despatch no. 3199, 4 July 1942, "Memoranda Covering an Interview with the President of Ecuador," 822.24/274.

36 Johnson to Wilson, letter, 29 July 1942, 822.24/320; and Barber to McK. Key, memorandum, 6 August 1942, "Matériel desired by Ecuadoran Aviation Forces," 822.248/283.

38 Scotten to Secretary of State, despatch no. 703, 10 November 1943, "Lend-Lease Material to Ecuador: Lack of Goodwill Produced," 822.24/750.

39 Ibid.


41 Munro, Republics, p. 347; Foreign Relations, 1944, 7:1036-40; Newsweek, 12 June, 1944, p. 52; and Time, 12 June 1944, p. 38.

42 Foreign Relations, 1941, 7:508-10; and Carey, Peru, p. 108. The Peruvians had purchased the planes in August 1941 from the Norwegian government in-exile. The craft were in transit from Canada to New York and ultimately to Peru aboard the Maranon, a Peruvian ship, and the Grace Line vessel, the Santa Rita, when requisitioned.

43 Foreign Relations, 1941, 7:511-12. Secretary of War Stimson told a press conference on 17 October 1941, the same day Hull answered Freyre's protest, that the seizure was necessary due to "the increasing critical situation of the world and in conformance with our needs of national defense." New York Times, 17 October 1941, p. 3.

44 Foreign Relations, 1941, 7:514, 522, 517, and 523; and Carey, Peru, pp. 109-10.

45 Foreign Relations, 1941, 7:296; and Daniels to Duggan, memorandum, 8 November 1941, 822.24/220.

46 Foreign Relations, 1942, 6:673. About the time the United States and Peru signed the lend-lease agreement, a shipment of four mobile coastal defense guns arrived for the defense of Talara, Peru. The city was the site of the only refinery in western South America producing aviation gasoline. Conn and Fairchild, Framework, pp. 202-3.

47 Norweb to Secretary of State, despatch no. 7411, 20 July 1943, "Request for Information Concerning Lend-Lease Exports to Peru," 822.24/840.
Ibid. Norweb was not sure about the exact model of the training planes Melgar mentioned. They were either P-36s or Northrup planes.

Welles to Amembassy, Lima, despatch A917, 17 August 1943, 823.24/840. The department's reply to Norweb revealed that Peru had received the following aircraft:

<table>
<thead>
<tr>
<th>Year</th>
<th>Aircraft</th>
</tr>
</thead>
<tbody>
<tr>
<td>Before 1942</td>
<td>12 BT-13</td>
</tr>
<tr>
<td>During 1942</td>
<td>18 P-36</td>
</tr>
<tr>
<td></td>
<td>20 SNC-1</td>
</tr>
<tr>
<td></td>
<td>10 AT-6</td>
</tr>
<tr>
<td></td>
<td>18 PT-17</td>
</tr>
<tr>
<td>During 1943</td>
<td>12 BT-13</td>
</tr>
<tr>
<td></td>
<td>12 P-36 (assigned but not delivered)</td>
</tr>
<tr>
<td></td>
<td>13 A-33 (assigned but not delivered)</td>
</tr>
</tbody>
</table>

The department had no record of the assignment of the Northrups Melgar mentioned.

Norweb to Secretary of State, despatch no. 7717, 27 August 1943, "Lend-Lease matériel furnished to Peru," 823.24/919; and Norweb to Secretary of State, despatch no. 7734, 30 August 1943, "Lend Lease Matériel Furnished to Peru," 823.24/930. See Chapter I for discussion of the Standing Liaison Committee's recommendation on revising the lend-lease arms policy at almost the same time Norweb suggested such action.

Foreign Relations, 1944, 7:1505-6, and 1508.

Ibid., pp. 1510-13.

Ibid., p. 1511 and 1513; and 1945, 9:1319. Admiral William O. Spears, chairman of the Joint Army-Navy Advisory Board on American Republics, visited Peru from 20-27 October 1943. He discussed naval lend-lease aid for Peru with officials at the Lima embassy. Spears's remarks were quite similar to the arguments he used in mid-1944 to justify sending the dive bombers. Patterson to Secretary of State, despatch no. 8195, 27 October 1943, "Considerations Relating to Lend-Lease Discussed during Visit to Lima of Rear Admiral William O. Spears and Major Thomas R. Harrel," 823.24/1020.

Forty-Fourth Report, App. 1 (b).
CHAPTER VII

BOLIVIA AND PARAGUAY

Bolivia and Paraguay, neighboring countries in central South America, had been adversaries in the Chaco War, the first serious conflict among the American republics in the twentieth century. In the first three decades of the century, Bolivia moved into the Chaco area, an almost uninhabited plain which both nations claimed. Heavy fighting between the two republics broke out in the summer of 1932 and finally ended three years later. Bolivia lost about 60,000 lives in the fighting and Paraguay, 40,000. Late in 1938, after almost three years of negotiation, the two disputants resolved their differences and ratified a treaty ending the war. As a result of their animosity for each other, the State Department had to pursue an even-handed policy toward Bolivia and Paraguay or run the risk of offending one or the other. The United States offered both countries identical lend-lease agreements.¹

I

The State Department gave Luis F. Guachalla, Bolivia's ambassador to Washington, a draft lend-lease agreement in mid-July 1941. The proposal was an $8,000,000 package
providing for delivery of $2,000,000 in arms during the first year.²

Bolivia's president, Enrique Peñaranda told Douglas Jenkins, United States minister to Bolivia, that the United States was not fair in offering such a meager amount of aid while proposing larger amounts for Peru and Chile. He suggested a lend-lease agreement sufficient to equip an army of 30,000 troops, including field artillery pieces, tanks, and airplanes.³

Guachalla pressed the State Department to accept Peñaranda's request for a larger arms agreement. Guachalla also requested an increase in the original draft agreement's provision for $2,000,000 in first-year deliveries. The State Department supported both Bolivian desires and modified the agreement to provide for transfers of $11,000,000 and first-year deliveries of $3,000,000. Satisfied with the increase, Bolivia and the United States signed the agreement one day before the Pearl Harbor attack.⁴

There were several reasons why the State Department supported Bolivia's request for increasing deliveries during the first twelve months. By the fall of 1941, Bolivia had indicated to Washington its intent to cooperate in defense of the continent. The United States had to respond favorably by supplying the means to implement Bolivia's part in continental defense. The department believed Bolivia needed help in safeguarding strategic materials, particularly tin,
and it made sense to protect Bolivia's natural resources because the United States was at the moment cooperating closely in an economic program to increase Bolivian production. Another reason for supporting Bolivia's request was the State Department's concern that Bolivia receive the same lend-lease treatment as Paraguay. Guachalla had warned that "if Paraguay received more than Bolivia and this information became known in Bolivia there would be a 'scandal.' The [Bolivian] Government would undoubtedly be subjected to intense attack and criticism." Welles, fearing that Guachalla was right, insisted upon the increase. The War Department concurred, and Bolivia received an $11,000,000 agreement.5

Early in 1942 Carlos Dorado, Bolivia's chargé in Washington, raised with State Department personnel the issue which dominated lend-lease relations between the two countries during the year. The question was Bolivia's desire to have all of its first-year deliveries—valued at $3,000,000—in aviation equipment; specifically Bolivia wanted about sixty-five airplanes. Bolivia based its request on need to protect vital natural resources, on desire to cooperate with the United States in building an air base, and on assistance in communicating with outlying provinces.6

The State Department forwarded Dorado's request to the War Department where it was rejected. War believed concentrating all first-year deliveries in aviation equipment
would not provide Bolivia a well-rounded military program and would not promote Bolivian internal security. Furthermore, such an expenditure would have constituted a breach of faith with the United States Congress before whom the War Department had promised that Bolivia's first-year expenses would include about $1,000,000 for aircraft. Since the War Department had made the promise to Congress during its hearings on lend-lease appropriations, there was a reluctance to run the risk of angering powerful American politicians for Bolivia's interest.  

In rejecting the request, the War Department made a counterproposal. It amounted to offering thirty-five planes valued at about $1,000,000 and some miscellaneous military equipment. The State Department, thinking the counterproposal was "more than the Bolivians . . . might have expected," reacted favorably.

Officials in La Paz did not think the counterproposal was enough. General David Toro, head of Bolivia's military mission in Washington, had reported the offer to La Paz officials as a slash in Bolivia's aviation lend-lease allocations. Eduardo Anze Matienzo, Bolivia's foreign minister, told Allan Dawson, United States chargé d'affaires in La Paz, that United States action was at variance with Welles's promise to provide equipment to defend Bolivia's mines.
Dawson recommended that the State Department support shipment of token deliveries of six or eight airplanes over the next few months. The department did not take his suggestion, preferring instead the War Department's counterproposal. In mid-May the State Department notified Bolivia of its allocation of thirty-seven aircraft, and, in an effort to blunt an anticipated Bolivian objection, promised that the Munitions Assignment Board would consider Bolivia's request for twenty-two more planes.¹⁰

Laurence Duggan tried to explain to Guachalla the advantage of the Munitions Assignment Board promise to consider in the next few months Bolivia's request for twenty-two more airplanes. He argued that promise of a decision in a few months was preferable to a vague promise to deliver planes at some unspecified date. Guachalla was unconvinced by Duggan's distinction.¹¹

When word of the allocation of thirty-seven airplanes reached La Paz, General Miguel Candía, Bolivian minister of national defense, exploded. Pounding the table while he talked to a United States official, Candía said he could not accept the reduced offer. To Dawson, Candía's attitude was "typical in its puerility." There was little Bolivian officials could do about the allocation except complain.¹²

On the first anniversary of Bolivia's lend-lease agreement, 6 December 1942, thirteen of the thirty-seven planes arrived in La Paz. Peñaranda and Candía were on hand to
witness the arrival of the planes. Newly appointed United
States Ambassador Pierre Boal wrote the State Department
that the planes would "have an excellent effect as a con-
crete example of lend-lease deliveries and hemisphere
defense cooperation."\(^{13}\)

Lend-lease contacts and deliveries continued through-
out 1943 but ended in January 1944 after a well-prepared,
bloodless revolution led by civilian leaders (National
Revolutionary Movement) and young military officers (RADEPA)
overthrew the Peñaranda government. The 20 December 1943
coup led the United States to suspend lend-lease until, in
consultation with other republics, it recognized the new
Bolivian government six months later.\(^{14}\)

In the autumn of 1944 the new Bolivian government's
representatives in Washington asked the State Department
for assistance in acquiring jeeps, trucks, and transport
airplanes. One Bolivian urged the department to support the
request because Bolivia had not received lend-lease ship-
m ents for months during the period of non-recognition. The
department supported the Bolivians' need for transport
(C-47) airplanes, and in 1945 Bolivia received four of
them.\(^{15}\)

Delivery of the C-47 airplanes precipitated a row with
the Bolivians over proper use of lend-lease equipment. At
issue was whether the Bolivian government could use lend-
lease transports to move beef from the vicinity of the city
of Reyes in the lowlands to La Paz. The airline Pangra, formerly Lloyd Aereo Boliviano, complained that the government's plan competed with its own commercial business.\(^{16}\)

The department's first reaction was that the Bolivian government's use of the planes was contrary to the intent of the Lend-Lease Act. Bolivia received the equipment—the department believed—to assist in pilot training, not to compete with a commercial airline. Near the end of 1945, the department reversed its stand. The reversal came from realization that there was little the department could do about the matter, and the Bolivian embassy in Washington had demonstrated that the planes were instrumental in helping overcome insufficient transportation in Bolivia. The department, in sanctioning use of the transports, reserved the right to request Bolivia to stop using the planes when there no longer was an emergency.\(^{17}\)

When the first thirteen training planes arrived at La Paz in early December 1942, there was apprehension over Bolivia's maintaining the aircraft in proper condition. Immediately upon arrival of the planes, Lieutenant Colonel Donald N. Wackwitz, chief of the United States aviation mission, urged Bolivian officials to prepare maintenance and repair services. When Bolivia appropriated less money than one training plane cost, Wackwitz complained that the amount was too small to assure minimum facilities to keep the planes in use. Nonetheless, the United States embassy, at the
end of 1942, was optimistic that Bolivia would provide more money.¹⁸

The embassy misplaced its confidence, however, for in early 1945 the United States military air attaché in La Paz, Lieutenant Colonel Murl Estes, wrote that aircraft manufacturers traveling through the American republics believed that lend-lease equipment was in worse shape in Bolivia than elsewhere. Estes found that Bolivia had not expanded its hangars in La Paz and that its engine overhaul shop was inadequate. He discovered ten airplane engines still in their original crates after two years at the La Paz airport. The Bolivians had no system to organize spare parts. If a mechanic needed one, he had to "open boxes and go through piles of spare parts searching at random until the needed spare part is found." Misuse of lend-lease equipment was easy to spot at El Alto and Aduana military installations, Estes wrote.¹⁹

II

Washington's concern in providing arms to Paraguay was not as great as that for Brazil or Colombia. Nonetheless, there was political interest in Paraguay, and Washington wanted to demonstrate its support for the government of President Higinio Morínigo. Paraguay's proximity to Argentina—the only republic refusing to cooperate with the hemispheric defense efforts—increased Washington's interest
in Morínigo. Unquestionably, worry over Nazi sympathies in the Paraguayan military also raised Washington's interest in strengthening Morínigo.²⁰

To demonstrate its support, the State Department handed Juan José Soler, Paraguay's minister to the United States, a draft lend-lease agreement in early July 1941. The draft proposed an $11,000,000 arms transfer with a $3,000,000 ($2,000,000 for army and $1,000,000 for naval) first-year delivery. Paraguay's repayment provision was only $50,000 annually for six years, or about 90 percent reduction in the price of the armaments.²¹

Luis Argana, Paraguay's minister for foreign affairs, was an obstacle to concluding the agreement. He incorrectly told Paraguay's president, Higinio Morínigo, and his cabinet that one of the proposed agreement's articles meant that Paraguay might be liable to provide the United States $2,700,000 worth of local products at low prices in addition to the $300,000 repayment. Washington denied the allegation, but the denial did not change minds in Asunción.²²

During a meeting in which Soler discussed the proposed agreement with Laurence Duggan and Orme Wilson, he suggested that the State Department could strengthen Morínigo and weaken Argana by instructing Wesley Frost, United States minister in Asunción, to inform Paraguay's government that it could pay for its lend-lease equipment only in cash (an action desired by the United States government in the first
place). The department sent the instruction, Frost delivered it, and the Paraguayan government approved the agreement. The nations signed the agreement on 20 September 1941.23

About three weeks later, Frost sought immediate shipment of arms. He urged Washington to send matériel for all of Paraguay's armed forces but to emphasize aviation equipment. Arrival of lend-lease was essential to encourage support in the Paraguayan army for the agreement. While there was a favorable attitude generally, some critics argued that the United States would not deliver any arms. At the end of November, Frost renewed his requests for arms because there was rising discontent among Paraguay's army officers with totalitarian sympathies, a threat to Morínigo's continuance in office. The officers believed that the United States had tricked Paraguay into signing the document to gain support in the Western Hemisphere and that Paraguay would not receive any arms.24

After the attack on Pearl Harbor and the Rio meeting, Frost changed his mind on the future of the Morínigo government. In early February 1942 he thought it would last for a "good many months." His changed opinion resulted from Paraguay's decision to break relations with the Axis powers after Argana convinced army officers that the action would
secure arms. Frost urged token shipments quickly because the army officers were "waiting sulkily to see if Argana's formula has any virtue."25

Welles's reaction was to comply with Frost's request. Sending the arms would strengthen the Morínigo government and demonstrate Washington's appreciation of Paraguay's cooperation in continental defense. In subsequent developments, Welles urged speeding deliveries to Paraguay to coincide with similar deliveries to Bolivia. If Bolivia received equipment before Paraguay, Welles feared an "impossible situation."26

A problem in sending equipment to Paraguay was the lack of a military expert in its Washington embassy to discuss technical details with the War Department. Soler did his best to submit lend-lease requisitions, but the War Department complained in late 1941 that the situation was undesirable. No expert arrived, and Soler continued to file requisitions in 1942.27

Welles took a special interest in Soler's request for trainer airplanes. In early May the State Department informed Paraguay that it would receive thirty-one trainer airplanes and army equipment. The planes were to become available starting in June with deliveries concluding in October. After announcing the deliveries, the State Department learned that there would be a two-to-four-month delay. When Welles refused to accept the delay, an appeal to
Harry Hopkins, Roosevelt's close adviser and confidant, won re-instatement of the delivery schedule guaranteeing that Paraguay would receive trainer planes the same month Bolivia did.28

Even with Hopkins's direction that the planes be available in July, they were not. In fact, it was only in late 1942 that lend-lease equipment reached Asunción. Prior to delivery of war matériel and Allied successes in Europe, Paraguayan military personnel were unfriendly to the United States. When the first lend-lease shipment finally arrived, it consisted of trucks and not arms or planes. Paraguayans scoffed at the trucks as evidence that the United States promised arms but delivered far less. Ultimately a combination of arms deliveries and Allied war successes changed the Paraguayan military attitude.29

Eventually, in 1943, Paraguay received lend-lease trainer planes. The initial reception accorded the aircraft in Paraguay hardly justified the efforts to secure them. Camille D. Vinet, a representative of Consolidated Vultee Aircraft Corporation, spent four months in Asunción in 1943 to assist Paraguay in using and maintaining its thirty-one Vultee trainers. When he left, he believed the situation in Paraguay was hopeless. He discovered that qualified mechanics were unavailable and that two Paraguayans sent to the United States for training were not employed when they returned. Adequate hangars were unavailable, and the planes
were left without protection from the elements. Vinet was skeptical that Paraguay even had enough pilots to fly all of the planes.\(^{30}\)

In the second half of 1943, Frost pushed the State Department to secure lend-lease equipment for the Paraguayan navy. In mid-August he wrote Duggan that the Paraguayan navy had not benefited from lend-lease. There had been attempts to file lend-lease requisitions for naval matériel, but they were sidetracked. At one time Paraguay did not have a naval representative in Washington to pursue such matters. At another time the Paraguayans learned that the United States did not manufacture the requested equipment. The result was discouraging. Frost requested Duggan to see if the Navy Department could furnish a couple of PT-110 boats.\(^{31}\)

Actually, Frost was not current about the status of Paraguay's naval requests. Commander Amado Candía, Paraguay's naval representative in Washington, had overcome earlier Paraguayan deficiencies and had filed a formidable list of equipment requisitions. He had asked for tugboats, a floating dock, a dredge, seaplanes, and PT boats. Candía had had, though, no luck in securing the items.\(^{32}\)

Duggan discovered little likelihood that the Navy Department would be able to fulfill Candía's requests. Admiral William O. Spears had decided that PT boats (useful for anti-submarine warfare) were unavailable for Paraguay,
but he did think six 45-foot launches might serve as a substitute. They were suitable for river patrol projects. Before the end of 1943, the Navy Department made six picket boats available to Paraguay, but Frost urged cancelling the order because Argentina had a naval mission in Paraguay, and Frost thought the Argentines would divert use of the boats to their own ends. Nonetheless, the United States sent the boats, and in early April 1946 Ambassador Willard L. Beaulac, who had succeeded Frost, reported that Paraguay had never used them because the Paraguayans could not afford the gasoline to run the boats.33

Paraguay ended the war with the smallest lend-lease program for any South American nation. Total transfers were approximately $1,955,000. About $1,000,000 was expended for aviation equipment and almost $500,000 was for naval equipment.34
ENDNOTES

1Wood, Latin American Wars, pp. 19-21, 27, 81, and 157-58.

2Foreign Relations, 1941, 6:422.

3Ibid., pp. 422-24.


5Wilson to Ridgway, memorandum, 23 October 1941, "Request of the Bolivian Government for an increase in the value of the equipment to be delivered during the fiscal year ending June 30, 1942," 824.24/318; Ridgway to Wilson, memorandum, 28 October 1941, "Request of the Bolivian Government for an Increase in the Value of the Equipment to be delivered during Fiscal Year Ending June 30, 1942," 824.24/310; Duggan, memorandum of conversation with Guachalla, 26 September 1941, "Assistance being accorded Paraguay under the lend-lease program," 824.24/305; Welles to Wilson, memorandum, 22 October 1941, "Bolivian Lend-Lease," 824.24/396; Stimson to Secretary of State, letter, 18 November 1941, 824.24/312. Bolivia sought to procure ten locomotives from the United States with part of its lend-lease funds. Alberto Ostría Gutiérrez, Bolivia's minister of foreign affairs, told Jenkins that the locomotives were at least as essential, if not more so, than arms. The train system of Bolivia was inefficient, and the new locomotives would greatly enhance communications and food distribution in Bolivia. Welles supported the idea, but lend-lease funds were unavailable for such purposes. Foreign Relations, 1941, 6:425-27; Welles to Wilson 824.24/395; and Collado to Wilson, 824.24/396.


Mathewson to Wilson, memorandum, 18 March 1942, "Request that the $3,000,000 set up by the Joint Advisory Board be devoted exclusively to the acquisition of aviation training material," 824.24/506; and Ridgway to Wilson, memorandum, 28 October 1941, "Request of the Bolivian Government for an Increase in the Value of the Equipment to be delivered during Fiscal Year Ending June 30, 1942," 824.24/310.

Woodward to Bonsai and Duggan, memorandum, 23 March 1942, FW824.24/506. The State Department termed the miscellaneous military equipment as "certain other material" and it probably was the equipment the War Department made available for delivery in July, August, and September. It was:

- 300 Field telephones, type EE-8
- 30,000 Canteens
- 30,000 Covers, canteen
- 30,000 Cups, canteen
- 500 Suits, cover-all
- 2,000 Bombs, practice

The Bolivians were not due to receive significant deliveries of equipment because of their insistence on receiving only airplanes. McK. Key to Bacon and Woodward, memorandum, 10 August 1942, 824.24/565. This McK. Key memo included a War Department paper entitled, "Deliveries of Lend-Lease material to Bolivia and Paraguay."

Welles flatly denied Anze Matienzo's allegation about the undersecretary's Rio pledge of arms. Welles said,

In fact, the Bolivian Foreign Minister [at Rio] was interested solely in obtaining credits and in the Standard Oil settlement and except in my first conversation when he mentioned the undefended state of the Bolivian mines, I do not recall any discussions with him which dealt with military problems.

Welles to Duggan, memorandum, 12 May 1942, 824.248/208.

Dawson to Secretary of State, despatch no. 2046, 30 April 1942, "Requests of Bolivian Government for Lend-Lease and Other Military Assistance," 824.24/443; Foreign Relations, 1942, 5:533; and Welles to Boal, despatch no. 45, 12 June 1942, 824.24.24/443.


Dawson to Secretary of State, despatch no. 517, 21 August 1942, "Lend-Lease Equipment for Bolivia," 824.24/227. Dawson also remembered that:

the Bolivian Army wants as many planes as it can
get and childishly considers it is entitled to them regardless of circumstances. That the Lend-Lease agreement makes them practically gifts and that beggars cannot be choosers are considerations that are foreign to the Bolivian army mentality.


14 Ibid., 1944, 7:476 and 500; Ibid., 1943, 5:533; Ibid., 1944, 7:469 and 504; and Whitaker, The United States and South America, p. 72.

The National Revolutionary Movement (MNR) formed in August 1941 as a "patriotic movement with a socialist orientation aimed at affirming and defending the Bolivian nation." While some MNR members were pro-Axis, the movement's major concerns centered on Bolivian issues such as improving wages and working conditions for labor. The movement appealed strongly to middle-class Bolivians, and it advocated control—though not nationalization—of large tin mines with intent to establish economic liberation and sovereignty for the nation.

Penaranda's drastic reaction to a strike at the Catavi tin mine in December 1942 eventually lead to a merger between MNR members and a group of young military officers (RADEPA—the "majors' clique") who overthrew the Bolivian government. The drastic reaction to the strike at Catavi included Penaranda's ordering his army to the mine to end the strike, and the soldier's use of deadly force. Eventually, the Catavi massacre, the most dramatic example of Penaranda's insensitivity to social concerns but readiness to aid large businesses, bonded his opponents.

After Penaranda's overthrow, a coalition of MNR members and army majors assumed power. Major Gualberto Villarroel was president and Víctor Paz Estenssoro (MNR) was minister of finance. Malloy, Bolivia, pp. 114 and 117; Klein, Parties and Political Change in Bolivia, pp. 338 and 356-67; New York Times, 21 December 1943, p. 1; Time, 28 December 1942, p. 28; and New York Times, 18 January, p. 6.

Penaranda's army did not use any lend-lease matériel in its suppression of the Catavi mine strike. The only United States military equipment delivered to Bolivia until 22 December 1942 (the day after Penaranda's army killed scores of the striking miners) was thirteen training planes (two were damaged en route to La Paz) and one twin-engined Grumman amphibian airplane. Boal to Secretary of State, despatch no. 1021, 22 December 1942, "Maintenance of Lend-Lease Matériel by Bolivian Government," 821.24/659.

15 Lyon, memorandum of conversation with Dorado, Pacheco, and Moscoso, "Lend-Lease Equipment for Bolivia,"
824.24/9-1544; Wright, memorandum of conversation with Pacheco, Moscoso, and Halle, "Trucks, Jeeps, and Airplanes for Bolivia," 824.24/10-3144; Wright to Johnson, Chalmers, and Jarvis, memorandum, 824.24/11-344 EG; and Foreign Relations, 1945, 9:566.


22. Ibid., pp. 476-77. President Morínigo was a dictator, but he "was not a savage and cruel leader," Ambassador Willard L. Beaulac writes. Willard L. Beaulac, Career Ambassador (New York: Macmillan Co., 1951), p. 266.


24. Frost to Secretary of State, despatch no. 208, 9 October 1941, "Arms Contract with Paraguay," 834.24/100; and Frost to Secretary of State, telegram, 28 November 1941, 834.24/110. In his message of 9 October Frost also
requested sending an aviation mission to Paraguay and keeping a steady stream of Paraguayan military officers visiting United States military installations. He put great emphasis on the visits.

25 Frost to Welles, letter, 7 February 1942, 834.24/134.

26 Welles to Wilson, memorandum, 13 February 1942, 834.24/134 (attached to Frost's letter); Welles to Burns, letter, 23 February 1942, 834.24/134; and Welles to Wilson, memorandum, 23 May 1942, 834.248/58.

27 The United States and Paraguay raised their legation to embassy status at the start of 1942. Ridgway to Wilson, memorandum, 10 November 1941, "Status of Paraguayan Requisitions for Munitions under Lend-Lease Act," 834.24/115; and Wilson to Welles, memorandum, 13 April 1942, "Lend-Lease Equipment for Paraguay," 834.24/146.

28 Hull to Amembassy, Asunción, telegram, 4 May 1942, 834.24/146D; Welles to Wilson, 834.248/58; Welles to Hopkins, letter, 30 May 1942, 834.248/48A; and Hopkins to Welles, letter, 2 July 1942, 834.248/56. When the United States informed Asunción (4 May 1942) of the delivery of the trainer planes, it also mentioned other approved equipment immediately available for Paraguay. It included:

- 5 81 mm mortars
- 500 81 mm mortar high explosive shells (light)
- 150 81 mm mortar high explosive shells (heavy)
- 500 Telephones, EE-8
- 10,000 Meat cans
- 10,000 ea. Knives, forks, and spoons
- 20 Jeeps
- 2 Command trucks
- 100 Cargo trucks (11/2 ton)

When Hopkins (2 July) notified Welles that Paraguay's trainer planes would become available in July, he told the undersecretary that the action represented a sacrifice. Hopkins said the allocation cost "a real reduction in the training potential of the Army Air Force . . . ." The planes had one great advantage over the availability of the army ground equipment. They could reach Paraguay much quicker. Pilots could fly them directly while the other equipment had to await limited Paraguayan shipping space.

29 Foreign Relations, 1943, 6:670-72. President Morínigo had tried to decline the army trucks. He did so because gasoline was unavailable to operate them and because Paraguay lacked adequate storage and maintenance facilities. He also said he did not wish to receive any Stearman
training planes because spare parts for them would be unavailable (the United States was discontinuing the planes' production). Frost to Secretary of State, despatch no. 555, 17 November 1942, 834.248/64.

30 Caffery to Bonsal, letter, 1 September 1943, 834.248/84.

31 Frost to Duggan, letter, 19 August 1943, 834.24/497. Paraguay had received some lend-lease naval equipment when Frost wrote his letter—three diving suits.

32 Dawson to Wilson, and Duggan, memorandum, 31 August 1943, "Lend-Lease Material for Paraguayan Navy." 834.24/498.

33 Wilson to Duggan, memorandum, 1 September 1943, 834.24/499; Duggan to Frost, letter, 4 September 1943, 834.24/497; and Frost to Secretary of State, telegram, 22 December 1943, 834.34/33; and Foreign Relations, 1946, 11:1191

34 Forty-Fourth Report, App. 1 (b).
Uruguay, South America's smallest republic, had the European war brought suddenly to its shore in mid-December 1939 when one of Germany's three pocket battleships, the *Admiral Graf Spee*, entered Montevideo Harbor. The warship sought refuge from two British light cruisers which had fought and damaged it. A third British vessel, the heavier cruiser *H.M.S. Exeter*, suffered extensively in the sea battle from the *Graf Spee*’s 11-inch guns. The attack began 200 miles off Uruguay's coastline, well within the 300-mile neutrality zone established by the Pan American foreign ministers' conference meeting at Panama City in late September and early October 1939. The idea of a neutrality zone, originally championed by Roosevelt and later presented by Welles, was to keep Europe's war out of the Americas by preventing belligerent warships from coming closer than 300 miles.

With the *Graf Spee* harbored at Montevideo and British warships waiting off-shore to renew the attack, Uruguay had to rid itself and the hemisphere of the neutrality zone violators. Backed by the United States and other republics, Uruguay demanded that Germany remove its battleship within
seventy-two hours. At the appointed time, Captain Hans Langsdorff, commander of the Graf Spee, hoisted anchor and slowly moved out of the harbor as hundreds of thousands of curiosity-seekers watched. After clearing Uruguay's three-mile territorial limit, Langsdorff stopped the Graf Spee, transferred his crew to awaiting vessels, and scuttled his warship. He acted on orders from Hitler, who directed destruction of the vessel after Uruguay refused Germany's request to allow the vessel to remain two weeks to repair the British-inflicted damage.²

In the months after the Graf Spee incident, Uruguay was every ready to cooperate with the United States. Its long and vulnerable coastline, weakness, uncomfortable buffer-state location between Argentina and Brazil, and its friendly attitude towards the United States influenced Uruguay's foreign policy. In the summer of 1941, its president, Alfredo Baldomir, announced that Uruguay's ports would be open to the navy of any Western Hemisphere nation becoming a belligerent in the war.³

The United States rewarded Uruguay's favorable policy by offering it the fifth largest lend-lease agreement concluded with the American republics. The agreement, offered in early July 1941, proposed a $17,000,000 lend-lease program with $1,000,000 in naval and $2,000,000 in army equipment delivered during the first year. Uruguay's ambassador to Washington, José Richling, believed the pact
was far in excess of his country's needs, which he pegged at $7,000,000. He said he would not send a copy of the proposed agreement to his government until he had discussed with the State Department a specific list of arms costing $7,000,000. Richling soon changed his mind and forwarded the draft to Montevideo when he learned that Uruguay's minister of national defense said the full $17,000,000 would be necessary to provide arms for the army and navy and did not include any funding to equip the air force.  

Uruguay's congress had to approve the lend-lease draft before the nations could sign it. Securing approval took almost the rest of the year before the signing came on 13 January 1942, only a few days before start of the Rio meeting.  

Opposition in the Uruguayan congress to approving the pact came from followers of National party leader, Luis Alberto de Herrera, a politician who admired Hitler, Mussolini, and Franco and who intensely disliked the United States. Herrera's party held significant political power by its control of one-third of the cabinet posts and one-half of Uruguay's senate. The Herrerista members objected to the unseemly speed and informal manner in which the chamber of deputies considered the pact. In this matter the opposition was probably right because the chamber had received only an oral report from its special committee recommending approval. When the Herrerista members objected to the procedure, other
chamber deputies charged that their motives were obstructionist and political. The chamber promptly approved the lend-lease agreement on the day it began consideration and sent it to Uruguay's senate. After senate approval the nations quickly signed the document.  

During the time it took Uruguay's congress to consent to the agreement, the United States agreed to increase first-year deliveries from $3,000,000 to $5,000,000. Uruguay's minister of national defense argued that his country's immediate defense needs required the larger figure. The increase also had political implications. A larger first-year allocation would strengthen the government against opposition.  

Lend-lease deliveries began quickly for Uruguay in 1942. Uruguay's ambassador in Washington spoke to State Department officials before the Rio meeting about the need for speedy arms deliveries. Baldomir's administration needed the weapons to support its struggle with the National party. While the Herreristas had been unable to prevent approval of the lend-lease agreement, they were potentially able to hamstring Baldomir on any issue on which they could unite. With presidential elections scheduled for March, members of Uruguay's delegation at the Rio meeting pressed Welles's entourage on the issue of speedy arms deliveries. A quick check with Washington revealed that eight airplanes were ready for shipment. In order to have maximum impact on
Uruguay's internal political situation, the State Department wanted the planes delivered in March. The planes arrived, but Uruguay did not hold the election because Baldomir dismissed his congress in February and ruled with the aid of an appointed council until a new president, Juan José Amézaga, won election the following November. 8

The rapid delivery of planes in March was not the general pattern for Uruguay for the rest of the year. Colonel Hugo Molins, chief of Uruguay's military mission in Washington, presented a lengthy list of urgently needed armaments—including airplanes, artillery, ammunition, and motorized equipment—to the State Department in early April. The list did not include anti-aircraft weapons because the State Department had advised that they were unavailable. In early May the Munitions Assignment Board notified Molins that it approved his requested 81mm mortars and some of his aircraft, although the board refused to approve the majority of Molins's request. After the May allocation, Uruguay's lend-lease shipments dwindled. 9

On one occasion in the late summer of 1942 the secretary of state sent an assurance to relieve Uruguay's concern over its defenseless position against attack from German submarines. When Alberto Guani, Uruguay's foreign minister, requested United States armaments and naval patrols, Hull downgraded the threat of a German submarine attack. An enemy attack by carrier-based airplanes on a Uruguayan
target was remote, according to Hull. Guani's fear was similar to that expressed by the Caribbean nations when they declared war some months earlier. Hull counseled the United States ambassador in Montevideo to assure Guani, "Although these fears have some basis it is believed that they will pass, as they have in the Caribbean area, as the realization grows that the danger of real damage is not as great as first thought."  

Hull noted that because the United States was in the midst of providing weapons on a gigantic scale to the fighting allies, it was not always possible to assign weapons to non-belligerents. The secretary assured Guani that the United States would try to protect Uruguay from attack, but the United States could not provide constant patrols of Uruguayan shores.  

Guaní's request for naval assistance came during Germany's 1942 submarine offensive, which included action in the Gulf of Mexico, on the Caribbean Sea, and along the South American coastline down to about Santos, Brazil. Allied losses in American waters during the year amounted to 369 vessels representing almost 1,876,000 gross tons. Mexico and Brazil became belligerents in 1942 because of Germany's submarine attacks; however, there were no sinkings in Uruguayan waters. By the start of 1943, Nazi sinkings in Central and South America were fewer than seven vessels per month, and by March Axis submarine fortunes in
the Atlantic turned bleak. By then the allies were employing more of everything—long-range planes, destroyers, carriers, sloops, and frigates—and were using better trained and equipped personnel.¹²

Though Uruguayan diplomats realized the United States was supplying many nations with war equipment, an effort they recognized as commendable, the Uruguayans reminded Washington that they, too, needed arms. Ambassador Juan Carlos Blanco, Richling's successor, expressed Uruguay's growing frustration over lack of lend-lease deliveries in late April 1943. Blanco complained that Uruguay had never received some equipment allocated by the United States because of a lack of shipping space. Although there was no Axis threat to Uruguay, Blanco insisted on lend-lease deliveries because of his country's strategic location at the mouth of the River Plate.¹³

In early May the Uruguayan ambassador renewed his insistence on lend-lease deliveries. By this time Orme Wilson had obtained a detailed list of the equipment allocated to Uruguay between April 1942 and April 1943. Some items, such as 100,000 rounds of .303 caliber ammunition originally intended for the British but diverted to the Uruguayans, represented no little effort on the part of the War Department. When Wilson told Blanco of United States efforts, the ambassador responded that a large proportion of the allocated matériel had not reached Uruguay, and he
dismissed Wilson's reminder that the war situation had improved and lessened the need for arms delivery. He maintained that Uruguay needed the lend-lease matériel to protect the country against German settlements in the Rio Grande do Sul, to patrol the coast, and to defend the River Plate against Argentine claims. After hearing Blanco's arguments and being unable to convince him otherwise, Wilson asked Blanco to submit a new list of items Uruguay most urgently required.¹⁴

Blanco filed his request with the State Department on 12 June. He freely admitted that there was no enemy threat to Uruguay necessitating the lend-lease arms, but he repeated his usual arguments and reminded Washington that Montevideo served as the seat of the Committee of Continental Political Defense, an organization created in 1942 to encourage political cooperation in the hemisphere. The Uruguayan urged that his country receive three fully armed destroyers, ten armored speedboats, and armaments to equip three battalions of marines (about 1,100 men).¹⁵

The ambassador failed to persuade the department that Uruguay needed all the requested arms. Blanco was undeterred, and he solicited Hull's support in early July and again two months later. Before Hull's September meeting with Blanco, departmental personnel researched Uruguay's lend-lease account and briefed the secretary on their findings. Uruguay's chief complaint was its lack of naval
materiel. Actually, the Uruguayans had received or were due to receive much of the materiel, but their complaint centered on the non-availability of three 173-foot patrol boats. The Navy Department had offered 83-foot or 110-foot boats as substitutes, but Uruguay had refused them. One positive item the staff uncovered in its study was that the Munitions Assignment Board had recently approved allocation of fifteen airplanes with deliveries starting in July and concluding in September. The staff reminded Hull that the principal problem in granting Uruguay additional armaments in the fall of 1943 was that the State, War, and Navy Departments were considering a revised policy on supplying lend-lease arms to the American republics.16

Hull explained to Blanco that the United States would give his requests sympathetic consideration, but items such as patrol boats were critically short, even in combat areas. The secretary revealed his concern whether further arms deliveries "desired by Uruguay for hemisphere defense purposes can be made available in the light of direct war needs for similar equipment."17

The State Department underwent a considerable change of attitude in late 1943 and early 1944 by becoming an active advocate of lend-lease shipments to Uruguay. The department changed its stand on Uruguay's lend-lease requests because of events arising from the late December 1943 coup in Bolivia. The overthrow of the Peñaranda government caused
neighboring nations, including Uruguay, to petition Washington for arms to prevent enemy aggression in the unsettled area. Uruguay's renewed requests after the coup made an advocate of the previously reluctant State Department. Nonetheless there was no immediate flow of army equipment to Uruguay because the War Department refused to approve deliveries.  

Naval authorities responded more quickly. The Navy Department dispatched Rear Admiral Jonas H. Ingram, commander of the Fourth Fleet, to Montevideo in early January 1944. Ingram arrived by the middle of the month with a destroyer and a cruiser to demonstrate Washington's support for President Amézaga. While in Uruguay, Ingram announced the availability of considerable equipment including one 173-foot patrol boat. Shortly after the admiral's visit, the Navy Department offered other equipment including a 63-foot crash boat suitable for rescuing airplane pilots at sea and all the naval matériel necessary to equip three battalions of marines. The latter included uniforms, rifles, and machine guns.

In mid-January the State Department renewed efforts to influence the War Department to deliver Uruguay's lend-lease requests. Citing Uruguay's need to prepare for external aggression, state urged the deliveries because Uruguay had cooperated in hemispheric defense, because Uruguay was a "small, weak nation adjacent to the country which is a
center for anti-United Nations activities," and because Uruguay's requests were "within the limitations of funds already allocated [and] is entirely justifiable and consonant with established policy." The State Department believed a favorable response to Uruguay would be a gesture of friendship.20

After the War Department rejected these arguments, the State Department tried again in mid-April. The War Department remained cool but did promise to recommend limited quantities of arms to the Munitions Assignment Board.21

In mid-July Lieutenant Colonel Robert W. Meals, of the War Department's American Theater Section of the Operations Division, told Carl B. Spaeth, chief of the State Department's Division of River Plate Affairs, that Uruguay did not need additional lend-lease arms. Only if the secretary of state appealed for aid on the basis of political reasons, would any further lend-lease supplies go to Uruguay. The War Department did not believe that Uruguay would effectively use the lend-lease equipment. For this reason the War Department wanted to send a military mission to Uruguay.22

The War Department believed that Uruguayans were technically deficient in military matters and needed training. War believed that Uruguay requested equipment beyond its ability to handle and tended to put equipment on display rather than putting it to practical use. A report submitted
by Lieutenant Colonel Norman A. Congdon, military attaché at the United States' Montevideo embassy, influenced the War Department's attitude. Congdon wrote that he failed "to see how the Uruguayan Government can ask for, or use, further war matériel from us." He based his assessment on the Uruguayan practice of carefully guarding, but not using, expensive war matériel. William Dawson, United States ambassador to Uruguay, agreed with Congdon's comments.  

In the latter half of the summer of 1944, the War Department's desire for a military mission to train Uruguay's military gained support. Ambassador Dawson favored the idea. In the autumn, the War Department made a generous amount of military matériel immediately available to Uruguay in return for a State Department pledge to press Montevideo officials to request a United States military mission. 

About the same time, Dawson warned that the Uruguayans might request a military mission from the British. He reported that Uruguay wanted armaments and that it was likely to favor the nation sending what it wanted. In later months the State Department grew increasingly apprehensive over whether Uruguay would request a British military deputation. In early February 1945 the department advised Dawson that he should make the Uruguayan government realize the "inadvisability of having a British mission along with American military equipment."
Although the war ended without a Uruguayan request for a United States military mission, the War Department's desire to send a training force worked to Uruguay's advantage. Lend-lease deliveries demonstrate this fact. From 13 January 1942, when the nations signed the lend-lease agreement, until December 1944 Uruguay's lend-lease charges were approximately $3,877,000. That figure did not include the large deliveries in late 1944—a result of the October War and State Department agreement. Uruguay's deliveries amounted to almost $5,100,000 by the end of May 1945.26

Uruguay was the only American republic which paid the annual payment required in its lend-lease agreement. When the war ended and President Truman terminated lend-lease, Uruguay discovered that it had paid far in excess of what it had received. In fact, it had a $2,000,000 surplus which the United States government was legally bound to repay. Uruguay wished to use the money to purchase further lend-lease arms, but that was impossible. The solution was to leave the money with the United States to purchase weapons declared surplus property.27


4 Foreign Relations, 1941, 7:552-53. The draft provided for six annual payments for a total Uruguayan liability of $7,800,000. The payments represented a 54 percent reduction in the cost of the arms.

5 Ibid., 1942, 6:703.

6 Dawson to Secretary of State, despatch no. 288, 24 October 1941, "Proposed agreement between the United States and Uruguay for the delivery of war matériel; approval of enabling act by Uruguayan Chamber of Deputies," 833.24/101. In the campaign to win congressional approval of the agreement, the Uruguayan government had to publicize its terms. The State Department preferred that Uruguay not publish the agreement's financial terms but did agree that it might be necessary and reluctantly gave its consent. The department
knew that it would not be possible to keep it a secret. Uruguay did publish the financial terms (in a manner to show that they were exceptionally advantageous) but did not publish the text of the agreement. Foreign Relations, 1942, 7:554-57. Uruguay's chamber of deputies approved the proposed agreement on 22 October 1941. New York Times, 23 October 1941, p. 10. Herrera's party held its significant senate and cabinet posts because of a quirk in Uruguay's constitution—its political power rested on a provision assigning one-third of the cabinet posts and one-half of the senate seats to the nation's leading minority party. Membership in the chamber of deputies was on a proportional representation basis. Herrerista membership in the body was small because it received only about one-sixth of the votes. Nonetheless, the party was the second largest in the country. Russell H. Fitzgibbon, Uruguay: Portrait of a Democracy (New Brunswick: Rutgers University Press, 1954), p. 257; and Gunther, Inside Latin America, pp. 340-41.

7 Foreign Relations, 1942, 7:556; and Ridgway to Wilson, memorandum, 28 October 1941, "Request of the Bolivian Government for an Increase in the Value of the Equipment to be delivered during Fiscal Year Ending June 30, 1942," 824.24/310½.


8 Molins to Wilson, letter 7 April 1942, 833.24/251; Wilson to Welles, and Duggan, memorandum, 10 April 1942, 833.24/273; Wilson, memorandum of conversation with Molins, 21 May 1942, 833.24/326. The Munitions Assignment Board's early May announcement of its approval of twelve Fairchild training planes, eight Curtiss advanced training planes, and six Vought Sikorsky Seaplanes was a bit disingenuous. War and Navy Departments had told Molins that Uruguay could expect delivery soon on those craft before he submitted his April list of urgently needed armaments. Molins listed all of those planes on his list, but he also footnoted them as already earmarked for delivery.


10 Ibid.

13 Hull, memorandum of conversation with Blanco, 26 April 1943, "Lease-Lend Aid to Uruguay," FW833.24/596.

14 Johnston to Wilson, letter, 29 April 1943, 833.24/608; and Wilson, memorandum of conversation with Blanco, 10 May 1943, "Uruguayan requests for arms and munitions," 833.24/5-1243. Johnston's letter to Wilson (833.24/608) includes a list of transfer directives for equipment scheduled for Uruguay. The directive meant that the matériel had either already arrived, was on the high seas, or was waiting at a dock for shipping space.

15 Blanco, note delivered to State Department, 12 June 1943, FW833.24/6551. Accompanying the note was a list of other equipment Uruguay wanted. It included training planes, dive bombers, combat planes, 105mm howitzers, 81mm mortars, anti-aircraft guns, and pistols. See Standing Liaison Committee, minutes of meeting held 14 June 1943, RG 353, Box 2. These repeated Uruguayan requests for arms helped prompt Welles to suggest to the Standing Liaison Committee that the time had come to reconsider the American republics' lend-lease policy.

16 Hull, memorandum of conversation with Blanco, 7 July 1943, "Military Aid to Uruguay," 833.24/732; and Blanco to Hull, letter, 13 September 1943, 833.24/856 (Hull had had a meeting with Blanco on 10 September); and Bonsal to The Secretary, memorandum, 9 September 1943, "Call of Uruguayan Ambassador," 833.24/848.

17 Hull to Blanco, letter, 23 September 1943, 833.24/856.

18 Foreign Relations, 1944, 7:1591.

19 Ibid., pp. 1592-93; and Bacon to Bonsal, memorandum, 3 March 1944, "Transportation to United States of Uruguayan Naval Crew," 833.24/1089. The Foreign Relations citation includes reference to additional Navy Department commitments to the Uruguayan government. They were construction of a naval air base at Laguna Del Sauce, sixty miles East of Montevideo, and offering to provide transportation for Uruguayan sailors to Miami to pick-up the patrol boat.
Hull to Stimson, letter 17 January 1944, 833.24/1027A. Hull sent a similar letter to the secretary of the navy whose department responded much more quickly and much more favorably (noted above). Hull's letter included the carefully worded phrase that additional shipments to Uruguay were not counter to the established lend-lease policy. Duggan had suggested adding the phrase in the letter in the hope of securing support from war and navy. Washington had been considering its lend-lease policy toward the American republics since the summer, and state did not want to give any support to the argument that the Uruguayan case for arms was counter to current policy.

Duggan to Bonsal, memorandum, 16 March 1944, 833.24/1138; Foreign Relations, 1944, 7:1598; and Stimson to Hull, letter, 18 April 1944, 833.24/1147.

Foreign Relations, 1944, 7:1601. Within less than a week following Spaeth's meeting with the War Department official, Hull again requested that Uruguay receive new allocations of matériel and prompt delivery of previously promised items. Delivery was essential from a political standpoint; that is to say, the deliveries would help keep Uruguay firm in its policy toward Argentina. Hull to Patterson, letter, 18 July 1944, 833.24/7-114.

Spaeth to Dawson, letter, 28 August 1944, 833.24/8-2844; Dawson to Duggan, letter, 12 August 1942, 833.24/367¾ (includes Congdon's report). Congdon also noted that Uruguay did not have plans to expand its army and that any equipment sent would be replacement items for existing units. He believed that Uruguay could not contribute anything to defense of the hemisphere until it changed its laws and increased its security forces. For Dawson's remarks on Congdon's report see Dawson to Secretary of State, despatch no. 1426, 15 August 1942, 833.24/370. In his message to the State Department, Dawson, while agreeing that Uruguay did not make the best use of its equipment, argued that shipments of lend-lease matériel should continue. He wrote:

It is hardly necessary to point out that, in view of our Lend-Lease Agreement, the suspension of shipments of war matériel would seriously and adversely affect our relations with Uruguay. Furthermore, it would have undesirable repercussions in Uruguay since it would inevitably tend to weaken President Baldomir's position and strengthen that of the Herreristas who have so consistently opposed his foreign policy. Undoubtedly it would be hailed with satisfaction by anti-American elements in Argentina and exploited against us by our adversaries throughout the Continent.
For political reasons, I do not see how we can afford to cease shipments of war matériel to Uruguay.

Dawson's suggestion to overcome the Uruguayan's lack of ability to use the United States arms was to send a military mission to teach the necessary skills to use it properly. The War Department said it would give sympathetic consideration to a Uruguayan request for a military mission; however, the department was not certain it could meet such an overture. Hull to AMEMBASSY, Montevideo, telegram, 4 December 1942, 833.24/406.

24 Spaeth to Dawson, letter, 28 August 1944, 833.24/8-2644; Dawson to Spaeth, letter, 8 September 1944, 833.24/9-844; Foreign Relations, 1944, 7:1604-5; and Stettinius to Ambasassay, Montevideo, telegram, 833.24/11-644. Ambassador Dawson wanted United States officials to plant the idea for the mission in the minds of Uruguayan officials in the hope that they would approach their own government on the subject. This method had a much greater chance of winning approval in Montevideo government circles than if United States officials suggested the idea directly.


26 Foreign Relations, 1945, 9:1379; Crowley to Secretary of State, letter, 833.24/7-2545. Uruguay did not request a military mission because, Ambassador Dawson speculated, it did not believe there was a need for one. Internal Uruguayan politics also cautioned against the undertaking for fear that Herreristas opponents would savagely attack the Ámezaga administration. Dawson to Spaeth, letter, 8 September 1944, 833.24/9-844.

27 Foreign Relations, 1945, 9:1384-85; Mann, memorandum of conversation with Yrlart, 833.24/11-845; and Foreign Relations, 1945, 9:1386.
CHAPTER IX

CHILE AND ARGENTINA

Chile and Argentina refused to sever diplomatic relations with the Axis powers during the early part of World War II. Their refusal was unpopular with the United States. Chile eventually agreed to the severance and received a United States lend-lease arms agreement, but Argentina's severance, late in the war, did not merit an arms agreement.

I

In early March 1941 Claude G. Bowers—journalist, popular historian, and United States ambassador to Chile—wrote Welles a personal letter about Chile's inability to acquire United States arms. The ambassador noted that the Chileans had cooperated with the United States in hemispheric defense because of indications from United States military officials in 1940 that the United States would supply Chile with arms. Nonetheless no arms had arrived by early March 1941.1

About the same time that Bowers wrote Welles, the War and Navy Department's joint advisory board recommended a $400,000,000 arms program for the American republics with $50,000,000 for Chile. Welles was able, then, by the end of March, to tell Bowers that an arms program was close and
that Bowers should invite Chile to appoint representatives to discuss the subject with the War Department.  

In his message to Bowers, Welles indicated that Chile might be able to acquire arms through lend-lease funding, and by the middle of May it was definite that Chile was eligible for a lend-lease agreement. To negotiate a contract, the department urged quick departure of Chilean experts for discussion of details with Washington authorities. In early July events were moving smoothly, and the State Department handed Chile's ambassador to the United States, Rodolfo Michels, a proposed agreement providing for a $50,000,000 arms transfer which required Chile to repay $15,000,000. Michels, pleased with the offer, termed it generous.  

Events moved quickly and smoothly from March when Bowers wrote Welles, but the tempo faltered after the Chileans received the lend-lease proposal. Part of the slowdown came from political opposition in Chile which was suspicious of the lend-lease offer. Other reasons for delay included the death of Chile's president in November and the foreign ministers' meeting in Rio de Janeiro in early 1942. Chile's subsequent failure to rupture relations with the Axis powers, as recommended by the Rio resolution, further delayed the arms pact.

Juan B. Rossetti, Chile's foreign minister, explained to Bowers in early August 1941 that senate political
opponents of President Aguirre Cerda were skeptical of the lend-lease arms proposal. The skeptics did not believe that the United States would sell $50,000,000 worth of arms for only $15,000,000. They cautioned Cerda to move slowly.  

Late in November, before the nations were able to conclude the agreement, Cerda died. Just before the president's death, Rossetti appealed to Bowers for an immediate arms transfer of twenty-five tanks. The foreign minister acted because he expected Cerda's death to create political instability. Chilean law required new elections within sixty days of the president's demise, and it would be a critical time for democracy in Chile. Rossetti wanted the tanks to strengthen Chile's military to be able to prevent a Nazi coup. At the time of his request there was no signed lend-lease agreement, but Rossetti thought the signing would occur shortly. 

The State Department's Division of the American Republics supported providing the weapons Rossetti wanted, although one official in the division suggested that ten tanks and fifteen armored trucks would probably be enough if the War Department could not meet the full request. At any rate, the State Department asked the War Department to ascertain if the tanks were available. They were not, and the year ended without the United States meeting Rossetti's request and without the two countries completing the lend-lease agreement. Washington was sympathetic to Chile's
wishes to acquire armaments because the nation had 2,800 miles of exposed Pacific coastline. In addition, Chile controlled access to the Straits of Magellan and produced such strategic war material as copper, nitrate, mercury, and cobalt.

Welles discussed the pending lend-lease agreement with Rossetti in early 1942 while the two attended the meeting in Rio de Janeiro. When the Chileans indicated to Welles that delivery of arms would help persuade Chile to sever relations with the Axis, Welles promised to supply naval and army matériel immediately upon conclusion of an agreement, but there would be no deliveries until then. Despite the promises, the attraction of the agreement was not great enough to persuade the Chileans to support the United States position on severing relations with the Axis powers at the Rio meeting.

Shortly after the Rio meeting, the secretary of state tried to influence Chile's new president-elect, Juan Antonio Ríos, to sign the lend-lease agreement. In an effort to court Ríos, Hull offered Chile four batteries of 155mm cannons along with 4,800 rounds of ammunition. In addition, he offered fifteen advanced trainer airplanes with pilots and copilots who could train Chileans in flying the craft. The guns and planes would be available if Chile signed the lend-lease agreement and even without an agreement, but under a less convenient procedure.
Within two weeks after Hull's offer to Ríos, the State Department changed its requirement that Chile either sign the agreement or use a less convenient procedure. Philip W. Bonsal had recommended a new policy by which the United States would give Chile's war equipment request "the most favorable treatment possible, regardless of the fact that Chile [had] not yet broken off relations with the Axis powers." Additionally, Bonsal argued that the time was not ripe for the United States to rush the signing of the agreement. He recommended that the United States defer signing the arms pact, continue sending Chile arms, and indicate to Chile that arms transferred would later come under the lend-lease agreement "to be signed when Chile has acted in accordance with the Rio recommendation." Bonsal made his recommendation because Chile had not yet broken relations and because the State Department had just adopted a negative attitude toward supplying arms to Argentina. In addition to these reasons, the State Department did not wish to appear to be pressuring Chile to sever relations as the condition for receiving arms. Chileans believed that such insistence would be interference in its internal affairs. Welles was always sensitive to such charges, and he tried to prevent actions supporting the allegation.9

Welles accepted Bonsal's recommendation. On 19 February the undersecretary wrote the Lend-Lease Administration that 155mm guns were necessary for Chile's defense and
should be sent immediately. Thus, State Department policy reflected a business-as-usual attitude toward Chile that remained in effect for about six months.  

Nobody informed Rossetti adequately on Washington's shift in policy to a position delaying conclusion of the arms pact while continuing to ship matériel to Chile. His inadequate understanding was obvious in early March when he telephoned Michels asking if the ambassador had signed the lend-lease agreement. When told "no," Rossetti sent Michels a telegram authorizing him to sign the agreement because the Chilean government could not perceive any reason to delay. Unfortunately, at this juncture, Michels, who had misunderstood Welles, relayed erroneous information to Rossetti by saying that the nations would sign the agreement on 20 March, about two weeks away. Welles had actually told Michels that he would consider the matter about 20 March. Departmental personnel told Michels that he had misunderstood the undersecretary, and Rossetti finally learned of Washington's policy shift.

Bonsal met Michels in early March to work out a joint statement announcing the arrival in Chile of the 155mm guns supplied by the United States. While Chile had not yet severed relations with the Axis, the announcement would have suggested to the American republics that Chile had sided with the United States. Embarrassed over the delay in signing the lend-lease pact (the foreign minister was
attempting to have Chile's congress meet in a special session to consider the Rio agreements), Rossetti refused to issue the statement. As events turned out, Chile's congress did not meet, and Rossetti lost his job in April when Ríos assumed the presidency and appointed a new foreign minister. The new chief executive wanted to make decisions on diplomatic recognition rather than allowing congress to make the decisions.¹²

The critical issue in United States-Chilean relations was the latter's refusal to sever ties with the Axis. Although there was hope that Chile's new president would remove the impediment, the longer he was in office the less likely it appeared that he would. A recent study concludes that there was no single cause for Chile's delay. Rather, delay came from Chilean fears of an attack from Japan, expectations that the Axis would win the war, and concerns over failure of the United States to make economic concessions in connection with the diplomatic break. In addition, Chilean public opinion delayed the break as did the actions of Chile's president and foreign minister, and the United States ambassador in Santiago. Washington did not view Chile's procrastination sympathetically, and by the middle of the summer, the United States changed its business-as-usual policy of providing arms to Chile without a lend-lease agreement.¹³
The United States policy shift occurred in late June when Admiral Spears, at a Standing-Liaison Committee meeting, mentioned that he had heard a rumor that the United States was discouraging Chile from severing relations. Welles quickly identified Carlos Davila, a former president of Chile, as the source of that false rumor. The undersecretary said that United States policy was that Chile "couldn't expect any assistance, either military, naval, or financial, until and unless their policies change . . . ."

Welles formally announced the policy in a letter sent to the secretaries of war and navy and the Office of Lend-Lease Administration on 18 July informing them that:

> In view of the fact that no Lend-Lease agreement has yet been signed by Chile, it is in the viewpoint of this Department that no further commitments should be made to Chile at the present time which contemplate arrangements for placing such allotments at a later date under the signed Lend-Lease Agreement, and that no further deliveries should be made to Chile.¹⁴

In early August Duggan told a colonel attached to the Munitions Assignment Board that the new policy precluded shipment of 12,000 barrels of aviation fuel destined for the Chilean air force.¹⁵

In late July, after Welles's letter announcing suspension of Chile's arms deliveries under a lend-lease arrangement, Ambassador Michels called on the undersecretary. Having just returned from a visit with Ríos in Chile, Michels told Welles that if the United States wanted his
country to sever relations, Chile was ready to do it. To do so, however, Ríos needed arms to defend his country and financial assurances of protection against economic consequences of an Axis attack. Ríos feared that an attack against Chile would force closure of its mining industry, throwing tens of thousands of Chileans out of work. Welles said that the issue of the supply of arms required first attention. He suggested that the two nations could tentatively negotiate a lend-lease agreement as soon as Chile determined its exact military equipment needs. The arms pact would go into effect when Chile severed relations. Michels believed his government would accept the arrangement, and in August Welles gave the Chileans a list of arms they would receive under lend-lease when they broke relations.16

The bright prospect of Chile's doing what the United States wanted did not materialize in the months immediately following the August understanding. In fact, a speech Welles delivered in Boston in early October temporarily upset Chilean-United States relations. The undersecretary's remarks came six days before Ríos was to have departed for a visit with Roosevelt in Washington. Ríos cancelled his trip after Welles accused Chile of allowing Axis subversives to send messages detailing the location of Allied ships. Welles's pointed comments reflected Washington's
displeasure with Chile's failure to break relations with the Axis. United States concern was that its failure to speak out would be tacit approval of Chile's policies and that a rupture following Ríos's trip would provide enemy propagandists proof that Roosevelt pressured Ríos.¹⁷

Chile's negative reaction to Welles's October speech had the effect of delaying the severance and the lend-lease agreement, although not for long. In December Chile delivered new requests for increased arms allotments, and this time State Department reaction was negative. Bonsal described the proposal as a "grotesque and undignified comedy which is thoroughly insulting to us." Duggan wrote Welles that he should tell the Chileans that their request for an increase was "fantastic and totally out of the question . . . ." Both men viewed Chile as trying to acquire unreasonable amounts of lend-lease aid in return for rupturing relations with the Axis. In addition, Bonsal thought that further commitments of arms to Chile would jeopardize relations with other Latin American republics and that the arms would "only problematically secure . . . the breaking of relations . . . at a cost far beyond the value of the objective." Late in December Welles told the Chileans that when they severed relations they would receive the arms listed in the August allotment and no more.¹⁸
Welles rejected the Chilean effort in a late December meeting with Michels and a member of Ríos's cabinet who was visiting in Washington. The undersecretary said that to enlarge the amount of armaments Chile was to receive in lend-lease assistance upon severance would give rise to speculation that the rupture was due to a "bargain struck between the United States and Chile . . . ." Welles further stated that the United States stood ready to sign the already negotiated agreement immediately after Chile acted. Finally, he said he wanted to leave details of arms shipments to military experts of both nations. The Chileans accepted Welles's views. Michels told the undersecretary that the break would definitely occur and that it would happen about the middle of January 1943.19

Even though the undersecretary rejected the Chilean effort to increase its lend-lease arms allotment, Ambassador Michels took up the subject with Welles again in early January 1943. Michels read the undersecretary a telegram that he had received from his foreign minister. It said that Chile's decision to break relations with the Axis powers soon was irrevocable. The foreign minister requested Michels to report immediately whether the United States had begun loading for shipment the matériel included in the list Welles had rejected in late December.
Welles told Michels that the foreign minister's telegram surprised him "inasmuch as I had made my views clear [last month]." After Welles quickly reviewed some of the highlights of the December meeting, Michels, perhaps with some embarrassment, readily confessed that the under-secretary's recollection was correct and that he had twice cabled Welles's comments to Santiago.20

The foreign minister had sent his telegram to Michels because Chile's executive officers were to appear before its senate the next day, and a positive response would be helpful in the decision to break relations. Welles, who had worked long to secure the break and conclude the lend-lease agreement, told Michels that during that day the Navy Department planned to give Chile's naval representative a list of matériel immediately available for delivery. Further, the War Department had recently invited a Chilean official to inspect available equipment. Welles promised to ask the Navy and War Departments to embark without delay the identified equipment. Welles, later that day, explained to the Standing Liaison Committee that the actions might encourage the Chilean senate to approve severance of relations with the Axis.21

On 20 January Ríos announced the long-awaited rupture of relations. A lend-lease agreement providing arms and ammunition worth $50,000,000 followed on 2 March 1943. The agreement was the second largest commitment in the
hemisphere. Chile's obligation was to repay $15,000,000. The details were exactly the same as those proposed in July 1941.22

Near the end of the year Michels complained to Duggan about the few lend-lease arms Chile was receiving. The complaint came about a week after the Bolivian coup (20 December 1943). Michels's theme was that the United States had an obligation to keep Chile, the greatest democracy in South America, robust, healthy, and strong. According to Michels, the United States was not doing its part, for Argentina was stirring up trouble among its neighbors, Bolivia did not "give heart to partisans of democracy," and there was a possibility of a coup in Peru. Chile had traditionally maintained an armed force twice as large as Peru's and Bolivia's, but United States lend-lease shipments to Peru had upset Chile's policy.23

In response to Michels's allegations concerning the balance of arms in South America, Duggan cited that the intent of lend-lease was to assist Western Hemisphere republics in resisting external aggression and maintaining internal order. In achieving those objectives, the United States paid respect to the "ratios of armaments between the various countries." Duggan told Michels that the War and Navy Departments had informed the State Department, only shortly before the ambassador's visit, that lend-lease shipments had not upset the "balance of power" among the
republics. Duggan did not have details of shipments to Chile, but he promised to look into the matter.  

After research, an official in the Division of the American Republics wrote, "The Chilean Ambassador's supposition that Peru's military position has improved relative to that of Chile under our lend-lease policy is a completely erroneous one." As of 31 October 1943, Chile had received assistance worth $10,020,000, while Peru's share was $6,773,000. Chile and Peru had received the same number of tanks (30), but Chile had received more scout cars and half-tracks (60 to 30) and many more machine guns (224 to 83). Peru had the advantage in fighter planes (60 to 12), but Chile had received more training and observation aircraft (166 to 72).  

Michels returned to see Duggan in late December. This time he brought with him General Oscar Fuentes, chief of Chile's military mission in Washington, and Commander Raul Gonzalez, chief of Chile's air force commission. Fuentes complained that his country had only received $3,000,000 out of a promised $20,000,000 in arms. The general said he was under constant pressure from the Chilean ministry of war to secure more equipment. What arms Chile received, Fuentes complained, were so few and so inadequate that they would not even equip one regiment of troops. The equipment was far less than what was essential to allow Chile to equip its entire army with United States matériel. Fuentes furnished
a memorandum for Duggan which listed the "minimum equipment . . . Chile needed to take part in . . . continental defense." All of the arms were defensive weapons designed to protect against an attack from either Germany or Japan. Commander Gonzalez told Duggan that he needed additional air force equipment—more training planes, more pursuit planes, more air bases, and more aviation fuel.26

Duggan listened politely. He did not challenge Fuentes's statement of Chile's having received only $3,000,000 in aid. Possibly he did not know at the time that the internal departmental memorandum showed shipments of three times that figure. Although arguments of Michels, Fuentes, and Gonzalez were questionable, Chile did achieve its objective of receiving more lend-lease aid. The increase was the product of United States efforts to react to the threat of political instability following the coup d'état in Bolivia and the need to counter what Washington officials believed was Argentina's participation in it.

On 8 January 1944 Hull requested Roosevelt to approve additional arms to counter what the secretary saw as an Argentine threat to Bolivia's neighbors. Four days after the secretary's appeal, Roosevelt approved the request. On that same day, Orme Wilson met with officials of the War and Navy Departments to discuss the list of arms Fuentes and Gonzalez had left with Duggan two weeks earlier. A War Department officer told Wilson that Fuentes's list of
desired army equipment had "no bearing whatsoever on the present war except for the possibility that it might prevent Chile from aligning itself with Argentina."  

Chile did receive additional arms in 1944. By the middle of the year, total arms transfers approximated $14,625,000. Near the end of 1944, Cecil B. Lyon, acting chief of the Division of North and West Coast Affairs, suggested further shipments would be helpful to Chilean-United States-Argentine relations.

At about the same time that the United States was expediting shipments to Chile and other republics, Washington officials were redefining lend-lease policy. Priority shipments were to go to Brazil and Mexico because they were actively participating in the war. The revised policy provided that aid to other republics was to slow considerably and that the United States and all the republics were to conduct a new round of staff conversations comparable to ones conducted in 1940. Admiral Spears had given Chilean officials advance notice of this coming revision during his visit to Santiago in October 1943, and for a while in January and February 1944 there was consideration of putting Chile on an equal footing with Brazil and Mexico.

Late in February Lieutenant Colonel Davis O. Harrington, of the War Department's Foreign Liaison Branch, suggested to General Fuentes that Chile might be able to acquire more armaments. Harrington recommended that Chile should offer
"all possible aid and assistance to the United States by providing wharves, repair docks, and other facilities."
When Duggan heard of the proposal, he heartily endorsed it. Nonetheless, Chile never gained the classification enjoyed by Brazil and Mexico because Chile had not declared war.  

Chile's final lend-lease tabulation totalled $23,245,000 worth of arms transfers. Air force equipment and supplies were the single largest category of aid. Ordnance supplies were second, and naval lend-lease amounted to $1,500,000, about one-fifth of the value of the ordnance.  

II  

Chile's eastern neighbor, Argentina, was the only American republic denied a lend-lease agreement. The United States and Argentina discussed an accord; and, in fact, the United States offered Argentina a lend-lease agreement representing one-sixth of the $400,000,000 arms allocation for the American republics; however, differences between the countries prevented conclusion of an arms pact.  

In 1941 the Argentine government adopted a five-year plan to purchase over $300,000,000 worth of military equipment in the next five years. The prospect of Argentina's having so many dollars to spend on armaments did not appeal to Washington. There was no effort to offer Argentina
anywhere near the scale of arms which the Argentines envisioned.  

Washington did, though, have plans for providing Argentina with arms under a lend-lease agreement. The State Department contacted Felipe A. Espil, Argentina's ambassador to the United States, and Norman Armour, United States ambassador to Argentina, late in July with a proposal that the two countries schedule high-level military discussions. The department's proposition was that the nations should renew the unsuccessful staff conversations of 1940. At the same time Argentine officials could request a lend-lease agreement—the only medium for acquiring United States arms.

Espil refused to send the State Department's proposition to Buenos Aires. He argued that combining the renewed staff conversations with lend-lease negotiations would cause his government to conclude that receipt of arms depended upon Argentina pleasing the United States in the conversations. The upshot would be that the United States would require a political commitment before providing lend-lease arms. In an effort to remove such an impression, the State Department withdrew its memorandum to Espil.

After withdrawing the proposal, the State Department wired Armour that it was suspicious that Argentina's ambassador to Washington had not properly reflected his government's attitude on the matter. Hull directed Armour
to find out Buenos Aires's opinion and to offer to conduct the military staff conversations there if the official attitude viewed the proposal as embodying political commitments. Armour found Argentina agreeable to the departmental proposal. The Argentine government did not believe there was linkage of arms deliveries to the outcome of the staff conversations being satisfactory to the United States.  

While Washington and Buenos Aires worked out differences on the proposed discussions, there were other meetings in Washington considering Argentina's lend-lease agreement. In mid-August Espil met State Department officials to discuss the proffered accord.

Espil explained several reasons why he could not send Buenos Aires a copy of the agreement. He noted that it was a military agreement rather than a means of supplying Argentina with military equipment. He complained that one of the agreement's clauses provided for Argentina's rendering reciprocity in return for the arms transferred under the agreement. The clause was obnoxious to Argentina and unacceptable because Espil apparently believed the reciprocity provision obligated Argentina to the United States. Finally, Espil objected to the agreement's repayment provision. While the United States offered arms at a reduced price on six-year terms, Argentina preferred to pay cash.

Welles directed departmental personnel to prepare a revised agreement omitting the offending reciprocity clause.
and providing for cash purchases. Apparently the department eased Espil's apprehension that the agreement was anything other than an arms supply arrangement. The department gave the revised agreement to Espil on 18 August, although a later revision reinstated both the reciprocity and credit terms clauses.37

The State Department's proposal was a $66,000,000 arms program. In late October Argentina's foreign minister, Enrique Ruiz Guinazú, held a news conference during which he announced Argentina's intention to accept the lend-lease agreement, and within six weeks the Argentines agreed to acquire the arms under the usual lend-lease repayment schedule. The reimbursement obligation required Argentina to pay up to $36,000,000 in six annual installments if it received all of the $66,000,000 worth of arms allocated in the agreement. Such an arrangement would have involved about a 45 percent discount.38

Lend-lease negotiations with Argentina, at least until early December, moved slowly but reasonably. Negotiations with South American countries frequently lasted many months, and Argentina was no exception. Of course the nations differed in their outlook on numerous issues. For instance, while the Roosevelt administration was mobilizing the hemisphere for a possible all-out war effort, Argentina maintained strict neutrality and derided Washington's efforts. Argentina's attempts to prevent a merger of
United States and Latin American foreign policies was the product of Argentina's "geography, economics, immigration patterns, the Depression, and the military's historical involvement in Argentine political life." In short, Argentina's national experience resulted in its neutralist posture and resistance to FDR's hemispheric defense initiatives. Even so, differences between the nations narrowed in December 1941 and in early January 1942.

During the American foreign ministers' meeting in Rio de Janeiro in late January 1942 after the Pearl Harbor attack, differences between the United States and Argentina had a sudden resurgence. When Argentina refused to support the United States-inspired move to require that all nations in attendance sever relations with the Axis powers, Welles told Ruiz Guīñazú that it was useless to continue lend-lease conversations with Argentina. Only when the Argentines were contributing to the defense of the United States and only after the Argentines had severed relations with the Axis, would the United States consider making lend-lease arms available to Ruiz Guīñazú's government. Although the State Department had assured Espil several months earlier that a political commitment was unnecessary to receive lend-lease arms, the outbreak of the war changed that position. Argentina had to make a political commitment in order to receive lend-lease arms.
After his return from Rio, Welles discussed the status of the United States-Argentine staff conversations, then in progress in Washington, with his colleagues on the Standing Liaison Committee, principally General George C. Marshall and Admiral Harold R. Stark, the chief of naval operations. All three men agreed upon a policy that would deny military equipment to Argentina. The decision was that the United States would allocate armaments only to American republics severing relations with the Axis powers. Welles explained the policy to Espil, and Marshall and Stark explained it to Argentina's ranking officers attending the staff conversations. 41

Even though Welles explained the United States position to Argentina's foreign minister and its ambassador in Washington, there was considerable optimism in Buenos Aires that a lend-lease agreement was near. Buenos Aires contacted Espil on 7 February with instructions to request a $450,000,000 lend-lease agreement from Washington. Buenos Aires officials believed that their Rio stand had increased Argentina's strategic value to the United States and that Washington would be willing to increase substantially its $66,000,000 offer. Argentina quickly realized that the United States would not increase its offer and, as a result, modified its request. 42

Washington intended to withhold arms from Argentina until Buenos Aires changed its foreign policy. In addition,
Washington hoped that lend-lease shipments to neighboring Brazil and Uruguay would cause Argentina's military leaders to pressure the government to change its foreign policy.\textsuperscript{43}

One difficulty Washington had in its relation with Argentina was a method to end the staff conversations. Welles, Marshall, and Stark at first decided to allow the staff officers to sign an agreement accepting Argentine defense requests and then officially inform the Argentine delegation that United States policy precluded shipments of arms until Argentina severed relations with the Axis. This procedure supposedly would preserve good relations between the officers of both nations who had conducted the talks; or, as one of the United States naval representatives described it, the onus for failure to deliver arms would rest on the president of the United States or the State Department.\textsuperscript{44}

Welles was willing to have the agreement signed but not acted upon for two reasons. The procedure would minimize Argentina's ability to argue that the United States had undertaken a policy of pressure and of reprisal against Argentina. Although Welles refused to admit it, that was exactly what the United States was doing. Also, Welles believed that he had explained clearly the United States policy to Espil and that there would be "no misapprehension on their part" as to what the United States meant by following the procedure.\textsuperscript{45}
Bonsal and Ambassador Armour soon contributed to a change in the undersecretary's thinking. Bonsal reported that he had had lunch on 12 February with Dr. García Arias, Argentine chargé d'affaires, who spoke of the United States providing his country a lend-lease agreement calling for first-year deliveries of $44,000,000, three times the original pact's first-year deliveries. Such preposterous remarks by the Argentine chargé revealed that Espil had not told him of the United States policy. Welles's explanation had not filtered far in the Argentine embassy in Washington.\(^46\)

Armour warned Welles that Argentine politicians were sure to exploit and distort the procedure. With elections scheduled for early March, Armour said that the Argentine government would give the impression that it had successfully negotiated an agreement with the United States while suppressing any mention of United States policy prohibiting lend-lease deliveries to any American republics not severing relations with the Axis.\(^47\)

Welles immediately secured Navy and War Department approval to have the United States officers not sign any agreement at the conclusion of the staff conversations. The Argentines urged reconsideration of the decision, and there were considerable efforts even within the State Department to sign the document. Duggan wrote Welles in early March that it might be wise to conclude the
conversations satisfactorily in hope that the Argentine participants might influence a change in their country's pro-Axis policy. Welles refused to budge. He now believed that signing the agreement was politically disadvantageous to the United States. In his view the major premise of the staff conversations was that Argentina would enter the war on the side of the United Nations, but now he believed it was wholly unrealistic to expect Argentina to enter the war. If the United States signed the agreement, it faced two problems—a moral obligation to sign a lend-lease agreement with Argentina and the humiliation of enduring Argentina's claims that its policy at the Rio meeting had not been out of harmony with the United States. 48

At this point Welles offered his famous counterproposal requesting Argentina's agreement to a plan of "maintaining uninterrupted sea communications between the United States and Argentina." The plan assigned Argentina a zone of responsibility near its coast to protect shipping from Axis threats. If there were agreement on this matter, then the nations might conclude a lend-lease agreement. The United States position was that it had to deny Argentina arms because all the other republics (except Chile) had broken relations or declared war on the Axis powers. Argentina's refusal to take similar action or to accept the counter-proposal broke up the staff conversations. Argentine
Although Argentina never received a lend-lease agreement, that nation played a role in United States lend-lease policy. In the summer of 1943 Welles and other Washington officials began considering a change in providing arms to the American republics. In mid-June, about ten days after a military revolt in Argentina placed a general in the presidential office, Welles said he was anxious to change Washington's position because the new Argentine government was probably going to "take a turn in policy." The undersecretary obviously meant that Argentina might soon sever relations with the Axis and thus be eligible for a lend-lease agreement. Welles was anxious to have a new lend-lease policy before the Argentines requested an agreement because he did not think it fair that the Argentines wind up receiving arms from the United States. The Argentines reminded him of a parable Jesus told his disciples about a vineyard owner who paid the same amount of money to workers who had worked all day as those who had worked only an hour. "I have never seen the justice of that parable," Welles said, "and I don't propose to carry out that policy at the present moment."  

Welles instigated revision of lend-lease policy only shortly before the new Argentine president, General Pedro P. Ramírez, did as the undersecretary had anticipated. In July
Ramírez unsuccessfully sought to purchase United States armaments. The State Department told Argentina to take action against the "common enemy" before submitting a request to the United States for military aid. Washington was holding out to see desirable action before providing arms because Ramírez, in mid-June, had promised the United States that Argentina would sever relations with the Axis powers by the middle of August. About the time he asked Washington for arms, the State Department had concluded that Ramírez's promise to sever relations was suspect. By the end of July it was evident that Argentina's military officers opposed breaking diplomatic ties with the Axis and that Ramírez would be unable to deliver on his promise. The army's attitude was that a break so late in the war—shortly after Mussolini had resigned from office and Italy had collapsed—would be a cowardly act.\footnote{51}

At the end of July, Hull ordered Armour to Washington for consultation on United States relations with Argentina. Before leaving Buenos Aires, Armour called on the foreign minister, Admiral Segundo R. Storni, for a written statement detailing Argentina's foreign policy position. Storni complied. In the letter the foreign minister explained that Argentina could not coldly sever relations with the Axis powers—such an unprepared act would be too harsh for Argentine chivalry. Unless Argentina had some cause to justify a rupture, Storni observed, any such action would
appear to be in response to pressure or threat from a foreign source. Argentina's people and its military would never tolerate such an interference in Argentine affairs. The statement concluded with a veiled reference to the lend-lease arms program having upset the balance of power in South America. Denied an agreement, Argentina watched its neighbors—Brazil, Paraguay, Bolivia, Chile, and Uruguay—receive United States arms. Storni suggested that Washington should make equipment available to Argentina as a gesture of friendship and as a method to restore Argentina's military equilibrium.52

While Armour was in Washington, the State Department especially the Division of the American Republics, spent considerable time on United States-Argentine relations. One major topic was a response to Storni. Duggan and Bonsal, among others, collaborated in preparing a reply which was ready by the end of August. In it the secretary rejected Argentina's bid for lend-lease arms because:

Argentina, both by words and actions, had indicated clearly that Argentine armed forces would not be used to forward the cause of the security of the New World, and thereby the vital war interests of the United States, it would be impossible for the President to furnish arms and munitions to Argentina under the Lend-Lease Act.53

In addition, Hull rejected providing arms as a means to restore Argentina's military balance of power. "I must point out emphatically," he wrote, "that questions of military and naval equilibrium as between American Republics
are surely inconsistent with the inter-American doctrine of the peaceful settlement of international disputes . . . "  

Delivery of Hull's response—one study calls the message a model of crudeness while another terms it "one of the most severe diplomatic censures ever leveled at a Latin American government" by the State Department—fueled the split in United States-Argentine relations. Buenos Aires erupted in a furor. Because the Argentines saw the message as an attack upon the foreign minister, who had been the principal pro-ally in Argentina's government, Storni had to resign. At the same time, the response galvanized the extreme nationalist forces in the government into whose arms Ramírez fell. They interpreted Hull's message as an attempt to discredit them.  

In the months following Hull's response, Argentine nationalists consolidated their position in the government. By the end of the year, the nationalists (the military group) had fashioned a foreign policy aimed at combating United States influence in South America. One part of the policy was subversive action intended to create governments sympathetic to Argentina in neighboring countries. When the Bolivian coup occurred on 20 December 1943, Washington immediately concluded that Argentina had a hand in it. The other part of the policy was Argentina's decision to purchase arms from Germany. This plan became evident when Oscar Alberto Hellmuth, an Argentine citizen, was arrested.
in Trinidad, when he was on his way to Europe to buy German arms.\textsuperscript{56}

Hull advised Roosevelt of Argentina's implication in the overthrow of Bolivia's government, and he recommended sending more lend-lease arms to Argentina's neighbors. The president agreed.\textsuperscript{57}

In addition to sending more arms to Argentina's neighbors, the United States prepared for publication of a document alleging the Ramírez government's involvement in the Bolivian coup. A combination of pressure on the overthrow of a neighboring country and evidence of Hellmuth's action caused Ramírez to sever relations with the Axis powers in late January 1944.\textsuperscript{58}

The United States did not give Argentina a lend-lease agreement after Argentina severed relations, a decision due partly to developments in Argentina after the rupture. Ramírez delegated his office to the vice-president, General Edelmiro Farrell, and Ramírez left the government in early March. The United States refused to recognize the Farrell government for over a year, until April 1945, only a few weeks before the war ended in Europe. There was no lend-lease agreement signed after United States recognition.\textsuperscript{59}
ENDNOTES

1Ridgway to Wilson, memorandum, 24 March 1941, "Personal Letter to Mr. Welles from Ambassador Bowers, Santiago, Chile," 825.24/183. Ridgway's memorandum included an attachment entitled, "Excerpt from Personal Letter to Mr. Welles from Ambassador Bowers, Santiago, Chile, dated March 7, 1941."

2Foreign Relations, 1941, 6:571.

3Ibid., pp. 572-73.

4Ibid., p. 573.

5Bowers to Hull, despatch no. 636, 24 November 1941, FW825.24/248. Bowers said that Cerda suffered from galloping consumption and would probably die within a month.


7Welles to Secretary of State, telegram, 21 January 1942, 825.24/286 (Welles sent the telegram "For Acheson"); and Baldwin to Daniels, Bonsal, and Duggan, memorandum, 1 July 1942, "Lend-Lease Exports to Chile, March and April," FW825.24/286. The equipment Welles promised Rossetti if Chile signed the agreement was:

**Naval**

- 6 35-caliber 12-inch guns for coastal defense,
- 2 observation scout planes (OS2U-3), and
- 3 training planes as well as an unspecified amount of gasoline, oil, and cement;

**Army**

- 134 81mm mortars
- 25 scout cars
- 4,000 rounds of 155mm howitzer shells
- 15 advanced trainer airplanes along with United States crews to train Chilean personnel

Brigadier General Dwight D. Eisenhower, assigned to the War Department's War Plans Division, attended a meeting with

Hull fully supported Welles's use of the lend-lease agreement in Rio. The secretary of state believed that Rossetti should recognize that "until Chile signs a lend-lease agreement no deliveries of war materials can be made." Foreign Relations, 1942, 6:9-11. The 155mm guns were thought to be useful in providing Chile's long coastline protection.

Foreign Relations, 1942, 6:9-11. The 155mm guns were thought to be useful in providing Chile's long coastline protection.

8 Bonsal to Duggan and Welles, memorandum, 11 February 1942, 825.24/364; and Bonsal to Duggan and Welles, memorandum, 17 February 1942, 825.24/428.

9 Bonsal to Stettinius, letter, 19 February 1942, 825.24/348A; and Bonsal to Duggan and Welles, memorandum, 11 February 1942, 825.24/364. The planes were a separate transaction and apparently the wartime bureaucracy approved them in late April. Wilson to Welles, memorandum, 24 April 1942, "Naval scout observation planes for Chile," 825.24/500.

10 Duggan to Welles, memorandum, 6 March 1942, 825.24/406.

11 Bonsal to Welles, memorandum, 7 March 1942, "Lend-Lease Aid for Chile," 825.24/405; Bonsal to Welles, memorandum, 21 March 1942, FW825.24/396; and Francis, The Limits of Hegemony, p. 89.

12 Francis, The Limits of Hegemony, pp. 103-26. Francis sees Barros Jarpa as contributing to the delay because he believed Germany would win the war, Bowers as being unwilling to press the rupture issue, and Ríos as possibly not understanding the importance the United States placed on the severance. Francis lists two other items in the delay besides those listed above. He believes the proclaimed list and Chile's shortage of gasoline were complicating factors in the delay.

13 Standing Liaison Committee, meeting 22 June 1942, RG 353, Box 2; and Welles to Stimson, Knox and Stettinius letters, 18 July 1942, 825.24/286. As of 1 July the
United States had supplied Chile with automobiles, trucks, infantry weapons, automatic weapons, ammunition, and spare parts for the vehicles. Baldwin to Daniels, Bonsal, and Duggan, memorandum, 1 July 1942, "Lend-Lease Exports to Chile, March and April," FW825.24/286.

15 Duggan to RA and U-L, memorandum, 5 August 1942, 825.24/286. RA is the abbreviation for the American Republics Division in the State Department and U-L refers to the undersecretary's liaison office. Duggan explained to the colonel that the State Department policy prevented shipment of items eventually to be under the lend-lease agreement.

16 Foreign Relations, 1942, 6:28-31; and Duggan to Welles, memorandum, 19 December 1942, 825.24/767.


18 Duggan to Welles, 825.24/767; Bonsal to Welles memorandum, 19 December 1942, 825.24/732½; and Foreign Relations, 1942, 6:45.

19 Foreign Relations, 1942, 6:45-46.


21 Ibid.; and Standing Liaison Committee, meeting 11 January 1943, RG 353, Box 2.


24 Ibid.

25 Bacon to Bonsal, Duggan, and the Secretary, memorandum, 29 December 1943, "Comparative Figures Regarding Lend-Lease to Peru and Chile," 825.24/1730.

26 Foreign Relations, 1944, 7:673-75.


29. Heath to the Secretary of State, despatch no. 8815, 5 February 1944, "The Lend Lease policy toward Chile," 825.24/1734.


32. Armour to Secretary of State, despatch no. 2409, 9 May 1941, "Armament Program in Argentina," 835.24/153; and Armour to Secretary of State, despatch no. 3060, 10 September 1941, "Armaments Program of the Argentine Government," 835.24/178. Argentina's government was planning to spend 646,000,000 pesos (approximately $152,000,000 based on the free market rate of exchange at the time) on army equipment over the next five years; and 712,000,000 pesos (approximately $170,000,000) for naval equipment.


34. Duggan, memorandum of conversation with Espil, 31 July 1941, "Prospective armament requirements of Argentina," 835.24/170.


37. Collado to Welles, 28 November 1941, 835.24/241; and Foreign Relations, 1941, 6:330-31. The department learned, after giving Argentina the revised agreement and after Argentina decided to accept the reduced repayment terms spread over six years, that the Lend-Lease Act required the inclusion of the reciprocity clause. Hull to Amembassy, Buenos Aires, telegram, 2 December 1941, 835.24/217A.
38. *New York Times*, 21 October 1941, p. 6; Armour to Secretary of State, despatch no. 3367, 24 October 1941, "Increase of Armaments in Argentina; Acquisition of Materials under the Lend-Lease Act," 835.24/202; Hull to Amembassy, Buenos Aires, 2 December 1941, 835.24/217A; and Foreign Relations, 1941, 6:332-34.


40. Sumner Welles, The Time for Decision (New York: Harper and Brothers, Publishers, 1944), p. 228. See also O. Elmer Smith, Jr., Yankee Diplomacy: U. S. Intervention in Argentina (Dallas: Southern Methodist University Press, 1953), pp. 69-70; and Woods, The Roosevelt Foreign Policy Establishment, p. 50. While Welles had wanted the officials at the Rio meeting to adopt a call requiring all the republics to sever relations with the Axis powers, he had to settle for a milder version recommending the severence.

41. Hull to Amembassy, Buenos Aires, telegram 4 February 1942, 835.24/277. Welles wrote the telegram but signed Hull's name to it— it was a normal State Department practice to sign the secretary's name to outgoing messages. Espil also informed Argentina's military representatives of the United States policy. Hull to Amembassy, Buenos Aires, telegram, 12 February 1942, 835.24/301.

42. Conil Paz and Ferrari, Argentina's Foreign Policy, pp. 90-91; and Francis, The Limits of Hegemony, p. 152.


44. Hull to Amembassy, Buenos Aires, 12 February 1942, 835.24/301; and Foreign Relations, 1942, 5:379.

45. Hull to Amembassy, 12 February 1942, 835.24/301.

46. Bonsal to Duggan and Welles, memorandum, 12 February 1942, 835.24/326.

47. Armour to the Secretary of State, despatch no. 270, 13 February 1942, 835.24/304.
Welles was a little confused on the parable. He said that the vineyard owner paid ninety-nine workers who had started working early in the morning the same wage as he paid one worker who started just before closing. He was close, but the parable does not specify one hundred workers but does tell that the owner hired workers throughout the day. Even though the undersecretary had confused the parable, his intent was clear—he did not believe that equal pay for unequal work was fair. Matt. 20:1-16.


Conil Paz and Ferrari, Argentina's Foreign Policy, pp. 107-8; and Francis, The Limits of Hegemony, pp. 201-3.

Francis, The Limits of Hegemony, p. 203; and Hull, Memoirs, 2:1387.

Conil Paz and Ferrari, Argentina's Foreign Policy, p. 111; and Smith, Yankee Diplomacy, p. 86.

Conil Paz and Ferrari, Argentina's Foreign Policy, pp. 111-15; and Hull, Memoirs, 2:1391.

Hull, Memoirs, 2:1390.

Ibid., pp. 1391-92; Peterson, Argentina, pp. 433-34 Conil Paz and Ferrari, Argentina's Foreign Policy, pp. 115-16; and Whitaker, Southern Cone, p. 382.

Conil Paz and Ferrari, Argentina's Foreign Policy, p. 117; Welles, Where Are We Heading? p. 196; and Peterson, Argentina, pp. 435.
CHAPTER X

BRAZIL: LEND-LEASE UP TO PEARL HARBOR

In the years immediately before and during most of World War II, Oswaldo Aranha, Brazil's foreign minister, directed his country's policy towards support of the United States internationally in return for Washington's support of Rio's hegemony in South America. Undersecretary Welles was primarily responsible for Washington's response which accepted Aranha's objectives. Welles referred to the relationship as a Brazilian-American understanding, in which Brazil expected the United States to supply it with arms.\(^1\)

There were numerous reasons underlying Brazil's desire for arms. One concern was Argentina. If Brazil were to be preeminent in South America, it had to have weapons to counter superior Argentine forces. The realization in May 1938 that Argentina was purchasing large quantities of arms in Europe and that Brazil had only enough oil and gasoline to fight an eight-day war increased Rio's determination to augment its armed forces. Another explanation was that Brazil's leaders believed they needed arms to strengthen their weak government's ability to withstand the turmoil of its neighbors. Two of Brazil's neighbors, Paraguay and Bolivia, had fought a bloody clash, the Chaco War, through much of the 1930s, and only in 1938 were the neighbors able
to sign a treaty. Finally, Brazil's leaders believed that they needed to arm their nation because events in Ethiopia, Austria, and Czechoslovakia indicated unstable conditions in the world.  

From Washington's perspective, the Nazi menace to Brazil was reason enough to supply the government of Getúlio Dornelles Vargas with arms. United States officials saw the German threat in numerous activities. One intrigue of concern to Washington in the late 1930s was Brazil's trade with Germany. The problem was that shortly before the outbreak of war in Europe, the Third Reich had become Brazil's "leading European market and second only to the United States as an overall trade partner." Before the war broke out and the British sea blockade of the Third Reich ended commercial relations, there was always the possibility that Germany would increase its transactions. Washington viewed these commercial relations with alarm.  

The presence of a large and prominent German population in Brazil was another example of the Third Reich's influence that contributed to Washington's apprehension. In the late 1930s Germans and descendants of German immigrants represented between 10 and 20 percent of Brazil's population. In addition, the Integralista party in Brazil had an open Axis orientation until Vargas smashed the party after an unsuccessful putsch in May 1938. There was also concern over the pro-Axis bias of some Brazilian military officers.
The primary Nazi threat to Brazil, United States strategic planners believed, was the possibility that Germany would defeat Great Britain, drive across Africa, and invade the northeastern bulge of Brazil. Such an invasion would require crossing the Atlantic Ocean; however, the distance from the bulge to Africa was only about 1,800 miles. Furthermore, Washington assumed that fifth-columnists would aid a German invasion by toppling Brazil's government in a coup d'etat. As a result of these worries, the United States prepared war plans to protect Brazil's government and to send about 60,000 American troops into the strategically important northeastern bulge.  

Washington's solution for providing arms to Brazil was the Lend-Lease Act. This key ended several years of discussions between Brazilian and American officials on supplying weapons. Brazil had brought its desire to purchase American arms to Washington's attention in June and July of 1939 when General Pedro Góes Monteiro, chief of staff of Brazil's army, visited the United States. During his stay he delivered a list of arms his country wished to acquire. Priority items included 156 pieces of heavy artillery, 196 anti-aircraft guns, 102 combat aircraft, 41 tanks, 252 armored cars, and 722 automatic weapons. The general returned home long before his country received any weapons.  

Shortly after Góes Monteiro returned to Brazil, the war in Europe began. By early September United States officials
discussed with Brazilians the likelihood of German seizure and occupation of Fernando de Noronha, an island lying about 125 miles off Brazil's northeastern coast. The Brazilians responded by inquiring when the United States was going to convert its concern into action enabling Brazil to buy arms. The conversion process started in November when the United States offered Brazil surplus coastal defense artillery guns. By May of 1940 Brazil had negotiated purchase of ninety-nine 6-inch guns, eighteen 7-inch guns and gun tubes, and twenty-six 12-inch gun tubes at a total cost of about $100,000.  

The coastal defense artillery pieces added little muscle to Brazil's defense. The purchase was more symbolic of the United States helping to arm its Western Hemisphere neighbor than it was practical. The 12-inch gun tubes were immediately unusable because they required carriages to support them. These carriages were available only from the United States at a construction cost of $150,000. When nine of the 6-inch guns arrived in Brazil in early 1941, there was no ammunition for them. As late as February 1942, the Brazilians were still trying to make the 6- and 7-inch guns usable.  

Although the initial $100,000 coastal defense artillery purchase had been a cash transaction, Brazil desired to procure United States weapons on credit. When Washington replied that legislation required cash purchases,
Jefferson Caffery, United States ambassador to Brazil, urged the State Department to make weapons available to Brazil on credit. In mid-July 1940 he counseled that it would be "idle for us to hope to maintain our present position in Brazil" without offering arms on credit terms. Caffery predicted that failure to do so would lead the Brazilians to "purchase them on long-term credit or accept them as gifts from the Germans." 

In early August Washington responded to a June request from Brazil for $180,000,000 in arms. The response indicated that Brazil would be able to make significant arms purchases and could procure automotive and aviation equipment in the United States within the next few months. 

The State Department was overly optimistic on how quickly items were procurable. Nonetheless, the War Department suggested that Brazil send a representative to Washington to oversee the purchase. Brazil sent General Amaro Soares Bittencourt, first sub-chief of the Brazilian army's general staff. In November, when the talks were to have begun, the United States suggested that Soares Bittencourt not come until January so that the War Department would have time to determine when Brazil could expect to receive its purchases.

In early 1941 General George C. Marshall sent Lieutenant Colonel Matthew B. Ridgway to Welles's office for a conference on the upcoming Soares Bittencourt visit.
Marshall, scheduled to meet the visitor on the next day, wanted Welles's advice on how to respond if the Brazilian inquired about the terms available for his country's purchases. Welles advised Ridgway that Marshall should tell him what armaments Brazil could buy and when to expect delivery. Ridgway admitted that such information was not available but that the War Department was assembling it. Welles suggested that after Marshall's office specified the armaments, then he would speak to Carlos Martins, Brazil's ambassador to the United States, about financial arrangements through an Export-Import Bank loan. In the discussion Welles revealed that Roosevelt intended to introduce a measure in Congress that would eliminate the plaguing issue of financing arms purchases by American republics. Roosevelt's proposal would enable the transfer of munitions to Great Britain and the American republics without payment. The possibility was so indefinite, however, that Welles suggested that Ridgway and Marshall not mention it to Soares Bittencourt. Ridgway's record of the comments illustrates that the president had the American republics in mind when proposing the Lend-Lease Act. Further, Welles's remarks indicate that the undersecretary believed that passage of the measure would handle Brazil's purchases. In fact, he stated that the president's plan was to provide arms at no cost to recipient nations.
When Soares Bittencourt visited Marshall, the American chief of staff was sympathetic but promised no modern arms in the immediate future. Marshall explained that the United States army was expanding and that its needs plus the needs of the democracies fighting the war had priority on production. Nonetheless, the Brazilian general had a revised list of armaments worth about $250,000,000 that his country wished to buy. Almost half the items were first priority, and most of the requests would not be available until after November 1941.

The only War Department matériel on Soares Bittencourt's list which was immediately available (in April) was automotive equipment and tanks sufficient to train a few Brazilian army units. Near the end of January, Ridgway asked Soares Bittencourt for his reaction to a War Department plan that Brazil apply for a relatively small loan ($12,000,000) from the United States for an arms purchase, to include $6,000,000 for available automotive equipment and tanks and a like amount to make operative Brazil's coastal artillery guns, purchased in 1940 from the United States. The War Department thought that a loan would lead to a quick sale, giving "tangible proof to the desire and intention of this Government to assist [Brazil] in the procurement of armaments." Soares Bittencourt objected. He believed that his countrymen would view a small loan as an indication that the United States thought that was all Brazil could pay for
the arms. There was yet another reason behind his position. He preferred to wait for the Lend-Lease Act, introduced on 10 January. If Congress passed it, then Brazil might acquire a larger share of its priority requirements than Ridgway had proposed. To prevent Washington from pressuring him for a quick sale, the Brazilian general insisted that the $12,000,000 purchase must be part of a further financing arrangement for the additional war matériel.

Because the Lend-Lease Act had not yet passed, Washington officials did not know how Brazil would finance the additional armaments and could not give Soares Bittencourt the assurance he sought.14

As the talks with Soares Bittencourt progressed, it became increasingly clear to the War Department that it had to present an acceptable arms proposal. The Brazilian general had made it clear that Brazil would find it impossible to allow the United States to use the airfields at Recife and Natal without the desired war matériel. Brazil had agreed in October 1940 to allow the airfield's use in return for arms. To meet the agreement, in late January the War Department presented Soares Bittencourt with a $100,000,000 arms proposal which provided for an initial purchase of a "substantial part" of the total package. The $12,000,000 Export-Import Bank loan would finance the initial "substantial part." Undersecretary Welles supported the proposal.15
Before the Export-Import Bank approved the loan application (which it did in mid-March), Warren Lee Pierson, president of the bank, asked the War Department for details about the automotive equipment Brazil was to purchase. When the War Department consulted Soares Bittencourt, he again objected to the loan. He insisted that any purchase had to be a part of Brazil's larger defense needs, and all of it had to be available on the same terms. The War Department assured him that his objections had formed the basis for the proposition. Unsatisfied, Soares Bittencourt and Ambassador Martins decided to see Welles.16

Because Welles was out of town, the Brazilians met other State Department officials who supported the bank loan. The department also supported an idea recently advanced by the bank and the Metals Reserve Company to combine the $12,000,000 loan with a two-year contract to purchase $25,000,000 worth of Brazilian minerals. Despite the department's position, Soares Bittencourt raised familiar objections. State Department officials could not convince the Brazilian general because they did not have authority to commit the recently enacted Lend-Lease Act to cover Brazil's arms purchases.17

The department's meeting with Soares Bittencourt and Martins occurred shortly after Congress passed the Lend-Lease Act on 11 March 1941. Emilio Collado, one of the State Department officials who had attended the meeting,
suggested several options that Welles might consider to "meet General [Soares Bittencourt's] requirements in this matter which is so important to political relations with Brazil . . . ." One option, "probably the most satisfactory to Brazil," was to give the Brazilian general assurances that lend-lease was available for his country's arms purchases. A second option was to pursue the Export-Import Bank loan but assure Soares Bittencourt that the rest of his purchases could be under lend-lease. Finally, Collado suggested that Welles improve the terms of the bank loan if lend-lease were not available. Above all, Collado advised that it would be wise to link delivery of arms to Brazil with delivery of Brazilian minerals to the United States. Such a policy would demonstrate to the American public that its government was receiving tangible materials in return for supplying arms to Brazil.18

Accepting Collado's first or second option required a determination of whether Brazil qualified for lend-lease. Welles announced that it did at a 24 March meeting of the Standing Liaison Committee. As members discussed Brazil's arms requests, Ridgway commented that there was no firm decision on whether lend-lease applied to the American republics. Welles responded, "But the wording of the Lend-Lease Bill clearly includes the American republics." Then he added, "We worked over that wording day in and day out in the Department of State." Marshall observed that all of
the first lend-lease appropriation was for Great Britain because Washington had assumed that British production facilities would be a prime German target. If the facilities survived, then the United States would have an excess of arms, and part of the excess would be available for Brazil. Based upon the wording of the act and the possibility of a surplus of arms if British production facilities survived, Welles asked Ridgway to assure Soares Bittencourt that Brazil would be able to make larger arms purchases. Ridgway did so the next day. After two months of negotiation, Washington gave Soares Bittencourt what he wanted.19

Two days after the Standing Liaison Committee meeting, Welles informed Caffery of the War and Navy Departments' agreement on a three-year $100,000,000 arms program under a lend-lease arrangement. Welles could not spell out the details because Washington had not yet organized the lend-lease operation. The date of Welles's message, 26 March, is interesting. The undersecretary said that Brazil's $100,000,000 program would be under lend-lease one and a half months before Roosevelt officially announced that the American republics were eligible for lend-lease.

Welles's comment that Brazil's arms program would be under a lend-lease arrangement was a case in which the undersecretary moved ahead of events and the president. Unquestionably the president and Welles had discussed lend-lease to the American republics, and Welles was going on
what he knew of Roosevelt's thinking. The only problem was that the Lend-Lease Act required the president to declare a nation vital to the defense of the United States before that nation was eligible for aid. Welles's remarks were not enough to meet that legal requirement even though the under-secretary was correct. Roosevelt made his decision on 6 May. 20

Two months after the president's decision, the State Department officially handed Martins and Soares Bittencourt a draft copy of a proposed lend-lease agreement, although Brazilian and American officials had been discussing the accord unofficially since early May. It provided for the $100,000,000 army and navy arms package mentioned so many times in prior conversations. First-year deliveries were to be $16,000,000. Brazil's obligation was to repay 35 percent of the value of the arms received. 21

Between Welles's premature announcement concerning Brazil's eligibility for lend-lease and early May when Roosevelt made the decision official, pressure was building to send an arms shipment quickly to Brazil. In late April Caffery reported that an arms shipment, even a small one of a few tanks and scout cars, was important to counter Brazilian army skepticism that the United States was an ineffective arms supplier. Welles supported sending arms to Brazil by citing that the United States was asking Brazil for its cooperation; therefore, the United States must
cooperate with Brazil by supplying arms. In an attempt to supply weapons, the War Department, late in May, ordered diversion of about $1,000,000 worth of automotive equipment and tanks that were already in the army's inventory, a part of the $6,000,000 worth of automotive equipment and tanks offered to Soares Bittencourt in late January. The War Department wanted to ship the equipment to Brazil by the end of July.  

The equipment, a token shipment, left for Brazil in mid-August, but it was not a lend-lease transaction after all. When the War Department had proposed the July shipment, indications were that the nations would have signed a lend-lease agreement by that time. When it became apparent that conclusion of the agreement would take longer, Brazil paid for the token shipment in cash.

About the same time, the State Department learned that even if the nations had signed the lend-lease agreement the United States government did not have money to fund arms purchases. In the latter half of August the Division of Defense Aid Reports, the agency administering lend-lease, informed the State Department that none of the American republics would receive an allocation from the first lend-lease appropriation ($7,000,000,000). Roosevelt had ordered that "all funds not already committed should be put at the disposal of the British and others resisting aggression in actual warfare."
Lack of money for arms shipments to Latin America (the department believed the ban would only affect Brazil) caused apprehension in the State Department. Until funds were available, Brazil would have to put up cash for equipment. Furthermore, even if Brazilians had cash, delivery would be far in the future. An even greater problem, according to Laurence Duggan, was the Axis threat in Brazil's aviation unless the United States could supply sixty small basic training type aircraft to assist Brazil's air mail service. Finally, the department continued to maintain that it was essential that the United States provide arms to keep Brazil's cooperation in defense of the hemisphere.25

Faced with an unsatisfactory situation and unwilling to wait for a supplementary lend-lease appropriation, the State Department sought $10,000,000 for Brazil from appropriated but unspent lend-lease funds. Welles saw Roosevelt and quickly received a presidential directive that the funds be available.26

Following Roosevelt's directive, the State Department worked with Defense Aid Reports officials in early September to locate funds. Even though FDR directed that the money be available, it was not. A Defense Aid Reports official suggested that Brazil either pay cash or wait until Congress approved supplemental lend-lease appropriations. In the meantime, Defense Aid pledged about $1,000,000 to buy a few Beachcrafts and a Lockheed airplane for Vargas.27
The $1,000,000 proposition for a few airplanes was not what Soares Bittencourt had in mind. Defense Aid Reports, in a subsequent meeting with the Brazilian general, significantly increased its offer and invited Soares Bittencourt to file $2,000,000 worth of lend-lease requisitions for equipment already in the United States Army's inventory. Additionally, Defense Aid recommended that Brazil put up $7,500,000 in cash to cover the balance of Brazil's urgent war needs. Soares Bittencourt was agreeable to the new proposition; however, the State Department was not. State opposed Brazil's having to put up $7,500,000 for its war needs when failure to deliver the matériel was wholly the fault of the United States.  

Defense Aid modified its proposition, but the State Department still objected. Duggan argued that presenting the offer would make Brazilians question Washington's integrity since the State Department had informed Rio de Janeiro of Roosevelt's directive that $10,000,000 be available for Brazilian requisitions. Further, Duggan wanted the undersecretary to reject Defense Aid's latest effort and to return to the president for "whatever directive is necessary to bring about the immediate allocation of the funds necessary to cover the pending Brazilian requisitions."  

Welles did not act favorably upon Duggan's suggestion. Instead, State and War Department and Defense Aid Reports officials met in early October 1941 and agreed upon a common
approach. First, Defense Aid Reports was to make $3,000,000 of unallocated funds available for Brazil. Next, a War Department officer was to assure Soares Bittencourt that the delay would not affect delivery of arms promised during the first year after the nations signed the lend-lease agreement. The entire squabble was a confusing effort brought about by realization that the first lend-lease appropriation did not provide any funds for Brazil. Even though Roosevelt had quickly agreed to remedy the deficiency, the officials charged with implementing the lend-lease program could not or would not locate the amount the president approved for Brazil. Perhaps part of the problem rested with the way Roosevelt had quickly agreed to Welles's request—the president acted before he consulted the officials charged with administering the program.  

While State Department and Defense Aid officials reconciled differences, two other developments occurred. The nations signed the lend-lease agreement, and Congress began consideration of the supplemental appropriations act which contained funds for the American republics. The act passed Congress in late October and ended the financial embarrassment. The lend-lease agreement had the same terms as those proposed in July—$100,000,000 in arms and a repayment obligation of 35 percent.  

As these lend-lease developments occurred in Washington during the summer and autumn of 1941, United States and
Brazilian representatives conducted new military discussions in Rio. Implementing defense measures agreed to in these talks worried the State Department because there had been many requests for Brazil's cooperation, particularly in defense of the strategically important Natal area, but there were no arms deliveries. The department feared the failure would weaken Vargas, who had committed himself on the war and was granting concessions to the United States. To strengthen Vargas and to consolidate the United States' position in Brazil, Duggan recommended in late November the immediate delivery of ninety-five primary and basic training planes (the planes already had a delivery date of March 1942). Sending planes would ease Brazil's agreement on defense matters believed essential by the War and Navy Departments. Welles accepted the recommendation and forwarded it to Marshall in early December 1941, only four days before the Japanese attack on Pearl Harbor.32

Messages coming from Caffery in late November and early December supported Duggan's position. Shortly after the Japanese attack on Pearl Harbor, Vargas sent President Roosevelt a message of Brazilian solidarity with the United States. Even so, several ministers in Vargas's cabinet noted that the United States was sending quantities of arms to Russia but not a single item to Brazil. Despite Vargas's display of public support, there was skepticism among his advisers of ever receiving anything from the United States.33
ENDNOTES

1 McCann, Brazilian-American Alliance, pp. 87, 267, 319-20, 325, and 328-41. McCann notes that the United States policy shifted away from the understanding after Welles's 1943 resignation and Aranha's in 1944. In addition to these two men's leaving the scene, Washington altered its lend-lease policy in 1943 and 1944, and State Department personnel pursued a policy of domination of Brazil.


3 Hilton, Brazil, pp. 177, 196, 216, and 225-28. Hilton argues that Vargas was an opportunist par excellence who used Washington's concern over Nazi influence in Brazil to aid his country in receiving arms and other forms of aid while pursuing further trade with Germany. Hilton sees Vargas's policy on trade with Germany as an example of how Brazil pursued its own national interests while using the "rhetoric of good-neighborliness."

4 Child, Unequal Alliance, pp. 49-50; Weinberg, Foreign Policy of Hitler's Germany, p. 255; Hilton, Brazil, p. 174; and McCann, Brazilian-American Alliance, pp. 91-97.

5 Child, Unequal Alliance, pp. 49-51; and Conn and Fairchild, Framework, pp. 272-74. The United States defense preparations were the Rainbow plans and the Lilac plan.

6 Conn and Fairchild, Framework, pp. 267-68. Brazil's total needs were three times the number of arms Gôes Monteiro requested.

7 Ibid., pp. 269-70.

8 Adams to Secretary of State, airmail, 31 August 1940, "Present status of Arms acquired by Brazil in the United States," 832.24/240; and Conn and Fairchild, Framework, pp. 270-71. Ware Adams was the second secretary of the embassy in Rio de Janeiro. His message included an attachment by Lieutenant Colonel Lehman W. Miller, chief of the United States military mission in Brazil, which details the status of the guns.
In his 16 July 1940 message Caffery couples the sale of arms on credit with the need to arrange financing for the construction of a steel plant in Brazil. Both projects were essential to acquire Brazil's cooperation and to provide for its defense, Caffery says. While discussions on the steel project had been in progress for a year or more at the time Caffery wrote, the ambassador urged speeding the Export-Import Bank for construction of the steel plant.

Conn and Fairchild, Framework, p. 275; and Foreign Relations, 1940, 5:50.

Ridgway, memorandum of conversation with Welles, 7 January 1941, "Supply of Arms to Brazil," 832.24/1-741.

Conn and Fairchild, Framework, pp. 279-80. Soares-Bittencourt handed his arms request, "Final List of Materials Desired by Brazil," to the War Department on 10 January, two days after his first meeting with Marshall. Brett to Walmsley, letter, 18 August 1941, 832.24/8-1841. Brett's letter has an enclosure which is an excellent review of Brazil's lend-lease activities from early January until the late summer of 1941. Brett was the War Department's liaison officer assigned to Soares Bittencourt.

Ridgway to Wilson, memorandum, 29 January 1941, "Munitions Desired by Brazil," 832.24/1-2941; and Wilson to Welles, memorandum, 30 January 1941, FW832.24/1-2941.

Conn and Fairchild, Framework, p. 280; and Marshall to the Undersecretary, memorandum, 7 February 1941, "Immediate Aid to Brazil," 832.24/2-741; Brett to Walmsley, 18 August 1941, 832.24/8-1841; and Standing Liaison Committee, meeting 15 February 1941, RG 353, Box 1. Army equipment made up 80 percent of the program and navy equipment made up 20 percent.

At the 15 February 1941 Standing Liaison Committee meeting, Welles agreed to go ahead with the Export-Import Bank loan before passage of the Lend-Lease Act even though he believed that the law would take care of Brazil's defense equipment purchases. Because there was some mention in Congress of limiting the act solely to Great Britain, Marshall argued against restriction when he was before an executive session of the House Foreign Relations Committee. He urged the panel not to exclude South America from the act's provisions—and it did not.
Welles's remarks at this meeting appear to contradict Conn and Fairchild's statement:

The Department of State wanted to postpone the question of credits until the passage of the Lend-Lease Act, but was finally persuaded in March to arrange with the Export-Import Bank for the $12,000,000 credit initially recommended by the Army.

Conn and Fairchild, Framework, p. 280.

16. Marshall to the Undersecretary of State, memorandum, 24 February 1941, "Munitions for Brazil," 832.24/2-2441; and Standing Liaison Committee meeting, 24 March 1941, RG 353, Box 1.

17. Secretary of State to Amembassy, Rio de Janeiro, telegram, 11 March 1941, 832.24/329; and Collado to Welles, memorandum, 13 March 1941, "Brazilian Armament Financing and Purchase of Strategic Materials," 832.24/361. The secretary's 11 March telegram to Caffery reported that the Export-Import Bank was planning to offer Brazil the $12,000,000 loan at 4 percent interest, payable in ten semi-annual payments spread over five years (the bank had indicated that it would be willing to extend the credit for up to eight years if Brazil requested it). If Brazil accepted the bank loan and signed the agreement with the Metals Reserve Company, then the Metals Reserve Company was to turn over to the bank all the proceeds from sales of manganese ore, chromite, industrial diamonds, mica, quartz crystals, iron ore, beryl, and titanium ore not covered by private contracts.


19. Standing Liaison Committee, meeting 24 March 1941, RG 353, Box 1; and Ridgway to General Amaro Bittencourt, memorandum, 25 March 1941, 832.24/3-2541. Ridgway's letter did not state that Brazil was eligible for lend-lease. He said:

I am authorized to convey to you the information that it is the considered opinion of the State and War Departments that the $80,000,000 Brazilian [army] program will be approved . . . subject to later agreement . . . and . . . it is expected that a great part, if not all, of these army munitions will be procurable within the next succeeding 2½ years, it must be understood that unpredictable events may make it necessary to defer deliveries beyond that point.
20. Foreign Relations, 1941, 6:528-31. Welles said that Brazil's arms program was to begin with the $12,000,000 loan from the Export-Import Bank and a two-year Brazilian contract to sell strategic or critical materials to the United States.


22. Foreign Relations, 1941, 6:531; Standing Liaison Committee, meeting 21 May 1941, RG 353, Box 1; Walmsley to Collado and Duggan, memorandum, 21 August 1941, "Lend-Lease Defense Equipment for Brazil," 832.24/451½; and Marshall to Hopkins, memorandum, 26 May 1941, 832.24/400. Marshall's memorandum details the equipment earmarked for Brazil. It included:

10 M-3, light tanks
10 M-3A1, scout cars (equipped with three 30-caliber machine guns)
35 ½-ton trucks
20 ½-ton trucks
50 ½-ton trucks
50 2½-ton trucks
10 4-ton trucks
2 repair trucks
1,000 37mm practice shells
20,000 .30-caliber rifle ammunition
20,000 .30-caliber tracer rounds
90 M3A1 scout cars (to be available as soon after 31 July as practicable)

23. When word of the offer reached Rio de Janeiro, Caffery reported that it pleased Brazil's minister of war. See Caffery to the Secretary of State, telegram no. 918, 23 July 1941, 832.24/425. Welles told Caffery that Brazil could either pay for the equipment in cash and have the cash credited against its future lend-lease account or else acquire it under the lend-lease agreement. Brazil opted for the quicker process of paying cash and opted not to have the purchase credited to Brazil's future lend-lease account. Welles to Amembassy, Rio de Janeiro, telegram, 22 July 1941, 832.24/424A; and Caffery to the Secretary of State, telegram no 928, 24 July 1941, 832.24/426.

24. Walmsley to Collado and Duggan, 21 August 1941, 832.24/451½.

25. Walmsley to Collado and Duggan, 21 August 1941, 832.24/451½; Duggan to Welles, memorandum, 21 August 1941,
Duggan to Welles, 26 August 1941, 832.24/515. The State Department proposed to spend the $10,000,000 in this manner: $6,000,000 for the automotive equipment first mentioned to Soares Bittencourt in late January; $2,500,000 for the coastal defense guns sold to Brazil in 1940; and $1,500,000 for basic training planes.

Walmsley to Satterthwaite, Collado, and Duggan, memorandum, 5 September 1941, 832.24/471½.

Walmsley to Duggan, memorandum, 12 September 1941, "Lend-Lease Program for Brazil," 832.24/480½.

Duggan to Welles, memorandum, 2 October 1941, "Funds for the Brazilian Lend-Lease Program," 832.24/517.

Walmsley, memorandum, 10 October 1941, "Lend-Lease Program for Brazil," FW 832.24/563. The department's agreement to forego the $10,000,000 proposition was commendable because at the meeting it learned that the British had $398,000,000 in appropriated but unspent dollars in its lend-lease account. Clearly, the department's $10,000,000 request had been well within the realm of reasonableness, but reasonableness did not make the funds available to Brazil.

Foreign Relations, 1941, 6:534-37; and New York Times, 2 October 1941, p. 3. The nations signed the agreement 1 October 1941.

Conn and Fairchild, Framework, p. 291. The round of military talks, conducted by members of the Joint Planning Group, began in July and ended in October 1941; Duggan to Welles, memorandum, 26 November 1941, "Military Cooperation with Brazil, Lend-Lease Materials for Brazil," 832.24/561L; and Welles to Marshall, letter, 3 December 1941, 832.24/561

Caffery to the Secretary of State, telegram no. 1977, 10 December 1941, 832.24/538.
CHAPTER XI

BRAZIL: LEND-LEASE AFTER PEARL HARBOR

The problems involved in sending lend-lease arms to Brazil in 1941 abated in the year following the attack on Pearl Harbor. The next year was such an improvement that Welles, reflecting on military contacts achieved in 1942, said, "When I look back one year ago I am happy about developments."1

Brazil's improved status was attributable to several factors. Among them were Roosevelt's assurances that Vargas would receive more than token shipments of arms, Welles's promises, when he was at the Rio de Janeiro Conference (15-28 January 1942), that Brazil would receive lend-lease armaments, and the State and War Departments' close cooperation in 1942.

Roosevelt's assurances of increased arms support to the Vargas government came as a result of Welles's report shortly after the start of the Rio conference. The under-secretary determined that Vargas's support for the United States was genuine. He based his assessment on Vargas's announcement to his cabinet and military authorities, two days before Welles arrived in Rio, that Brazil must stand or fall with the United States. The Brazilian press's
sympathetic attitude toward the United States and the support Vargas and Aranha gave Welles at the Rio meeting contributed to the favorable opinion.  

Vargas believed that his government's stand on the side of the United States would inevitably involve Brazil in the war. As a result of the potential danger, he wanted arms from the United States. He told Welles that he had been trying for the past eighteen months to acquire United States matériel but that he had had only limited success. Vargas wanted enough lend-lease planes, tanks, and coastal artillery to defend Brazil's strategically important northeastern coast. The undersecretary was well aware of the efforts and the meager results.

Welles wired Roosevelt his assessment of Vargas's support and desire for lend-lease arms. He wanted Roosevelt to assure the Brazilian president that he would receive the arms he wanted. FDR appreciated Vargas's political support, and he responded quickly to the request with a pledge that a "flow of material will start at once." The president directed General George C. Marshall to prepare a list of lend-lease equipment available for shipment to Brazil. The list included planes and tanks, items Vargas wanted. Marshall pledged to send five primary training planes per month but cautioned that, because of production rates, combat planes would be unavailable until autumn. He further pledged to send sixty-five light tanks
at the rate of ten per month, with the first installment immediately available for shipment. Other equipment available for Brazil included motorcycles, scout cars, wheeled vehicles, and ammunition. The War Department reported the possibility of sending the coastal defense guns that Vargas wanted.  

Welles relayed Washington's responses to Vargas. The promises were politically significant in two ways. First, they boosted Vargas's political position in Brazil. Although he was a dictator, his ability to govern rested on support of Brazil's powerful military officials. Those officials were skeptical of United States promises to deliver arms. Not only had the United States failed to deliver anything other than the token shipment before Pearl Harbor, but the few tanks in the token shipment were without armaments and practically worthless. The Department of State had for some time been aware of Vargas's need for United States arms to counter political opposition. One reason Laurence Duggan, a few days before Pearl Harbor, had recommended immediate delivery of ninety-five primary and basic trainer aircraft was to help Vargas politically. Vargas accepted Welles's promises at Rio, but the crucial element was delivery. Vargas's continuance in office depended on receiving lend-lease arms.  

The second way in which Washington's promises were politically significant was that they enabled Brazil to
support Welles's celebrated compromise resolution at Rio recommending that Western Hemisphere nations sever relations with the Axis powers. The resolution had Roosevelt's highest priority for the conference.\(^7\)

Although Welles had agreed before leaving Washington to seek Vargas's approval for a War Department plan to station United States soldiers in northeastern Brazil, he changed his mind once he was on the spot. He advised Roosevelt to shelve the stationing plan in favor of arms support. Emphasis at Rio had to be on receiving arms, not United States soldiers. Roosevelt agreed.\(^8\)

Washington's implementation of the arms promises made at Rio would be crucial in determining Welles's ultimate success. On 2 February, only four days after the Rio conference, General Amaro Soares Bittencourt wrote the director of the Division of Defense Aid Reports in Washington that his government wanted to submit new lend-lease requisitions for army equipment. Soares Bittencourt predicted that the new requests would amount to approximately $77,000,000, not counting $25,000,000 in additional requisitions that he was preparing for ammunition. Coupled with previously submitted requisitions ($42,000,000), the total army applications amounted to $119,000,000, about 50 percent more than the army's share of the October 1941 lend-lease agreement. The War Department had already assured Soares Bittencourt that it would arrange for additional funding.\(^9\)
Two days after Soares Bittencourt submitted his new arms requests, Major General Jack II. Burns, executive secretary of the Munitions Assignment Board, informed Harry Hopkins of the petition. Burns advised Hopkins that it would be necessary to increase Brazil's lend-lease allotment to accommodate Soares Bittencourt's new requests for army items as well as for anticipated increases in navy and air corps requisitions. Hopkins, directed by FDR to see that Brazil received the promised arms, believed that the flow of arms was an important issue and would remain so until "we get it started." On 5 February Hopkins gave Welles, who had just returned from Rio de Janeiro on a trip which set a speed record for a continuous flight between the Brazilian capital and Miami, Florida, a draft message for Vargas. The undersecretary revised it and sent it that day. The United States pledged to increase Brazil's lend-lease account by $50,000,000 and to send, before 1 March, military equipment in addition to that promised at the Rio conference.¹⁰

Vargas reacted enthusiastically to news of the pledges. He told Jefferson Caffery:

My offhand opinion is very good indeed (of course I will consult my technicians). Welles is carrying out his promises to me. This is not all we need but the fact that he is getting it to us before the first of next month demonstrates his good faith (which I have never doubted). Thank him for me and thank also President Roosevelt for his cooperation . . . .¹¹

Some officials in Washington did not share Vargas's enthusiasm over Welles's message because of a
misunderstanding over the number of light tanks the United States was to deliver to Brazil by 1 March. Marshall had agreed, while Welles was in Rio, to send sixty-five light tanks at the rate of ten per month, and the War Department scheduled delivery of twenty light tanks by the first of March. Welles's message to Vargas, however, committed the United States to deliver forty tanks by that time. The undersecretary had misinterpreted Hopkins's draft message of 5 February, which Welles understood to mean that there would be an additional twenty tanks available for Brazil by 1 March.12

It was two weeks before the Brazilians became aware of the commitment for extra equipment. Welles apparently revealed it on the evening of 17 February during a conversation with Artur de Souza Costa, Brazil's finance minister whom Vargas had sent to Washington immediately after the Rio meeting to follow up Welles's arms promises. Souza Costa raised the prospect of acquiring extra tanks at a meeting with War Department officials the next morning. Since the War Department was familiar only with Marshall's list, the undersecretary's commitment quickly caused confusion. Burns suggested that diversion of tanks to a noncombatant might not be wise. Sending tanks to Brazil, rather than to the warfront, would "mean the possible loss of battles in process in order to win battles which may never take place." He explained that another problem was concern that "drastic
diversion to Brazil of tanks, anti-aircraft and anti-tank equipment would mean a big row with the British." The row, if it came, would occur in the Munitions Assignment Board meetings where the three British members would surely resist the diversion. Only Hopkins, the chairman of the board, could push the matter through successfully.\textsuperscript{13}

On the next day Duggan and Burns visited John J. McCloy, assistant secretary of war and came to an understanding on Brazil's military supplies. At McCloy's request, Marshall agreed to send four anti-aircraft guns and twenty tanks in return for Duggan's promise that Welles would seek Vargas's approval for a new concession. The War Department's commander of the air ferry service, Brigadier General Robert Olds, wanted to enlarge his service's Brazilian air bases and to increase the number of mechanics and technicians stationed there. Welles had refused to seek the concession until Brazil received better lend-lease treatment. He submitted the request for the concession on the evening Marshall agreed to divert the equipment.\textsuperscript{14}

About two weeks later, the United States and Brazil signed a revised lend-lease agreement. It provided for Brazil's receiving armaments valued at $200,000,000 in return for payment obligations of $70,000,000 (the same 35 percent as in the first agreement). Almost one month earlier, Welles had promised Vargas a $50,000,000 increase
in Brazil's lend-lease allotment, but the increase was double that figure.15

By early March Vargas had evidence that the United States planned to fulfill Roosevelt's and Welles's promises. Welles had been able, while at the Rio meeting, to dominate United States policy toward Brazil and to require delivery of lend-lease arms. Because Roosevelt accepted Welles's ideas, the War Department had to shelve its own views and to make armaments available. Marshall agreed to follow Welles's lead because of assurance "that a definite betterment of the situation in Northeast Brazil would result." Brazil benefited from cooperation of the State and War Departments.16

In early May 1942 following several months of cooperation, Marshall complained about developments in Brazil. While the War Department had made "real sacrifices in many directions to satisfy Brazilian requirements in military equipment," the Brazilians were lax in their use of aircraft sent to the vital northeastern part of Brazil (the Recife-Natal-Fortaleza region). Marshall believed that Brazil's negligence in patrolling the northeastern Brazilian coast in support of the United States naval patrol and in reconnoitering the Amazon area could lead to "a disastrous development in the Panama-Brazilian theater." He worried that failure to reconnoiter the Amazon could allow undetected construction of enemy installations capable of
launching an attack on the Panama Canal. Welles relayed Marsahll's complaint to Caffery. The Brazilians, upon Caffery's representation of the issue, corrected the problem.  

Shortly after Marshall expressed concern over Brazil's lax use of lend-lease, Caffery voiced his own suspicions that Brazilians did not make adequate use of the equipment. Lieutenant Colonel Francis B. Kane, chief of the United States military mission in Brazil, investigated and confirmed Caffery's suspicions. Caffery's reaction to Kane's confirmation contrasted sharply to Marshall's response. Where Marshall had insisted that Brazilians must employ fully the lend-lease arms, Caffery did not expect full employment. Interestingly, Kane agreed with Caffery. Both excused Brazil's lax use of equipment because even if they do not use it to its full advantage, the Lend-Lease material furnished Brazil is a cheap pay off to the Brazilians for allowing us to do as we liked about the Air Transport (Ferry) Command, air patrols, naval patrols, etc., in the northeast of Brazil; especially having in mind the fact that the Brazilian military authorities are still resentful of the fact that they were not allowed to receive the considerable supplies of arms, etc., for which they had contracted (and in large part paid) in Germany; also that they expected to receive from us much more Lend-Lease material than they have received.  

Kane discovered in his investigation that there were four difficulties causing poor use of lend-lease items. The difficulties included dividing, storing, utilizing, and transshipping of the equipment.
Improper warehousing and intense jealousy in the Brazilian army made division of the equipment difficult. While lack of warehouses prevented war supplies from speedily reaching destinations, the jealousy among branches of Brazil's army caused each to try "to get control of as much equipment as possible even though . . . destined for another arm."\textsuperscript{19}

Incorrectly storing equipment led Brazilians to leave many boxes of B-25 and P-40 airplane spare parts and supplies in Rio for five months. Failure to employ proper storage facilities and to know what was on hand resulted in inefficient use of equipment. Rather than determining if an item was procurable in Brazil, the tendency was to purchase it from the United States.

The final difficulty Kane discovered was unnecessary transshipment of equipment once it arrived in Brazil. All lend-lease matériel went to Rio where Brazilian officials arranged distribution. Sending matériel to more than one delivery point would reduce losses.

Most of these difficulties, Kane believed, resulted from three failings "inherent to most Brazilians." The failings were reluctance to ask for assistance, unwillingness to delegate authority, and jealousy in the Brazilian army.\textsuperscript{20}

The major lend-lease operation throughout the rest of the war, starting the last day of 1942, was supporting
Brazil's active participation in the fighting. On 31 December 1942 Vargas suggested to the chiefs of his armed forces the possibility of sending Brazilian troops to war. The prospect of sending a force into action gained momentum in late January when Roosevelt, enroute home from the Casablanca Conference, met Vargas at Natal. Roosevelt suggested that Brazilian soldiers replace Portugese troops in the Azores and Madeira Islands. Vargas said he would discuss the possibility with Antonio Oliveira Salazar, president of the Portugese Council of Ministers and minister of foreign affairs. Use of Brazilian troops required, Vargas reminded Roosevelt, additional military supplies from the United States.21

In the months following the Roosevelt-Vargas discussions, plans evolved for a Brazilian force in Europe. By April the Brazilians proposed sending four divisions to the European theater, not to the Azores and Madeira. Marshall accepted the proposition and sent it to the United States Joint Chiefs of Staff, who agreed in May. Shortly afterward the United States offered Brazil under lend-lease 50 percent of the equipment necessary to outfit an infantry division to use in training its expeditionary force on the type of matériel used in the theater of operations.22

The first element of the Brazilian Expeditionary Force (FEB) reached the European warfront in mid-July 1944. After landing at Naples, the FEB moved north of Rome and began an
intensive three-week training program. With its training course completed, the FEB became a part of General Mark W. Clark's command, the Fifth Army. Eventually the Brazilian force amounted to about 25,330 men, and suffered 11,617 casualties of which 8,430 were due to sickness with the balance killed, wounded, missing in action, or injured in accidents. Brazilian battlefield victories included action at Monte Prano, Monte Castello, Montese, and Fornovo. Shortly after Germany's surrender, Brazil's soldiers returned home to joyous receptions after which Vargas's government, concerned that battlefield success might make FEB officers political heroes, ordered the force's immediate demobilization. 23

About the time that the Brazilians landed in Italy, July 1944, War Department officials in Washington expressed concern that the existing lend-lease agreement would not provide adequate equipment for the expeditionary force. As a result, the War and State Departments considered a supplemental lend-lease agreement. Word of the supplement leaked to Leo T. Crowley, administrator of the Foreign Economic Administration, who inquired if the secretary of state intended to request reverse lend-lease from Brazil. Crowley also questioned if Brazil would repay the United States for the equipment supplied under the supplement.

Reverse lend-lease was the means by which the British Empire countries, the French and Belgian colonies, China,
and the Soviet Union provided the United States $6,300,000,000 worth of goods and services during the war years. The reverse lend-lease included food, clothing, equipment, and entertainment for American troops stationed overseas. Crowley's inquiry reflected an FEA desire to have the Latin American nations provide reverse lend-lease because it was popular with Congress and the American press.  

The FEA believed that the American republics should provide reverse lend-lease as well as repay the United States the amount contracted in lend-lease agreements. State Department personnel objected to such an arrangement. There was no State Department response to Crowley for about six weeks because his inquiry came shortly after Hull resigned (November 1944) and Stettinius took over the department. In early December the new secretary indicated that there was no intention of changing the policy exempting American republics from reverse lend-lease payment for lend-lease given in a theater of war. Shortly after the first of the year, the State Department submitted the supplemental agreement to Brazil.  

Acceptance of the supplement was advantageous for Brazil because there would be no charge for lend-lease weapons lost, destroyed, or consumed in combat. Acceptance of the supplement also had a disadvantage. It contained a recapture clause allowing the United States to repossess
equipment. By contrast, arms transferred under the original lend-lease agreement were not subject to recapture, but the agreement required Brazil to pay 35 percent of the arms value. Brazil refused to ratify the supplemental agreement before the war ended in Europe. Vargas probably desired to avoid having the United States recapture weapons his expeditionary force used in Europe, for he wanted his troops to return home armed. To have returned to Brazil without weapons would have been, in the Brazilian's opinion, degrading. Such an action would have been tantamount to returning the troops naked. The soldiers were able to return looking like combat veterans. 26

In early July the State Department withdrew the unratiﬁed supplemental agreement, but its action was not due solely to concern over Brazilian sensitivity to returning home armed. A revelation that Brazil had acquired approximately $40,000,000 in equipment over its $200,000,000 allocation prompted the legal section in the department to recommend withdrawal of the supplemental agreement. An internal departmental memorandum reasoned that it was more advantageous to the United States to negotiate an amendment to the existing lend-lease agreement whereby Brazil would have to assume 35 percent of the overage. 27

Settlement of the overage required three years of negotiation. The United States agreed to assume the wartime costs of Brazil's expeditionary force in return for a
Brazilian inventory of all matériel the force had retained when it returned from the war. Further, Brazil promised not to transfer the matériel without the consent of the president of the United States. The settlement required Brazil to assume nuisance claims carrying a potential of at least a $63,000 liability. United States and Brazilian officials believed the potential liability of $63,000 would arise from three classifications of nuisance suits. They were claims for acts or omissions of the United States government or members of the United States armed forces in Brazil from 7 December 1941 until 1948 ($45,000 potential liability), claims by Italians against the Brazilian Expeditionary Force (no specified liability), and claims against the United States for the collision between the Brazilian vessel Areia Branca and a United States army transport in September 1943 at Natal ($18,000 potential liability).  

The settlement of Brazil's lend-lease account was an exception to United States wartime policy of not charging combatants for equipment received. However, the United States used the expenses of equipping Brazil's expeditionary force as a quid pro quo for Brazil's assumption of three classifications of nuisance claims.  

While agreeing to send Brazil's expeditionary force to the war in 1943 and then preparing for combat in 1944 were major concerns, there was another development which resulted in speedy arms shipments to Vargas. There was concern over
Argentina's intention to subvert its neighbors. Hull, worried over Argentina's participation in a Bolivian coup in late 1943, recommended that Roosevelt send additional arms to Brazil. Sending armaments, Hull believed, would have "a most healthy psychological effect . . . ." He thought the arms would demonstrate United States support and enable Brazil to continue preparations for its expeditionary force.30

When the president approved the recommendation, Hull consulted Stimson, who was receptive. He outlined ways "to block any attempts on the part of Argentina to destroy Allied prestige and influence in South America." He recommended assignment of millions of dollars of armaments to Brazil including 129 light tanks, 53 medium tanks, 54 armored cars, 67 anti-tank guns (37mm), 36 howitzers (75mm), 133 .50-caliber machine guns, and 284 .30-caliber machine guns. In addition, Stimson directed War Department officials in Brazil to assist with improvement or construction of two airfields in southern Brazil. The secretary of war believed the arms would start arriving by the first of February and that the Brazilians would have two armored divisions along its Argentine border.31

Before the end of January, Isador Lubin, an assistant to Hopkins, wrote Hull that additional armaments were to go to Brazil. These latest arms were to fill gaps in the equipment Stimson mentioned earlier in the month. Lubin's
listing included rocket launchers, miscellaneous automotive equipment, helmets, explosives, various sizes of ammunition, and miscellaneous signal and engineer equipment. 32

The final tabulation of Brazil's lend-lease account shows that it received $361,400,000 in armaments. The largest category was aircraft and related matériel ($89,400,000), and the second largest was naval matériel ($82,500,000). Brazil received, by far, the largest share of the lend-lease going to American republics. 33
ENDNOTES

1 Standing Liaison Committee, meeting 8 February 1943, RG 353, Box 2.

2 Foreign Relations, 1942, 5:633-34.

3 Ibid., pp. 634-35.

4 Ibid., p. 636.

5 Ibid., pp. 636-37.

6 Ibid., p. 633; and McCann, Brazilian-American Alliance, pp. 258-59. Vargas's continuance in office depended in part on his country's receiving economic aid from the United States, which Welles also promised to provide. Welles's promises of arms at Rio were far more effective than his threat not to provide them. In his attempts to secure Argentina's concurrence to the compromise resolution, the undersecretary threatened to withhold armaments unless Argentina agreed to it. The threat failed.

7 Sumner Welles, The Time for Decision (New York: Harper and Brothers, Publishers, 1944), p. 225; McCann, Brazilian-American Alliance, pp. 257-59. McCann says that Welles's arms promises and the belief that Argentina would adhere to the Rio declaration were the two factors causing Brazil to support the resolution.

8 Foreign Relations, 1942, 5:633-36; and Conn and Fairchild, Framework, pp. 307-14. Welles wrote from Rio to Roosevelt:

In view of the nature of the conversation I regard it as inexpedient to take up with . . . President [Vargas] the issue of . . . stationing . . . United States forces in northeastern Brazil in line with the understanding which I reached with General Marshall before I left Washington. Personally I have no doubt that this issue can be met successfully and that the Brazilian government will agree thereto provided the Brazilian Army is given at least a minimum of [matériel] requested by President Vargas.

Foreign Relations, 1941, 5:635.
Soares Bittencourt to Aurand, letter, 2 February 1942, "New Projects for Brazilian Army Under Lend-Lease," RG 218, Folder "CCS 400.3295 Brazil," Box 533. Soares-Bittencourt states that $74,000,000 of the 1 October 1941 agreement was for Brazil's army. He said that he was preparing the $25,000,000 in requisitions to supply enough ammunition to put his country on a war footing.

Burns to Hopkins, memorandum, 4 February 1942, "Status of Brazilian Aid Program" and Hopkins to Burns, letter, 5 February 1942, RG 218, Folder "CCS 400.3295 Brazil," Box 533; New York Times, 1 February 1942, p. 8; Foreign Relations, 1942, 5:639-41; and Walmsley to Duggan, U-L, and Welles, memorandum, 10 February 1942, "Proposed Increase in Brazilian Lend-Lease Allotment," 832.24/730. In his February message, Welles said, in part,

In addition to the list which I had the honor of giving Your Excellency during my recent visit to Rio de Janeiro there will be sent to Brazil before the first of March the following items:

- Telescope sights 117
- 7-inch projectiles 282
- Scout cars 31
- Tanks completely equipped with guns and machine guns 20
- 30-caliber ammunition 360,000 rounds

This listing of equipment is only a sample of what Welles listed.

Duggan to Welles, 20 February 1942, 832.24/730.

Ibid.; and unsigned, memorandum of conversation between Burns, Souza Costa, Martins, Colonel Brett, Lieutenant Colonel Langmead, and Paul J. Sturm, 18 February, RG 218, Folder "CCS 400.3295 Brazil," Box 533. There were three Americans as well as three British members of the Munitions Assignment Board.

McCloy to Hopkins, letter, 21 February 1942, RG 218, Folder "CCS 400.3295 Brazil," Box 533; Alfred D. Chandler, Jr. et. al., The Papers of Dwight David Eisenhower: The War Years, 5 vols. (Baltimore: Johns Hopkins University Press, 1970), pp. 124-25; Foreign Relations, 1942, 5:648-51; and Conn and Fairchild, Framework, pp. 315-17. The War Department decision to send the tanks to Brazil greatly pleased Welles. He notified Caffery of the commitment by saying, I regard this arrangement concerning tanks as the utmost that could be obtained. The extent to which we have gone to make these light tanks
available is clear from the fact that they have been taken away from our own troops, which, on account of heavy deliveries to forces fighting the Axis in Libya, in Russia, and in the Far East, are already insufficiently supplied.

Foreign Relations, 1942, 5:647.

Marshall's decision to allow the anti-aircraft guns and the tanks to go to Brazil was a considerable concession on his part. He had at first told McCloy and Duggan that Brazil had first to agree to the air ferry's concession before receiving the armaments, but he changed his mind. Duggan to Welles, memorandum, 21 February 1942, 832.24/731.

Marshall agreed that he had had to change some officers' assignments because they believed the State Department policy would lead to disaster.

Caffery to the Secretary of State, air mail, 30 September 1942, "Lend-Lease Material for Brazil," 832.24/1135. Apparently the State Department did not send a copy of this despatch to the War Department. Kane had already informed his superiors of the situation though. Caffery and Kane believed that part of Kane's job was to "set aright situations of this sort." In his comments Caffery states that the Brazilians had expected to receive more lend-lease than they had up until September 1942. It is not possible to speak with precision on the amount of equipment the Brazilians had received at that time; however in mid-November Eugene V. Rostow, executive assistant to the assistant secretary of state, said shipments had amounted to $12,000,000 and that another $40,000,000 worth of equipment was on its way to Brazil. Rostow to Eckerd, letter, 19 November 1942, 832.24/1198.
Caffery to Secretary of State, air mail, 30 September 1942, Lend-Lease Material for Brazil," 832.24/1135.

Ibid. Caffery's despatch shows a State Department stamp on the face of it. The stamp reads, "For Distribution," and there is a box to the right which states, "Yes/No." Someone checked the "No" box. There are no initials to indicate who checked the "No" box.

McCann, Brazilian-American Alliance, p. 303; Foreign Relations, 1942, 5:665-66; and Ibid., 1943, 5:654-56. Hitler had decided in mid-June 1942 to launch a U-boat blitz against Brazil. Between 14 and 17 August Germans sank five Brazilian vessels, a loss of almost 15,000 tons. One of the sunken ships had carried most of its 300 passengers--members of Brazil's army--to their death. News of the sinkings stirred Brazilians, and the aroused nation declared a condition of belligerency on 22 August. Morrison, A History of United States Naval Operations, 1:381.

Conn and Fairchild, Framework, p. 328. Roosevelt and Vargas discussed sending Brazilian troops to the Azores and Madeira as a method to relieve Portugese forces stationed there. Portugal could, the United States and Brazilian presidents thought, use the relieved troops to strengthen its home defenses. Allied victory over Germany in North Africa in May 1943 made assignment of Brazilian forces to Portugal's islands unnecessary. McCann, Brazilian-American Alliance, pp. 350-52.

McCann, Brazilian-American Alliance, pp. 403, 412, 431, and 440-41. Brazilian forces captured 20,573 German and Italian prisoners. The FEB had other battlefield successes than listed above; they were at Camaiore, Castellnuovo, Zocca, and Collecchio. For a brief but sympathetic view of the FEB in Italy see Mark W. Clark, Calculated Risk (New York: Harper and Brothers, Publishers, 1950), pp. 389-90, 392-95, 406-7, 410, and 449-51.

Foreign Relations, 1944, 7:593; Herring, Experiment in Foreign Aid, p. 175; and Collado to Duggan, Bonsal, and Hawkins, memorandum, 23 July 1943, "Reverse Lend-Lease in the Other American Republics," 832.24/2231.

Foreign Relations, 1944, 7:598; and 1945, 9:639.

Maxwell to Collado, memorandum, 12 May 1945, "Brazilian Lend-Lease," 832.24/5/1245; Maxwell to Harrison, memorandum, 17 May 1945, "Brazilian Lend-Lease," 832.24/5/1745; and McCann, Brazilian-American Alliance, p. 439.
27 Maxwell to Collado, memorandum, "Brazilian Lend-Lease," 5 July 1945, 832.24/7-545.

28 Martins to Lovett, letter, 15 April 1945, FW832.24/2-1248. Martins sent the State Department Brazil's official acceptance of the agreement. Martin's letter quotes the text of the agreement.

The final settlement mentions that the United States would assume the wartime costs of Brazil's expeditionary force. This was necessary because the original understanding did not obligate the United States to provide uniforms for members of the FEB; however, once the soldiers arrived in Italy, their uniforms and boots proved inferior, and United States clothing and footwear were necessary. McCann, Brazilian-American Alliance, p. 406.

29 Thorp to the Acting Secretary, memorandum, 14 April 1945, "Settlement Arrangement with Brazil under the Lend-Lease Agreement of March 3, 1942," FW832.24/2-1248.

30 Foreign Relations, 1944, 7:567-68; and Hull, Memoirs, 2:1391.

31 Stimson to the Secretary of State, letter, 19 January 1944, 832.24/2715. Stimson's idea on blocking Argentina included aiding Colombia, and sending general officers to Chile, Uruguay, Peru, Ecuador, and possibly Paraguay to further military cooperation with the United States. Stettinius suggested that the War Department not send the general officers because there was then in progress a study on the future lend-lease policy for the republics. Stettinius to Stimson, letter, 12 February 1944, 832.24/2715.

32 Foreign Relations, 1944, 7:570.

33 Forty-Fourth Report, App. 1 (b).
CHAPTER XII

CONCLUSIONS

Roosevelt's arms supply policy and United States lend-lease agreements provided eighteen American nations with military equipment worth about $493,000,000 during World War II. Supplying the weapons was a long-sought objective; the president had been trying since 1936, but lack of a clear legislative authorization impeded his efforts. Passage of the Lend-Lease Act in 1941 removed the obstacle and provided the president with the means to arm the republics.

He based his arms supply program on three justifications. The primary reasoning was the Nazi threat to the hemisphere which the Roosevelt administration had to alter in 1943 replacing it with its desire to aid Brazil and Mexico. Finally, there was a desire to insure the republics' internal stability during the war.

Roosevelt's major justification—the Nazi threat to the Western Hemisphere—appears repeatedly. In early September 1941, for example, he made a sensational charge about "Hitler's advance guards" and "dupes" planning mastery of the Western Hemisphere. To underscore his point, the president said, "Within the last few weeks the discovery
was made of secret air landing fields in Colombia, within
easy range of the Panama Canal. I could multiply
instances." The president did not "multiply instances" at
the moment, but about six weeks later he announced that he
had acquired a secret map which proved Berlin's intention
to divide "South America into five vassal states, bringing
the whole continent under their domination." The plan
included Nazi control of the Panama Canal.¹

The president's claims were exaggerated and suggest
that he was not completely straightforward with the
American people. In regard to the secret landing fields in
Colombia, Ambassador Spruille Braden, who listened to
Roosevelt's remarks over short wave radio in Bogota,
immediately called his staff together and said, "Boys, the
President has gone out on a limb with this statement. Now
it's up to us to get the proof that he is right." Braden
later reflected that Roosevelt's comment was an "ill—timed
and unnecessary claim." As to the secret map, the president
refused to produce it when a reporter asked him about it the
next day. He maintained that if he released his evidence,
notations on it might identify his source.²

Roosevelt stopped discussing the menace about the time
Congress passed an appropriations measure in late October
1941 which included $150,000,000 to fund American lend—lease
agreements. Shortly after, Japan attacked Pearl Harbor and
the United States entered the war. If the Nazis posed a serious threat to the Western Hemisphere before the war, it seems strange that the peril would end about the same time that the United States entered hostilities. Herein, though, lies the reason for the president's exaggerations. He used the Nazi threat to move the United States toward aiding the embattled democracies of Europe against Hitler although many of Roosevelt's countrymen wished to remain out of the conflict before the attack on Hawaii. Faced with a reluctant populace at home and wishing to aid democratic governments in their struggle, Roosevelt seized the one issue which he thought would enable him to achieve his objective.³

Within weeks of the United States' entry into the war, Germany began an Atlantic naval offensive. Part of the operation occurred in American waters, but by the close of 1942 this submarine menace had largely ended, and lingering concern that the Nazis would invade the hemisphere disappeared. Effectiveness of Allied manpower and equipment ended the German naval offensive, and the landing of Allied forces in North Africa stopped any invasion threat to America. Roosevelt's arms supply policy to the American republics had little effect on these efforts to curb the Axis threat to the Western Hemisphere.⁴

With termination of the Nazi peril, Washington could
have halted the arms supply arrangement but the flow of arms had become too important to end abruptly. Washington had accepted lend-lease agreements and now other reasons were necessary to justify the commitment. This need led Welles to recommend a revision which the State Department put into effect in July 1944 with its emphasis on delivering arms primarily to Brazil and Mexico. Lend-Lease funding enabled Brazil to contribute about 25,000 soldiers to the United Nations forces in Western Europe and allowed Mexico to provide a 300-man air squadron in the Pacific theater. Financing these commitments was a political success for Roosevelt's policy because they demonstrated hemispheric support for the Allied cause. Although Brazilian and Mexican contributions were little more than token gestures, they had the effect of allowing citizens in the American republics to feel a sense of participation with the United States and the United Nations.

The arms supply policy complicated inter-American relations. Roosevelt's and Welles's support for dictatorial governments in the Western Hemisphere while the United States fought totalitarian regimes abroad was justified on the need to insure internal stability of recipient republics. In effect the policy bolstered such dictatorships as Vargas in Brazil, Somoza in Nicaragua, Peñaranda in Bolivia, Ubico in Guatemala, and Trujillo in the Dominican Republic.
At least one member of Congress, while debating the Lend-Lease Act in 1941, complained that Roosevelt's arms proposal might involve the United States with dictatorships in the American republics. The view found other supporters after Congress passed the act. Shortly after the Rio de Janeiro conference concluded in late January 1942, Welles, speaking before about 1,000 guests attending a dinner at the Waldorf-Astoria Hotel hosted by Cuba's Chamber of Commerce, challenged the argument that the United States should cooperate only with democratic American republics. The undersecretary charged that some critics of Washington's policy wished to see the United States support only republics favoring a policy he vaguely termed "revolutionary democracy." Welles said he wondered if the critics realized that their suggestion was "identical with the policy of picking puppet governments that has been pursued during the past five years by Hitler." Furthermore, the undersecretary said that the day had passed when United States policy included interference in internal political concerns of neighboring republics and that the Rio meeting ushered in a new system for the Western Hemisphere which aimed at collective efforts to defeat Hitler and win the war.5

The reasons Roosevelt and Welles so warmly supported Western Hemisphere dictators is of as much interest as the
fact that they did. Obviously the president and underscetary preferred to have allies in the neighborhood rather than enemies. Roosevelt believed that there was an advantage in his being able to sit down and socialize with leaders of the republics--even dictators like Trujillo and Somoza. He thought personal contact between chiefs of state assisted relations and was an act of friendship and support between allies.  

Another part of the explanation of Roosevelt's and Welles's support lies in one of the principles of the Good Neighbor Policy--the renunciation "of all action which involved, directly or indirectly, intervention in the sovereign concerns of its neighbors . . . ." This principle of nonintervention into the sovereign affairs of another republic, fashioned in the years before World War II, required acceptance of whatever government was in power. There was little the Washington administration could do to remain loyal to its own principles except to support the dictators.  

Welles argued that the Good Neighbor Policy required that each American republic receive the same courtesy and respect, including the refusal to pass judgment on the "intrinsic merits or demerits" of a government. Welles accepted the Estrada Doctrine on diplomatic recognition to re-inforce the administration's policy. The doctrine--
Welles once described it as the "wisest inter-American policy in respect to recognition"—meant that the United States would automatically accept and extend diplomatic recognition to any government as it came to power in any American republic. Later in the war, after Welles's 1943 resignation, the United States refused to recognize Argentina's military government. The former undersecretary lamented this action as varying from the Estrada Doctrine and as failing to recognize that citizens of "Latin America are accustomed to military dictatorships. All of them have from time to time suffered from such regimes."

Welles always maintained that dictatorships in the American republics, particularly Vargas's in Brazil, were different from totalitarian regimes elsewhere. He wrote of Vargas that, "Even in its most repressive moments, his administration could have been classified only as a benevolent dictatorship. It was wholly national in character and devoid of any similarity to the authoritative dictatorships of Europe."  

Roosevelt's arms supply also complicated inter-American relations by igniting jealousies among republics. Suspicion among the republics surfaced while the United States negotiated lend-lease agreements in 1941 during a border clash between Peru and Ecuador. Conclusion of the arms pact occurred only after settlement of the affair in early 1942,
but the mistrust affected lend-lease shipments. Later the United States had to send arms to strengthen the Ecuadoran president because terms of the border settlement were unpopular in his country. Chile received a lend-lease agreement only after severing relations with the Axis powers in early 1943. By the time of its break, Chile's major concern for receiving United States arms was lend-lease shipments Peru received. Bolivia and Paraguay provided another example of jealous republics suspicious of each other's lend-lease treatment. So intense were the feelings between these two South American nations that the United States had to conclude identical arms agreements with them. Welles grew so weary of the Bolivian-Paraguayan hostility that the issue influenced his 1943 suggestion that the time had arrived to revise lend-lease policy. The State Department had a continual parade of Latin American diplomats urging additional arms shipments based on reports showing Washington sent more arms to a neighbor. Undoubtedly these suspicions influenced the lists of arms requested and received from Washington.⁹

Furthermore, the supply of arms complicated inter-American relations when the United States sent inappropriate amounts and types of matériel and when the recipient nations failed to use effectively the equipment sent. The United States sent inappropriate amounts of aviation equipment to Mexico, and Mexicans could not understand why Washington
delivered unrequested matériel. After an investigation, it became obvious that both the United States and Mexico were at fault, and steps were begun to correct the matter. In another case, Washington assigned tanks to Ecuador before the republic had facilities for storing and maintaining the vehicles. Ecuadorans readily blamed Washington rather than assuming guilt for their willingness to accept any equipment offered. In Paraguay, the United States inappropriately sent 45-foot launches which were never used because the republic could not afford the gasoline to run them. General George C. Marshall complained about Brazil's failure in 1942 to employ fully aircraft sent for use in patrolling the northeastern Brazilian coast in support of the United States naval patrol and in reconnoitering the Amazon area. Venezuela, Cuba, Bolivia, Paraguay, and Uruguay offered other examples of failure to use thoroughly lend-lease equipment.

Arms sent to the republics enhanced the power of military officers, who, on occasion, overthrew their own governments. Such an event occurred in Brazil shortly after the war ended. Laurence Duggan wrote that Brazil's army found popular support for overturning the government and might have achieved its objective anyway, but "it is undeniable that [the army's] power and prestige had been
bolstered by the Lend-Lease armaments and participation in actual fighting on the Italian Front.\textsuperscript{10}

Roosevelt's arms supply policy was successful in assisting Washington and Latin American officials in achieving numerous objectives. One objective was to bring the republics under military orbit of the United States rather than to allow a European power--after the war--to assume the role Germany and Italy had held before hostilities. Lend-lease agreements helped achieve this goal. Once a republic received United States military matériel, Washington often followed by sending a mission to train and indoctrinate the republic's personnel. Washington had already sent training teams before the attack on Pearl Harbor, and during the war their number increased until by May 1944 the United States had established army, air, or naval missions in at least fourteen republics. Later in 1944 the War Department agreed to send Uruguay additional lend-lease equipment only because of the prospect that the republic would request a United States military mission. The war ended before Uruguay concluded the agreement but the intent was clear.\textsuperscript{11}

Washington officials hoped that lend-lease would achieve standardization of arms in the hemisphere. This was an objective in the revision of lend-lease policy but was not attained before lend-lease terminated.
Washington's arms supply policy was useful in acquiring military bases in the American republics. As a general proposition, this objective is not easily defined in terms of a direct relationship between lend-lease deliveries and military installations. Guatemala is the only case in which it is possible to identify precisely how the amount of lend-lease matériel a republic received was tied directly to its military base concession. Guatemala's concession was worth slightly over $3,000,000 in equipment. Brazil, according to former Secretary of State Hull, never received anywhere near the amount of arms to cover the value of United States bases in that country. Hull wrote that without its bases "victory in Europe or in Asia could not have come so soon." In early 1945 the War and Navy Departments praised Brazil's Natal base, important for its use in transporting matériel to the United Nations forces on the warfront, as "worth all the Lend-Lease [supplies] sent to the other American republics."12

Washington's fourth anticipated benefit from lend-lease centered on economics, a topic receiving only limited treatment in this study. Even so, Hull, writing in his Memoirs, recalls that all of the republics except Argentina, "gave us some form of direct economic assistance." The support included increasing production of strategic materials, controlling Axis financial transactions, taking over Axis
businesses, and delivering raw materials to the United States, while the United States, in turn, assisted the republics economically for their help. In addition, Hull said that the United States furnished lend-lease supplies "as liberally as we could."  

Hull's remarks about economics ties in closely with the final objective Washington hoped to achieve from its lend-lease policy which was receiving political support from recipient nations. Political support took the form of severing relations with the Axis powers, suppressing subversive activities, and patrolling shipping lanes. Support of this type was in addition to the economic policies which Latin American nations implemented that aligned them politically with the United States.

Washington was not alone, though, in seeking benefits from the lend-lease program. This was evident in the Latin American attitude that United States arms deliveries were symbolic of Washington's confidence in them as worthy allies. Mexico, Cuba, and Colombia were three republics that viewed Roosevelt's arms supply as a badge of confidence in them. There were others in Latin America, however, who viewed the arms supplies not as an expression of trust but as a means to promote political ambitions. Vargas in Brazil was a case in point. United States Ambassador Jefferson Caffery had reported, before passage of the Lend-Lease Act, that the United States had to sell arms to Brazil on credit or Vargas
would acquire them from Germany. After passage of the act, the United States provided the weapons. The reason Vargas would have accepted the armaments from Germany was that he needed military equipment to strengthen his own position within the Brazilian government. Similarly, Batista in Cuba wanted shipments of matériel in 1942 to enhance his administration's political standing. He did not want the equipment to defend Cuba from an enemy threat. Ubico in Guatemala sought United States arms and curried Washington's pleasure in hope that Washington would feel an obligation to support his claim to neighboring Belize. Finally, dictator Hernández Martínez in El Salvador wanted lend-lease arms, the State Department believed, to use against local political opponents or neighboring republics.

One Latin American nation, Argentina, had a special influence on the lend-lease program. Originally included in the list of republics to receive an agreement, Washington struck its name after the Rio de Janeiro meeting and the breakdown in military discussions in early 1942. Its influence was evident in Welles's mid-1943 suggestion that it was time to consider a revision of lend-lease policy. The undersecretary feared Argentina was preparing to appeal to Washington for an arms pact. In addition, Argentina's recalcitrant position benefited her neighbors' search for arms. This was evident in early 1944 when Hull requested Roosevelt to authorize additional lend-lease equipment to
counter Argentina's alleged involvement in the December 1943 coup in Bolivia because the secretary believed Argentina planned other such activities in neighboring republics. The president agreed, and arms went to several nations. In addition, Washington stopped shipments to Bolivia; however, the United States resumed arms deliveries in the summer of 1944 after extending diplomatic recognition to the new Bolivian government. Contrary to Hull's belief, Argentina had no involvement in the coup; nonetheless, the secretary's action showed how one nation affected lend-lease.

A tabulation of United States arms shipments to the American republics reveals that there was a substantial failure on Washington's part to deliver its contractual obligations. The United States had included, as a precaution, an escape clause in the lend-lease agreements acknowledging that war conditions might not permit delivery of arms. Few republics—Brazil, Haiti, and the Dominican Republic—received 100 percent of their allocated equipment. Arms transfers to others ranged from Mexico's 98 percent to Paraguay's 18 percent. Among the causes of failure to send all the weapons were Washington's realization that arms inflamed jealousies between republics, revelations that recipient nations did not use or maintain properly their weapons, revision of the lend-lease policy limiting shipments primarily to Brazil and Mexico, and Washington's placement
of a higher priority on aiding allies who were fighting
the enemy.

An overall assessment of Roosevelt's arms supply policy
is that it produced mixed results for the United States and
the American republics; however, the policy was grounded on
realistic national interests and principle. The policy
supported such vital United States interests as aiding the
democracies fighting Hitler, defending the Panama Canal,
confronting the Nazi threat to the hemisphere, assisting
political stability, supporting Brazil's and Mexico's active
participation in the war, acquiring military bases and raw
strategic materials, eliminating foreign influences in
American republics' military establishments, seeking stan-
dardization of arms throughout the hemisphere, furthering
United States economic opportunities, and aligning political
support for Washington's position. Part of the arms supply
was based on principles of the Good Neighbor Policy,
especially in Roosevelt's and Welles's support for dictators
as well as their desire for unity among neighbors in pros-
ecuting the war. The American republics accepted lend-lease
arms because to do so was in their national interests,
evidence of which is observable in their desire to help
defend the hemisphere and canal, receive arms from the only
available source of supply, counter the military power of a
neighbor, and further political ambitions.
ENDNOTES

1. New York Times, 12 September 1941, p. 1; and 28 October 1941, p. 4.

2. Braden, Diplomats, pp. 240-41; and Gellman, Good Neighbor Diplomacy, p. 115. When Roosevelt finally did produce his map, Reich Foreign Minister Joachim von Ribbentrop declared it a falsification, and he said that the president's charges were ludicrous and absurd. Stanley E. Hilton, Hitler's Secret War in South America, 1939-1945: German Military Espionage and Allied Counterespionage in Brazil (Baton Rouge: Louisiana State University Press, 1981), p. 21.


After the attack on Pearl Harbor and the United States' active participation in the war, Latin Americans began to realize that the existence of a Nazi menace was an asset to them. This was because so long as Washington worried about the presence of fifth-column activity, economic and military aid would be forthcoming. For a reference to economic aid having a relationship to the presence of a fifth-column movement, see New York Times, 21 January 1942, p. 8.


Washington's lend-lease agreement with Brazil assisted Vargas to agree to United States requests to enlarge its air ferry based on Brazil's "bulge." The United States transported equipment to Natal, Brazil and then transshipped it across the Atlantic to Africa when it was further directed to its final destination. Equipment ferried in this manner was crucially important in the British victory in North Africa at El Alamein. Stettinius, Lend-Lease, p. 150.


7. Welles, Where Are We Heading? p. 183. On the same page, Welles describes the other principal points of the Good Neighbor Policy as including:
common agreement to resolve all inter-American difficulties by the peaceful means provided in a series of multilateral pacts; agreement to consult together and find common methods of defense whenever any danger from without threatened the hemisphere, or any of the republics; and agreement to co-operate in all practicable ways in order to advance the well-being of the people of the Americas.
For additional remarks on the idea of noninterference in internal affairs of the republics, see Wood, Making of the Good Neighbor Policy, pp. 136-55.

8. Welles, Time for Decision, pp. 223 and 199; and Welles, Where Are We Heading? pp. 201 and 220.


APPENDIX A

RANKING OF AMERICAN REPUBLICS LEND-LEASE ARMS ALLOCATED, DELIVERED, AND PERCENTAGE OF THOSE ALLOCATED DELIVERED

<table>
<thead>
<tr>
<th>Republic</th>
<th>Allocated</th>
<th>Rank</th>
<th>Delivered</th>
<th>Rank</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
<td>$200,000,000</td>
<td>1</td>
<td>$361,400,000</td>
<td>1</td>
<td>180</td>
</tr>
<tr>
<td>Chile</td>
<td>50,000,000</td>
<td>2</td>
<td>23,245,000</td>
<td>3</td>
<td>46</td>
</tr>
<tr>
<td>Mexico</td>
<td>40,000,000</td>
<td>3</td>
<td>39,275,000</td>
<td>2</td>
<td>98</td>
</tr>
<tr>
<td>Peru</td>
<td>29,000,000</td>
<td>4</td>
<td>18,915,000</td>
<td>4</td>
<td>65</td>
</tr>
<tr>
<td>Uruguay</td>
<td>17,000,000</td>
<td>5</td>
<td>7,130,000</td>
<td>7</td>
<td>41</td>
</tr>
<tr>
<td>Ecuador</td>
<td>17,000,000</td>
<td>6</td>
<td>7,800,000</td>
<td>6</td>
<td>46</td>
</tr>
<tr>
<td>Colombia</td>
<td>16,200,000</td>
<td>7</td>
<td>8,290,000</td>
<td>5</td>
<td>51</td>
</tr>
<tr>
<td>Venezuela</td>
<td>15,000,000</td>
<td>8</td>
<td>4,530,000</td>
<td>10</td>
<td>30</td>
</tr>
<tr>
<td>Bolivia</td>
<td>11,000,000</td>
<td>9</td>
<td>5,525,000</td>
<td>9</td>
<td>50</td>
</tr>
<tr>
<td>Paraguay</td>
<td>11,000,000</td>
<td>10</td>
<td>1,955,000</td>
<td>12</td>
<td>18</td>
</tr>
<tr>
<td>Cuba</td>
<td>7,200,000</td>
<td>11</td>
<td>6,552,000</td>
<td>8</td>
<td>91</td>
</tr>
<tr>
<td>Guatemala</td>
<td>5,000,000</td>
<td>12</td>
<td>3,100,000</td>
<td>11</td>
<td>62</td>
</tr>
<tr>
<td>El Salvador</td>
<td>1,640,000</td>
<td>13</td>
<td>880,000</td>
<td>16</td>
<td>54</td>
</tr>
<tr>
<td>Dominican Rep.</td>
<td>1,600,000</td>
<td>14</td>
<td>1,617,000</td>
<td>13</td>
<td>101</td>
</tr>
<tr>
<td>Honduras</td>
<td>1,300,000</td>
<td>15</td>
<td>368,000</td>
<td>17</td>
<td>28</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>1,300,000</td>
<td>16</td>
<td>890,000</td>
<td>15</td>
<td>68</td>
</tr>
<tr>
<td>Haiti</td>
<td>1,100,000</td>
<td>17</td>
<td>1,425,000</td>
<td>14</td>
<td>130</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>550,000</td>
<td>18</td>
<td>157,000</td>
<td>18</td>
<td>29</td>
</tr>
</tbody>
</table>

Total                   | $425,890,000  |      | $493,054,000|      |            |
APPENDIX B

MAP OF WESTERN HEMISPHERE
DECLARATION OF PANAMA
NEUTRALITY ZONE

Reprint from Foreign Relations, 1939, 5:35.
BIBLIOGRAPHY

Primary Sources

Unpublished Collections and Manuscripts


Walter. Record Group 218. Records of the United States Joint Chiefs of Staff.


Unpublished Studies


Public Documents

U. S., Congress, Congressional Record, 76-78 Congs., 1940-43.


Memoirs, Diaries, Correspondence, Speeches, Published Papers, Contemporary Documents, Contemporary Works


Contemporary Newspaper and Periodicals


Newsweek. Various issues. 1939-44.
Time. Various issues. 1941-45.


Haring, Clarence H. "Is There a Fascist Danger in South America?" Quarterly Journal of Inter-American Relations 1(1939):7-17.


Secondary Works

Monographs and General Works


Herring, Hubert C. Good Neighbors: Argentina, Brazil, Chile and Seventeen Other Countries. New Haven: Yale University Press, 1941.


---


---


---


---


---


---


---

Articles


Reference Works


Miscellaneous


