Lend-Lease and the Opening of French North and West Africa to Private Trade.
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Résumé

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On March 11, 1941, President Franklin D. Roosevelt signed the Lend-Lease Act. Designated 'An Act to Promote the Defense of the United States', the original intention of the administration was to use lend-lease as a means of providing England with essential materials for which payment arrangements were to be deferred until after the war. The United States eventually expanded lend-lease to assist more than forty countries, and, by the end of the war, the United States had furnished over forty billion dollars worth of aid through lend-lease. The French had received approximately four billion in lend-lease, and only the Russian and English programs were larger.

With the invasion of North Africa in November 1942, the United States employed lend-lease as an instrument for large-scale civilian assistance. The civilian programs appeared to distort the original purpose of the Act, but the administration justified such aid as essential to the war effort, and thus 'vital to the defense of the United States'.

* This article is derived from a manuscript that deals with the entire American economic assistance program to France and French Northwest Africa from December 1940 until the lend-lease settlement in May 1946. The chief archival sources for this article are the records of the Foreign Economic Administration located at the National Archives, Washington Records Center, Suitland, Maryland (a suburb of Washington, D.C.). Designated as Record Group 169, and, abbreviated in the text and footnotes as FEA, this is an invaluable collection of over 3,000 file boxes. The records were transferred, during the period 1942-1951, to the National Archives from the Board of Economic Warfare, the Office of the Lend-Lease Administration, the Foreign Economic Administration, the Department of Commerce, and the State Department. In 1951, the National Archives compiled a preliminary inventory that serves as an indispensable guide to this large collection. The material on France and her empire is abundant and available to scholars.

The following archival sources are also essential to this study and are open to researchers: Unpublished State Department Documents, 1940-1946; the Edward R. Stettinius manuscript collection (University of Virginia, Charlottesville, Virginia); the manuscripts at the Franklin D. Roosevelt Library, Hyde Park, New York; the Morgenthau Diaries are at Hyde Park, and contain the most valuable information relating to French lend-lease; the papers and Diary of Secretary of War Henry L. Stimson (Sterling Library, Yale University, New Haven, Connecticut); the papers of Admiral William D. Leahy and Cordell Hull (Library of Congress, Washington, D.C.); and the published State Department Documents contained in Foreign Relations of the United States, 1940-1946 (Washington, D.C., 1957-1969).

The civilian programs clearly revealed the magnitude of modern global warfare in which food, clothing, raw materials, and other non-military supplies often played as important a role as guns and munitions.

Lend-lease civilian assistance greatly increased in the United States the production of consumer goods and industrial materials, and hence provided a boon for American manufacturers. But the Lend-Lease Administration’s method of providing these goods had a devastating impact on other sectors of the business community. Lend-lease programs operated on a government-to-government basis, which circumvented normal trade channels and stifled overseas commercial activity. Consequently, throughout the war, a serious controversy developed between the commercial community and the administration over the nature and timing of the termination of lend-lease and the resumption of private trade. This was most evident in the struggle over private trade to French North and West Africa.

These areas offered an enormous trade attraction. French Northwest Africa constituted a vast colonial territory in dire need of goods that the mother country could no longer furnish. Apparently, unembarrassed by their insatiable appetite for profit, the commercial interests relentlessly pressured the Lend-Lease Administration to restore private trade to these territories. In late 1942 and early 1943, the traders were chiefly concerned with regaining access to their former markets. But as the Allied armies swept through North Africa, the traders, if they had not already done so, came to recognize that never before had such an opportunity existed for expansion into markets previously monopolized by the French. When the government failed to reopen these areas, the traders’ frustration and hostility increased.

Although the controversy over the restoration of trade revealed differences within the administration over the feasibility of such action, the French presented the most formidable obstacle. France’s leaders, acutely aware of the situation, struggled tenaciously to prevent the loss of economic supremacy in the most lucrative part of her empire. The French bitterly opposed American plans, and succeeded in preventing the resumption of commercial trade to Northwest Africa until July 1, 1945. Finally, at the end of 1945 the French agreed to a limited and conditional trade program for Continental France.

The Office of the Lend-Lease Administration (OLLA) recognized the effect upon private trade of supplying civilian goods through government agencies. It was keenly aware that such a procedure bypassed American import and export houses, freight forwarders, established channels of foreign trade financing, and American distribution services abroad. Furthermore, direct government procurement also threatened the trade position of United States brands overseas.1

After only six months of lend-lease the reactions from these segments of the commercial community were evident. In September 1941, the Foreign Traders Association of Philadelphia expressed grave concern over losses to private trade as lend-lease expanded. In response to an appeal from the Association, General J. H. Burns, an executive officer in the Office for Emergency Management, Division of Defense Aid Reports, replied that the OLLA was giving serious consideration to private trade, and the agency would attempt to avoid as much injury as possible to commercial firms. But as Burns pointed out, with the world conditions so unsettled, 'many legitimate business interests must give way to considerations to national defense and national aid to nations whose defense is vital to our own'.

Burns further noted that only in exceptional cases would the government permit lend-lease goods to proceed through commercial channels. The administration in extending such a concession required evidence that in so doing it did not discriminate against other commercial interests. Official approval for such an arrangement would occur provided it was absolutely essential for the war effort.

With the shipment of large quantities of civilian goods to North and West Africa the concern of commercial exporters increased. On December 3, 1942, the Leaf Tobacco Company, a large supplier of North Africa, accused the OLLA of functioning as its competitor and feared the loss of business that it had taken the company over twenty years to establish. The firm noted that recent tobacco shipments to North Africa had originated with the Commodity Credit Corporation, and asserted, 'if such is the case our own Government is now becoming our competitor and our life's work will be lost'. Furthermore, the company criticized the distribution of any grade of tobacco that did not conform to previous standards as potentially damaging to postwar business.

The response of the OLLA to such reactions followed similar pattern. The agency emphasized it had no intention of becoming a permanent substitute for normal commercial relations. In this company's case the OLLA referred its letter to the Agricultural Administration, and advised the firm to remain in close contact with that agency in order to share in the future tobacco business.

The persistent inquiries and criticism from private enterprise plagued the OLLA. A New York export corporation with extensive contacts in North Africa queried the agency as to whether it should maintain its established contacts with North African Chambers of Commerce. 'Is it possible,' the company asked, 'to foresee in the near future a resump-

2. Burns to Thomas Ballagh, September 4, 1942, Box 8, RG 169.
3. Ibid.
5. Gordon Williams to Ledreux, December 10, 1942, January 4, 1943; Williams to Myers, December 14, 1942, all in Box 59, RG 169.
tion of free trade or should all exchanges be made in a Lend-Lease system? The firm extended its ‘services’ by offering to handle all the materials the agency sent to North Africa. ‘We are willing to send our representatives to North Africa,’ the firm explained, ‘so as to complete the liaison with our company, and arrange the prompt distribution of these shipments under control of the American authorities.’ Such a generous offer was typical of the attempts by private traders to take advantage of the disruptions in normal trade relations.

The administration, however, remained determined to retain control of civilian supply. In February 1943, it terminated cable service between the United States and North Africa. The move further acerbated American traders as it left many inquiries from North African dealers unanswered and thereby definitely signaled the curtailment of private trade. The government’s action reinforced the policy that the OLLA had previously explained to private enterprise: ‘At the present time, all procurement for this area must be effected through government procurement agencies and all shipping must be in the hands of the War Shipping Administration and the Army.’ Along with Lend-Lease functioning as the sole handler of trade with North Africa, the Board of Economic Warfare assumed the responsibility for all the purchases made in North Africa.

To placate the business community, the OLLA announced that in order to keep private trade interests viable, the agency would permit the use of trade names on requisitions. Officials urged cooperation between the government and business, and assured the latter that the Lend-Lease Administration did not advocate the abolition of commercial trade. On the contrary, the agency insisted, ‘Lend-Lease is attempting to adjust its operations so as to cause as little harm to the export machinery of the United States as is possible, consonant with our number one job of helping to win the war.’ As to the extent of lend-lease’s invasion of private trade, the agency contended that during the first nine months of 1942, lend-lease exports of civilian goods amounted to only fifty percent of the total.

The OLLA pointed out that the $3.2 million worth of commercial exports in 1942 compared favorably with the pre-lend-lease period. However, on closer scrutiny the figures of the OLLA revealed the growing dominance of lend-lease over private trade. During the last quarter of 1942, the amount of non-military trade handled through lend-lease

6. J. E. Bernard and Co. to State Department, December 19, 1942, Box 59, RG 169; see also State Department Document 851R.24/20, National Archives (hereafter DNA), Washington, D.C.
rose from forty-seven to fifty-eight percent, and for the first time surpassed commercial exportation. As a result, the agency promised to modify its procurement as much as possible in accordance with normal trade routines and to permit greater recognition of trade names and closer contact with exporters.\textsuperscript{11}

Commercial traders derived little satisfaction from the agency's explanations. American businessmen, eager to exploit the dislocated French Empire, inundated the administration with requests for trade privileges. Prior to the war the United States' share of imports to these areas amounted to only three percent. By April 1943, the United States Export Office had received over one hundred applications for licenses to trade with French North and West Africa. American officials, however, revealed less optimism than the commercial interests. They believed that once the war ended most of the trade would return to France, although they felt that in an area such as Morocco, where Japan had supplied over ten percent of the textile imports, the Americans would replace the Japanese.\textsuperscript{12}

The exporters and importers within the United States continued to grow impatient over government control of trade. With the collapse of the Nazis in Tunisia in May 1943, they pointed out that the area no longer represented a theater of military operations and that the Allies now controlled the Mediterranean. Furthermore, private interests cited the numerous inquiries they had received from North and West African firms concerning trade. A chemical importer protested the existing conditions and insisted that 'North African traders of course prefer to deal with established houses here, but so far we haven't been able to bring in anything. The way things are now it's entirely a political matter and under the present regulations we can't even approach our former suppliers.'\textsuperscript{13}

The commercial firms deplored the practice of censuring communications, and seriously questioned the government's promises to restore private trade. A restoration of private trade must come shortly, they insisted, if the government was sincere in its assurances to promote normal trade relations. Businessmen considered Northwest Africa an essential area which could provide a large market sorely needed by American exporters due to restrictions placed on world trade. By the end of June 1943, however, the Commerce Department offered little encouragement. It announced that 'no decision has been made as to the time or manner of future resumptions of private trade'.\textsuperscript{14}

Private trade interests relentlessly pursued the issue and their criticism of government policy mounted. One firm bitterly complained,

\textsuperscript{11} FEA, 'Cash Reimbursement Policy', March 26, 1943, Box 211, RG 169; FEA, 'Impact on Foreign Trade of Lend-Lease', April 12, 1943, Box 211, RG 169.
\textsuperscript{12} F. D. Rosebery to Eric Beecroft, May 3, 1943, Box 275, RG 169.
\textsuperscript{13} New York Times, June 27, 1943.
\textsuperscript{14} Ibid.
'We have been represented in North Africa for fifty years and we are getting smaller tonnage now than we did under the Germans and our whole price structure is being disrupted by Lend-Lease operations.' Businessmen argued that private enterprise was a better judge of the market, and could operate more efficiently. Lend-lease, they stressed, proved costly, complex, and produced many errors in procurement. The traders pointed out that the Lend-Lease Administration had sent passenger cars to West Africa instead of the much needed trucks and, in North Africa, the agency had imported tires with the wrong wheel base.\textsuperscript{15}

In October 1943, commercial traders completed a poll which indicated that a large majority was not only willing, but prepared to resume normal trade relations. Of the more than five hundred exporters who responded, ninety-two percent believed that a return to normal commercial relations was possible. Of this group, ninety-six percent required no further preparations for such a resumption, while sixty-two percent needed more time. Since seventy-two percent of these merchants had established commercial contacts in Northwest Africa prior to 1940, the traders presented this as ‘proof that this desire for direct business with the area is not a war development nor an opening in new trade areas’.\textsuperscript{16}

Within the administration, officials considered proposals for a means to restore private trade. On July 7, 1943, Hector Lazo, the assistant director of the Board of Economic Warfare (BEW), announced that private trade would begin soon. The Board, he maintained, had constantly attempted to achieve normal commercial relations, but for military reasons had to abandon its efforts. Livingston Short, a Lend-Lease administrator who served as chairman of the Import Division of the North African Economic Board, also favored the resumption of normal commercial relations. Although the Army controlled the docks and unloading areas, Short saw no reason why the government could not adopt a plan whereby private trade would replace the government-to-government procedure. However, he emphasized that with shipping space so limited, the traders would have to coordinate their quantities so as not to exceed the total shipping capacity.\textsuperscript{17} Edward R. Stettinius Jr., director of the Lend-Lease Administration, reacted favorably to Short’s suggestions, and expressed a desire to see commercial trade resumed ‘in the not too distant future’.\textsuperscript{18}

During late 1943, considerations and efforts on the part of the administration to resolve the difficulties involved in restoring private trade increased. Unfortunately, negotiations with the French proved pro-

\textsuperscript{15} Frederick Latrielle to Wroe Alderson, September 29, 1943, Box 1275, RG 169.
\textsuperscript{16} Thomas J. Miley to Stettinius, ‘Private Trade Poll’, October 18, 1943, Box 59, RG 169.
\textsuperscript{17} Short to Philip Young, July 29, 1943, Box 59, RG 169; Short to Stettinius, August 11, 1943, Box 59, RG 169.
\textsuperscript{18} Stettinius to Short, August 13, 1943, Box 59, RG 169.
tracted. In September, commercial executives informed the OLLA that their conversations with the French Supply Mission in Washington were inconclusive, unsatisfactory, and had accomplished little. The executives contended that the longer the government extended lend-lease, the more it contributed to perpetuating government control. The traders feared that even after the withdrawal of lend-lease the foreign missions would attempt to handle the bulk of purchasing and thereby continue to circumvent normal trade channels.19

In October, the State Department reported on discussions of private trade with the French. The United States had proposed an arrangement whereby American businessmen could enter into purchase agreements with individual exporters in Northwest Africa. But with the French evidently unimpressed by its proposals, the State Department concluded that ‘existing conditions make it impossible at this time to know how soon unrestricted private trade can be resumed’.20

The outlook for the restoration of trade was not favorable. Aside from the difficulties with the French there were other reasons for the delays: inflation had pushed the prices of African goods above the Office of Price Administration’s ceiling and, therefore, out of the reach of American importers; if private trade resumed it would more than likely move only one way—to North Africa. Furthermore, there was little chance of allotting shipping space to exporters for goods not essential to the war effort. And since the United States had committed itself to supply goods on a government-to-government basis, a general fear prevailed among the French and some American officials that private trade would operate too slowly for the emergency needs of the area.21

From North Africa, however, came protests over the procrastination in Washington on the trade issue. The United States Director of Economic Operations of the North African Economic Board, Alexander Royce, stressed the necessity for an immediate resumption of private trade. Royce insisted that ‘government agencies in D.C. and BEW [the Board of Economic Warfare] in particular, should direct their activities towards the immediate resumption of private trade with French North and West Africa’. Failure to do so, he warned, would produce serious consequences since ‘British traders are, and have been all along doing business with North Africa through the operations of the UKCC [United Kingdom Commodity Commission]. The Americans have missed the boat’. The United States, Royce contended, had adopted the line of least resistance, and ‘we permitted the issue of private trade to become entangled in the huge Washington inter-agency cob-web. Thus we have lost a great portion of the ground floor in the possible flow

21. William L. Southworth to Judson Hannigan, October 25, 1943, Box 975, RG 169; Lewis Lorwin to Hector Lazo, October 18, 1943, Box 1275, RG 169.
of trade which could have been ours’. Specifically, he urged a return to private trade by November 15, 1943, to West Africa and Morocco for a number of specified commodities, and to Algeria and Tunisia by January 1, 1944.22

The Foreign Economic Administration (FEA), created in September 1943 to centralize civilian responsibility for foreign economic matters, denied that there was any ‘pussy-footing’ on the matter. The agency’s officials believed that a lack of coordination between it and the State Department had prevented them from working out a satisfactory program. Specifically, they had failed to reach an agreement with the British and French on policy and a schedule of actual operations.23

Leo Crowley, the head of the FEA placed the highest priority on private trade. On December 9, 1943, he informed secretary of State Cordell Hull that in considering an agenda for the forthcoming negotiations with the French National Committee of Liberation, the FEA believed ‘that the subject of perhaps primary importance will be that concerned with the restoration of private trade between this country and French North and West Africa’.24

To Crowley the furnishing of supplies to these areas on a government-to-government basis was no longer necessary. He told Hull that the Lend-Lease Administration intended to discontinue such an arrangement except for supplies ordered prior to January 1, 1944, and in those cases where no other procedures were feasible. The acceptance of a return to private trade, Crowley realized, involved important political considerations on the part of the French. But he was optimistic that the French would agree—at least in principle—and that they would substantially reduce the number of commodities they had received exclusively through lend-lease. He also looked forward to exportation through private channels of non-critical goods from North and West Africa.25

Crowley also drafted a letter to Jean Monnet, France’s Commissariat for Armament, Supplies, and Reconstruction, and chief negotiator on such matters. ‘We are of the opinion’, Crowley wrote, ‘that the use of the lend-lease procedure for the procurement and export of civilian goods to French North and West Africa is no longer generally required.’ Furthermore, he insisted on the resumption of commercial relations at the earliest practicable date.26

Crowley’s emphasis on the trade issue, and his proposed alterations encountered opposition from the State Department. Although the State Department expressed some agreement with Crowley, Hull informed him, ‘I do not, however, believe that it would be to this government’s

22. Quoted in Lorwin to Lazo, October 18, 1943, Box 1275, RG 169.
25. Ibid.; Crowley to Acheson, December 10, 1943, Box 851, RG 169.
26. Crowley to Monnet, December 9, 1943, Box 763, RG 169.
best interests for the Foreign Economic Administration to communicate directly with Monnet its desires in this matter as you suggest in your letter.27 It was the State Department’s policy, Hull pointed out, to forebear direct pressure on the French until representatives in Algiers and Washington had agreed on the practical arrangements for facilitating a return to private trade. Hull cited suggestions similar to Crowley’s, and noted that not only had the French rejected them, but that British and American economic experts in North Africa also doubted their worth. The Allied agents in the field had opposed such recommendations on the basis that neither the personnel nor the required distribution machinery were available.28

Under these circumstances, the State Department refused to press the French for an immediate resumption of trade. As Hull put it, ‘I do not believe that we should express to the French any views on private trade other than a general statement of this government’s policy, and a request for full collaboration on the part of the French authorities in implementing that policy as promptly as practical considerations permit’.29 Crowley had little choice, and he accepted Hull’s position. But as he explained to the Secretary of State, his proposals stemmed from the fact that ‘the Foreign Economic Administration is under intense pressure from private business interests in this country which seek resumption of private trade’.30

The French had immediately expressed an adverse opinion of such proposals. Monnet insisted that for some time, perhaps even a year, the French Government would have to control trade. Moreover, the government, Monnet emphasized, could not permit French traders to operate in North Africa for fear of a hostile reaction by those in France who had formerly dominated North African trade, but who were no longer in a position to do so. As a result of the close ties between North Africa and metropolitan France, the French regarded the economies of both as virtually the same. Thus, they considered it impossible to commence private trade until perhaps one year after the liberation of France.31 Specifically, the French told Arthur Burns of the Office of Economic Progress, that ‘North Africa should not have private trade until continental France is prepared to have private trade’.32

Monnet, however, promised to investigate the possibility of purchasing agencies of the French government buying from American exporters.

27. Hull to Crowley, December 31, 1943, State Department Document 851R.24/177, DNA.
28. Department of State Memorandum, December 27, 1943, Box 763, RG 169.
29. Hull to Crowley, December 3, 1943, State Department Document 851R.24/177, DNA.
30. Crowley to Hull, January 27, 1944, Box 763, RG 169.
32. Burns to Hannigan, February 23, 1944, Box 978, RG 169.
The French also pointed out that their position on private trade applied only to French North and West Africa. In other colonial areas such as French Oceania, New Hebrides, New Caledonia, St. Pierre and Miquelon, the French West Indies, Madagascar and La Reunion, private trade could begin immediately.33

American officials, however, considered the procedures for carrying on trade with these areas as a 'peculiar form' of private trade. The French government closely regulated imports from the United States based on an established program for each colony, and permitted private importers to purchase only those goods within the limits of the program. In regard to exports, the ministry of the Colonies determined the quantity allocated to each foreign country along with the price and conditions of sale for each product. In the opinion of some United States officials, the French employed the term 'private trade' merely to alleviate American apprehensions, since the procedures outlined might as well be called a modified form of State trading. Despite this criticism, the FEA felt that even with the stringent regulations the system provided for a considerable amount of trade through private channels, but cautioned: 'The importance of this step will depend on whether the French will stop there or proceed further with the relaxation of controls.'34

The trade issue became more controversial when the British and French agreed to resume private trade in West Africa. The FEA, still sensitive to the pressure of private interests, immediately objected to the French concessions, and insisted that the United States should not permit the United Kingdom to begin private trade before American firms had an opportunity to do so. The opening of West Africa to British trade, the FEA asserted, would further acerbate American business interests. But once again the State Department disagreed. Spokesmen for the Department pointed out that there were two important obstacles that American traders faced but which the British did not. The first was a lack of dollar resources in West Africa, but an adequate supply of sterling. Secondly, the British, over a period of many years, had established extensive trade connections with West Africa which the United States had not. Moreover, the reopening of trade between the United Kingdom and French West Africa, the State Department maintained, would assist rather than undermine United States efforts in the same direction.35

The British success infuriated American commercial interests. They cited the monopolistic practices of the British and French companies that had excluded American traders from West Africa. As a result of their domination, the United States had existed in the West African eco-

33. Perkins to Currie, 'Résumé of Meeting with Monnet', January 27, 1944, Box 794, RG 169; Hannigan to Lebensburger, February 14, 1944, Box 1275, RG 169; Christian Valensi to Hannigan, February 27, 1944, Box 1275, RG 169.
34. Lorwin to Kurt Lowenstein, May 18, 1944, Box 1069, RG 169.
35. Donald S. Gilpatric to Hannigan, March 21, 1944, Box 970, RG 169; Hannigan to Currie, April 20, 1944, Box 763, RG 169; Livingston Merchant to Hannigan, April 21, 1944, Box 1218, RG 169.
economy only as a producer from which British and French agents purchased goods. American businessmen were unable to expand their markets, and had merely sold their goods to the companies as they did to other countries. With the situations within the British and French imperial systems greatly altered by the war, business leaders saw an opportunity to eliminate the inveterate inequities. They emphasized that the United States now held the superior position as the only supplier of consumer goods, and therefore possessed an advantage which had never existed under normal conditions.36

The pressure from the commercial groups continued unabated. At an Executive Policy Committee meeting, the FEA representatives cited the criticism emanating from the trade centers over the inability of the exporters to carry on trade with liberated areas. The denouncements from business stung the FEA, which felt that these groups remained resentful due to their failure to realize that it was the French who prevented the resumption of trade relations. Yet despite this attitude, the FEA exhibited a reluctance to accept recommendations from business to send a government sponsored fact finding mission to Northwest Africa.37

But the persistence of business prompted government action. In July 1944, under the sponsorship of the FEA and State Department, it created the Special Economic Mission to investigate the prospects of the restoration of United States commercial trade with areas under wartime restrictions. Originally, the Mission consisted solely of businessmen, but government officials expanded it to include representatives from State, Commerce, and the FEA. The administration desired ‘to emphasize the unanimity of public and private United States interest in the problem under consideration by the Mission’.38

Colonel William Culbertson served as chairman of the Mission. He had previously held senior diplomatic positions in Chile and Rumania, and as a former vice chairman of the Tariff Commission he had acquired extensive knowledge of United States trade policy. The Mission’s businessmen emerged from the ranks of the foreign traders. Three of the four had close associations with the Foreign Trade Council and held prominent posts with established import and export houses. They represented the drug and chemical industries, along with the producers of automotive equipment and accessories.39

36. William J. Woolston to Lawrence M. C. Smith, April 15, 1944, Box 1303, RG 169.
37. FEA, ‘Notes on Executive Policy Committee Meeting, May 24, 1944’, Box 979, RG 169.
39. Ibid.: 720-722; see also Hull to Roosevelt, July 20, 1944, PSF, Roosevelt Papers. The President approved the mission after reviewing the nature of it. Hull’s letter also contains a list of the men appointed to the mission.
From August 18 until August 28, 1944, the Mission in accordance with its instructions, 'to review the problems involved in returning private trade to normal channels as rapidly as war time conditions permit', exchanged views with the French. However, the French refused to discuss the possibility of an early resumption of private trade. 'It was evident,' Culbertson wrote, 'that the traditional closed door policy of the French was assumed if not expressed.' The French contended that the status of Algeria prevented any alteration in the present trade arrangements in North Africa until the French Committee of National Liberation (FCNL) determined and settled the needs of metropolitan France. Although Culbertson discerned some differences of opinion among the French commissioners, he nevertheless concluded that the majority of them advocated government control and monopoly of trade and industry. Whether Culbertson's appraisal was totally accurate mattered little, since it had become clear to him 'that the premises on which the Mission was created and instructed are not acceptable to the majority of the French rulers who now have been transported to France'.

Along with their obduracy, the French exhibited an almost total lack of interest in the subject, and proved to be insufferable hosts. Much to the chagrin of the Mission, 'they were always looking out the window while we were talking'. Moreover, the French commissioners abruptly terminated the discussions by departing for liberated France before the Mission had completed its scheduled negotiations.

The Mission's report in many ways reflected its reaction to the French attitude. It advocated a 'firm, realistic, non-benevolent policy toward the French in Paris in order to achieve the economic policy which gave rise to the Mission'. The Mission recommended the removal of government controls on trade in Northwest Africa since the area no longer represented a primary military theater. Furthermore, Culbertson's report stressed that wartime restrictions and monopolies were becoming permanent policy, and urged direct action on the part of the government to insure American enterprise a fair share of world trade in the postwar world.

The report maintained that lend-lease was only necessary under wartime conditions, and proposed an extensive reduction of such assistance and complete termination of it by June 1945. Along with this, it cited the current French negotiations with the United States for assistance to metropolitan France, and exhorted officials to seize the opportunity to pressure the FCNL for a more liberal economic arrangement in North Africa. The Mission looked forward to resumption of a small
amount of private trade in early 1945, but felt that the second half of the year offered better possibilities for substantial increases.44

Before Culbertson had completed work on the Mission’s findings, the French publicly reiterated their views on private trade. On September 6, 1944, Robert Valeur, director of the Information Committee of the FCNL, asserted that private trade would not resume until the French elected a new government, which he estimated might take six months to one year. The announcement shocked and angered self-serving American commercial leaders, who viewed the liberation of France primarily as a means of opening private trade. They expressed concern and fear that such a policy represented a harbinger for all future liberated areas. Some traders reported, that from information they had received, French trade would remain on a government-to-government basis for at least two or three years. Valeur denied this, but insisted that ‘during the period preceding the election, I am pretty certain that the government type trade will be necessary, and possibly the Government that is elected will have to exercise control over the country’s resources which may involve close regulation over its trade’.45

As previously, the commercial interests assailed the FEA and State Department for their lack of progress on the restoration of private trade. The National Association of Manufacturers charged that government secrecy concerning lend-lease clouded the trade issue and forced traders to rely on rumor and conjecture in mapping out postwar programs. The Association also accused the agencies of failing to undertake an effort to design programs based on proposals from private enterprise. It also contended that within the administration there were two conflicting groups: one which worked for the restoration of private trade; and another which would cancel all lend-lease debts and continue it after the war under another title.46

The United States Chamber of Commerce supported the National Association of Manufacturers. The Chamber’s Foreign Commerce Committee urged the government to confine lend-lease for the rest of the war to military goods, including foodstuffs. The Committee also insisted on a return of all commercial commodities to private trade, and an immediate cessation of lend-lease once the war ended.47

As late as December 1944, however, a number of government officials still argued against resuming private trade. Those within the FEA and the State Department who opposed elimination of the government-to-government procedure criticized the application of pressure on the French. They also expressed opposition to those who demanded immediate cash payment for civilian supplies delivered to Northwest Africa. Such proposals, they contended, were unrealistic in light of the chaotic condi-

44. Ibid.
46. Ibid., October 23, 1944.
47. Ibid., November 20, 1944.
tions within France. They noted the general disorganization, the almost total lack of non-military transportation, the presence of 100,000 Germans in the South, and the battle areas in Northeast France. Thus, they urged the immediate restoration of some semblance of normal conditions, and deplored the 'present heckling by United States representatives for the immediate resumption of private trade with North Africa and France'.48 Alongside all the uncertain factors in France, and the problems of restoring peace in Europe, this group felt that 'such subjects as the restoration of private trade in North Africa (in face of the shortages in shipping, difficulties in transportation, etc.) are pretty unimportant'.19

Amid the importunate pressure from business and the conflicting views within the agencies, the State Department adopted a definitive policy on private trade. On December 12, 1944, the United States, through the American Embassy in Paris, presented its views to the French ministry of Foreign Affairs. The United States informed the French that it based its position on certain recommendations expressed in the report of the Special Economic Mission. In the Aide-Memoire the State Department reviewed the traditional American policy to foster private trade through commercial channels. It pointed out that the 1945 import programs for North and West Africa were in the process of completion. In light of this, and due to the availability of dollar exchange to the French provisional government, the United States felt justified in terminating lend-lease to French North and West Africa as of June 30, 1945.50

During the intervening period and thereafter, the United States hoped that the French 'will wish to join the American Government in accomplishing the resumption of normal commercial trade [...] and that bulk procurement through the French Supply Council for French North and West Africa will be limited to those few exceptional cases wherein it is mutually agreed that such bulk purchases are demonstrably more effective'. And American representatives in Algiers were instructed to assist French authorities in expediting the flow of private trade (see note 50).

On December 27, 1944, the French conditionally accepted the American terms. They generally agreed on the appropriateness of restoring private trade, and expressed satisfaction with the steps taken

48. Hannigan to Currie, December 4, 1944, Box 1218, RG 169.
49. Charles Denby to Currie, December 8, 1944, Box 1218, RG 169.
by the United States to facilitate exportation from French Northwest Africa. French authorities promised to issue export licenses to speed the flow of goods from the colonies once they had provided for local, metropolitan, and war needs. The French, however, did not feel that they could immediately apply the system of private purchases in all cases. Since France imported a large number of products on behalf of State organizations, such as the General Supply Services and the Cereals Office, the French maintained that they could only place such orders through government channels which the French Purchasing Mission handled.\(^5\)

'Consequently, in spite of the positive desire of the French Government, the purchases in the United States of supplies for the North African territories can only progressively become private purchases', the French replied. Moreover, 'the French Mission will be obliged to continue its activities, it will maintain its necessary contacts for this purpose with competent American Government Agencies. . .' (see note 5).

During a series of follow-up meetings, the French informed Culbertson that the French Mission would continue to procure bulk items such as coal, wheat, sugar, and oil. When Culbertson pressed for information on specific items which private trade would handle immediately, the French suggested trucks, autos, and farm equipment. The French believed that exportation from Northwest Africa could begin immediately, but they expressed concern over their ability to do so at prices conforming to United States ceiling prices. In contrast to his previous experience, Culbertson reported that the French exhibited a sincere desire to restore trade in North and West Africa. 'The important result,' he wrote, 'is that a trend was established by the American and French Governments, and that the negotiations in Paris constitute a significant development in the pattern of United Nations post-war commercial relations.'\(^5\)

Government officials realized that with lend-lease to French North and West Africa scheduled to terminate as of June 30, 1945, private traders required preparation time before resuming commerce. In early 1945, as a result of American pressure, the French, as a first step, permitted representatives of American manufacturers to distribute trucks in North Africa, thereby reestablishing the lines of trade before private

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52. Culbertson to State Department, January 2, 1945, Box 464, RG 169; see also Culbertson, 'Principles of Economic Policy', Department of State Bulletin XII (February 25, 1945): 299.
trade itself commenced. It was for West Africa, however, that officials first reached an agreement on trade resumption. With the 1945 supply program completed and procurement underway, the FEA Mission at Dakar closed its doors. In March, the French agreed to a restoration of trade, and American authorities advised commercial interests to forward price lists, catalogs, and other necessary information to the American consulate at Dakar. Within a few days the consulate received over a thousand letters from United States firms desiring to establish business relations with the French colony.53

The agreement stemmed from West Africa's willingness to increase its volume of prewar trade with the United States. Throughout the war, the United States exported to West Africa approximately ten times as much material as before the war; thus, a familiarity with and preference for American goods had developed. Moreover, West Africa unlike North Africa had no 'Algerian situation', and generally its ties with France were not as binding. Along with this, the American government and business executives recognized that during 1945-46, France would of necessity draw heavily on West African products with little to offer in return. Consequently, American exporters clamored to fill the vacuum. In regard to West African exports, the Americans believed that the production of its major items—oilsseeds (peanut and palm), cocoa, cotton, kola nuts, rubber, wood, kapok and sisal—would increase substantially through the application of American management and technology. The bureaucrats and private enterprise agreed that West Africa offered unlimited potential for future economic development and exploitation.54

The Department of State and the FEA warned that the agreement on West African trade led to over-optimism on the part of American traders. Prior to the commencement of private trade, the French and Americans had to resolve a number of difficulties. And the caution expressed by officials proved accurate. The French proceeded slowly, procrastinated, and remained wary of private trade. During discussions on finding a means to provide West Africa with adequate dollar balances, the French expressed concern over whether private trade could handle the requirements as expeditiously as the government-to-government procedure.55

In the meantime American impatience with the French increased. On March 22, 1945, Donald Gilpatric of the State Department informed the American minister in Paris, Henry Labouisse, that since the presentation of the Aide-Mémoire almost half the transition period had elapsed, and they had made little progress with the French. The United States authorities anxiously awaited the French publication of a tentative list

53. O.L.I.A., History: 'Ships and Shipping', 60, RG 169; 'Trade Relations Supplement', FEA Bulletin, March 5, 1945, Box 3189, RG 169.
54. 'Trade Relations Supplement', FEA Bulletin, March 5, 1945, Box 3189, RG 169.
55. Ibid.
of items available for commercial trade. But it was not until March 10, 1945, that representatives of State, Commerce, and the FEA could schedule a meeting with Christian Valensi, chairman of the French Supply Council. Valensi arrived late and then refused to resolve the issue. Valensi claimed that there was no discussion of private trade in Paris, nor had he received any instruction on the matter. ‘The various French representatives at the meeting’, Gilpatric wrote, ‘raised all sorts of objections to the resumption of private trade, such as delays in commercial communication, questions of shipping priorities, and the need in their opinion, for bulk procurement of practically all the programmed items.’

Despite the agreement on private trade in Washington and Dakar, Valensi explained that he could do nothing to implement it without instructions from Paris. American officials became skeptical that such instructions would ever arrive. ‘In the meantime,’ Gilpatric informed Labouisse, ‘pressure from private sources is mounting here. I think we will be forced to make a public explanation if we do not get sufficient cooperation from the French in re-establishing private trade for the Empire by the end of the semester.’ Gilpatric also noted that the United States lacked any assurance that the French had established a system of licensing or exchange availability, ‘and the French Supply Council here, while not responsible for those delays seems determined to keep everything in French Government channels’.

As a result of French obstructions, it was not until the end of April—only two months before the termination date of the North and West African programs—that the United States and France agreed on a list of commodities eligible for private trade. On April 29, 1945, the State Department in conjunction with the French Supply Council published an initial list of the articles returned to private trade. This information, along with other supply data became available to interested commercial concerns in the United States and French Northwest Africa. And both governments assured private interests that efforts were underway to improve both communications and travel facilities for traders.

During May 1945, the FEA provided further impetus for a return to private trade by arranging a series of meetings between prominent French officials and American importers and exporters. The French delegation consisted of Pierre Pelieu, chief of the French Colonial Supply Mission; Maurice Andlauer, head of the French Colonial Agency in the United States; and Georges Peter, director of Economic and Financial Services, French ministry of Colonies. Peter announced the creation of the French Colonial Agency in the United States to replace the French Colonial Supply Mission. As Peter pointed out, the new agency ‘was organized

57. Ibid.
to promote relationships between American and French colonial merchants, to serve as a center of information on export and import problems, and to encourage private trade under the best conditions and in the interest of American as well as French merchants.59

Inquiries from the business community continued to arrive at the FEA. In response, the agency informed traders that the United States had concluded arrangements for private trade to begin with the French colonies as of July 1, 1945. This included trade through private channels at both ends, but only with the empire. For continental France and Corsica the lend-lease mechanism remained in effect.60

The FEA recognized that French industrialists and American producers appeared eager to resume commercial supplying, but as Crowley pointed out, 'The French Government insists that owing to the shortage of dollar availabilities it must do all the buying of raw materials for France—-at least for the next several months.' Neither French nor American officials indicated when private trade would return to France. Both sides anticipated an upward trend in the French economy, but they were also aware of the unpredictable nature of it. Moreover, the redeployment of forces from Europe further unbalanced an already unsteady economic situation.61

In September 1945, one month after Truman had terminated lend-lease operations for all countries, the French agreed to the resumption of commercial trade for metropolitan France. Despite the imposed limitations on such transactions, the French considered it a first step toward the restoration of normal commercial relations with the United States. However, the French insisted that for the time being, the French Mission would continue to purchase the bulk of French imports from the United States. The French emphasized that due to the upheaval and general deficiencies in Europe 'the French Provisional Government feels that the execution of its extensive reconstruction program requires supervision by governmental authority and an impetus which only these authorities can give'.62

The French exercised such stringent control over trade that their description of it as a 'first step' was somewhat of an overstatement. In order for private transactions to receive approval, the French required American exporters to justify—to the satisfaction of French authorities—the contribution of the goods to France's reconstruction program. Moreover, the French limited the commodities for which they would

59. OLLA, History: 'Ships and Shipping', 60. RG 169; see also President of the French Supply Council, 'The Organization of Private Trade between the United States and the French Colonies', n.d., Box 3189, RG 169.
60. Alfred E. Davidson to Curthew Sanders, May 14, 1945, Box 1170, RG 169. Crowley to P. C. Rizon, July 26, 1945, Box 813, RG 169. See also Rizon to Crowley, July 16, 1945, and Crowley to Rizon, August 31, 1945, both in Box 813, RG 169.
issue licenses: manufactured products (excluding machine tools, industrial equipment, agricultural machinery and trucks) weighing less than five metric tons and valued at under $20,000 per shipment; spare parts of all types; certain raw materials, in particular items capable of producing commodities for exportation from France; and seeds and animals for breeding.63

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By the end of 1945, the pressure that the United States applied produced significant results. American officials had succeeded in restoring to commercial channels approximately ninety percent of the American goods destined for French West Africa. The remainder consisted primarily of bulk food not easily procurable through private firms. In North Africa, roughly sixty percent of the trade returned to private interests, and authorities anticipated a significant increase in the near future. The furnishing of over $290 million worth of civilian goods to the areas during the war did not in itself guarantee the United States a substantial new market.64 The postwar volume of trade depended heavily on the manner in which France restored and restructured her Northwest African empire. However, by the war's end, there were strong indications that France would never again dominate these territories as completely as she once had. The general weakness of France, and the growing strength of the native independent movements prevented a return to prewar colonial conditions. For the commercial interests, the outcome of these events would determine the extent of American expansion in North and West Africa.

The intense controversy over private trade discredited both countries. The French, although somewhat hapless, had struggled tenaciously to maintain their economic domination over French Northwest Africa. Their determination succeeded in thwarting American attempts to restore private trade to the area for over two years. The hostile American reaction to the French attitude represented the view that the French were callous and ungrateful for American assistance. The United States, on the other hand, exhibited an aggressive and opportunistic approach which so characterized imperialistic endeavors. It became quite evident that commercial interests and many government officials sought to exploit the weakened French, and to expand in North and West Africa at French expense. Thus, the intense struggle over private trade revealed that among the Allies even the spirit of cooperation for the war effort had failed to eradicate inveterate economic competition. In the end, the issue served only to embitter relations between the United States and France, and to foster distrust and suspicion among the Allies.

63. Ibid.
64. OLLA, History: 'Ships and Shipping', 61, RG 169.