



**Catalyst For Coalition:
The Anglo-American Supply Relationship,
1939-1941**

by

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ABSTRACT

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This thesis explores the Anglo-American supply relationship, 1939-1941, and the ability of these two nations to wage a coalition war immediately after the Japanese attack on Pearl Harbor. Organisationally, the first chapters of the thesis look at the impact of the Great War and the interwar period on this relationship. The remaining chapters are devoted to the evolution of the supply relationship between September 1939 and December 1941.

The evidence found in British and American archives indicates that early supply discussions, conducted under the supervision of Arthur Purvis and Henry Morgenthau, established a common ground for Anglo-American co-operation during the early days of the Second World War. The fall of France prompted the British Government to seek much closer ties with the United States. However, in mid-1940 many senior US officials insisted that America should concentrate on its own defence against the Nazi threat because of the likelihood of Britain's defeat. By the end of 1940, the American defence planners were more confident of Britain's ability to survive, and therefore they were willing to consider the creation of Anglo-American defence plans. At the same time President Roosevelt requested Congressional approval for the Lend-Lease Act, to ensure the British Government could still acquire US war supplies even if it lacked the dollars to pay for them.

Because of the inability of US industry to produce adequate war materiel for the British effort and American rearmament, representatives from the two countries were forced to work closely together to determine production and allocation priorities. Moreover, since these decisions influenced the fighting capability of British and American forces, war planners rather than civilians officials began to make these supply decisions. Subsequently, British and American officials determined that their efforts should be based on a joint strategy. Ultimately this realisation inspired the creation of the Victory Programme, which effectively acknowledged that supply needs, strategic considerations, and an overall commitment to defeat Germany and its allies were indistinguishable. Thus the supply relationship, 1939-1941, provided the foundation for the Anglo-American wartime coalition against Hitler.

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Before the United States entered the Second World War in December 1941 the Anglo-American alliance already exhibited remarkable sophistication. In addition to a shared goal of defeating the Axis powers, the two Governments had integrated their strategic plans and production programmes, agreed on areas of responsibility in the Atlantic and Pacific theatres, and created the nucleus of a combined military planning staff. Because the Anglo-American supply relationship provided the earliest and most sustained form of co-operation between 1939 and 1941, this thesis explores the manner in which the supply relationship contributed to the creation of this Anglo-American wartime coalition prior to the Japanese attack on Pearl Harbor.

The implicit assumption in many works on the Second World War is that a shared desire to defeat Hitler provided sufficient incentive for the formulation of the Anglo-American alliance. Other historians have studied the evolution of this Anglo-American relationship between 1939-1941 more closely. However, they concentrate on either the diplomatic and political aspects of the relationship, or on early efforts to encourage Anglo-American naval co-operation. Although their works usually address some aspects of the supply relationship, its importance to the creation of the coalition is never fully revealed. Moreover, the books which specifically address Anglo-American supply relations generally fall into the two categories of official histories interested in only the British or American dimension of this relationship, or monographs devoted to the Lend-Lease agreement. In both cases they fail to present a balanced account of the

supply relationship, and ignore the evolution of this relationship from the early influences of the First World War up through the formal creation of the coalition in December 1941.

To fill these gaps, this thesis identifies, first, the lessons the two Governments learned from the supply relationship of the Great War. Second, it considers the fate of this wartime arrangement during the interwar period, given the tensions which frequently disrupted Anglo-American relations. Finally, relying heavily on British and American archival sources, this thesis reveals that the Anglo-American supply relationship of the Second World War proved the most useful means available to establish an effective wartime coalition between these two nations before the United States became a belligerent.

During the First World War, British and American officials learned many of the lessons which would guide the formation of the Anglo-American supply relationship in the Second World War. Between 1914 and 1917, Britain's supply and financial needs dominated Anglo-American relations. Moreover, Wilson's insistence on US neutrality meant that private citizens, rather than US Government officials, conducted most of the negotiations with the British. When the United States entered the war in April 1917, the Wilson Administration initially expected that America's primary contribution to the Central Powers' defeat would be through increased supply and financial contributions rather than a large expeditionary force. However, repeated British and French requests for a large American presence in Europe led the US to expand its military greatly. Once these US forces began to arrive in Europe, American military authorities found they had to "fight" their allies in order to retain command over US troops. Although General Pershing (the American Expeditionary Force commander) eventually won this struggle, the war ended before the United States could overcome its status as a junior member of the Allied coalition. Nevertheless, by the time of the armistice US and British officials had learned several valuable lessons about the need for better co-operation in any future war.

In the interwar period, the Anglo-American co-operation of the First World War quickly became a memory, and naval disarmament efforts provided the focus for relations between the two countries during the 1920s. Commencing with the 1921 Washington Conference, and continuing through the 1927 Geneva and 1930 London Conferences, the naval arms limitation process emerged as the primary means for Anglo-American interaction, and as a conduit for US involvement in international relations. Indeed, these discussions reveal British and American thoughts on their international roles, responsibilities, and concerns.

When Franklin Roosevelt assumed the presidency in 1933 he inherited the legacy of these arms limitation talks, a domestic population devoted to isolationism, and an increasingly complex international situation including: new totalitarian regimes, a world-wide Depression, and the Far Eastern crisis in Manchuria. His subsequent foreign policy contributed to Anglo-American discord during the 1930s. The American refusal in mid-1937 to support a joint Anglo-American solution to the problems in the Far East (which now included the Sino-Japanese War) caused much disappointment in Britain and promoted a negative impression of the United States as an international leader. Furthermore, the ambiguity surrounding FDR's October 1937 "quarantine" speech also contributed to British confusion about the United States' international role.

The 1935, 1936, and 1937 Neutrality Acts added more elements of confusion to the United States' international role, and to its position *vis-a-vis* Britain. Strong isolationist sentiments in the United States encouraged the passage of the Neutrality Acts in an effort to limit the possibilities of US involvement in foreign conflicts. The Nye Committee report largely justified the approval of the original 1935 Neutrality Act. This committee was led by Senator Gerald P. Nye, an adamant isolationist, and it concluded that collusion between powerful financiers, munitions manufacturers and senior government officials had led to American participation on the First World War. In order to avoid such

future foreign entanglements the committee declared the United States should pursue a course of strict neutrality. Thus, the 1935 Neutrality Act would prohibit all arms shipments to belligerents once the President had determined the existence of a state of war. The 1936 and 1937 revisions to this Act merely reinforced the United States' isolationist stance.

The 1938 Czechoslovakian crisis resulted in a noticeable improvement in Anglo-American relations. After the failure of the Munich Accord, the two Governments explored the possibility of closer Anglo-American naval co-operation with the Ingersoll and Hampton Missions. However, the most effective early efforts to establish a more purposeful Anglo-American relationship evolved in the supply arena. For the first time, influential American and British leaders had started to consider the magnitude of the pending struggle, and correspondingly, came to appreciate the vast quantities of war supplies their forces would require. As early as November 1938, the RAF Plans Branch under Air Commodore Slessor recommended Anglo-American co-operation in the event of war with Nazi Germany. The Plans Branch stressed the necessity of placing British orders with American industries to ensure US industrial expansion in the event of war. Shortly thereafter, the British Government approved Lord Riverdale's mission to the United States to discuss the possibility of establishing a purchasing mission in America. These British and American officials also called upon organisations and contingency plans created by their Governments after the First World War to improve the industrial mobilisation. But before the invasion of Poland, Roosevelt refused to sanction either US industrial mobilisation or the establishment of a British purchasing mission. He believed the US public was not prepared for either measure. And the President would not approve a purchasing mission, in particular, until it could function openly in America without subjecting the Administration to accusations that British munitions purchases would draw the United States into war.

When Britain and France declared war on Germany in September 1939, the new European war inspired two important efforts by the Roosevelt Administration to assist the Allies. First, President Roosevelt supported an aggressive campaign to revise the Neutrality Act. Although he adamantly denied that the intended purpose of this modification was to allow the US to assist the Allies, the cash-and-carry provision suggested otherwise. This provision permitted belligerents to purchase war materials in the United States as long as they paid in cash and transported the supplies from the US. And since Britain controlled the seas, only the Allies could profit from this clause. Second, shortly after Congress approved this latest version of the Neutrality Act, the President authorised the establishment of a British purchasing mission in the United States.

Early British demands on American industry were modest and the Anglo-French alliance particularly tempered British supply requests. Although the British Services were short of war supplies, the British Government hoped their alliance with France would minimise the need to seek US aid. Indeed, during the Phoney War France sought far greater quantities of US supplies than Britain, especially in the areas of machine tools and aircraft. Nevertheless, the British Purchasing Commission under Arthur Purvis began to cultivate useful contacts in the American government, anticipating greater supply needs in the future.

Purvis quickly emerged as one of the most influential - and compelling - personalities of the allied supply effort. He understood Americans and American business, and hence managed to establish a close personal relationship with US Treasury Secretary Henry Morgenthau, Jr. Moreover, Purvis earned Roosevelt's trust as the most credible voice for British supply needs. For these reasons he was selected by senior British and French officials as the head the Anglo-French Purchasing Mission in the United States after Roosevelt had requested the unification of the British and French missions.

The importance of Purvis's position became fully apparent during the Battle of France. It was largely due to his efforts that an Anglo-French

agreement, which turned over all French supply orders in the United States to the British, was concluded just prior to the French surrender in June 1940. The Purvis - Bloch-Lainé agreement, as it came to be known, increased Britain's reliance on the US almost overnight. Simultaneously, however, the French surrender accelerated American war preparations and raised serious doubts in the United States about Britain's ability to survive. These factors left the British Government in a weak position to negotiate for a larger allocation of American war supplies. During the period between the fall of France in June and December 1940, Roosevelt, Morgenthau and Purvis struggled to strike a balance between these conflicting American and British needs.

Their efforts were rewarded once senior US defence officials began to define America's defence interests in terms of an Anglo-American coalition rather than traditional hemispheric defence. At the end of 1940 these defence advisers accepted Admiral Stark's (Chief of Naval Operations) Plan Dog as the guide for the country's defence preparations. Plan Dog required the US to maintain an offensive posture in the Atlantic theatre in conjunction with British forces. Stark proposed a joint conference with the British in order to ensure the most effective employment of American forces in this theatre. The resultant, highly classified, American-British Conversations (ABC) held early in 1941 addressed mutual strategy and supply concerns. By the time the conversations concluded in March, senior officials from both countries acknowledged that strategic aims and supply requirements had to be considered together. This realisation meant military organisations would assume increased responsibility for Anglo-American supply co-operation.

The convergence of British and American strategic goals and supply needs was also acknowledged by the long-awaited approval of the Lend-Lease Act in March 1941. This legislation allowed the British Government to acquire US war supplies even though it no longer had the funds to pay for them. Lend-Lease shifted responsibility for British aid from Morgenthau's Treasury to the

War Department (although Roosevelt asked his closest confidant, Harry Hopkins, to supervise the overall implementation of Lend-Lease). The approval of this Act was an important victory for the British during a period of military setbacks when destroyers were being lost with increasing frequency in the Battle of the Atlantic, and British forces in Greece and the Middle East were suffering defeats. Despite these setbacks, by mid-1941 senior American officials were increasingly confident of Britain's ultimate survival and thus sought additional ways to strengthen this emerging alliance.

The Victory Programme's creation in September 1941 confirmed the depth and strength of the Anglo-American relationship. The creators of this programme recognised the combined Anglo-American commitment to victory over Germany and its allies by formulating a combined wartime production plan based on a shared strategy. One of the most remarkable aspects of the Victory Programme was AWPD-1, the US Army Air Forces's plan for an air offensive against Germany. Among other things, AWPD-1 included an estimate of the total number of planes and airmen required for this offensive and an extensive target list. Interestingly, the impetus for this programme came from the War Department rather than the White House, confirming the leading role Stimson's organisation had assumed in the establishment of the Anglo-American coalition.

This thesis explores the multi-faceted Victory Programme in-depth because the creation of this plan confirmed the emergence of the Anglo-American wartime alliance before the US entered the war. In addition, this thesis strives to make other contributions to the available scholarship on Anglo-American relations between 1914 and 1941, especially regarding the supply aspect of this relationship. Thus, this work examines several unexplored areas: it offers a uniquely detailed account and assessment of the friendship between Purvis and Morgenthau; it suggests that individual missions (such as the Riverdale and Arnold Missions) significantly influenced the development of supply relations between the two countries, and the Anglo-American relationship

in general; and it explores the impact of the supply relationship on Anglo-American military relations. In this last category, the thesis suggests that neither Roosevelt nor the War Department consistently led the fight for (or against) aid to Britain. Although the War Department was reluctant to provide aid immediately after the fall of France, this reticence had disappeared by early 1941. In fact, the archival material reveals that once the War Department recognised the advantages of an Anglo-American coalition, it had to prod the President to endorse initiatives designed to cope with Britain's long-term supply needs.

Ultimately, however, the most important contribution of this thesis does not come from analysing any single aspect of the Anglo-American supply relationship, but rather from looking at this relationship in its entirety. As the supply relationship gradually matured between 1939 and 1941, the link between mutual supply needs, the formulation of a combined strategy, and finally, the creation of an Anglo-American wartime coalition also evolved. Thus, largely through the supply relationship, the Anglo-American alliance of the Second World War revealed a unique level of sophistication immediately after the United States became a belligerent in December 1941.

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Preface

Several of the works concerning Anglo-American relations during the Second World War tangentially explore some aspect of the supply relationship between these two countries (see Chapter 1), most notably the Destroyer deal and Lend-Lease. However to date, neither the history of the Anglo-American supply relationship, nor its impact on the alliance between the two countries have been treated in detail. Thus, based on archival research in Britain and the United States, this thesis explores the formulation of the Anglo-American supply relationship, its impact on the development of a combined strategy, and ultimately, on the ability of these countries to wage a coalition war.

The basis for this thesis is derived from my professional background and historical interest. My experiences as a US Air Force officer, trained originally as an aircraft maintenance supervisor, prompted me to consider the logistical aspect of the Anglo-American relationship. Early in my career I gained an appreciation for the "behind the scenes" logistical work required for a successful operation. I learned that, depending on the aircraft, 14 to 65 maintenance manhours were required for each flying hour. This discovery of the preliminary work required, even for routine missions, suggested to me that between 1939 and 1941, extensive preparations must have preceded the conclusion of major Anglo-American agreements such as Lend-Lease.

This supposition complemented my historical interest in the ability of the United States and Britain to wage a coalition war right after the attack on Pearl Harbor. Certainly shared fears about the expansion of Nazi Germany partially explained the formation of this Anglo-American wartime coalition, but it seemed this explanation alone would not account for the alliance's sophistication so soon after the US entered the war. Thus I decided to examine the Anglo-American supply relationship before December 1941 to see the sort of impact mutual

supply requirements might have had on the wartime alliance. (In this thesis, supply includes the production, allocation and distribution of war materiel.)

My research led me to discover that "dialogue supported by action" was arguably the most convincing form of Anglo-American co-operation before December 1941. Regardless of motive, any action which strengthened this relationship acknowledged a decision by both Governments to link their fates more closely together. Moreover, a remarkable amount of co-operation occurred between the United States and Britain before and during the Second World. As David Reynolds suggests, the relationship was not inevitable but rather the product of extreme circumstances.¹ Similarly such extensive Anglo-American co-operation was not inevitable in the unsettled period from September 1939 to December 1941 - certainly no historical precedent existed to suggest this was the course for Britain and the United States to follow. The supply needs of these two countries provided much of the original incentive for closer co-operation.

In fact, the United States and Britain were woefully short of war materiel between 1939 and 1941, and both increasingly relied on the still inadequate capabilities of US industry to address these shortages. Supply problems were not solved by lofty conversations about Anglo-American co-operation, although such dialogues provided one dimension to their solution. These supply issues demanded not only a sharing of ideas, but also the sharing of limited resources which daily assumed increased urgency to the defence of both countries. Between 1939 and 1941 each nation gradually learned to moderate its demands for the sake of the joint relationship. Indeed, the necessity to meet combined Anglo-American supply needs prior to the Japanese attack on Pearl Harbor prepared these nations to wage a coalition war by December 1941.

1. David Reynolds, "Roosevelt, Churchill, and the Wartime Alliance: Towards a New Synthesis", *The 'Special Relationship': Anglo-American Relations Since 1945*, eds Wm Roger Louis and Hedley Bull (Oxford: Clarendon Press, 1986), 41.

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Similarly, I cannot adequately express my thanks to Professor Robert J. O'Neill, who supervised my work at Oxford. His incisive comments are largely responsible for any lasting contribution this work might make. Moreover, his stimulating seminars and lectures encouraged my interest in strategic issues and added a larger dimension to my D.Phil. studies. Finally, his varied experiences as an Australian Army officer, Director of the International Institute for Strategic Studies, and now Chichele Professor of the History of War at All Souls College provided a constant source of inspiration. His ability to speak with authority on military and political, as well as historical, issues is unexcelled.

I am grateful to the directors and staffs of the following institutions for their assistance in the course of my research. In Britain these institutions include: the Bodleian Library, Oxford; Christ Church College Library, Oxford; the House of Lords Archives, London; the Liddell Hart Centre for Military Archives, King's College London; the Ministry of Defence (Air Ministry Branch) Archives, London; the National Library of Scotland, Edinburgh; the Public Record Office, London; the Round Table, London; and the Scottish Record Office, Edinburgh. In the United States these archives and libraries include: the Library of Congress, Washington; the George C. Marshall Research Library, Lexington, Virginia; the National Archives, Washington; the Naval Historical Division, Washington; the Franklin D. Roosevelt Library, Hyde Park, New York; the US Army Military History Institute, Carlisle Barracks, Pennsylvania; the University of Virginia Archives, Charlottesville, Virginia; and the Yale University Archives, New Haven, Connecticut. In addition, the archivist at Canadian Industries, North York, Ontario kindly provided copies of documents pertaining to Arthur Purvis's tenure as President of Canadian Industries. This list would be incomplete without a special mention of thanks to

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Abbreviations and Code-Names

Abbreviations

ABC	American-British Conversations
ACM	Air Chief Marshall
ADB	American-Dutch-British Conference, April 1941
ADM	Admiralty Papers (PRO)
AG	Adjutant General
AIR	Air Ministry Papers (PRO)
ANMB	Army and Navy Munitions Board
ASF, ID	US Army Service Forces, International Division
ASN	US Assistant Secretary of the Navy
ASW	US Assistant Secretary of War
Atfero	Atlantic Ferrying Organization
AVIA	Ministry of Aviation Papers (PRO)
AWPD	Air War Plans Division (US)
BEF	British Expeditionary Force
BPC	British Purchasing Commission
BWM	British War Mission
CA	California
CAB	Cabinet papers (PRO)
CAS	Chief of the Air Staff
CID	Committee of Imperial Defence
CIGS	British Chief of the Imperial General Staff
CIL	Canadian Industries, Limited
CNO	US Chief of Naval Operations
col.	column
COS	Chiefs of Staff
CT	Connecticut
<i>DBFP</i>	<i>Documents on British Foreign Policy</i>
<i>DGFP</i>	<i>Documents on German Foreign Policy</i>
Diss.	Dissertation
DMO & I	Director of Military Operations and Intelligence
DNI	Director of Naval Intelligence
DPR	Defence Policy and Requirements Committee
DRC	Defence Requirements Committee
FDR	Franklin D. Roosevelt
FO	Foreign Office Papers
<i>FRUS</i>	<i>Foreign Relations of the United States</i>

G-4	Supply Division (Section also used), War Department General Staff
GCM	George C. Marshall
GHQ	General Headquarters
GPO	US Government Printing Office
<i>HMM</i>	<i>Official History of the Ministry of Munitions</i>
HMSO	Her Majesty's Stationery Office
ICI	Imperial Chemical Industries
IIC	Industrial Intelligence Centre
IMP	Industrial Mobilization Plan
JB	Joint Board
JCS	Joint Chiefs of Staff
JPC	Joint Planning Committee (US)
JPS	British Joint Planning Staff
MA	Massachusetts
MAP	Ministry of Aircraft Production
MD	Morgenthau Diary
MO	Missouri
NASC	North American Supply Committee
NC	North Carolina
NDAC	Advisory Commission on National Defense
OASW	Office of the Assistant Secretary of War
OH	Ohio
OPM	Office of Production Management
OSW	Office of the Secretary of War
<i>PHA</i>	<i>Hearings Before the Joint Committee on the Investigation of the Pearl Harbor Attack</i>
PMP	Protective Mobilization Plan
<i>PPA</i>	<i>The Public Papers and Addresses of Franklin D. Roosevelt</i>
PREM	Prime Minister's Office Papers (PRO)
PRO	Public Record Office, Kew, London
PSF	President's Secretary File (FDR Library)
PSO(C)	Principal Supply Officers (Committee)
RAF	Royal Air Force
RDF	Radio Direction-Finding (radar)
RG	Record Group
RN	Royal Navy

SGS	Secretary of the General Staff
SPAB	Supply Priorities and Allocation Board
SUPP	Ministry of Supply Papers (PRO)
T	Treasury Papers (PRO)
USAAC	United States Army Air Corps
USAAF	United States Army Air Forces
USN	United States Navy
VCAS	Vice Chief of the Air Staffs
vol.	Volume
WDCSA	War Department Chief of Staff, US Army
WDGS	War Department General Staff
WIB	War Industries Board (USA)
WM	War Cabinet Meeting
WO	War Office Papers (PRO)
WPA	Works Progress Administration
WPD	War Plans Division
WRB	War Resources Board

Code-Names

Arcadia	First Washington Conference, December 1941
Barbarossa	German plan for the invasion of the Soviet Union, June 1941
Battleaxe	British Western Desert offensive, June 1941
Catapult	British plan to seize French fleet in Oran, July 1940
Compass	British Western Desert counter-offensive, December 1940
Crusader	British Western Desert offensive, November 1941
Dynamo	British evacuation plan for soldiers trapped at Dunkirk, May 1940
Marita	German plan for the occupation of Greece, April 1941
Riviera	Atlantic Conference, August 1941
Sea Lion	German plan for the invasion of the British Isles, 1940

Chapter I

Introduction

The Anglo-American supply relationship, 1939-1941, resulted from increased contact between the two countries after the start of the First World War, and the extreme circumstances of the early years of the Second World War. From 1914 to 1941 the British and American Governments learned to work together, in a gradual and often vexing process. This uneven progression was especially complicated by differences over vital foreign policy issues, such as naval arms limitation and Far Eastern policy. As the threat of war increased in the late 1930s it also became apparent that both countries had much to learn about the demands of twentieth-century warfare. Despite the experiences of the First World War, Britain and the United States were dangerously slow in preparing their nations, particularly their industries, to fight Germany and its allies. And Britain, a belligerent two years before the US, increasingly found it had to rely on US industries to meet its wartime needs. These British requirements, combined with growing anxiety in the United States about America's own defence capabilities, brought the two nations closer together as they began to realise the magnitude of the Axis threat. Ultimately, as this thesis endeavours to demonstrate, the resultant Anglo-American supply relationship prepared Britain and the United States to fight a coalition war prior to Japan's attack on Pearl Harbor.

The secondary literature on Anglo-American relations, and on the supply preparations in both countries, provided an essential departure point for this thesis. When Winston Churchill referred to a "special relationship" in his 1946 Fulton, Missouri speech he introduced a compelling theme for several subsequent works which would examine Anglo-American relations before and during the Second World War. In his speech, Churchill maintained that the special nature of the Anglo-American relationship rested in a strong cultural heritage shared by the

two nations, and not just in the common, temporary goals of the Second World War. As a result, he believed the special relationship would persist well beyond the war's conclusion. However, scholars soon began to challenge this Churchillian version of the Anglo-American relationship by looking more closely at specific factors that influenced the relations between these two countries during the Second World War, such as key personalities, diplomatic relations and naval policy.

Initially, several historians showed considerable interest in the roles of Churchill and Roosevelt in creating the special relationship. According to Elisabeth Barker in *Churchill and Eden at War* the special relationship is described as the close, personal rapport between Churchill and Roosevelt which had been created by wartime circumstances. Whereas Barker sees the Anglo-American relationship and the Churchill-Roosevelt friendship as synonymous, Warren Kimball and Joseph Lash see Churchill and Roosevelt as central, but not the sole contributors, to this relationship. Warren F. Kimball's *Churchill and Roosevelt: The Complete Correspondence* is the more effective of the two works because, while hinting at the strong relationship between these two world leaders, Kimball points out the limitations of the relationship between them. Kimball achieves this by allowing the personal relationship to unfold through their private correspondence, while also providing succinct, perceptive editorial comments about the external constraints influencing Churchill's and Roosevelt's actions. Joseph P. Lash's work, *Churchill and Roosevelt, 1939-1941* more traditionally highlights the close ties between these two leaders. Unlike Barker's work, however, Lash points out some of the political and personal difficulties which made the relationship less than idyllic. But he is so intent on heralding Roosevelt as a great leader that he forfeits scholarly objectivity.

Another group of scholars challenged the parameters of the special relationship by looking more closely at Anglo-American diplomatic relations before and during the Second World War. The scope of these studies varies

widely but to some degree they all reveal an element of what David Reynolds calls "competitive co-operation": the need to co-operate due to exceptional circumstances which exists alongside the more usual goal of competition for international influence. Reynolds's, *The Creation of the Anglo-American Alliance 1937-1941: A Study in Competitive Co-operation* guides the reader through the complex maze of Anglo-American diplomatic relations from 1937 to 1942. He convincingly argues that even when Anglo-American relations hit their pinnacle of cooperation in 1942, an undercurrent of competition remained. Thus Churchill's culturally-based special relationship becomes an illusion. The reality suggests that the relationship relied on "certain similar geopolitical and ideological interests, which gradually assumed paramount importance for both countries in 1940-41 because of the international crisis".¹ Reynolds's focus on Anglo-American diplomatic relations before December 1941 leads him to minimise analysis of the military, naval and supply aspects of this relationship.

C.A. MacDonald's *The United States, Britain and Appeasement, 1936-1939* examines the British Government's appeasement policy to assess its impact on Anglo-American relations. He argues that the US Government was more interested in international relations during the Thirties than usually is believed, but it was incapable of shaping these interests into a meaningful policy because of Anglo-American distrust. MacDonald's book highlights the differences of opinion between Britain and the United States in the last years before the war. Despite the weaknesses in its military analysis this work provides background for examining the development of the relationship after September 1939.

Some historians concentrate on one specific aspect of Anglo-American diplomatic relations, Far Eastern policy. Wm Roger Louis in *Imperialism at Bay* focuses on American and British wartime planning to deal with the postwar colonial world. Christopher Thorne, in *Allies of A Kind*, more directly deals with

1. David Reynolds, *The Creation of the Anglo-American Alliance 1937-1941: A Study in Competitive Co-operation* (Chapel Hill, NC: Univ. of North Carolina Press, 1981), 3.

the Allies' conduct of the war in the Far East, and the integration of Anglo-American military strategy into a broad political and economic context. Even though these works differ considerably in scope, they reveal the immense strain between the United States and Britain caused by their conflicting policy goals in the Far East. Once America had entered the war, US military dominance in the Pacific theater exacerbated the policy conflict. From these monographs on Anglo-American diplomatic relations in the 1930s and 1940s an image emerges of a strong, yet contentious, relationship between the United States and Britain from 1937 to 1945.

The naval and military interpretations of Anglo-American relations during this period support this impression. James Leutze and Malcolm Murfett are both interested in Anglo-American naval cooperation before Pearl Harbor. Leutze, in *Bargaining for Supremacy: Anglo-American Naval Collaboration, 1937-1941*, argues considerable strain existed in this relationship prior to December 1941, and that any agreement between Britain and the United States was founded on "calculation and convenience" rather than a genuine desire to co-operate.² However, Leutze's argument suffers because his work concludes with the end of the ABC conversations in March 1941, rather than tracing these relations up to Pearl Harbor. Murfett in *Fool-Proof Relations: The Search for Anglo-American Naval Cooperation during the Chamberlain Years*, believes the failure of appeasement led Britain out of desperation to resurrect the issue of naval cooperation with the United States. Like *Bargaining for Supremacy*, this work underlines the results of Anglo-American naval exchanges which occurred at the working level, such as the Ingersoll Mission. However, it assigns Chamberlain an unconvincingly central role in interwar Anglo-American naval relations. Finally, Alex Danchev's monograph *Very Special Relationship, Field Marshal Sir John Dill and the Anglo-American Alliance 1941-1944* returns to the role of

2. James R. Leutze, *Bargaining for Supremacy: Anglo-American Naval Collaboration, 1937-1941* (Chapel Hill, NC: Univ. of North Carolina Press, 1977), 252.

personality in the formation of the Anglo-American military relationship. Danchev analyses the period after which the US had become a belligerent, and he argues that Dill's friendship with Marshall was essential to a strong Anglo-American wartime alliance. Because he concentrates on Dill's sojourn in the United States, Danchev only alludes to the impact of earlier co-operative efforts on the overall strength of this coalition.

In addition to these more general works on Anglo-American relations, the British and American official war histories are essential to understanding the specific nature of the Anglo-American supply relationship. H. Duncan Hall's *North American Supply* provides the most thorough treatment of British supply initiatives in the United States between 1939 and 1945, and he introduces the central participants in the supply relationship, such as Henry Morgenthau, Jr and Arthur Purvis. Hall's jointly authored book with C.C. Wrigley, *Studies of Overseas Supply*, and *British War Economy* by W.Keith Hancock and Margaret Gowing are important supplements to *North American Supply*, and together these works effectively communicate the British perspective on the Anglo-American supply relationship. However, they overlook the way in which the need to resolve differences in the supply arena strengthened the military ties between Britain and the United States.

The American official histories treat supply issues differently from their British counterparts. *Global Logistics and Strategy: 1940-1943* by Richard M. Leighton and Robert W. Coakley; *The Army and Economic Mobilization* by R. Elberton Smith; *Strategic Planning for Coalition Warfare, 1941-1942* by Maurice Matloff and Edwin Snell; and Mark Watson's *Chief of Staff: Prewar Plans and Preparations* collectively offer the most thorough analysis of the United States' perceptions of the Anglo-American supply relationship. They are interested particularly in the impact of British supply needs on American war preparations prior to Pearl Harbor. However, they downplay the evolution of the administrative relationship between the British and American supply

organisations prior to Pearl Harbor. This relationship provided an important link in the transformation of Anglo-American relations from peacetime to wartime. By neglecting this information, it is difficult to trace the evolution and nature of the Anglo-American wartime alliance prior to co-belligerency. Not surprisingly, the accounts in all these works remain one-sided, clearly slanted from an American perspective.

Beyond the official histories, Lend-Lease dominates the literature on Anglo-American supply relations. Warren Kimball's *The Most Unsordid Act: Lend-Lease, 1939-1941* and Alan P. Dobson's *US Wartime Aid to Britain, 1940-1946* are the major works on Lend-Lease. Kimball's effort is predominately a legislative history of the Lend-Lease Act, devoting most attention to the period between September 1939 and March 1941. He argues that "the Lend-Lease Act was a public announcement of the creation of the most productive and cooperative coalition of modern time--the Anglo-American alliance against Nazi Germany".³ Unfortunately, his termination point of March 1941 does not allow the reader to evaluate the quality of this alliance because it excludes the crucial months between the Act's passage and US entry into the war. Its narrow scope also makes it difficult to integrate Lend-Lease into the larger context of Anglo-American supply relations since Kimball sees Lend-Lease and the overall supply relationship as one.

The title of Alan P. Dobson's book, *US Wartime Aid to Britain 1940-1946*, implies a much more thorough coverage of the Anglo-American relationship than Kimball's work. Dobson covers the period before US entry into the war and concludes well after V-E and V-J days. In reality his scope is quite limited. Dobson dismisses in one chapter the Anglo-American relationship prior to passage of the Lend-Lease Act, and devotes the remainder of his work to an assessment of Lend-Lease through its various wartime and postwar phases. He

3. Warren F. Kimball, *The Most Unsordid Act: Lend-Lease, 1939-1941* (Baltimore: Johns Hopkins Univ. Press, 1969), 241.

finds in Lend-Lease a short term solution to Britain's war supply problems and a long term source of Britain's postwar economic difficulties. Both works assess the meaning and impact of Lend-Lease, but neither offers the reader a means to integrate Lend-Lease into the larger supply relationship.

Overall, these works contribute to a fuller understanding of the Anglo-American relationship during the Second World War. Collectively, they create a more comprehensive picture of this relationship, and they force a more precise consideration of the variables which influenced the strength of this coalition. However, they do not explain why Britain and the United States were ready to fight a coalition war in December 1941. These works imply that the coalition resulted from the gradual convergence of British and American goals between 1939 and 1941 in response to the growing German threat. This convergence might have been willing or unwilling, intentional or unintentional, co-operative or competitive--but ultimately the process culminated in the fully-developed wartime alliance which emerged immediately after the attack on Pearl Harbor. Defence against the Nazi threat focuses on the alliance's common purpose, but it fails to account for the existence of sophisticated Anglo-American plans and organisations by December 1941. Indeed, if a common threat automatically resulted in shared strategies and common institutions, then such an explanation would dictate that Britain and the Soviet Union would have created combined committees to co-ordinate their war efforts immediately after 22 June 1941. This, of course, was not the case. Thus, additional emphasis needs to be placed on the underlying factors which contributed specifically to the development of the Anglo-American wartime alliance.

The Anglo-American supply relationship, 1939-1941, was a joint effort to foster co-operation in order to cope with immediate shortages of essential war supplies as well as an overall lack of productive capacity. Because of the importance of this materiel to each nation's war-fighting capabilities, supply co-operation involved American and British personnel in military and diplomatic

discussions, in addition to supply negotiations. Government officials from both countries repeatedly struggled to reach acceptable compromises during these supply talks. And indeed, given that Britain was the only actual combatant, they managed to conclude agreements which generally enhanced the combat capabilities of both nations. Moreover, since these negotiations were on-going, British and American officials also grew accustomed to working together. This familiarity eventually permeated and strengthened the entire Anglo-American relationship.

Thus the study of the Anglo-American supply relationship's gradual development between 1939 and 1941 is useful in assessing Anglo-American relations on three different levels. First, it addresses immediate questions, such as: To what extent did the US help Britain meet her supply needs? What did the United States gain from this relationship? Who benefitted more from the supply relationship--Britain or the United States? Second, because supply issues led to United States' involvement in several aspects of a wartime alliance, the question must be posed: Did the supply relationship prepare the US and Britain for the wartime coalition as it emerged after 7 December 1941? And finally, if this were the case, did this nascent coalition create a *de facto* state of co-belligerency between the United States and Britain before Pearl Harbor?

To divorce the Anglo-American supply relationship from the major operations of the Second World War and the long-range strategic objectives of the combatants (especially the Allied powers) is to diminish mistakenly this relationship's overall importance. Hence, this thesis will discuss the supply relationship in the context of the major events of the war, and it brings to light four important points. First, the friendship between Arthur Purvis and Henry Morgenthau accounted for most of the early successes in the Anglo-American relationship. Their friendship actually marked the first time during the Second World War that a personal relationship significantly influenced the official relationship between the two countries. Other works merely allude to the

importance of the Purvis-Morgenthau connection; its major contribution to the overall improvement of Anglo-American relations early in the war is a central theme in this thesis. Second, only the Anglo-American supply relationship could have overcome the animosity which existed between these two countries during the interwar period, as well as bridge the differences between belligerent and non-belligerent interests in the early days of the war. Third, between 1939 and 1941 disagreements in the supply relationship frequently did not follow national lines. Indeed, early in the war civilian policymakers in both countries tended to unite on behalf of the British forces against American military officials interested in retaining supplies for the US services. This point challenges authors such as Leutze and Murfett who emphasise the competitive aspect of Anglo-American relations before Pearl Harbor. Finally, incremental efforts to expand the supply relationship to encompass strategic planning reflected the gradual acceptance by the US defence community that an Anglo-American alliance would be the best means to ensure America's security.

This thesis may be divided into two main sections: Anglo-American supply relations of the First World War and interwar period, and the supply relationship between 1939 and 1941. Early chapters of this thesis shall discuss the important developments in Anglo-American relations since 1914, as well as the impact of the First World War and the interwar period on Anglo-American supply relations. Specifically, Chapter Two discusses the Great War and its legacy, including the overall quality of the Anglo-American relationship during this conflict, the important lessons learned on both sides, and the effectiveness of the supply relationship that was in place by November 1918. Chapter Three concentrates on Anglo-American relations during the interwar period, particularly the friction between the naval and military forces of these two nations. The poor state of the Anglo-American relationship during this period not only made co-operation difficult, it inspired some planners to consider the possibility of a war between Britain and the United States. And Chapter Four

analyses the way in which the British and American Governments attempted to preserve the most important supply lessons from the First World War through various plans and institutions created during the interwar period. Collectively Chapters Two through Four create a picture of the general state of Anglo-American relations before the Second World War, and also outline the difficulties which had to be overcome before a co-operative relationship of any sort could be established between these two countries.

The remainder of the thesis is devoted to examining the Anglo-American supply relationship between 1939 and 1941 within the larger context of the Second World War. Chapters Five and Six trace two themes: the Purvis-Morgenthau friendship, and its impact on Anglo-American relations; and the inverse correlation between the success of the Allied war effort prior to US involvement and this supply relationship. As previously mentioned, Purvis and Morgenthau were responsible largely for the early improvements in Anglo-American relations because they used their personal friendship to improve official relations between their respective Governments. Their efforts were bolstered significantly when the fortunes of war turned against the Allies. Especially after the fall of France, the Anglo-American supply relationship assumed greater importance because Britain simultaneously had lost vast quantities of equipment and its major ally. Chapter Seven addresses the factors which influenced the nature of the Anglo-American supply relationship during the first six months after the French surrender. Most importantly, these pages examine the conflicts between American war preparations and British supply needs; they also explain how the conflicts were resolved during these months. Chapter Eight relies heavily on the Lend-Lease debate and the ABC talks to establish that in the first half of 1941 British and American war supply needs and strategic plans gradually became inseparable. And finally, Chapter Nine suggests that the invasion of the Soviet Union provided additional incentive to integrate these supply requirements and strategic goals. Ultimately the convergence of

these requirements and goals led to the creation of the Victory Programme, a joint Anglo-American plan for the defeat of Germany and its allies, prior to the Japanese attack on Pearl Harbor.

Chapter II

Britain, America and the First World War

During the third year of the Great War the United States joined Britain in an alliance for the first time since America had won its independence. By 1917 Britain and France had suffered through the tragedies of the Dardanelles, Verdun, the Somme and many others. Conversely, the United States Government had devoted much of the years 1914-1917 to struggling with the Entente Governments, as well as the Central Powers, over neutral rights on the high seas. American industry contributed to the British (and French) war effort by producing war munitions, but this was strictly a business relationship. President Woodrow Wilson's insistence that the US remain completely neutral meant that no effort was made to cultivate the Anglo-American purchasing relationship in order to improve overall co-operation between the two countries. Thus the US role in the Entente, once it joined in April 1917, reflected America's position as a valued, but junior, partner in the Alliance.

Conflicting Interests

Anglo-American relations between 1914 and 1917 were shaped largely by their conflicting interests on the high seas. The British, as a new belligerent in 1914, had moved quickly to impose an economic blockade on Germany. The creation of this blockade meant the *de facto* exclusion of American and other neutral vessels from German ports. The British Government had consulted its American counterparts in the early days of the blockade in order to avoid a rupture in Anglo-American relations. Sir Edward Grey, the British Foreign Secretary, appreciated the need to strike a balance between exerting economic pressure on Germany while retaining American sympathies. Initially Grey's efforts were rewarded when, on 29 October 1914 the US State Department agreed to adjust to

the British maritime system as long as American trading interests would not be affected seriously.¹

However, after only a few months difficulties began to arise in this arrangement. For example, in order to enforce the blockade the British reserved the right to intercept and seize any neutral vessel in the North Sea. If the examiners cleared the cargo, the vessel would be allowed to proceed to its port of destination; if not, the cargo would be seized and retained in a British port. By late December 1914 the Foreign Office already had received an official protest from the US Government complaining about Britain's unnecessary interference in neutral trade caused by excessive zeal in seizing ships and cargo. This complaint was followed in late 1915 by increased American concern over British removal of neutral mails from vessels on the high seas. This practice eventually prompted a strong protest from the US State Department in May 1916. Finally, the 1916 publication of the British "black list" of American firms to be denied all access to British markets resulted in yet another outcry in America against British interference with American trade.²

American protests against British interference with US trade undoubtedly would have been stronger had Germany not provided an even greater threat to American shipping with its submarine campaign. In February 1915 the Germans announced their intention to counter the British blockade with an unrestricted maritime campaign in the waters around the British Isles. The submarine was the newest, and most notorious, weapon that would be used to implement this German directive. The implications of this policy became fully apparent on 7 May 1915 when the *Lusitania* was torpedoed off the Irish coast. Altogether 1198 people died in this attack, including 124 Americans. Many Americans considered the sinking of the *Lusitania* as murder on the high seas, which hardened

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1. Patrick Devlin, *Too Proud to Fight* (Oxford: Oxford Univ. Press, 1974), 191-93; Arthur S. Link, *Wilson: The Struggle for Neutrality 1914-1915* (Princeton: Princeton Univ. Press, 1960), 116-36.
 2. Link, *Struggle for Neutrality*, 171-74; Devlin, *Too Proud*, 508-16.

American public opinion against Germany. This incident was followed by the sinking of another British liner, the *Arabic*, on 19 August 1915. At this point President Wilson let it be known that unless the German Government suspended its unrestricted submarine warfare campaign, he would contemplate breaking off diplomatic relations with Germany. Because of the strong US reaction to these sinkings (as well as the loss of the *Sussex* in 1916) Germany refrained for almost two years from making full use of its submarines. These negotiations between the German and American Governments, in turn, assisted the British because Wilson wanted to settle the submarine crisis before he directly challenged British blockade practices.³

American neutrality, however, extended beyond these confrontations on the high seas; it also dramatically influenced the attitude of the Wilson Administration toward US war preparations. Wilson's relationship with the military always had been poor. He had little regard for military opinion, and never sought input from his senior service officers on policy matters. Shortly after his inauguration in 1913, the President demonstrated his disdain for the military when he severely criticised the Joint Army and Navy Board for their recommendations on US Navy fleet dispositions. After the incident this Board, which had never been a very effective body, ceased to play a role in military planning altogether. Moreover, once the war started, Wilson believed that the creation of war plans in case America should become a belligerent constituted an unneutral act. Therefore he refused to authorise US military officials to prepare any contingency plans in the event the US entered the war. Indeed, in autumn 1915 he ordered Henry Breckinridge (Acting Secretary of War) to investigate a short newspaper article which stated that the US Army General Staff was

3. Link, *Struggle for Neutrality*, 320, 371-72; Devlin, *Too Proud*, 286-87; David Stevenson, *The First World War and International Politics* (Oxford: Oxford Univ. Press, 1988), 68.

preparing a plan for an eventual war with Germany. If the accusation proved correct, Breckinridge had been instructed to relieve every officer involved.⁴

In early 1917 Wilson finally authorised the Service departments to create a mobilisation plan to expand the Army to four million men. The resumption of Germany's unrestricted submarine campaign had convinced him that limited military preparations were necessary. However, he still wanted to avoid participation in the European war, and so the military planners received no strategic guidance on which to base the mobilisation scheme. Only on 28 March 1917 did Wilson acknowledge the likelihood of US belligerency when he despatched Rear Admiral William S. Sims to London to co-ordinate plans with the British. But these last minute measures could not compensate for the years of neglect of the US Services or for the lack of Anglo-American (and Allied-American) co-ordination since 1914. Thus when the United States entered the war on 6 April 1917 it assumed a junior position in the alliance. This was indicated by two factors: the lack of US influence on Allied strategy (it had been determined long before American belligerency) and American reliance on Britain and France for much of its war materiel once US soldiers began to arrive in Europe.⁵ The latter point reflected the US Government's decision to distance itself from the Anglo-American purchasing relationship between 1914 and 1917, as well as an unwillingness to use this increased productive capacity to rearm America's Army, in particular.

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4. John A.S. Grenville and George B. Young, *Politics, Strategy, and American Diplomacy* (New Haven, CT: Yale Univ. Press, 1966), 321-23; Edward M. Coffman, "The American Military and Strategic Policy in World War I", *War Aims and Strategic Policy in the Great War 1914-1918*, eds. Barry Hunt and Adrian Preston (London: Croom Helm, 1977), 69-70.
 5. Timothy K. Nenninger, "American Military Effectiveness in the First World War", *Military Effectiveness*, 3 vols, eds. Allan R. Millett and Williamson Murray (Boston: Allen and Unwin, 1988), 1: 116-18, 124-28, 131-32; David F. Trask, *Captains and Cabinets: Anglo-American Naval Relations, 1917-1918* (Columbia, MO: Univ. of Missouri Press, 1972), 55.

British Purchasing Initiatives in the United States

The Anglo-American purchasing relationship was an unanticipated by-product of the First World War.⁶ When the war started British Army planners, expecting a brief conflict, believed their traditional supply system would adequately meet the military's requirements. Under this system, each unit would identify its supply needs and then forward these requirements to the War Office. The Secretary of State for War would review this list and relay it to the Master General of the Ordnance. If the Master General approved the request he either authorised the use of available stores or arranged for the manufacture of the required supplies. In the event additional materiel was needed, the Director of Army Contracts obtained price quotations from private manufacturers authorised to handle War Office requirements (War Office List firms), and sought approval from the Secretary of State and the Army Council to award an additional contract.⁷ However, as the Western Front began to stabilise in 1914, hopes for a short war began to disappear. Instead Army planners started to recognise a need for large quantities of munitions, machine guns, rifles, heavy artillery and other war materiel. The traditional procurement system quickly proved inadequate to meet all these demands. Hence, civilian and military officials began to look for alternative means to meet British supply requirements - including the placement of orders in the United States.⁸

A. J.P. Morgan and Company

Initially, Britain's uncoordinated purchasing efforts in America wasted money and confused supply efforts. Early missions overlapped and frequently worked at cross purposes. For example, on 24 October 1914 the War Office despatched

6. This section relies heavily on Kathleen Burk's *Britain, America and the Sinews of War, 1914-1918* (Boston: George Allen and Unwin, 1985). Burk is the best authority on Anglo-American purchasing and financial relations during the First World War.

7. R.J.Q. Adams, *Arms and the Wizard: Lloyd George and the Ministry of Munitions 1915-1916* (London: Cassell, 1978), 12-3.

8. Trevor Wilson, *The Myriad Faces of War* (Cambridge: Polity Press, 1986), 216-19.

Lieutenant B.C. Smyth-Pigott to the States to explore the possibility of placing rifle orders with American companies. Unaware of Smyth-Pigott's Mission, David Lloyd George (Chancellor of the Exchequer) asked E.C. Grenfell (senior partner of Morgan Grenfell and Company) to arrange a rifle purchase in the United States at about the same time. Grenfell turned to an associated American firm, J.P. Morgan and Co., to explore Lloyd George's request. Morgan's agreed to help Grenfell and contacted Remington and Winchester to arrange the British orders. Unfortunately, Smyth-Pigott had approached these same two firms and, when he discovered the Lloyd George initiative, he requested permission to remove Morgan's from the negotiations. Eventually Smyth-Pigott's request was granted and he concluded an order for 400,000 rifles. Interestingly, the War Office had received copies of all the cables exchanged on this issue, so presumably it could have prevented the misunderstanding.⁹ Not surprisingly, incidents like this one led Sir Cecil Spring Rice (Britain's Ambassador to the US) to conclude "that much confusion exists owing to indiscriminate purchasing by unaccredited agents and suggests that all contracts placed by His Majesty's Government in the United States should pass through the hands of a properly authorized agency".¹⁰ Allied purchasing agents in the United States echoed Spring Rice's concerns. George Booth of Alfred Booth and Company (an owner of Cunard) investigated the entire purchasing system while serving as head of a War Office purchasing mission in America. He witnessed the problems created by lack of co-ordination, and strongly agreed with the need for a single purchasing agency.¹¹

Eventually the British Government could not ignore these purchasing problems and agreed to select a single New York purchasing agency to

9. Burk, *Sinews*, 15-6.

10. War Office to Foreign Office, 3 November 1914, Foreign Office Papers (hereafter cited as FO), 371/2224, Public Record Office (PRO).

11. Burk, *Sinews*, 17; "List of Agents sent to the USA and Canada", 2 November 1914, FO 371/2224.

co-ordinate all British orders in the US. Agents sent to America would present their credentials to this agency, and all contracts would be negotiated through this organisation.¹² Subsequently, J.P. Morgan and Co. was suggested as Britain's commercial agent in America. Lloyd George and Asquith readily approved the appointment. And on 15 January 1915 representatives from the Army Council, the Admiralty and J.P Morgan Co. signed an agreement formally appointing the House of Morgan as the sole purchasing agent of His Majesty's Government in the United States, as well as the official financial agent to pay for these goods.¹³ Under the terms of this 15 January agreement Morgan's would receive a two percent commission on the first ten million pounds of goods purchased and one percent on all subsequent purchases.¹⁴ The agreement finalised, E.R. Stettinius (formerly President of the Diamond Match Company) quickly established an Export Department at Morgan's to handle these British purchases in the United States. Almost immediately Stettinius brought organisation and centralisation to His Majesty's Government purchasing arrangements, but the Admiralty and the War Office refused to co-operate with Stettinius's department.

The Admiralty flagrantly ignored the purchasing agreement, and at the end of June 1915 it still had not placed an order with Morgan's. The War Office was more co-operative, but on some occasions still worked directly with representatives from US firms. Army officials admitted they preferred to negotiate technical points with the manufacturer rather than relying on the J.P. Morgan and Co. to do so. Morgan officials vehemently objected to this practice because the lack of co-ordination led to the overpayment to manufacturers,

12. Letter, Blackett to Bradbury, vol. 2, 26 (166-74), Asquith Papers, Bodleian Library.

13. Burk, *Sinews*, 18-22; Kathleen Burk, "The Treasury: from Impotence to Power", *War and the State: The Transformation of British Government, 1914-1919*, ed. Kathleen Burk (Boston: George Allen and Unwin, 1982), 89. Ministry of Munitions, *Official History of the Ministry of Munitions* (hereafter cited as *HMM*), 12 vols (London: HMSO, 1921-22), 2, part 3: 6-7.

14. Burk, *Sinews*, 22; *HMM*, vol. 2, part 3: 6-9.

turmoil in raw materials and machine tools markets, and the appearance of more independent brokers trying to work directly with the War Office. Morgan's protested so strongly to the War Office about this problem that U.F. Wintour (Director of Army Contracts) issued instructions on 11 February 1915 that henceforth he would authorise all orders placed through any organisation other than J.P. Morgan and Co.¹⁵

B. The Ministry of Munitions and Early British Purchasing Missions

While the arrangements with J.P. Morgan and Co. were being finalised Lloyd George struggled to create an organisation which would minimise the War Office's control over munitions purchases. His first two attempts, the Shells Committee and the Treasury Committee, failed because Field Marshal Lord Kitchener (Secretary of State for War) refused to delegate his purchasing authority to a civilian committee. Kitchener insisted that it would constitute a security breach if he shared military secrets with civilians. And his intransigence brought these early attempts at supply reform to an end. However, the May 1915 political crisis finally resolved this issue in Lloyd George's favour.¹⁶

In the course of one week in mid-May Admiral Lord Fisher (First Sea Lord) resigned over Winston Churchill's (First Lord of the Admiralty) Dardanelles policy, and *The Times* published an article about a shells shortage. This shells scandal particularly captured the public's attention. The genesis of this scandal was a 1 May 1915 letter from Lord Northcliffe, owner of *The Times*, to Field Marshal Sir John French (Commander-in-Chief of the British Expeditionary Force in France). Disgruntled with Kitchener's treatment of French and his ban on press reporters at the front, Northcliffe urged the BEF

15. In only a few cases did the House of Morgan agree to His Majesty's Government's direct employment of brokers. Probably the most noteworthy exceptions were the joint retention of Nobel's and Tennant's to conduct certain acetone negotiations, and Nobel's solitary responsibilities for some of the explosives purchases for the British Government. *HMM*, vol. 2, part 3: 17, 19, 21-2; Burk, *Sinews*, 22-3, 25-6.

16. Burk, *Sinews*, 29; Adams, *Arms*, 19-20, 25-7.

Commander to air publicly his complaints against Kitchener. Eight days later the British were defeated at the Battle of Festubert. In order to protect his own command, Field Marshal French told *The Times'* military correspondent that the lack of high explosive shells was responsible for the British failure, and that Kitchener was personally responsible for this shortage. *The Times* published this article on 14 May, and it was followed by other articles intended to discredit the government, especially Lord Kitchener, for its inability to deal with the munitions shortage. The press campaign failed to destroy Kitchener, but it thrust the munitions issue into political prominence, and led to the formation of a new Ministry of Munitions under Lloyd George less than two weeks after the publication of the initial article.¹⁷

In order to increase munitions stockpiles Lloyd George recruited prominent businessmen to reorganise the production process along more efficient lines, and he examined the possibility of increased purchases from America. On 12 June 1915 the Minister of Munitions asked D.A. Thomas (later Lord Rhondda) to travel to the US and Canada with a small mission to study firsthand British purchasing procedures in America.¹⁸ Specifically, Thomas's instructions directed him to develop American sources, especially for shell production. Furthermore, he was to co-operate as much as possible with all existing American agencies, particularly Morgan's.¹⁹

For the first three weeks after his 15 July 1915 arrival in the US, Thomas worked with Morgan's Export Department, learning the intricacies of this purchasing operation. The efficiency of the Export Department impressed him,

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17. Wilson, *Myriad Faces*, 202; Burk, *Sinews*, 29-30; Adams, *Arms*, 31-6. Adam's work *Arms and the Wizard* is the best source available on the operation of the Ministry of Munitions under Lloyd George. Except for the *Official History of the Ministry of Munitions*, little has been written about the Ministry of Munitions after Lloyd George's departure.
 18. *HMM*, vol. 2, part 1: 17; Telegram, Foreign Office to Spring Rice, 21 June 1915, FO 371/2589.
 19. D.A. Thomas Report, 9 December 1915, "Papers on Purchasing in US", Box 29, Addison Papers, Bodleian Library; *HMM*, vol. 2, part 3: 43.

and he credited much of its success to Stettinius. Indeed, according to Thomas, Stettinius's "ability, knowledge and experience are probably unrivaled" in the United States.²⁰ Within Stettinius's operation Thomas noted a single flaw, one which Stettinius had brought to his attention: the Export Department lacked technical advisers to assess a potential contractor's ability to complete an order.²¹ This responsibility, in fact, rested with the British inspectors assigned to the US, but they were already overwhelmed with their primary duties of providing technical advice and inspecting materials. Furthermore, Thomas realised an overall shortage of technical experts would make it difficult to get additional assistance from England. Thus he proposed to solve this problem by unifying the various independent British missions in the United States into a more co-ordinated body. This measure would allow a more efficient use of British manpower already in the US.

Thomas's proposal was accepted, and the task of co-ordinating these British missions fell to Lieutenant General L.T. Pease, who had just concluded an investigation in America for the Master General of the Ordnance. Pease initially chaired an Advisory Committee to examine the engineering facilities of new firms seeking munitions contracts. This organisation immediately proved effective and, as a result, Thomas (with Ministry of Munitions' approval) enlarged the responsibility of Pease's Advisory Committee and renamed it the British Munitions Board on 5 September 1915. This Board's responsibilities included: accelerating the delivery of finished goods; providing accurate, systematic information on the status of British contracts; eliminating any redundancy in the British missions; and paying independent visits to the US manufacturers to improve production. By mid-October 1915 the British Munitions Board formed an integral part of the Anglo-American purchasing

20. D.A. Thomas Report, 9 December 1915, "Papers on Purchasing in US", Box 29, Addison Papers; Burk, *Sinews*, 31.

21. D.A. Thomas Report, 9 December 1915, "Papers on Purchasing in US", Box 29, Addison Papers; *HMM*, vol. 2, part 3: 43-4.

relationship. Thus, Morgan's would control all munitions purchases: they would place the orders, conduct negotiations, and make all payments. And after a purchase had been made, responsibility would then shift to the British Munitions Board. This Board would monitor production, and ultimately arrange for the transport and shipment of the finished munitions.

D.A. Thomas returned to England in mid-December 1915. In his trip report he outlined his mission and recommended ways to enhance the role of the British Munitions Board. Thomas praised Pease's work and recommended that the Ministry should entrust its future American operations to his care. However, Thomas soon discovered that he had no voice in this matter. Lloyd George, acting on his own initiative, had already decided to replace Pease with E.W. Moir. Pease apparently symbolised the old War Office purchasing apparatus which Lloyd George wanted to dismantle, and the General was ordered home after he turned over the British Munitions Board to Moir.²²

Moir sailed for the United States on 13 December 1915, and assumed control of the British Munitions Board upon arrival. Pease's abrupt replacement by Moir displeased Spring Rice and Stettinius. Spring Rice immediately wrote to Grey that Moir alienated his American contacts through his abrasive, bullying personality.²³ Stettinius professionally distrusted and personally disliked Moir. He believed Moir was using his wide powers to wrest control of munitions contracts away from Morgan's and to place new orders in the United States independent of the Export Department. Moreover, it was rumoured Moir sought to make his own firm, S. Pearson and Son, Britain's official purchasing agent. Because of Lloyd George's close affiliation with this firm, the Minister of Munitions feared any misstep would ruin him. Hence he ordered Christopher

22. D.A. Thomas Report, 9 December 1915, "Papers on Purchasing in US", Box 29, Addison Papers; *HMM*, vol. 2, part 3: 43-5; Burk, *Sinews*, 30-5.

23. Burk, *Sinews*, 35.

Addison (Lloyd George's Parliamentary Secretary) to settle these difficulties quickly.²⁴

In early March 1916 Morgan and Stettinius travelled to England to discuss these problems with Ministry of Munitions officials. The Americans repeated their concerns about Moir's newly designated American Department of the Ministry of Munitions (the name given to the restructured British Munitions Board). And to emphasise their displeasure, these men offered to terminate Morgan's role as Britain's commercial agent in the US, retaining it only in an advisory capacity to assist the new purchasing agent. Not surprisingly, Lloyd George refused this offer, and on 9 March 1916 he wrote to Moir that co-operation between Morgan's and Moir's organisation must improve. Specifically, Lloyd George directed Moir to refer automatically to Morgan's all firms offering new or increased supplies. He also encouraged the two firms to engage in frequent and informal exchanges, and he asked Moir's department to forward a copy of all relevant reports to Morgan's. Moir met with Morgan and Stettinius shortly after their return from England. In Moir's 31 March 1916 letter to Lloyd George he noted the two offices were now working together in great harmony, although Moir also belittled some of Morgan's complaints.²⁵

Moir decided in mid-May 1916 that his work in America was complete and that the American Department of the Ministry of Munitions could be supervised from London. Moir's decision disturbed Lloyd George because the Munitions Minister feared the British purchasing organisation in the US might disintegrate after Moir's departure. However, Moir placated him by reorganising the American Branch: two Vice Presidents were appointed to handle day-to-day affairs in America, while Moir continued to serve as President from his London office.²⁶ But this reorganisation failed, and by December 1916 George Booth

24. Diaries, 28 January 1916 entry, Box 97, Addison Papers.

25. *HMM*, vol. 2, part 3: 46-8.

26. Burk, *Sinews*, 36-7.

(now Deputy Director-General of Munitions Supply, War Office) wrote to Addison (the new Minister of Munitions) about some of the problems with the Ministry of Munitions organisation in America. Booth noted that the system for interdepartmental communication "is really pathetic" and as a result, lines of responsibility for executive and administrative tasks constantly crossed. Booth added that there must be a single chief administrator in the United States. And since Moir resided in London, and worked only part-time on his Ministry of Munitions job, he was out of touch with the American position "which needs constant daily association with Mr Stettinius, the various departmental heads, and the important Directors among our great American contractors, to say nothing of the Embassy at Washington and the Federal Bank Authorities". For these reasons Booth urged Addison to replace Moir and restore the dignity to the American organisation which it formerly held when Moir resided in New York.²⁷

The Ministry of Munitions, however, left Moir's organisation unaltered until the United States' declaration of war.²⁸ And even while Moir's organisation stagnated, the importance of well co-ordinated British purchasing and financial operations in the United States increased. By late 1916, 40 percent of all British purchases were made in the United States, and the British Government was finding it increasingly difficult to pay for them. The House of Morgan itself became a large direct lender to the British Treasury, and by the time America entered the war Morgan's was carrying a 345 million dollar overdraft for the British Government. These financial difficulties persisted once America became a co-belligerent. Indeed, the British Treasury devoted much of its time between April 1917 and November 1918 convincing the US Government to lend enough money to enable it to pay for purchases in the United States.²⁹

27. Letter, Booth to Addison, 26 December 1916, "Situation in America", Box 29, Addison Papers; Burk, *Sinews*, 38-40.

28. *HMM*, vol. 2, part 3: 59.

29. A British Treasury Mission under Hardman Lever assumed most of the financial responsibilities originally delegated to Morgan's in February 1918 (although US Government regulations meant it still had to work through the House of Morgan) in

Nevertheless, when the US entered the war in April 1917 the American Section of the Ministry of Munitions still could claim great success. It employed nearly 1600 members. Its personnel inspected every factory producing supplies for the British war effort, rode on every train carrying munitions to port, and watched the loading of all the goods as they embarked on their transatlantic journey.³⁰ Purchasing relations with Morgan's remained sound, and most efforts to acquire needed war supplies from the US had proved successful. But the ongoing conflict between the War Office and the Ministry of Munitions fostered confusion within the American section's senior leadership and resulted in uncertainty over the section's responsibilities. Thus, once the US entered the war several aspects of the purchasing arrangement were bound to change.

C. The Balfour Mission

On 3 April 1917, the day after Wilson requested Congress to declare war, the British War Cabinet first considered sending a special mission to the United States to discuss Anglo-American wartime co-operation. They recognised that the mission's success required an "individual of the highest consequence and authority, who would carry great weight with the United States Government".³¹ The next day A.J. Balfour (Secretary of State for Foreign Affairs) discussed this mission with US Ambassador Walter Page. Page, an overzealous Anglophile who had long since alienated Woodrow Wilson through his desire to support Britain, enthusiastically supported this idea.³² The War Cabinet subsequently appointed Balfour to head a mission to the US.

order to better represent British interests. Morgan's had upset the Treasury by prompting the Federal Reserve Board in December 1916 to issue a warning about the dangers of buying Allied bonds because of Britain's financial difficulties. Burk, "Treasury", *War and State*, ed. Burk, 90-2.

30. Burk, *Sinews*, 42.

31. David Lloyd George, *War Memoirs*, 6 vols (London: Nicolson and Watson, 1934), 3: 1675-76.

32. Devlin, *Too Proud*, 149, 520-23.

Sir Eric Drummond (Balfour's Principal Private Secretary) cabled Colonel House, Wilson's confidant, on 5 April 1917 requesting his opinion on the President's reaction to a British mission. House forwarded the cable to Wilson the same day, and requested advice on how he should respond. Wilson said such a mission would serve many useful purposes and perhaps save a great deal of time. But he feared it might also be misunderstood by some Americans as "an attempt, in some degree, to take charge of us as an assistant to Great Britain".³³ Wilson's equivocal answer prevented House from sending an immediate response to Drummond, and prompted House to write the President again on 8 April because he feared offending Drummond by waiting any longer.³⁴ Finally, with more than a touch of ambivalence, Wilson agreed to the mission on 9 April. House's cable to Drummond, however, suggested the visit would have the President's enthusiastic, unqualified support.³⁵

The War Cabinet now defined the scope of Balfour's Mission more precisely. In particular, the War Cabinet wanted Balfour and his staff to discuss the expansion of US shipbuilding capacity and the despatch of American troops to France. On the latter point they told Balfour to propose that the US Government immediately send a regular Army brigade or division to "show the colours" in Europe. A few months later, in August or September, this unit should be followed by a large force of conscripts who would undergo their final training in a quiet sector on the Western Front. Balfour also was to ask the Americans to send recruits immediately to join French, British or Canadian forces. The War Cabinet realised this might be impossible but its members wanted the Foreign Secretary to stress that this would be the most valuable assistance the United States could offer.³⁶

33. Charles Seymour, ed., *The Intimate Papers of Colonel House*, 4 vols (London: Ernest Benn, 1926-28), 3: 36-8.

34. Burk, *Sinews*, 101.

35. Seymour, ed., *House*, 3: 38.

36. Minute, 10 April 1917, War Cabinet 116, Cabinet Office Papers (hereafter cited as CAB), 23/2, PRO.

The Balfour Mission arrived in Washington on 22 April 1917. Upon his arrival Balfour first met with House, who cautioned Balfour to minimise the mission as a means to conclude any Allied-American agreement.³⁷ Sensitive to this situation, Balfour publicly announced that his mission "had come out to the United States to place our experiences at the disposal of its Government, to explain the position and needs of the Allied Powers, but not to offer advice unless and until it was asked for".³⁸ Despite his public protestations, however, Balfour and his advisers were interested in more than sharing Britain's war lessons with US officials. In the munitions area, for example, Walter Layton (a munitions negotiator accompanying Balfour) wanted to discuss: (1) the nature of the American munitions programme, including the need for the standardisation of types in order to increase production and provide a larger stockpile of ammunition, (2) co-ordination of Allied purchases in the US, including price control, (3) protection of Allied munitions orders from any material or labour shortage, as well as from other competitive orders, and (4) potential US aid to the Allies, especially Russia.³⁹

However the United States frustrated Britain's efforts to resolve these issues. On standardisation of types, for instance, the US Army's Ordnance Department realised it could acquire bulk orders of rifles and field guns only by taking advantage of the US factories developed by the British Government. But rather than fully adopt the British design, the Ordnance Department decided to rebore the British types to accommodate American ammunition. The manufacturers advised that such alterations would delay production by three

37. Seymour, ed., *House*, 3: 39-40. Sir William Wiseman suggested this meeting. Wiseman was the head of Secret Service operations in the United States which were disguised as part of the American Division of the Ministry of Munitions. Wiseman, more importantly, had won Wilson's approval and had formed a close relationship with House. W.B. Fowler, *British-American Relations, 1917-1918: The Role of Sir William Wiseman* (Princeton: Princeton Univ. Press, 1969), 9, 15, 18, 236.

38. Balfour Trip Report, Balfour to Lloyd George, 23 June 1917, FO 371/3073.

39. Balfour Trip Report, Appendix 6, Layton to Balfour, 5 June 1917, FO 371/3073; Memorandum, Phillips to Addison, 10 April 1917, Box 29, Addison Papers.

months and British inspectors feared it would be closer to six months.⁴⁰ Other attempts to discuss the Layton agenda were equally unsuccessful because US officials either were unprepared to engage in technical discussions or unwilling to make a decision. In his report to Balfour, Layton concluded that "the mission arrived before the Administration has had time to organise any effective control of American industrial resources, or to make any adequate delegation of authority. Hence none of the leading munitions questions between the two Governments have been brought to a definite conclusion, and we have only been able to advance negotiations a stage or so."⁴¹

The overall results of Balfour's trip to the United States were reflected in Layton's report. During his month in America, Balfour admirably played the role of high statesman and public relations man. His initiatives encouraged a spirit of closer Anglo-American co-operation and accelerated American war preparations. But Balfour, like Layton, found the United States Government completely unprepared for in-depth discussions on specific war topics. Nevertheless, given Wilson's insistence on strict neutrality before early 1917, this lack of US preparation should not have surprised the British mission.⁴²

D. The Northcliffe Mission

While Balfour was still in the United States, Lloyd George (now Prime Minister) already was considering a follow-up mission under Lord Northcliffe. Northcliffe had once been a strong supporter of Lloyd George, the two men sharing a mutual dislike of Lord Kitchener. However, their relationship cooled considerably after Kitchener's death, and it continued to decline with Lloyd George's appointment to the War Office. By the time Lloyd George became Prime Minister he

40. Balfour Trip Report, Appendix 6, Layton to Balfour, 5 June 1917, FO 371/3073.

41. Balfour Trip Report, Appendix 6, Layton to Balfour, 5 June 1917, FO 371/3073.

42. Seymour, ed., *House*, 3: 62; Balfour Trip Report, Balfour to Lloyd George, 23 June 1917, FO 371/3073; Burk, *Sinews*, 136. In fairness to the Americans, Balfour and his advisers neglected two points: their mission was despatched so soon after American entry into the war that US representatives had had little time to study the issues, and the US had not requested the mission in the first place.

sufficiently feared Northcliffe's influence to look for a means to neutralise it.⁴³ The Prime Minister thought an ideal solution would be to send Northcliffe to the United States to co-ordinate the work of the departmental missions. Several observers, including Maurice Hankey, assumed Northcliffe would decline this offer. On 24 May 1917 Hankey's diary notes:

He [Lloyd George] is now trying to persuade the War Cabinet to send Northcliffe to America to co-ordinate the purchases, transport arrangements, etc. of the various Depts. This, of course, is really a dodge to get rid of Northcliffe, of whom he is afraid. I am certain N. will not accept it, even if he is asked.⁴⁴

Lloyd George's plan shocked Balfour as well. On 26 May 1917 the Prime Minister notified Balfour (and Spring Rice) of his plan to send to America "an influential and energetic man of wide knowledge and good business capacity" to supervise and co-ordinate the work of the various British departments. The Head of this British War Mission (BWM) would represent the War Cabinet, and he would do everything possible "to make America's resources rapidly available in the most effective manner". However, he would not have any diplomatic responsibilities, and he would have to consult the British Ambassador on all diplomatic issues. Lloyd George concluded his message by saying that the War Cabinet felt "a man of the type of Lord Northcliffe is needed and they propose to offer the appointment to him at once but before doing so they would be glad to receive your views".⁴⁵

Balfour replied "that co-ordination of British Departments over here is of greatest importance...I have however grave doubts about the particular suggestion put forward by the Cabinet". He noted the American people would be obliged to tolerate Northcliffe but would not greatly admire him. Moreover:

If they form a concrete picture of Lord Northcliffe other than in his character of newspaper proprietor they would probably think of him as a rigorous hustler and loud voiced propagandist; one who will tell them with utmost emphasis not

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43. J.M. McEwen, "Northcliffe and Lloyd George at War, 1914-1918", *The Historical Journal* 24 (1981): 655-66.
44. Stephen Roskill, *Hankey: Man of Secrets*, 3 vols (London: Collins, 1970-74), 1: 390-91.
45. Telegram, Foreign Office to Balfour and Spring Rice, 26 May 1917, CAB 21/54.

merely what the Allies would like to see done but what America ought to do. Whether this is [the] best way of treating our new Allies is a matter for argument. Personally I think it is not.

Balfour concluded by emphasising the need to win the President's approval of the appointment before making a final decision.⁴⁶

Lloyd George ignored Balfour's objections, sought Page's rather than Wilson's opinion, and on 31 May 1917 offered the BWM appointment to Northcliffe. And the press baron, to the surprise of many, accepted the position. Northcliffe departed shortly thereafter, and arrived in New York on 11 June 1917. Unknown to him, no one in the United States looked forward to his arrival. Spring Rice viewed him as a potential rival, Wiseman shared Balfour's interpretation, and Woodrow Wilson loathed his selection, claiming Northcliffe was no better than Mr Hearst. However, despite their dislike for him, Wiseman and House decided Northcliffe's Mission was too important to fail, and they assisted him for the duration of his stay in the United States.⁴⁷

Northcliffe faced a chaotic situation in America. Morgan's wanted to leave the Allied purchasing arena; the US government, although eager for Morgan's to depart, still needed an effective organisation to assume purchasing responsibilities; and the individual British missions operating in the States remained disorganised. As he tackled these problems, Northcliffe met some success. He improved co-ordination between the various departmental missions. He encouraged communication with the different London Ministries that had missions in the US. And, at US Secretary of the Treasury McAdoo's insistence, he helped to establish the Allied Purchasing Commission.⁴⁸ Furthermore, Northcliffe assisted the British military missions. Since these missions lacked a direct liaison with the US Government, he encouraged the War Office to despatch more energetic military attachés. As a result, Major General J.D.

46. Telegram, Balfour to Lloyd George, 28 May 1917, CAB 21/54.

47. Burk, *Sinews*, 140-44; Fowler, *Wiseman*, 32-4.

48. Despite its name, this was an American organisation which became the only "official" means to co-ordinate Allied purchases in the United States for the duration of the war. Burk, *Sinews*, 145-57, 150-52.

McLachlan (the new military attaché) and Lieutenant Colonel the Honourable Arthur C. Murray (his assistant) helped to introduce British training and organisational schemes to the US Army. Murray also met his distant cousin, Assistant Secretary of the Navy Franklin D. Roosevelt, for the first time while serving in the United States.⁴⁹

Through these efforts Northcliffe gradually won House's respect and friendship. Indeed, after the Paris Peace Conference House wrote, "Northcliffe has never received the credit due him in the winning of the war. He was tireless in his endeavours to stimulate the courage and energy of the Allies, and he succeeded in bringing them to a realization of the mighty task they had on their hands."⁵⁰ Wiseman and Wilson remained much less enthusiastic, partially because Northcliffe lacked the expertise to assist in the financial arena. Northcliffe acknowledged he possessed little aptitude for these matters, but McAdoo insisted on discussing financial issues with him. Finally Colonel House wired Wilson on 11 July 1917 that in order to solve the financial differences between the British Government and the US Treasury "it will be necessary, however, for the British to send out another financial man."⁵¹

Subsequently, House wrote to the War Cabinet (at Wiseman's request) and stated that "the best temporary solution would be to send Lord Reading or someone like him, who has both a financial and political outlook, and give him entire authority over financial questions, Northcliffe to retain charge of all commercial affairs." On 30 August 1917 the War Cabinet approved Reading's appointment as head of a special financial mission. He arrived in New York on 12 September 1917 accompanied by a Treasury adviser, John Maynard Keynes. Despite earlier assurances that this Mission would have no influence on

49. Burk, *Sinews*, 158-59.

50. Seymour, ed., *House*, 3: 91.

51. Seymour, ed., *House*, 3: 108; Fowler, *Wiseman*, 168; Burk, *Sinews*, 146.

American operations, in the same month Reading began his work in the US Northcliffe requested a return to Britain.⁵²

E. The Reading Mission

Although Reading's primary task would be to address financial problems threatening Anglo-American relations, he also was "authorised to deal with any subject which he considers desirable for the proper discharge of his Mission". This broad charter allowed him to survey the entire British organisation in North America, and to submit any recommendations for improvement to the War Cabinet.⁵³ As he completed his analysis of the relationship between the Embassy and the British War Mission he concluded it required major restructuring. The existing split created friction between the two organisations, and prevented Britain from presenting a unified voice on key Anglo-American issues. Reading believed the amalgamation of the two offices under one supreme head offered the only viable solution to this dilemma.⁵⁴

Reading returned to Britain in November, and discussions ensued about the appointment of a "supreme" ambassador. The new position was offered to Sir Edward Grey, who refused it, and thus it fell to Reading himself. In December 1917 Reading accepted the appointment, but he waited until 10 February 1918 to return to America. The new Ambassador refused to sail until he had received

52. Northcliffe, in fact, never felt at ease in the US, and after a few months the direction of the BWM no longer retained his interest. Thus, Reading's Mission provided Northcliffe, in part, with a convenient excuse to leave the United States. Seymour, ed., *House*, 3: 124; Burk, *Sinews*, 163-5; Fowler, *Wiseman*, 55-6; Lloyd George, *Memoirs*, 3: 1719.

53. Lord Reading, the Lord Chief Justice of England, was a logical choice for this mission: he had worked in the City; Lloyd George, a personal friend, had given him an office at the Treasury when the war started; and Reading had headed a 1915 Anglo-French mission to the United States to negotiate a 200 million dollar loan on the private market (the final loan was for 100 million dollars). Telegram, Foreign Office to Spring Rice, 2 September 1917, FO 371/3123; Seymour, ed., *House*, 3: 182; Denis Judd, *Lord Reading* (London: Weidenfeld and Nicolson, 1982), 136; Burk, *Sinews*, 64-70, 170.

54. Burk, *Sinews*, 167-68.

assurances that Lord Northcliffe would remain in England - Reading wanted no challenges to his authority this time.⁵⁵

As Ambassador, the first major task that Reading faced was to force the Embassy and the British War Mission to work together. Ironically both organisations now denounced his appointment: the British Embassy personnel protested Reading's appointment because he was not a career diplomat; and the BWM administrators, many of whom were Lord Northcliffe's personal friends, proved reluctant to shift their loyalties. However, Reading quickly won over both organisations. Indeed, by mid-March 1918 Wiseman praised Reading's efforts in a letter to Drummond, and complimented him on the rapid, efficient resolution of several supply problems.⁵⁶ Nevertheless the new Ambassador was dissatisfied with his own performance. His perceived failure to establish a close working relationship with Wilson provoked this disappointment. In a subsequent letter Wiseman warned Drummond that Reading

is disappointed that the President has not taken him more into his confidence. While this is perfectly true - and I think a great mistake from the President's own view - I am sure that the President likes him and that he can get more out of the Administration than anyone I can think of.⁵⁷

Increasingly upset about the quality of his relationship with Wilson, Reading requested permission to return to London in July 1918. He remained in England until February 1919, and returned to the United States only long enough to wind up matters before turning over the Ambassadorship to Sir Edward Grey in July 1919.⁵⁸

Before the United States became a belligerent in the First World War Morgan's provided a source of continuity in the Anglo-American purchasing relationship. Stettinius's Export Department centralised British purchasing in the US and established an effective working relationship with the British missions in

55. Burk, *Sinews*, 182-83; Fowler, *Wiseman*, 125-6.

56. Burk, *Sinews*, 185; Judd, *Reading*, 147.

57. Wise to Drummond, 19 July 1918, Balfour Papers, quoted in Judd, *Reading*, 165.

58. Burk, *Sinews*, 192-3.

America. Indeed, Morgan's purchasing responsibilities discomforted the US Administration because of that company's close relationship with the British Government (and its strong Republican Party ties) during this period of US neutrality. When the US entered the war the American Government had to fill the void left by Morgan's departure from the purchasing arena. The Allied Purchasing Commission tried to accomplish this task, but America's Allies continued to buy many of their goods through their old commercial connections.⁵⁹ The British Government tried to improve co-ordination of the overall purchasing effort by sending various missions to the US. But the transient nature of these missions meant that individuals and institutions involved in the Anglo-American purchasing relationship were still struggling to define its parameters when the war ended.

Churchill and Roosevelt

During the Great War several senior officials of the Second World War first witnessed the difficulties of co-ordinating Anglo-American purchases in the United States. Most notably, Winston Churchill and Franklin Roosevelt drew on these lessons of 1914-1918 in order to improve the Anglo-American supply relationship established twenty years later. Both men held positions concerned directly with supply issues: Churchill rejoined the Cabinet in 1917 as Minister of Munitions, and Roosevelt served as Assistant Secretary of the Navy throughout the war. And, in these positions, in addition to their introduction to the supply aspect of war, they revealed some of the qualities of character that would influence their leadership style in the struggle against Hitler.

Churchill had resigned as First Lord of the Admiralty during the Dardanelles campaign in 1915, and did not rejoin the Cabinet until Lloyd George asked him to serve as Minister of Munitions. Churchill willingly accepted this

59. David M. Kennedy, *Over Here: The First World War and American Society* (Oxford: Oxford Univ. Press, 1980), 323; Burk, *Sinews*, 9.

appointment, and despite initial opposition within the Ministry he settled quickly into his new position.⁶⁰ From the moment Churchill arrived at the Ministry he began to mould it to suit his needs: he implemented a major reorganisation scheme, addressed issues peripheral to his duties as Minister of Munitions, and closely monitored the relationship between Britain and the United States. Through these measures he hoped to maximise his influence in his own organisation and in the Government.

When Churchill assumed control of the Munitions Ministry in July 1917, it had grown from 18 to 50 departments and had almost tripled its staff just since the end of Lloyd George's tenure as Minister in mid-1916. The two intervening Ministers acknowledged the need to adapt to the rapid expansion of this organisation but neither served long enough to oversee this process. Churchill required a structure which allowed him to control a massive organisation, easily switch production to new items (such as tanks) and eventually oversee an orderly demobilisation of the Ministry's vast work force at the war's end. On 18 August 1917, one month after he assumed his duties at the Ministry of Munitions, he announced a major reorganisation. He established a Council Secretariat as the Ministry's central administrative body. And more importantly, the new Minister created the Munitions Council. The members of this council supervised the routine of the different departments (the departments had been reorganised and consolidated as well) and advised the Minister. By creating the Munitions Council Churchill decreased the number of individuals responsible to him from 50 to 11. These changes freed his time considerably and allowed him to devote his efforts "to the assignment and regulation of work, to determining the emphasis and priority of particular supplies, to the comprehensive view of the war programmes, and to the initiation of special enterprises". Apparently this

60. See Diaries, 17 July 1917 entry, Box 98, Addison Papers, for Addison's comments on the reaction to Churchill's selection as his successor at the Ministry of Munitions.

new system worked effectively because it remained intact until the Ministry was dissolved in 1921.⁶¹

However, Churchill did not devote all of his tenure as Minister of Munitions to the direction of his Ministry. He also took on issues only tangentially related to Ministry of Munitions affairs, upsetting most of the War Cabinet on at least one occasion.⁶² But Churchill's actions also reflected his appreciation for the need to co-ordinate the manifold aspects of war planning. In particular he was keen to ensure the maintenance of a proper balance between the military's strategic policy and the nation's supply capabilities. As Minister of Munitions Churchill frequently wrestled with this issue. For example, in a 21 October 1917 memorandum to the War Cabinet, Churchill stated "In deciding upon the Munitions Programme for 1918, the first question to be answered is, 'What is the War Plan? When is it to reach its climax? Have we the possibility of winning in 1918, and if so, how are we going to do it?..." The Munitions Minister understood the crucial link between strategy and supply, and he was determined to force the War Cabinet to recognise the same by asking these and other provocative questions.⁶³ In a 5 March 1918 memorandum on the Munitions Programme of 1919, Churchill stated the relationship even more broadly. He commented that this munitions programme could be defined only by answering the fundamental question, "How are we going to win the war in 1919?" And even Maurice Hankey, the War Cabinet Secretary, who sometimes

61. Adams, *Arms*, 182-84; Chris Wrigley, "The Ministry of Munitions: an Innovative Department", *War and the State: The Transformation of British Government, 1914-1919*, ed., Kathleen Burk (London: George Allen and Unwin, 1982), 44; Winston S. Churchill, *The World Crisis*, 5 vols (London: Thornton Butterworth, 1927), 4: 293-4, 300; Martin Gilbert, *Winston S. Churchill*, vol. 4 (London: Heinemann, 1975), 42-3.

62. See Roskill, *Hankey*, 1: 424-25 about the War Cabinet's reaction to Churchill's proposal that Admiralty guns be adapted for military use.

63. Churchill, *Crisis*, 4: 304. Churchill was not a member of the War Cabinet.

was impatient with Churchill's methods, called the Minister's thoughts on this question "brilliant".⁶⁴

Finally, Churchill's responsibilities at the Ministry of Munitions gave him an early lesson in the importance of a close Anglo-American wartime relationship. Unlike the Second World War, American troops relied on British heavy artillery pieces and heavy gun ammunition once they had arrived in Europe. One of the major supply problems facing Britain and the United States in the First World War was how to equip and resupply these soldiers with the necessary war materiel since American industry was incapable of meeting these requirements in 1918.⁶⁵ Churchill worked closely with Stettinius (he had temporarily left Morgan's to advise the US Government on purchasing matters) and other American officials to find a solution to this problem. He believed that efforts like these would encourage a strong, informal Anglo-American relationship. In *The World Crisis* he made a point of stressing the importance of such close Anglo-American co-operation, commenting:

The longer we worked with the Americans, and the more interdependent our affairs became, the better grew our relations. In October [1918] we got rid of all sorts of rules prescribed in the early days of our association, and fell back on a 'gentleman's agreement' to help each other by every conceivable means, the sole test being the relative importance of particular services to the common cause.⁶⁶

And Churchill further maintained that as Minister of Munitions: "No British Minister had, I believe, a greater volume of intricate daily business to conduct with the United States representatives than I had during 1918."⁶⁷ Certainly Churchill was not completely enamoured of the Americans. Indeed, in October 1917 he criticised "the slow and frugal development of American fighting strength in France".⁶⁸ But he understood the urgent need for America's

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64. Lord Hankey, *The Supreme Command 1914-1918*, 2 vols (London: George Allen and Unwin, 1961), 2: 815.
65. Gilbert, *Churchill*, 110-19.
66. Churchill, *Crisis*, 4: 472-3, 477.
67. Churchill, *Crisis*, 4: 478.
68. Churchill, *Crisis*, 4: 306.

assistance to help win the war, and hence the corresponding need to cultivate a good relationship with the United States in order to win their full co-operation.

Churchill's Second World War American counterpart, Franklin D. Roosevelt, did not hold a Cabinet-level position during the First World War, serving instead as Assistant Secretary of the United States Navy.⁶⁹ Roosevelt assumed this office on 17 March 1913 at the age of 31 years. He immediately fell under the spell of the senior admirals when he entered this job. This bias, combined with Roosevelt's brash, action-oriented personality soon challenged the patience of Navy Secretary Josephus Daniels, since the Assistant Secretary repeatedly (and publicly) sided with the admirals against Daniels.⁷⁰ And once the war in Europe began, Roosevelt's behaviour became even more insubordinate. He believed the European situation demanded improved preparedness in the American armed forces. When Daniels disagreed, Roosevelt created the illusion he had taken full command. On 2 August 1914, for example, he wrote to Eleanor, his wife, that Daniels was "feeling chiefly very sad that his faith in human nature and civilization and similar idealistic nonsense was receiving such a rude shock. So I started in alone to get things ready and prepare plans for what *ought* to be done by the Navy end of things."⁷¹ A few days later he again emphasised this point to his wife by stating "*I am running* the real work; although Josephus is here! He is bewildered by it all, very sweet but very sad!"⁷²

In the summer of 1915 Roosevelt brought increased fervour to his wartime preparedness campaign. He urged the establishment of the Council of

69. Geoffrey C. Ward, *A First-Class Temperament: The Emergence of Franklin Roosevelt* (New York: Harper and Row, 1989), chapters 8-10 provide the most thorough account of his years as Assistant Secretary.

70. Frank Freidel, *Franklin D. Roosevelt: The Apprenticeship* (Boston: Little, Brown, 1952), 157; Ted Morgan, *FDR: A Biography* (New York: Simon and Schuster, 1985), 147.

71. Letter, Franklin Roosevelt to Eleanor Roosevelt, 2 August 1914 in Elliott Roosevelt, ed., *FDR: His Personal Letters 1905-1928* (hereafter cited as *FDR 1905-1928*), (New York: Duell, Sloan and Pearce, 1948), 237-40.

72. Letter, Franklin Roosevelt to Eleanor Roosevelt, 5 August 1914 in Roosevelt, ed., *FDR 1905-1928*, 243.

National Defense, a permanent organisation to plan and co-ordinate war production. The Assistant Secretary believed that he alone understood the importance of creating such an organisation, writing on one occasion: "without intending to throw bouquets at myself, I think I am the only person in Washington in the Administration who realizes the perfectly wonderful opportunities, nationally and politically, to accomplish something of lasting construction."⁷³ Roosevelt also spoke out more publicly about preparedness and the need for a stronger army and navy. In private he took his argument to its ultimate extreme, exclaiming more than once to Daniels that "We've got to get into this war."⁷⁴

Germany's decision to reinstitute unrestricted submarine warfare introduced a new phase in this preparedness campaign. Roosevelt and other war advocates called for the arming of merchant vessels for self-defence. Wilson finally authorised this measure on 12 March.⁷⁵ The following week German submarines torpedoed three American merchant ships, and Roosevelt immediately met with Captain Gaunt (British Naval Attaché) to discuss the establishment of some informal mechanism for Anglo-American naval co-operation. However, when the Foreign Office learned of Roosevelt's proposal it disapproved the scheme stating: "In view of the hesitating attitude of the President" and "'the jealousy and anti-British sentiment which pervades the Navy' there are obvious objections to discussing schemes of co-operation with American Naval Authorities unless we are officially approached in this sense through the proper diplomatic channel."⁷⁶ Balfour reaffirmed this position on 23 March 1917 when he commented that "all such conversations would be on a

73. Letter, Franklin Roosevelt to Eleanor Roosevelt, 28 August 1915 in Roosevelt, ed., *FDR 1905-1928*, 288-9. Roosevelt resurrected the Council of National Defense during the early years of the Second World War.

74. Freidel, *Roosevelt*, 267.

75. Freidel, *Roosevelt*, 297-300.

76. Ward, *First-Class*, 341; Telegram, Barclay to Foreign Office, 20 March 1917 and Telegram, Foreign Office to Barclay, 22 March 1917 both in FO 371/3112.

much more satisfactory footing if we were asked through the ordinary diplomatic channels to consider how the two Navies could best assist each other in the present crisis".⁷⁷ As if to demonstrate Balfour's point, Wilson ordered Admiral Sims to London on 24 March. Shortly thereafter the Royal Navy prepared to send its own liaison officers to the United States.⁷⁸

Once America entered the war, Roosevelt moved quickly to commandeer war supplies for the Navy. In later years he liked to say that the Navy placed orders so quickly that Wilson summoned him to the White House and told him, "Mr. Secretary, I'm very sorry, but you have cornered the market for supplies. You'll have to divide up with the Army." Roosevelt also worked with the representatives from the missions that travelled to the States to discuss Allied-American co-operation.⁷⁹ However, he aspired to responsibilities greater than supply and manpower issues. To this end, he asked for permission to lead a US mission to Europe.

His first opportunity came in August 1917 when Sims recommended an increased US military advisory presence in Britain to improve Anglo-American co-ordination. Wilson authorised Admiral Mayo to head such a mission. But Roosevelt also sought this position, and he enlisted the aid of his friend Arthur Willert, chief correspondent of *The Times* (London) in America, to plead his case.⁸⁰ Willert sent a telegram to Wiseman, then in London, praising Roosevelt's qualities. He noted that,

co-operation between Naval Department and Admiralty includes important political problems also technical questions with which officers could not deal. It has been suggested to me that the best way to meet this suggestion would be to send Franklin Roosevelt with a small civilian staff as well as officers. Franklin Roosevelt, who is the best man here, has for some time been anxious to get into personal touch with Eric Geddes in order to arrange for effective joint policy...If you should get Geddes or Balfour to send message that we should appreciate the sending of responsible civilian representatives of Naval Department at the head of the Department's delegation, Franklin Roosevelt's name should not be

77. Draft Telegram, Balfour to Barclay, 23 March 1917, FO 371/3112.

78. Trask, *Captains*, 54-5.

79. Freidel, *Roosevelt*, 302-3, 306.

80. Roosevelt, ed., *FDR 1905-1928*, 273; Trask, *Captains*, 146-7.

mentioned, as it has not been suggested to the President yet. I cannot answer for the effect of such a message, but it can do no harm if it appears to be spontaneous. Prompt action is necessary as President will make his decision early next week.⁸¹

Willert received no response to his message, but his suggestion did not go unnoticed. Sir Eric Drummond noted in a 14 August 1917 memorandum that encouraging Roosevelt would be a mistake. Delegates from the other countries, he commented, would be professional officers and, therefore, Roosevelt's presence would be anomalous. He stated: "but apart from this Franklin Roosevelt is not on the best of terms with his chief, whose policy he criticizes very freely, and I am doubtful in the circumstances whether such a visit would do us any good."⁸² Apparently Roosevelt had alienated the officials representing the country he was so anxious to help.

Roosevelt finally received his opportunity to travel to Europe in 1918. Daniels instructed him to conduct a preliminary inspection of the US Navy's European installations before the House Naval Affairs Committee toured these facilities.⁸³ Roosevelt revelled in every aspect of his trip which began on 9 July 1918. He crossed the Atlantic in a newly commissioned destroyer, toured the Western front, inspected troops, and met with senior military and civilian leaders.⁸⁴ He also tried to engage in discussions on Anglo-American naval relations, but Admiralty officials realised Roosevelt lacked the authority to make any official commitments. Geddes (First Lord of the Admiralty), for example, had tried to address "the question of the American share in the Naval war" with Roosevelt, only to discover that:

Mr Roosevelt is not, as we thought, in a position similar to a Deputy or Assistant to the First Lord of British Admiralty, but is concerned only in the production of naval materiel and has no say at all in the use made of that materiel when it has been produced. In fact, he is more like the Admiralty Controller than

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81. Telegram, Willert to Wise, 11 August 1917, Balfour Papers, FO 800/209.
 82. Memorandum by Drummond, 14 August 1917, Balfour Papers, FO 800/209.
 83. Personal Diary, "European Inspection Trip", 9 July-14 August 1918, in Roosevelt, ed., *FDR 1905-1928*, 373-439; Ward, *First-Class*, 384.
 84. Freidel, *Roosevelt*, 353-5.

I first supposed. I also find that Mr Roosevelt, like all capable men, while his energy is much admired, is not without his own difficulties, and I am told that any agreement come to with him, or any agreement which he went back and recommended as a result of a conference here, would start prejudiced.⁸⁵

In mid-September Roosevelt's trip came to an inglorious end when he sailed for the United States suffering from influenza and double pneumonia. He returned to the Navy Department in mid-October, when the armistice was only a month away.⁸⁶

Roosevelt's tenure as Assistant Secretary of the Navy spanned seven years, including the entire First World War. He successfully administered the day-to-day manpower and supply problems that comprised the bulk of the Assistant Secretary's responsibilities. But Roosevelt wanted to be more than "just the Assistant Secretary" he wanted to formulate grand strategy and national policy. Ironically, since his position permitted neither, he could be brash and outspoken about both. Yet he learned during those years, especially when urging war preparedness, that for the cry to be heeded the admirals, the politicians, and the public must be mobilised and guided until a consensus could be reached. Roosevelt also exhibited a fondness during the war for informal discussions and "mission" diplomacy. Less resulted from his efforts in these areas than he indicated in later years. But FDR had discovered a diplomatic vehicle he favoured, one he would encourage, and ultimately compel, Allied governments to follow in the Second World War. Younger and less politically experienced than Churchill, Roosevelt nevertheless left the Assistant Secretary's job with a store of wartime experiences he would recall some twenty years later as he launched the second war preparedness campaign of his life.

85. Letter, Geddes to Prime Minister, 26 August 1918, Balfour Papers, FO 800/209 (also found in ADM 116/1809).

86. Trask is one of the few authors to discuss the attitude of senior British officials toward Roosevelt, see *Captains and Cabinets*, pages 290-305 in particular. However, the primary sources indicate that Roosevelt had even less credibility with senior British officials than Trask suggests.

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In terms of Anglo-American relations, the First World War provided three valuable lessons for individuals involved in the creation of the Second World War coalition between these two countries. First, co-operation between Britain and the United States required support and constant attention from the highest levels of government. Hence, Wilson's insistence on a strictly neutral policy toward Britain between 1914 and 1917 meant little opportunity existed for the British Government to encourage an informal alliance before America declared war. Second, once Britain and the United States were co-belligerents, a co-operative relationship did not automatically emerge. Rather, the two nations merely began to disagree over various issues, as demonstrated by the heated debates after 6 April 1917 between senior British and American officials about the most effective use of US forces overseas. And finally, the complexity and expense of twentieth-century warfare suggested that the supply aspect of any future Anglo-American wartime relationship would require early and careful cultivation. Britain's need for American supply and financial assistance initially fostered the relationship between Morgan's and the British Government. And, between 1914 and 1917, employees from J.P. Morgan and Company were the only US citizens to maintain daily contact with senior British officials solely because of the European crisis. Subsequently, the interwar period would create the impression that Anglo-American co-operation was an aberration created by the Great War - but Churchill and Roosevelt, as well as many others, would demonstrate twenty years later how completely these lessons had been absorbed.

Chapter III

The Search for Equilibrium

Anglo-American relations began to change dramatically even before Germany's surrender in 1918. Beneath the surface of wartime co-operation forged by joint military and supply needs, conflicting interests re-emerged as the US and Britain prepared for the postwar world. Before entering the war, neutral American shipping suffered because of the British blockade of the Central Powers. Repeated naval confrontations between the future allies during the years of American neutrality brought into sharp relief the conflict between the American belief in freedom of the high seas and the British doctrine of maritime belligerent rights. When the US entered the war this issue disappeared, but only temporarily. President Wilson's speech on 8 January 1918 outlining his Fourteen Points for a future peace program re-focused attention on these underlying Anglo-American tensions. In Point Two, for example, Wilson proclaimed the principle of freedom of the seas in response to earlier British harassment of American shipping; Britain promptly objected, since Point Two would drastically curtail its historic role in blockading neutral shipping destined for enemy ports. Clearly, both nations recognised that peace would bring a new form of strategic competition to the world arena.¹

The Washington and Geneva Naval Conferences

In the United States, Big Navy advocates exploited the British abhorrence of the freedom of the seas doctrine in order to persuade the Congress and the President to support the construction of "a navy second to none". The United States in 1918 possessed sufficient industrial resources to support such a program, and its implementation would pose a direct challenge to Britain's maritime strength.

1. Harold and Margaret Sprout, *Toward a New Order of Sea Power* (1943; New York: Greenwood, 1969), 59-60.

Conversely, Britain wanted to preserve its naval might but economically could no longer sustain an arms race. Fearing a naval arms race might develop from this controversy Wilson and Lloyd George agreed to suspend further conversations on the subject until the League of Nations had been established. If the League proved successful Britain would allow a thorough examination of the rules of naval warfare, including the freedom of the seas doctrine.²

The United States reluctance to join the League of Nations resulted in the search for an alternative method to deal with these naval issues. The start of President Harding's term in office offered the first hope for a successful challenge to navalism. President Harding and Senator William E. Borah, the "irreconcilable senators'" leader, both supported a naval limitation conference for different reasons. This high level political interest led to Harding's public announcement on 10 July 1921 that the United States would invite to Washington the principal naval powers, as well as China, to participate in a conference on arms limitation and Far Eastern policy.³

The Washington Conference (12 November 1921 to 6 February 1922), as it became known, produced three treaties which profoundly affected Anglo-American relations. First, the Five-Power Treaty bound its principal signatories (Britain, the US, and Japan) to a 5:5:3 total tonnage building ratio for capital ships and aircraft carriers. Second, the Four-Power Treaty abrogated the Anglo-Japanese Alliance of 1902. Finally, the Nine-Power agreement also addressed the Far Eastern situation. It pledged all the conference participants to respect the Open Door principle in China and to refrain from exploiting China's domestic difficulties for their own interests.

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2. Paul Kennedy, *The Rise and Fall of British Naval Mastery* (London: Allen Lane, 1976), 263; Roger Dingman, *Power in the Pacific: The Origins of Naval Arms Limitation* (Chicago: Univ. of Chicago Press, 1976), 74-6; M.G. Fry, "The Imperial War Cabinet, the United States, and the Freedom of the Seas", *Journal of the Royal United Services Institute* 110 (1965): 360.
 3. Stephen Roskill, *Naval Policy between the Wars*, 2 vols (London: Collins, 1968, 1976), 1: 229, 298.

Although the Washington Treaties put a temporary check on the immediate causes of Anglo-American antagonism, the Washington Naval Treaty in particular threatened to increase naval competition while, at the same time, it sought co-operation. This Five-Power Treaty regulated capital ship construction only. Several warship classes remained unrestricted, most notably cruisers and destroyers. Cruisers presented a problem because they were the primary means of defending maritime routes and enforcing blockades. Therefore any discussion about their construction or deployment inevitably reopened the freedom of the seas versus belligerent rights controversy. Indeed the Geneva Conference's later attempt to regulate cruiser strength reopened this debate, and brought Anglo-American relations to their lowest ebb in the interwar years.

President Calvin Coolidge called the Geneva meeting for many of the same reasons Harding had invited conference participants to Washington. Coolidge wanted to silence the Big Navy group in Congress which advocated increased cruiser construction, and he sought to increase his domestic popular support. The responses to Coolidge's invitations, however, were much less enthusiastic. France and Italy refused the invitations, arguing that they disagreed with additional naval limitations unless land and air weapons were also considered. Japan accepted the offer although there was little popular support for a fixed ratio for cruiser construction. Britain, the last country to respond to Coolidge's proposal, felt compelled to participate in the conference once the US and Japan had agreed to meet. The Foreign Office, however, feared that British participation in separate naval limitation talks would be viewed as a rejection of the League of Nations' disarmament efforts. Despite these Japanese and British doubts, the three major naval powers agreed to participate in a naval conference, and on 11 March 1927 the Coolidge Administration formally announced that they would meet in Geneva in June 1927.⁴

4. Christopher Hall, *Britain, America and Arms Control 1921-1937* (London: Macmillan, 1987), 39-41; B.J.C. McKercher, *The Second Baldwin Government and the United States, 1924-1929* (Cambridge: Cambridge Univ. Press, 1984), 60-3.

Any hopes for a quick agreement vanished at the first plenary session with the presentation of the British and American proposals on cruiser limitations. The United States proposal was derived from ratios established at the Washington Conference. It included a tonnage ceiling for the three powers based on the 5:5:3 ratio, and used the cruiser limitations of 10,000 tonnes and eight-inch guns as the basis for discussions at Geneva. The British proposal agreed to these specifications, but went further to suggest the creation of a second class of cruiser for smaller vessels of 7500 tonnes and six-inch guns, with the total tonnage for this class open to negotiation. Moreover, although the total tonnage of this smaller class would be limited, the total number of vessels to be constructed would be flexible within the tonnage limit. The Admiralty wanted the right to build these smaller vessels in numbers sufficient to meet Britain's global defence commitments and to ensure its ability to maintain a wartime blockade. The United States, however, was equally committed to the protection of its neutral rights in wartime, and it viewed the British proposal for establishing a second standard for light cruisers as a threat to the freedom of the seas. Thus the seeds for further Anglo-American tensions were sown.⁵

Winston Churchill, the Chancellor of the Exchequer, showed his irritation with attempts at Anglo-American co-operation in a 20 July 1927 Cabinet memorandum. Apparently frustrated by the Geneva proceedings, Churchill wrote that he feared any British attempt to extend the Washington Treaty principles

McKercher is responsible for some of the most recent scholarship on Anglo-American relations in the 1920s. In this work he argues quite convincingly that Austen Chamberlain has been blamed unfairly for the deterioration in Anglo-American relations between 1927 and 1929. Certainly McKercher presents a more compelling argument than Dick Richardson, *The Evolution of British Disarmament Policy in the 1920s* (London: Pinter, 1989). Richardson's book repeats the history of Anglo-American arms limitation efforts in the 1920s and argues that the British Government did not actively promote international disarmament. Both authors consider British archival material only, but Richardson particularly fails to account for America's impact on British disarmament policy. Of related interest is B.J.C. McKercher, ed., *Anglo-American Relations in the 1920s* (London: Macmillan, 1991). This volume is devoted primarily to issues of finance and disarmament.

5. McKercher, *Baldwin*, 63, 68, 71; Letter, Howard to A. Chamberlain, 3 August 1927 in Foreign Office, *Documents on British Foreign Policy 1919-1939* (cited as *DBFP* hereafter), Series 1A, 7 vols (London: HMSO, 1966-1975), 3: 723-725.

beyond the battleship class because "We are, in fact, gravely endangering the foundations of British sea power and our security by entering into entangling engagements. Moreover the Americans and their press will mar the workings of any such agreement by continued friction, together with reproaches." He went on to state in this same memorandum:

No doubt it is quite right in the interests of peace to go on talking about war with the United States being 'unthinkable'. Everyone knows that this is not true. However foolish and disastrous such a war would be, it is in fact, the only basis upon which the Naval discussions at Geneva are proceeding.

Thus Churchill encouraged the Cabinet "to break away from the net which is closing on us" by pursuing a cruiser compromise and to pursue instead a policy which would retain "British security and independence".⁶

This British and American inability to compromise on the cruiser issue ultimately brought the Geneva Conference to a standstill and introduced the most difficult period in Anglo-American relations during the interwar years. The already abysmal state of Anglo-American relations darkened further when Britain attempted to reinvigorate the League of Nation's Disarmament Preparatory Commission. The British and French Foreign Ministers met privately on 9 March 1928 to discuss the Anglo-French inability to agree on a disarmament policy. Austen Chamberlain, the British Foreign Minister, offered to support the exclusion of trained reserves from total troop strengths if France agreed to naval limitation by tonnage per class. Aristide Briand, the French Foreign Minister, accepted the British offer because he believed the two countries would require cruisers of the same class to protect sea lines of communication.

With a joint basis for Anglo-French discussions established, Chamberlain appointed Vice Admiral Howard Kelly (the Admiralty representative of the British delegation to the Preparatory Commission) to write a letter which outlined in greater detail the British naval limitation proposals. Kelly highlighted

6. Memorandum by Churchill, "Cruisers and Parity", 20 July 1927 in Martin Gilbert, ed., *Winston S. Churchill*, vol. 5, companion part 1 (London: Heinemann, 1979), 1030-35.

two essential points in his letter: first, all classes of submarines would be limited; and, second, cruisers below 7000 tonnes would not be subject to limitations. By 10 March 1928, Briand had received his copy of the proposal. The British and French discussed this compromise in earnest from March until mid-June when it seemed all hope for reaching an agreement had again disappeared. However, hope was renewed suddenly when Captain Deleuze, Kelly's French counterpart on the Preparatory Commission, offered an unofficial compromise. This proposal suggested a limit on cruisers below 10,000 tonnes which possessed guns of over six inches. No limitations would be placed on cruisers smaller than these.

The Foreign Office received word of Deleuze's proposal on 23 June 1928. Initially the Foreign Office believed the compromise had been approved by the French Government. The Baldwin Cabinet chose to pursue the compromise even when notified to the contrary on 27 June. The French agreed to work with this compromise if the maximum light cruiser displacement was raised to 8000 tonnes and allowances were made to transfer a percentage of the prescribed tonnages into either a lower or higher category of vessel, depending on each country's need. In time the French sent a formal naval limitation proposal to the British which was officially accepted on 28 July 1928. Two days later the British Embassies in Washington, Tokyo and Rome received notification of the agreement along with instructions to discuss it with their host governments.⁷

Unfortunately between the British acceptance of the compromise and the embassy notification Chamberlain prematurely disclosed the agreement's existence. In America word of the compromise not only caused confusion, it also raised suspicions about the compromise's contents and purpose. American Anglophobia increased dramatically once the "Big Navy" group and the press brought this compromise to the public's attention. Any British attempts to ease American fears only made matters worse. Eventually several British officials, including Maurice Hankey, Secretary to the Cabinet and CID, challenged the

7. McKercher, *Baldwin*, 140-49; Roskill, *Naval Policy*, 1: 544-48.

conciliatory British policy toward the United States when American responses always appeared so hostile. Instead they advocated looking more to Europe to meet British security needs. The American resentment was perhaps best illustrated by President Coolidge's 1928 Armistice Day speech. Coolidge blamed Britain for the lack of progress in cruiser limitation efforts, and supported a bill which authorised the construction of fifteen new cruisers. Anglo-American relations had reached their nadir.⁸

American War Plans

Discussions among policymakers as to the likelihood of an Anglo-American armed conflict highlighted the tensions between these two countries in the late 1920s. In addition to Churchill's memorandum, an exchange of despatches between Esme Howard, the British Ambassador in the United States, and Austen Chamberlain revealed such considerations. Just before the termination of the Geneva Conference, Howard sent a letter to Chamberlain relating two conversations in which he had participated on the possibility of an Anglo-American war. In the first, Howard, Frank Kellogg (US Secretary of State), and Herbert Hoover (US Secretary of Commerce) discussed the need to educate the public in both countries "to understand the real absurdity of contemplating the possibility of war between the United States and the British Empire". Kellogg recommended that Howard pursue this point further with Hoover. As a result, Howard and Hoover met again a few days later to finalise an education plan. This meeting, however, turned into a discussion of the type of war Britain and the United States would probably fight. Howard summarised this assessment in a letter to Chamberlain, noting that Canada would remain neutral and "the hostilities would probably resolve themselves more or less into a great blockade of Europe by the United States and a blockade of the United States by Europe, so far as England would be able to enforce it".⁹

8. McKercher, *Baldwin*, 150-59.

9. Letter, Howard to A. Chamberlain, 29 July 1927, *DBFP*, 1A, 3: 708-9.

Chamberlain read Howard's letter with great dismay. In his 10 August 1927 reply Chamberlain disagreed with Howard on two points. First, he commented "English opinion about America is more sore than I have ever known it, but the thought of war does not enter into anyone's calculations." Second, he explained to Howard that the idea of Canadian neutrality violated the theory and practice of Imperial unity.¹⁰ Howard would not let the argument rest, and he wrote back to Chamberlain that he thought the possibility of war entered into the calculations of some people in England. For example, his own Naval Attaché, Captain Stopford, argued that "*with the help of the Japanese* we [Britain] could hold our own" against the United States.¹¹ Howard felt such thoughts were "only suitable for a Lunatic Asylum" but believed none-the-less "that the consequences of war with America have not yet been appreciated by many of our naval and military men". Furthermore, he wrote, war with America was possible "if we allow ourselves to be taken unawares - in more than one way".¹²

Colonel R. Pope-Hennessy, the British military attaché in Washington, also maintained that a war between Britain and the United States was possible. In a September 1927 memorandum to Howard, Pope-Hennessy recounted a conversation with Major General Preston Brown, the American Army Commander of the First Corps. Pope-Hennessy described Brown as a man who had "not allowed his mind to lie fallow since he left the University of Yale to enter the American Army some thirty-three years ago". Hence Pope-Hennessy took it quite seriously when Preston Brown said that a war between Britain and the United States, "as an issue arising out of a state of war between Great Britain and a third party", was "'probable', unless Great Britain modifies her practice of blockade so as to conform with the wishes of the United States."¹³

10. Letter, A. Chamberlain to Howard, 10 August 1927, *DBFP*, 1A, 3: 729-31.

11. Emphasis added by Howard, Letter, Howard to A. Chamberlain, 1 September 1927, *DBFP*, 1A, 3: 736-39.

12. Letter, Howard to A. Chamberlain, 1 September 1927, *DBFP*, 1A, 3: 736-39.

13. Enclosure, Pope-Hennessy Memorandum, 20 September 1927, *DBFP*, 1A, 4: 371-72.

Colonel Pope-Hennessy agreed with Preston Brown in a 10 October 1927 despatch to General Charles, the Director of Military Operations and Intelligence at the War Office. In this message Pope-Hennessy challenged the Foreign Office's fundamental assumption that war between Britain and the United States was unthinkable. He argued that America's doctrine of freedom of the seas and Britain's historic use of the blockade were irreconcilable. Unless Britain abandoned the use of the blockade, as Pope-Hennessy advocated, it was foolish not to anticipate the eventuality of war with the United States by making the appropriate plans and preparations.¹⁴

The possibility of an Anglo-American conflict also concerned American war planners. At this time the United States was developing two war plans, Red and Red-Orange, which identified the British Empire (Red) as a potential enemy. In the Red plan the US expected to fight the British Empire alone; the Red-Orange contingency anticipated a coalition between Britain and Japan.¹⁵ The planners ranged widely in the issues they addressed. First, they envisaged the primary cause of an Anglo-American war to be "increasing BLUE economic penetration and commercial expansion into regions formerly dominated by RED trade, to such an extent as eventually to menace RED standards of living and to threaten economic ruin". Desperate to protect Britain's economic standing His Majesty's Government would eventually opt for war - but only after winning the support of the Dominions. If the Dominions accepted this course of action, Britain might then enlist Japan's assistance.

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14. Enclosure, Pope-Hennessy to Charles, 10 October 1927, *DBFP*, 1A, 4: 388-91. Britain at the time had no war plans for an Anglo-American war.
 15. Letter, Pershing to Secretary of War, 2 June 1923, Joint Board Papers (cited as JB hereafter), vol. 325 (Serial 210), Record Group (RG) 225, National Archives; Ray S. Cline, *Washington Command Post* (Washington, DC: GPO, 1951), 35-6. The importance of these plans, jointly formulated by the US Army and Navy, was later minimised by official historians of the Second World War. Cline in *Washington Command Post* for example, states such plans were "virtually meaningless because they bore so little relation to contemporary international political and military alignments". These official historians concentrate instead on Plan Orange because it anticipated the future conflict between the United States and Japan.

Second, developing the alliance point further, the US strategic planners expected Britain to ally with some of the European powers in order to protect British continental interests. However they expected the United States to fight alone because of a long-standing American aversion to alliances. As the Joint Estimate stated:

The foreign policy of BLUE is guided by the principle of avoidance of military and political alliances with other nations. It is primarily concerned with the advancement of the foreign trade of BLUE and demands equality of treatment in all political dependencies and backward countries, and unrestricted access to sources of raw materials. In this particular it comes in conflict with the foreign policies of RED. Traditionally, BLUE foreign policy has always been directed toward the principle of "Freedom of the Seas", as opposed to domination of the seas by RED.

This statement also illustrated the continued interest of American policymakers in the freedom of the seas controversy by highlighting the historical Anglo-American disagreement over this issue.¹⁶

Third, the "Outline of Tentative Plan Red" addressed the comparative strengths of the British and American armed forces. Relative naval strengths were of special concern to the planners because the early stages of the war would be fought by the navies, and command of the seas offered the key to victory for both nations. On naval strength they noted that:

Red's naval forces are superior in the fighting strength of her capital ships, and the degree of concentration of her fleet is greater than that of Blue [the United States]. The Red fleet is greatly superior in cruiser strength, that is, in the type of vessel best adapted for controlling important sea areas and for repelling destroyer attacks. Red is inferior to Blue in total destroyer and submarine strength. Red has a numerous and well-trained naval reserve personnel which can be quickly mobilized.¹⁷

From this statement it would appear, then, that Britain had also duped the United States at the Washington and Geneva Conferences.

Finally, the plans outlined possible factors which would influence the two countries once war started. Britain was expected to seek an early resolution to the war because of the United States' "potential superiority in military and economic

16. "Joint Estimate of the Situation, Blue-Red", 8 May 1930, JB 325 (Serial 435), RG 225.

17. "Outline of Tentative Plan, Red", 23 June 1926, JB 325 (Serial 274), RG 225.

strength". Strategic planners also expected His Majesty's Government to stand by its political responsibility to support Canada even though, in the long run, it would be impossible to prevent an American conquest. The planners' comments about the United States concentrated more on the importance of public opinion.¹⁸ Fortunately for the US Government, these staff officers anticipated little difficulty winning popular support for a war against Britain because "despite racial affinity, common culture and similar political systems, the great majority of the BLUE nation possesses an anti-RED tradition".¹⁹

Plan Red, and its corollary Red-Orange, exhibited considerable sensitivity to many sources of Anglo-American difficulties in the interwar period. The plans touched on the issues of economic rivalry, naval competition, freedom of the seas, American Anglophobia and the lingering fear of a resurgence of the Anglo-Japanese alliance. Furthermore, the Joint Estimate accounted for the precarious position of Canada should a conflict occur between the United Kingdom and the United States, an issue of particular concern to the British Foreign Office. These American war plans largely accounted for the international political and military alignments of the period. Only the dramatic alterations in international politics in the late 1930s would make these plans not only invalid, but even nonsensical.

The London Naval Conference

While the finishing touches were being put on the Red and Red-Orange plans, arrangements were being made for another disarmament conference by the new British Prime Minister, Ramsay MacDonald, and the new American President, Herbert Hoover. MacDonald and Hoover had assumed their offices within a few months of one another. When MacDonald succeeded Baldwin as Prime Minister on 5 June 1929, he placed at the top of his agenda the improvement of Anglo-American relations. Hoover, despite initial misgivings within the Foreign Office,

18. "Outline of Tentative Plan, Red", 23 June 1926, JB 325 (Serial 274), RG 225.

19. "Joint Estimate of the Situation, Blue-Red", 8 May 1930, JB 325 (Serial 435), RG 225.

also showed great interest in improving the relationship. Both leaders felt an arms limitation agreement would provide one of the best means to improve relations. Thus, arms control initiatives remained an essential element of British and American foreign policy.

MacDonald realised from the Geneva experience that a successful arms agreement required careful preparation before calling a formal conference. As a result he met with Charles Dawes, the new American Ambassador to Britain, and Hugh Gibson (US arms limitation negotiator) on several occasions in London to establish a firm foundation for any subsequent treaty. A tentative arms control agreement eventually emerged from these meetings which MacDonald then personally communicated to President Hoover in October 1929.²⁰

MacDonald excluded all naval representatives from his official delegation when he travelled to America. This exclusion ensured that political rather than technical considerations would dominate the arms talks. In their conversations Hoover and MacDonald concentrated on naval limitations, and wartime rights and immunities at sea. Once again, in the former category, cruisers received most of the attention. This time the conversation focused on the use of Hugh Gibson's 'yardstick' proposal, (a formula accounting for differences in displacement, age, gun calibre, speed) to determine an 'equivalent tonnage' for ships of various sizes in the cruiser class. Gibson's proposal appeared to be a promising way to break the cruiser deadlock, and so during these conversations Hoover and MacDonald decided to send invitations to the five major naval powers to attend a naval conference in London the following year.²¹

The London Naval Conference opened on 21 January 1930 with the five powers in attendance. The British delegation was headed by MacDonald and Secretary of State Stimson represented the United States. So many Anglo-American discussions had preceded the conference that many of their previous

20. Roskill, *Naval Policy*, 2: 37-44; McKercher, *Baldwin*, 194-97.

21. Minute by Lindsay, 25 June 1929, *DBFP*, 2, 1: 11-3; Roskill, *Naval Policy*, 2: 38-46; McKercher, *Baldwin*, 197-99.

differences had been resolved. When Japan appeared unwilling to compromise on the cruiser issue, MacDonald and Stimson threatened to sign a two-power agreement. This threat prompted a reluctant Japan to accept a sixty per cent ratio in eight-inch cruisers, seventy per cent in six-inch cruisers and destroyers, and parity in submarines. An official treaty was now possible, and on 22 April 1930 all the participants signed the London Treaty. France and Italy however signed the London Treaty without accepting its terms. Concerned primarily with land threats as well as the threat from each other, they felt the Treaty ignored their security needs. By signing the treaty they merely pledged to resolve their differences after the conference. Two years later they gave up this goal, still in disagreement.²²

The London Conference offers a useful benchmark from which to re-evaluate Anglo-American relations between the wars. It marked the triumph of the use of disarmament conferences for diplomatic purposes, and the hint of a new era of political rapprochement between these two countries. With their earnest willingness to compromise, the new political leaders overruled their naval technical advisers frequently in order to reach an agreement. The senior naval leaders, however, were much less satisfied with the conference's results. Anglo-American distrust and competitiveness, rather than rapprochement, still dominated their professional ranks. And they felt their own politicians had relinquished too much power, thereby undermining their naval forces. Such circumstances explain the reasons Plans Red and Red-Orange could be approved within weeks of the London Treaty.

Anglo-American Disagreements over the Far East

Japanese expansionism added another complicating factor to Anglo-American relations in the 1930s. When the Manchurian crisis began with the Japanese seizure of Mukden in 1931, the League of Nations sought a unified response.

22. Hall, *Arms Control*, 96, 103, 115; Roskill, *Naval Policy*, 2: 64.

However, it found its efforts frustrated by British and American foreign policy differences. First, the United States non-membership in the League cast doubt on American willingness to uphold the organisation's decisions. On one hand the United States promised to support the League's actions, sent an observer to Geneva to follow its proceedings, and encouraged denouncement of the Japanese invasion as a violation of the Kellogg-Briand Pact. On the other hand the United States refused to have the foreign policy "initiative passed to Washington", and promised to withdraw from any situation requiring American leadership in the Far East.²³

Second, Britain's largely pro-Japanese attitude to the Manchurian invasion diminished hopes for a collective response even more. The Foreign Office believed Japan had a legitimate claim in Manchuria, and British policymakers publicly voiced this opinion. However, these same policymakers also feared alienating the League of Nations and the United States. Suddenly the Foreign Office found itself trying to create a policy to accommodate all parties. In reality these efforts amounted to Foreign Office inaction.²⁴

Caught between Britain's pro-Japanese position and the United States' confused thoughts on collective security, in the early months of this Far Eastern upheaval the League of Nations adopted a resolution to investigate the Manchurian crisis but did little else. The Japanese capture of Chinchow and the battle of Shanghai in January 1932 modified these attitudes toward Japan. After the fall of Chinchow on 3 January Stimson sent a letter to the Japanese Government which condemned Japanese aggression and stated that the United States "does not intend to recognize any situation, treaty or agreement which may be brought about by means contrary to the covenants and obligations of the

23. (1) Telegram, Osborne to Pattenon, 16 October 1931, (2) Telegram, Pattenon to Vansittart, 17 October 1931, and (3) Telegram, Pattenon to Vansittart, 18 October 1931 in *DBFP*, 2, 8: 776-77, 781, 788.

24. Christopher Thorne, *The Limits of Foreign Policy: The West, the League and the Far Eastern Crisis of 1931-1933* (London: Hamish Hamilton, 1972), 141, 148; Wm Roger Louis, *British Strategy in the Far East 1919-1939* (Oxford: Clarendon, 1971), 185.

Pact of Paris".²⁵ Stimson's Doctrine, as this statement became known, effectively condemned the Japanese move to annex Manchuria. The letter certainly marked a toughening in the American attitude toward Japan, and not surprisingly the Japanese Government unanimously denounced its contents. The State Department expected the Japanese condemnation, but the lack of British support for the Stimson Doctrine took American policymakers by surprise. Rather than issue a strong statement of approval Sir John Simon, the British Foreign Secretary, briefly acknowledged the Doctrine in one of his despatches and then ignored it. Simon's inaction enraged State Department officials and reinforced departmental prejudices against Anglo-American co-operation in the Far East.²⁶

The attack on Shanghai later in January forced the Foreign Office to reconsider its position on Anglo-American co-operation. Shanghai required British protection because it was the center of Britain's commercial interests in China. The United States now looked like a useful ally and the Foreign Office hinted at closer co-operation between the two countries in order to end the Far Eastern crisis. Once again, however, Britain failed to follow-up this initiative quickly enough to satisfy the State Department. After waiting a month for the Foreign Office to act, Stimson finally decided to take matters into his own hands. This time he outlined his Far Eastern position in a 24 February 1932 letter to Senator Borah. In the "Borah letter" Stimson recapitulated the highlights of the Washington, Nine-Power and Kellogg-Briand Treaties and demanded their enforcement in the Far East.²⁷ To many this letter implied military action against

25. Telegram, Stimson to Forbes, 7 January 1932, US Department of State, *Foreign Relations of the United States: Japan, 1931-1941* (cited as *FRUS Japan* hereafter), 2 vols (Washington, DC: GPO, 1943), 1: 76.

26. Telegram, Simon to Lindsay, 9 January 1932, *DBFP*, 2, 9: 101-102; Thorne, *Limits*, 211.

27. Telegram, Stimson to Cunningham, 24 February 1932, *FRUS Japan*, 1: 83-7; Thorne, *Limits*, 263.

Japan, thus invalidating Hoover's earlier promise to keep the United States out of a Far Eastern war.²⁸

Stimson's outburst shocked the Foreign Office, and the hostile British reaction to the Borah letter offended the State Department. These heightened Anglo-American tensions demanded all of Sir R.C. Lindsay's (British Ambassador in the United States) mediating skills merely to prevent further deterioration of this relationship. He tried to explain to State Department officials that despite the great importance of British-American co-operation, they "must realize that there were very definite limitations to the distance to which we [Britain] could go and the pace at which we could travel". Conversely, he told the Foreign Office that although the Americans "are dreadful people to deal with - they cannot make firm promises, but they jolly you along with fair prospects and when you are committed they let you down." None-the-less, "on the long view there has never been a case when we were not right to have made the bargain [with the United States]. And never since 1812 have we ever come down on the non-American side of any fence. I do not think we shall this time."²⁹ Lindsay's efforts minimised the negative impact of the Borah letter on Anglo-American relations, but the strain still remained between the two countries when a temporary peace was declared in the Far East in May 1932.

Diplomatic events rather than military engagements dominated the remainder of the Manchurian Crisis. Most importantly the League of Nations released the October 1932 Lytton Report which it had commissioned to examine the Far Eastern situation. After surveying the causes of the Manchurian problem this report recommended first, belated support for the Stimson Doctrine, and second, an autonomous Manchuria governed by China, but aided by an international advisory body which included a large Japanese delegation. The Japanese Government of course condemned the report when it was presented to

28. Thorne, *Limits*, 212.

29. Letter, Lindsay to Simon, 3 March 1932, *DBFP*, 2, 9: 709-11.

the League of Nations on 24 February 1933. And once the League approved its findings the Japanese delegation left the League of Nations, and took with it most of the world's hopes for peace through collective security.³⁰

Britain and the United States followed the Manchurian events closely. After the early days of the crisis both countries realised that Anglo-American co-operation provided the key to ending it, but conflicting goals in the region hampered co-operative efforts. This British-American antagonism mirrored the mutual distrust which already had been revealed at the arms conferences and in American war plans. Thus, although the Foreign Office and State Department were more vocal in their support for good relations, their efforts to improve them during the Manchurian crisis failed. And the underlying tension which caused this failure would continue to frustrate Anglo-American co-operation throughout most of the 1930s.

Isolation versus Co-operation

In December 1934 Anglo-American relations again revolved around naval limitation. Less than two years after its withdrawal from the League of Nations, Japan announced it was also withdrawing from the Washington Naval Treaty. The treaty's original provisions called for a conference to be held before a member left the Washington system. Hence the Washington powers planned a new naval conference for December 1935. During the pre-conference negotiations the participating powers struggled to arrive at a new agreement. Japan declared the old ratios unacceptable and demanded an offer of parity in any new agreement. This proposal inevitably proved unacceptable to the United States and Britain, although Japan adamantly held to this position when the Second London Naval Conference opened in December 1935. The conference participants rejected the Japanese proposal when they voted on it a month later,

30. Thorne, *Limits*, 284, 335-36.

and that same day, 15 January 1936, the Japanese delegation quit the conference.³¹

Although France, Britain and the United States did sign a new agreement on 25 March 1936, as Hedley Bull noted, "It had so many 'escape clauses' and escalator clauses' as to be virtually meaningless."³² Thus when the Japanese delegation left the London Naval Conference it effectively ended the international use of negotiations for arms limitation. This "death" of the naval conference had important ramifications for Anglo-American relations. Although detested by many policymakers, much of the interaction between these two countries between 1921 and 1936 occurred under the auspices of the naval disarmament conferences. Britain and the United States now found themselves trying to cope with the new threats attendant upon Japanese and German rearmament, but were deprived of their most familiar diplomatic, as well as naval, negotiating tool.

A. US Neutrality Legislation

The loss of this forum was complicated by the new American neutrality laws. In 1935, while Japan was still involved in preliminary negotiations for the London naval conference, isolationists pressured the US Congress to pass the first Neutrality Act. This act, as approved by the President on 31 August 1935, provided that

upon the outbreak or during the progress of war or during the progress of war between, or among, two or more foreign states, the President shall proclaim such fact, and it shall be unlawful to export arms, ammunition, or implements of war...to any port of such belligerent states.

The mandatory embargo aspect of the act, which expired on 29 February 1936, granted the President the discretion to determine whether the embargo should be

31. Telegram 205, Leeper to Lindsay, 5 March 1934 and Telegram 641, Lindsay to Simon, 31 May 1934 in FO 115/3405/510; Norman H. Gibbs, *Rearmament Policy*, vol. 1 of *Grand Strategy*, (London: HMSO, 1976), 325-38.

32. Hedley Bull, *Strategic Arms Limitation: The Precedent of the Washington and London Naval Treaties* (Chicago: Univ. of Chicago Press, 1971), 20.

applied to a state entering a war already in progress, as well as the right to determine the definition of arms, ammunition and implements of war.³³

When President Roosevelt signed the revised Neutrality Act on 29 February 1936 he approved a new law which further limited his ability to act in the international arena. Reaffirming the arms restrictions in the 1935 version, the revised law also forbade loans to belligerents, demanded the embargo be extended to countries joining a war in progress, exempted American Republics from the law if they were at war with a non-American state, and denied the President the right to restrict trade in raw materials.³⁴ However, the neutrality issue remained a controversial subject and resulted in yet another examination of the neutrality legislation in 1937.

A bitter fight ensued in Congress over possible changes to the current law. The legislation as finally approved on 1 May 1937 combined mandatory and permissive features which reflected the nation's ambivalence over the neutrality question. Four restrictions, some of them remaining from the original 1935 Neutrality Act, became automatic when the President "found" a state of war: first, the export of arms, ammunition, and implements of war, excluding raw materials, remained forbidden; second, all loans, excluding short-term commercial credits, were banned; third, American citizens were prohibited from travelling on belligerent ships; and fourth, American merchant ships trading with belligerents must remain unarmed. The President received some discretionary powers, however, to offset some of the economic ramifications of these mandatory features. Most importantly he was allowed to authorise trade on a "cash and carry" basis for a two year trial period. This permitted the sale of everything except lethal weapons to belligerents as long as they paid cash

33. Robert A. Divine, *The Illusion of Neutrality* (Chicago: Univ. of Chicago Press, 1962), 115. This work remains the standard account of US neutrality legislation in the 1930s.

34. Divine, *Illusion*, 158; Robert Dallek, *Franklin D. Roosevelt and American Foreign Policy, 1932-1945* (Oxford: Oxford Univ. Press, 1979), 120.

immediately upon receipt of the goods and transported the materials themselves from the United States.³⁵

By passing the Neutrality Acts the United States announced its isolationism to the world. This message particularly concerned British policymakers for two reasons. First, on a practical level, if Britain went to war American resources probably would be needed, and the Neutrality Acts would deny access to them. Second, isolationism restricted the possibilities for Anglo-American co-operation. Economic issues remained acceptable topics for British-American discussions. However, the isolationists would attack any attempt to conduct naval or military conversations, despite the growing threat of Japanese and German rearmament. No politically acceptable means remained for Britain and the United States to discuss naval or military issues, because of the discontinuation of the arms conferences. The need to re-establish a naval dialogue, in particular, grew as problems in the Far East again reached the crisis level. Indeed, within a few months of the approval of the 1937 version of the Neutrality Act, Japanese aggression in the Far East commanded the anxious attention of the US and Britain.

B. The Sino-Japanese War

On 7 July 1937 a clash occurred between Japanese and Chinese troops at Marco Polo Bridge, just outside Beijing. This confrontation marked the beginning of the long, undeclared Sino-Japanese War. In the early stages of the clash, predictably the United States distanced itself from the conflict. Although US policy never quite attained the "absolutely impartial course" Hull described in a despatch to the Joseph C. Grew, the US Ambassador in Japan, the American Government's unwillingness to involve itself was apparent.³⁶ Hence any initiatives by the

35. 1937 Neutrality Act, 1 May 1937, US Department of State, *Peace and War: United States Foreign Policy, 1931-1941* (cited as *Peace and War* hereafter), (Washington, DC: GPO, 1943), 355-65; Divine, *Illusion*, 166, 193-94.

36. Telegram, Johnson to Secretary of State, 8 July 1937 and Telegram, Hull to Grew, 2 September 1937 in *FRUS Japan*, 1: 313, 361-64.

League states, especially Britain, France or China, to involve the United States in a collective action against Japan were rejected.³⁷

At the same time President Roosevelt feared giving the isolationists too strong a voice in American foreign policy. Acting on the advice of Hull and Norman Davis, he decided to deliver a speech on the importance of international co-operation. In his famous Chicago "quarantine speech" on 5 October 1937, the President indicated with his usual flair and ambiguity that he might be ending this period of nonalignment. Roosevelt condemned the killing of innocents "without a declaration of war and without warning or justification of any kind" and demanded that "peace-loving nations" work together to stop "the epidemic of world lawlessness". Under these circumstances neither isolation nor neutrality provided a sufficient response. Rather, the President noted: "When an epidemic of physical disease starts to spread, the community approves and joins in a quarantine of the patients in order to protect the health of the community against the spread of the disease." Because "War is a contagion, whether it be declared or undeclared" America must actively "search for peace".³⁸

Roosevelt's speech implied the need for unspecified collaborative action by the "peace-loving" nations against aggressor nations such as Japan. Yet in a press conference on 6 October 1937 Roosevelt refused to define this action, stating that any economic sanctions were "out the window", as were conferences because "You never get anywhere with a conference." According to the President the quarantine "is an attitude, and it does not outline a program; but it says we are looking for a program".³⁹ Although Roosevelt's speech contained no specific follow-up plan it did mark a slight shift toward the League of Nations' position on the Sino-Japanese conflict. The day after Roosevelt's speech the

37. Dallek, *Roosevelt*, 147; Cordell Hull, *The Memoirs of Cordell Hull*, 2 vols (London: Hodder and Stoughton, 1948), 1: 543.

38. Hull, *Memoirs*, 1: 544; "Quarantine Speech", 5 October 1937 in Samuel Rosenman, ed., *The Public Papers and Addresses of Franklin D. Roosevelt* (cited as *PPA* hereafter), 1937-1941 (New York: Russell and Russell, 1938-1950), 1937: 406-11.

39. Press Conference, 6 October 1937, *PPA*, 1937: 423.

League condemned the Japanese aggression in China as a violation of both the Kellogg-Briand and Nine-Power Treaties, and called for a Nine-Power Conference to be held in an effort to solve the Far Eastern dispute. The American State Department immediately issued a statement concurring with the League's statement, and Roosevelt accepted the invitation to participate in the Nine-Power Conference at Brussels. Ironically, then, the Administration's only specific effort to stand by the precepts outlined in Roosevelt's address was to accept an invitation to a conference despite the President's earlier condemnation of this forum.⁴⁰

In the case of the Brussels Conference, Roosevelt's disdain for diplomatic conferences was entirely justified. Japan's refusal to participate in this conference immediately dashed any hopes of finding a peaceful solution to the undeclared Sino-Japanese War. Moreover, the United States rejected any efforts to encourage American participation in a collective action against Japan. In particular, the overtures by Foreign Secretary Eden on the eve of the conference to create a unified Anglo-American position at Brussels were rebuffed by the American delegation. According to Eden, Britain was willing to stand "shoulder to shoulder" with the United States in the Far East once it knew how far the United States would be willing to go. Davis, one of the American delegates, replied that the "United States had no intention of taking the lead", and that a large segment of the American public believed "that our interests in the Far East were much smaller than Britain's, and that Britain, being unable to protect her own interests, was trying to maneuver us into 'pulling her chestnuts out of the fire.'"⁴¹ Hence when the Brussels Conference opened the following day, Britain and the United States were already at odds, and the conference participants in general had only a vague notion of their aims. Not surprisingly little was accomplished during the conference, and the participants agreed to call a recess

40. Hull, *Memoirs*, 1: 550; Divine, *Illusion*, 213.

41. Hull, *Memoirs*, 1: 553.

three weeks later, on 24 November 1937, to reconvene again "when conditions were more favorable".⁴²

The Ingersoll and Hampton Missions

A British search for an alternative means to discuss Anglo-American security issues ensued after the Brussels Conference. Shortly after the conference ended, Eden insisted Britain and the United States discover a way "to strengthen our hand in dealing with the Japanese". To Neville Chamberlain he proposed the use of secret naval talks, and the Prime Minister skeptically accepted this proposal.⁴³ Eden next contacted Lindsay in Washington who transmitted the request to the State Department. A few days later Lindsay was invited to discuss the possibility of Anglo-American naval conversations with Hull. The Secretary of State emphasised the importance of complete secrecy even when discussing the proposal, because of the isolationists' power in Congress. He also stressed to Eden the need for patience in the education of the isolationists to a broader world view. Although Hull never explicitly rejected the British suggestion, Lindsay implied that the Secretary of State believed Eden "had been travelling too fast in talking about Staff conversations" and that the suggestion of holding such discussions had been declined. This belief was confirmed later by Sumner Welles, the US Under Secretary of State, who explained that the State Department did not share the Foreign Office's pessimistic opinion of Japanese intentions, and therefore thought staff conversations were unnecessary.⁴⁴

The 12 December 1937 Japanese attack on HMS *Ladybird* and USS *Panay* prompted the United States to reconsider the staff conversation option. On 15 December Lindsay wired Eden that the President wished to discuss the possibility of arranging such talks.⁴⁵ In a secret meeting with Hull and Lindsay on 16 December 1937 Roosevelt hinted at establishing a secret Anglo-American

42. Hull, *Memoirs*, 1: 555.

43. Telegram, Eden to Lindsay, 27 November 1937, *DBFP*, 2, 21: 543.

44. Telegram, Lindsay to Eden, 30 November 1937, *DBFP*, 2, 21: 548-550.

45. Telegram, Lindsay to Eden, 15 December 1937, *DBFP*, 2, 21: 578.

naval liaison similar to one he remembered between Captain Pratt (USN) and Captain Gaunt (RN) from 1915-1917. Roosevelt, whose tenure as Assistant Secretary of the Navy included this period, described how innocuous discussions about routine naval matters eventually blossomed into a full scale intelligence exchange which, in fact, reduced Admiral Sims's much heralded London mission to a minor role. The President also informed Lindsay that neither the State Department nor the Foreign Office knew of these secret conversations, and their occurrence would have been denied if any questions had been raised.⁴⁶

No documentation has been found to verify Roosevelt's recollections of the Pratt-Gaunt conversation. Before the United States' entry into the First World War, however, Roosevelt established an informal relationship with Gaunt. And his files from service as Assistant Secretary contain several letters in which Gaunt requested Roosevelt's advice. Each of Gaunt's letters also contained a disclaimer to explain his reasons for writing unofficially to Roosevelt in the first place. For example, Gaunt wrote:

I am writing you this simply because I want to ask your advice as to whether it is a fair question to ask officially. I so hate putting a man officially in the position of having to say "no", while I don't mind asking you in an unofficial way and getting an emphatic refusal. Our people are very interested in the Catapult for launching sea-planes, which you tried out on, I think, the "North Carolina". Is it a fair thing to ask for information and detail?⁴⁷

Given Roosevelt's tendency to exaggerate his importance in the First World War and his fascination with secret negotiations it is probable that he gradually embellished these early informal exchanges to create the scenario he related to Lindsay (see page 39 above). Regardless of the veracity of his recollections, Roosevelt's interest in pursuing secret talks again in 1937 indicates he believed such negotiations might be of use.

46. Telegram, Lindsay to Foreign Office, 17 December 1937, Admiralty Papers (cited as ADM hereafter), 116/3922, PRO; Leutze, *Bargaining*, 20; Roskill, *Naval Policy*, 2: 365-66.

47. Letter, Gaunt to Roosevelt, 28 June 1916, Gaunt file, Box 98, FDR-ASN Papers, Roosevelt Library. See also Gaunt's letters to Roosevelt dated 21 February 1917, 28 February 1917 and 22 March 1917 in the same file.

According to his report to the Foreign Office on this meeting, Lindsay encountered Roosevelt in his worst "inspirational" mood, full of what some might think were the utterances of a "harebrained statesman or an amateur strategist". But he also said Roosevelt was anxious to bring the US in on the Allies side "before it might be too late and if it should be necessary". For these reasons Lindsay supported Britain's participation in FDR's proposed staff talks.⁴⁸ Only after the staff talks were approved in London was Captain R.E. Ingersoll, head of the US Navy's War Planning Division, notified that he was to undertake a secret mission to England. Ingersoll received a special summons to the White House on 23 December 1937. Roosevelt, Hull, Morgenthau and Leahy (then Chief of Naval Operations) greeted him and outlined the task he would undertake in England. FDR advised Ingersoll to discuss with the Admiralty the implementation of an immediate blockade against Japan, and the possibility of attaining a waiver to the 35,000 ton limit for battleships. Ingersoll departed three days later and arrived in London on 31 December 1937.⁴⁹

Eden himself met Ingersoll, promised full co-operation, but also requested clarification of the purpose of the visit. Ingersoll, rather than mention the blockade issue, stated he sought "to obtain naval information on which to plan and base decisions, if necessary, for future action". Eden then asked Ingersoll specifically about the possibility of the US despatching cruisers to Sydney and perhaps Singapore in a show of force against Japan. Ingersoll dismissed Eden's query, replying that any decision on this topic would have been taken since he left Washington and so he could tell Eden nothing. He surprisingly noted in his report of the meeting that "he got the impression that Mr Eden was more interested right now in immediate gestures to the Japanese than he was in long-range planning."⁵⁰ The discussions over the subsequent two

48. Telegram, Lindsay to Foreign Office, 17 December 1937, ADM 116/3922; Leutze, *Bargaining*, 20.

49. Leutze, *Bargaining*, 21-2.

50. Memorandum, Ingersoll conversation with Eden, 1 January 1938, ADM 1/9822.

weeks ranged widely from the tonnage waiver, to intelligence exchanges, and fleet availability in the event of war with Japan.⁵¹ Ingersoll also discussed the quarantine at some length with his British planning counterpart, Captain T.S.V. Phillips. Areas of responsibility were designated should the US and British Governments decide on a distant blockade, but they formulated no plans for the implementation of a quarantine. Indeed, the joint report submitted by Ingersoll and Phillips concentrated on recording general information on the "composition, state of readiness and initial movement of fleets" and proposing better communications between the two navies. The blockade idea, which had been one of the major reasons for holding the talks, receded into the background.⁵²

The exchange of code books and communication personnel were the only tangible results of Ingersoll's visit. The participants themselves must have wondered about the usefulness of the talks because the conclusion of their report notes "that no further measures for general liaison purposes are necessary at the present time".⁵³ The Ingersoll Mission represented too dramatic a departure from the interwar diplomatic and naval exchanges to be very useful. The distrust between the two countries built up over the last twenty years over naval limitation, Far Eastern issues, and mutual reliability could not be dissipated so hastily nor in so direct a fashion. But despite its limited long-range impact, the Ingersoll Mission was one of the first Anglo-American efforts to fill the void created by the abandonment of the naval limitation talks. As a new discussion forum, its importance should not be underestimated.

The Ingersoll Mission was not followed-up systematically despite Roosevelt's earlier hints to the contrary. But it foreshadowed Commander Hampton's (RN) trip to the United States eighteen months later.⁵⁴ The

51. Memorandum, Record of Ingersoll's visit to Britain, 31 December 1937 to 14 January 1938, ADM 1/9822.

52. Record of Ingersoll's Conversations with the Naval Staff, 13 January 1938, *DBFP*, 2, 21: 651-56. Document also found in ADM 1/9822.

53. Record of Ingersoll's Conversations with the Naval Staff, 13 January 1938, *DBFP*, 2, 21: 651-56.

54. Roskill, *Naval Policy*, 2: 476.

circumstances behind the Hampton Mission seemed even more unusual than those of Ingersoll's trip. Shortly after the German entry into Prague, the Foreign Office sent a telegram to Washington which suggested a continuation of the naval conversations from the previous year. This overture was unusual because senior Admiralty officials were unaware of its despatch. When Roosevelt learned of the request he agreed to participate in new talks, provided the Admiralty altered their procedures to ensure secrecy would not be breached by the type of press disclosures that had hampered the Ingersoll Mission. Therefore he wanted the British to send to Washington a naval officer, undercover and no higher ranking than Captain, possibly "in connexion with some mission for purchase of munitions".⁵⁵

Lindsay suggested to the bewildered Admiralty that it again consider conducting these conversations according to FDR's 1915 recollections of a "permanent mission for exchanging 'all sorts of intelligence' rather than staff conversations directed towards joint action in particular circumstances". Admiralty officials appreciated Lindsay's opinion and knew the importance of not rebuffing the US, especially since Britain had originally suggested the conversations. But as Captain Danckwerts of the RN Plans Division noted, no moves to hold talks ought to have been made until the Admiralty could identify topics for consideration. Suddenly the Admiralty found itself in the potentially embarrassing position of being unprepared to participate in the very discussions it had proposed.⁵⁶

In due course the British proposed a vague agenda which outlined the possible wartime disposition of the British and American fleets. Commander T.C. Hampton from the Admiralty Plans Division was selected to conduct these secret talks in Washington. He departed for the US on 26 May 1939 and arrived in America, via Canada, on 12 June 1939. He went immediately to Admiral

55. Telegram, Lindsay to Foreign Office, 21 March 1939 and Telegram, Lindsay to Foreign Office, 11 May 1939 in ADM 116/3922.

56. Minute by Danckwerts, 24 March 1939, ADM 116/3922.

Leahy's house for the first of two meetings with Leahy, Admiral Ghormley (USN Plans Division), and the British Naval Attaché, Captain Curzon-Howe. The secrecy surrounding his visit was so great that no written record was allowed. Curzon-Howe was told to deal directly with Leahy to arrange any meetings, and all were expressly forbidden to reveal any information about Hampton's visit especially to the USN Director of Naval Intelligence.⁵⁷

The meetings themselves revolved around fleet locations and responsibilities in the event of war. If hostilities broke out only in the Pacific, Leahy said Britain must assume initial US neutrality. Ultimately, however, Roosevelt probably would send a fleet to Hawaii, establish a neutrality patrol to protect shipping, and provide the RN with intelligence. If Britain were to find itself at war with Germany, Italy and Japan, Leahy (stressing that he was sharing a personal perspective) expected the US fleet to control the Pacific while the Allied fleets dominated European waters, the Mediterranean, and the Atlantic. When the talks moved from general to specific issues, Hampton noted in his final report that he found the Americans very difficult to pin down to any co-operative ventures. For example, he tried to discuss technical questions such as the status of development of high and low frequency direction finding devices, but found this impossible because security requirements prevented him from consulting with US technical staff officers.⁵⁸

Hampton left Washington two days after the conclusion of the second discussion. He felt the talks yielded few positive results other than to keep senior US Naval and Administration officials apprised of the difficulties facing Britain. He also noted that any leakage of his visit would have had "political repercussions out of all proportion to the importance of the conversations themselves". Most important was the point his report omitted. As with the Ingersoll Mission, there was no provision for a systematic follow-up to this

57. Appendix 1 to Letter, Hampton to Danckwerts, 27 June 1939, ADM 116/3922.

58. Appendix 1 to Letter, Hampton to Danckwerts, 27 June 1939, ADM 116/3922; Leutze, *Bargaining*, 38.

single overture. Given the doubts complicating Hampton's Mission from its inception, this is hardly surprising.⁵⁹

* * *

The Hampton and Ingersoll Missions were hastily conceived attempts to deal with an increasingly dangerous world. Both countries realised closer co-operation would probably be essential in the future, yet their current attitudes about the need to improve Anglo-American co-operation remained ambivalent. British and American policymakers were still influenced by the tensions that periodically had marred Anglo-American relations during the last twenty years. Therefore the long-term naval collaboration suggested by these missions demanded a level of commitment, or a sense of urgency, neither country possessed. Thus Britain and the United States required some means to ease this transition, and ultimately they found an answer in a shared need to increase wartime supplies. The military aspect of the supply issue was obscured to such an extent that Britain and the United States could engage in discussions without necessarily being accused of military collaboration - even if such collaboration occurred. In the next chapter the background to this Anglo-American supply relationship will be explored.

59. Appendix 1 to Letter, Hampton to Danckwerts, 27 June 1939 and Minute by Danckwerts, 28 June 1939, ADM 116/3922. Malcolm Murfett, *Fool-Proof Relations: The Search for Anglo-American Naval Co-operation during the Chamberlain Years, 1937-1940* (Singapore: Singapore Univ. Press, 1984) provides a narrative of these early Anglo-American naval missions similar to the one found in Leutze's work.

Chapter IV

Anglo-American Supply Relations: The Interwar Years

The Anglo-American supply relationship of the First World War disappeared soon after the Armistice. The disintegration of this link occurred even more quickly than its diplomatic and naval counterparts because the immediate need for supply co-operation vanished once hostilities had ended. In fact, during the interwar period the individual services regained much of their former authority over the procurement process. This lack of centralisation combined with the paltry peacetime funding available to the land and air services meant that these supply organisations atrophied in the 1920s. Instead, Britain and the United States devoted most of their defence resources to the maintenance of strong, albeit reduced, naval forces because both countries saw the sea as their first line of defence. Neither country, however, felt a similar need to retain powerful land and air forces, and they allowed these forces to languish. The commencement of German rearmament in 1933 prompted some initial re-evaluation, particularly in Britain, of military preparedness. The Munich crisis, however, truly highlighted the importance of rearmament not only to Britain but to all the western democracies. As rearmament became a priority, the need for an Anglo-American supply relationship gradually reasserted itself. In part this relationship resembled its First World War predecessor. But its responsibilities also extended into areas Morgan, Northcliffe and Reading could only have imagined. To understand this relationship one must begin with the British and American supply practices implemented after the Armistice.

The Principal Supply Officers Committee

During the last years of the First World War the British Cabinet supported the immediate establishment of a permanent Ministry of Supply to replace the Ministry of Munitions. The latter had been established as a temporary wartime measure, but several members of the Government thought steps should be taken to make it permanent. The Cabinet therefore hoped to incorporate the centralised supply responsibilities of the Ministry of Munitions into a new Supply Ministry. The need to establish such a Ministry, however, became less pressing after the Armistice. Instead immediate postwar concerns, such as demobilisation and the establishment of a peacetime economy, pushed the supply issue out of the limelight for almost a year. By the time the Cabinet returned to the issue in late 1919, interest in a separate Ministry of Supply had waned.

The Cabinet continued to acknowledge that this proposed Ministry would prevent a return to the early wartime circumstances where "the great Departments of the State were continuously competing with one another for labour and materials". But the realisation that the Army and RAF possessed sufficient surplus stores to meet their requirements for the next five years reduced Cabinet support for a separate purchasing organisation, "particularly in view of the fact that any separate organisation would involve considerable duplication of staffs". The Cabinet "suggested, therefore, that the remedy was not to set up a large and cumbersome Ministry" but rather "to organise the officials of the Service Departments on such a basis as to make it possible to expand them into a Ministry of Supply on a large scale should another great war break out".¹ After considerable discussion this proposal was adopted, and by late 1920 the Ministry of Supply scheme was abandoned.

Once the Cabinet decided to decentralise the military supply system a search ensued for the most effective way to co-ordinate the individual supply efforts of the three Defence services. This search culminated in the creation of

1. Conclusions, Cabinet, Conference of Ministers, 9 December 1919, CAB 23/37.

the Principal Supply Officers Committee (PSOC) in 1924 which was directly responsible to the CID. Originally the PSOC consisted of the senior supply officers from the three services. Inter-service rivalry, however, interfered with the Committee's operation and led to a restructuring of the PSOC in 1927. At that time the President of the Board of Trade became the Chairman of the Committee, and Home Office, Board of Trade, and Department of Scientific and Industrial Research representatives also joined the PSOC.²

The PSOC's primary function remained the same despite the expanded membership. By bringing the services together during peacetime, the Cabinet hoped to identify potential supply problems and to prepare plans for the acquisition of adequate supplies in an emergency. Since this planning would be continuous, the PSOC was expected to handle any emergency (short of another major war) with minimal expansion. Only a large conflict like the First World War would require the establishment of a Ministry of Supply. Even in a global war, however, the PSOC would provide direction during "the critical period of transition from peace to war, and for the early stages of the war".³

The PSOC assumed two responsibilities. First, since 1927 the PSOC had cultivated a relationship between industry and the Services. The Committee strongly supported close ties with Imperial Chemical Industries (ICI) through Sir Harry McGowan (President of ICI) because of his interest in explosives production. The PSOC believed that a good relationship with ICI in peacetime would prevent a recurrence of the explosives shortages which plagued the nation for much of the First World War. Furthermore, the PSOC advocated the widest

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2. PSO (SB), Memorandum on the Origin and Function of PSO Organisation, 16 December 1933, Ministry of Supply Papers (cited hereafter as SUPP) 3/5, PRO; CID Paper 471-B, "Warlike Stores", 21 December 1923, CAB 16/51. The only secondary source to offer an in-depth discussion of the PSOC is G.A.H. Gordon, *British Seapower and Procurement between the Wars* (London: Macmillan, 1988). Gordon's account is quite good. But because of his interest in seapower he concentrates on the PSOC's impact on naval procurement.
 3. PSO (SB), Memorandum on the Origin and Function of PSO Organisation, 16 December 1933, SUPP 3/5; PSO 146, "Supply Organisation in Peace and War", 29 December 1926, CAB 60/9.

possible distribution of defence orders in order to maximise the overall wartime production potential of British industry. The PSOC warned that without such an effort "danger of a *serious* diminution in the armament-productive capacity of the country" existed.⁴

Second, the PSOC encouraged Service staffs to monitor foreign industrial mobilisation, including that of the United States. Within a year of this recommendation, on 28 March 1929, the PSOC submitted a detailed report to the CID by G.S. Whitam (Director of Factories, War Office) entitled "Industrial Mobilisation in America". The report described American requirements, organisations and mobilisation plans. Whitam wrote that the United States intended to mobilise 6,000,000 men with arms and ammunition. Along with a detailed description of the mobilisation effort, an entire section was devoted to the question: "'What purpose have the Americans in mind in creating such a huge organisation for arming 6 million men?'" The most likely scenario for the employment of such a vast force, according to this report, was to fight a war against Canada and thus, by implication, Britain. The stated rationale for such a war emphasised American interest in utilising the water resources of the St. Lawrence River and Niagara Falls for hydroelectric power. Despite the somewhat amateurish appraisal, this portion of the report reflected the Anglo-American tensions of the period discussed earlier (see pages 47-54).⁵

Five years later the tone of reports on American industrial mobilisation had changed significantly emphasising weaknesses rather than strengths. The PSOC, for example, submitted a report to the CID on 29 October 1934 which concentrated on inadequacies in the United States' industrial mobilisation programme. These shortcomings included inadequate supplies of essential raw materials, insufficient railway rolling-stock, deficient provisions for educational orders, and the lack of a machine tools reserve for armament manufacture.

4. PSO 219, PSOC Fifth Annual Report, 31 July 1928, SUPP 3/4.

5. PSO 228, "Report on Industrial Mobilisation in America", 28 March 1929, SUPP 3/54.

Moreover, an assessment of the potential threat the United States might pose to British interests was absent from the report. Although the PSOC certainly did not cast the United States as an ally, the Committee no longer considered America a potential adversary.⁶ This change in attitude toward the United States reflected some of the changes in British military thinking during the mid-1930s. The Far Eastern crisis, the naval limitations talks, and the first signs of German rearmament forced the Government not only to reconsider its relationship with the United States, but also to re-examine the readiness of its own forces.

British Rearmament: The Early Years

The repeal of the famous (or infamous) Ten Year Rule, originally outlined in 1919, was the earliest indication of British rearmament. This Rule ordered budgetary planners to assume that British forces would not engage in a major war for the next ten years. This premise justified drastic cuts in defence expenditures after the First World War. The Far Eastern crisis led the Chiefs of Staff to reconsider this approach, and prompted them to recommend the repeal of the Ten Year Rule in 1932. The CID accepted this proposal in March 1932 but refused to approve a broad re-examination of Britain's defence requirements to identify deficiencies resulting from a decade of neglect. The Cabinet finally authorised the formation of the Defence Requirements Committee (DRC) on 14 November 1933 to conduct such a review in response to the failure of the Geneva Disarmament Conference and the start of German rearmament.⁷

To accomplish Britain's rearmament programme the DRC immediately called upon the PSOC for assistance. The DRC sought advice in particular from the PSOC's advisory panel of industrialists on the most effective way to accelerate the production of war supplies. Originally established in December

6. PSO 451, "Industrial Mobilisation in the United States of America", 29 October 1934, SUPP 3/54.

7. CID 1181-B, "Imperial Defence Policy", 29 April 1935, CAB 4/23; Robert P. Shay, Jr, *British Rearmament in the Thirties: Politics and Profits* (Princeton: Princeton Univ. Press, 1977), 22-4; Gibbs, *Rearmament Policy*, 86-7, 93.

1933, this group of prominent industrialists included Lord Weir (former Secretary of State for Air), Sir Arthur Balfour (later Lord Riverdale) and Sir James Lithgow. In February 1934 the PSOC received a memorandum from Lord Weir outlining the industrialists' proposals for meeting Britain's expanded defence needs. Briefly these proposed measures included: the creation of a shadow armament industry which could expand to meet war requirements; a survey of Britain's more important engineering works so that a shadow scheme could be implemented; and Government incentives to remedy production bottlenecks and to devise plans for wartime expansion. The industrialists recommended the use of educational orders for this last measure to help train the staff.⁸

The CID approved these recommendations in May 1934, and the DRC officially adopted them in its Third Report on "Programmes of the Defence Services". But doubts persisted about the feasibility of satisfying production requirements merely by meeting these three goals. During the discussions on this report Lord Weir even inquired about the possibility of purchasing supplies in the United States to alleviate production bottlenecks. However, on this issue he found himself torn between his roles as a British industrialist and as a PSOC advisor. While noting that purchasing supplies from the United States "was a lazy man's way of solving our difficulties", he admitted that "it would help to a certain extent". Yet when Lord Swinton (Secretary of State for Air) informed Lord Weir that some firms had already placed orders in the United States for machine tools, Lord Weir replied that the feeling within industry was that all production should be kept within Britain if possible.⁹

Lord Swinton's revelation that the Air Ministry had already begun to explore the possibility of American purchases was one indicator of how the fighting services increasingly operated outside of the purview of the PSOC once

8. CID 1138-B, PSOC--Acceleration of Progress, 31 May 1934, SUPP 3/5.

9. DRC 37, "Programmes of the Defence Services", 21 November 1935, CAB 4/24; Minutes, DPR (DR) 1st Mtg, 13 January 1936, CAB 16/123.

rearmament began in earnest. The PSOC's lack of authority stemmed from the federated nature of the Committee. Besides, it was increasingly caught in the middle of a debate over the establishment of a Ministry of Supply. The armed services, although interested in this debate, were concerned primarily with acquiring war supplies. Hence they pursued avenues for purchasing materials the PSOC might have been reluctant to sanction.

The Air Ministry was at the forefront in establishing its own purchasing procedures. And, as the need for aircraft became more acute, the Air Ministry supported further exploration of American industrial potential despite protests from British manufacturers. In early 1938, based on advice from the Treasury, the Cabinet (apparently without consulting the PSOC) authorised the Air Ministry to examine the possibility of purchasing American aircraft. Business rather than military considerations shaped the Treasury's opinion. On 18 March 1938 Lord Swinton had participated in a heated discussion with the Australian High Commissioner over the Air Ministry's repeated failure to deliver the military aircraft Australia had requested. Under pressure to rearm his own service, Lord Swinton felt neither able to forfeit any airframes to the Australian Government, nor willing to turn down the High Commissioner's request completely. Discussing this dilemma with Treasury officials Lord Swinton suggested that if the Treasury authorised purchase of American military aircraft then the Air Ministry would be able to deliver the requested British aircraft much sooner to Australia. His Majesty's Government was very keen "to meet the Australian demand, as otherwise there was a risk that they would start buying aeroplanes from America, and this country would lose the Australian market". Hence the Cabinet recommended to the CID, on 30 March 1938, approval of the despatch of a confidential mission to the United States to explore the possibility of purchasing American aircraft.¹⁰

10. (1) Memorandum by Bridges, 21 March 1938; (2) Extract from CAB 17 (38), on "Purchase of War Materiel from the USA", 30 March 1938, (3) Memorandum by

The CID subsequently approved an American purchasing mission under Mr J.G. Weir.¹¹ Not surprisingly Mr Weir's mission upset British industrialists. They complained to Lord Swinton that foreign resources should not be explored until Britain's aircraft industry was working to full capacity.¹² None-the-less, Weir's mission travelled to the United States on 20 April 1938 to evaluate a number of aircraft for possible purchase. The Lockheed, Douglas, and North American (N.A.) Trainer/General Reconnaissance aircraft received the most favourable reports from the mission. Ultimately the Cabinet approved the purchase of 200 Lockheed B-14s and 200 N.A. 16 aircraft. Incidentally, the Boeing Flying Fortress was rejected by the mission. Air Commodore A.T. Harris, who had accompanied Weir as a technical expert, noted sarcastically that "If we are at a loss for any aircraft of very long range and four engine reliability it might be worthwhile to acquire a few of these bombers as a stop gap." Weir shared Harris's disdain for the B-17 because he requested permission from the Air Ministry to cease any negotiations for the aircraft.¹³

Despite the mission's work, Australia still had not received a single British aircraft five months later. Furthermore, the Air Ministry requested and received Treasury permission to purchase fifty additional Lockheed aircraft which were ready for immediate delivery. Once again, the Treasury approved the purchase solely to keep America out of the Australian market. Treasury officials still feared Australia might become "wedded to American types" before the Air Ministry could deliver British airplanes.¹⁴

Thus Britain's first glimpse of American aircraft production and the first major Anglo-American purchasing arrangement resulted as much from Britain's

Bridges, 17 May 1938 all in Treasury Papers (hereafter cited as T) 161/1036/S.43313/1, PRO.

11. J.G. Weir was Director of the Bank of England, not to be confused with Lord Weir.
12. Enclosure to Letter, Bruce-Gardner to Swinton, "Statement on Aircraft Production, 1938-39", 20 April 1938, Prime Minister's Office Papers (hereafter cited as PREM) 1/236, PRO.
13. Message, Weir to Secretary of State for Air, 11 May 1938 and Report by A.T. Harris, 30 May 1938 both in T 161/1036/S.43313/1.
14. Memorandum by Barlow, 25 October 1938, T 161/1036/ S.43313/1.

peacetime desire to protect its economic interests as from an urgent need to rearm. Throughout all of these negotiations the PSOC remained passive, accepting the argument that the Service Ministries were best qualified to deal with supply issues. Only the crisis of March 1939, and its subsequent impact on British grand strategy, destroyed this belief and led to the 1 August 1939 establishment of the Ministry of Supply.

The Army and Navy Munitions Board

The American ground and air services also fell on difficult times during the interwar period. After the First World War the Army (including the Army Air Corps) dwindled from approximately 3.5 million men to a force numbering no more than 140,000 (between 1925 and 1935). The Chief of Staff, General Douglas MacArthur, commenting on the military's unpreparedness in 1933, stated that the Army had reached its lowest level since the war. He estimated that the American Army now ranked "seventeenth among the world's armies" in fighting effectiveness.¹⁵ Even during this period of decline however Army officials took time to grapple with the lessons of the First World War. Military planners, for example, realised that modern warfare required effective provisions for economic mobilisation. Once such a programme had been devised in the last war American industries produced war materiel in vast quantities. Unfortunately, these contributions to the Allied effort became available for use only in the last months of the war. Thus the American Expeditionary Force found itself largely dependent on the Allies for equipment and supplies.¹⁶

The image of American soldiers fighting with Allied weapons communicated as no other image could the time lag between manpower and industrial mobilisation. Hence it became evident that in modern war effective industrial mobilisation required elaborate preparations. This lesson inspired the

15. R. Elberton Smith, *The Army and Economic Mobilization* (Washington, DC: GPO, 1959), 121; Mark S. Watson, *Chief of Staff: Prewar Plans and Preparations* (Washington, DC: 1960), 16, 24.

16. Smith, *Economic Mobilization*, 37.

US Congress to pass the National Defence Act of 1920 which placed the Assistant Secretary of War in charge of industrial preparedness. According to this Act, the Assistant Secretary's responsibilities included not only the War Department's own procurement needs, but also peacetime industrial mobilisation planning for the nation.

In the first year after the passage of this act the Assistant Secretary relied on the War Department General Staff (WDGS) to carry out these responsibilities, but this practice quickly led to a conflict between the Office of the Assistant Secretary of War (OASW) and the WDGS. The Harbord Board of 1921, convened to resolve this conflict, established the framework which governed mobilisation and supply responsibilities throughout the interwar period. Based on the Board's recommendations these responsibilities were divided so that the Supply Division of WDGS (G-4) handled requirements and distribution, the "military" aspect of supply; and the OASW managed the procurement, or "business" end. Furthermore, the Board proposed the creation of a Procurement Division of the OASW to carry out the Assistant Secretary's procurement and economic mobilisation activities.¹⁷

The Procurement Division in turn contained two branches, the Current Procurement Branch and the Planning Branch. In the first decade after World War I, current procurement planning received the most attention because the Army required procurement plans for anticipated contracts before it could create an overall industrial mobilisation plan. Moreover, these procurement issues concerned only the Army's needs, and therefore required no collaboration with outside agencies. Conversely, industrial mobilisation extended across the entire economy, into areas where the OASW had little control. None-the-less, it also fell to the Assistant Secretary's Planning Branch to fulfill his duties in this area.

17. Richard M. Leighton and Robert W. Coakley, *Global Logistics and Strategy 1940-1943* (Washington, DC: GPO, 1955), 23, RG 225; Smith, *Economic Mobilization*, 39-40. During the Second World War American planners considered industrial and economic mobilisation synonymous, Smith, *Economic Mobilization*, 46-7.

One of the Planning Branch's most important innovations to address industrial mobilisation issues was the creation of the Army and Navy Munitions Board (ANMB) in October 1922. The Assistant Secretary of War and the Assistant Secretary of the Navy comprised the ANMB. Its purpose was "to harmonise the plans of the Army and the Navy for the procurement of munitions and supplies for war purposes", to formulate legislation for the procurement of supplies, and to allocate industries in wartime.¹⁸ The intent of this board was laudable, but for the first decade of its existence two problems thwarted all efforts to centralise industrial mobilisation planning. First, the board lacked a lower level staff to deal with ANMB routine matters. Secondly, naval policy-makers lacked interest in the organisation, which stemmed from their belief in the Navy's peacetime role as the United States' "first line of defence". As long as this role remained constant, naval officials confidentially assumed their Service would be kept in a state of readiness in peacetime. A logical corollary was that, in the event of war, the Navy would expand on a much smaller scale than the Army, and thus would encounter fewer procurement problems.¹⁹

Still lacking the Navy's co-operation, the OASW decided to formulate an Industrial Mobilization Plan (IMP) in 1930. Although the Navy approved the IMP shortly after its completion, only intervention from the US Congress brought the uncooperative relationship to an end. In the summer of 1930 Congress formed a temporary War Policies Commission to look into price and profit control in wartime, and as part of its work, this Commission examined the IMP. The resultant Congressional interest in the IMP made naval officials keenly aware of the need to pursue closer co-operation with the Army. The ANMB was restructured shortly thereafter due "to the progress in procurement and industrial planning achieved in the War and Navy Departments during the recent years". These reforms included the creation of an Executive Committee "empowered to

18. Letter, Pershing to Secretary of War, 27 June 1922, JB 346 (Serial 181), RG 225.
19. Smith, *Economic Mobilization*, 41.

act for their respective services in all matters properly placed before the Board for its action". As one of its first actions this restructured ANMB revised the IMP to incorporate the War Policies Commission's findings and the Navy's suggestions on joint planning.²⁰

A provision to form four or five superagencies to direct the nationwide war production effort was one of the most distinctive elements of the IMP. These superagencies would be temporary, subject to Presidential control, and directed and staffed primarily by civilians. In the 1931 and 1933 versions of this plan the agencies operated relatively autonomously, although the War Industries Administration (patterned on the WIB of the First World War) assumed primacy. In the 1936 version, the War Industries Administration was renamed the War Resources Administration, and, in the 1939 version of the IMP, this War Resources Administration received official supervisory power over all the other superagencies principally concerned with economic mobilisation.²¹

Ironically, as the IMP reached its most refined form in 1939, the full scale mobilisation anticipated by the ANMB and embodied in these superagencies did not suit Roosevelt's emerging vision of American rearmament. With war looming on the horizon in Europe, Roosevelt felt some rearmament efforts were essential, but he also believed the United States would not support, and probably did not require, full-scale rearmament. Thus, although the IMP remained important as a theoretical framework for economic mobilisation, political realities led to a search for an alternate way to increase the nation's war production capacity. In this sense the ANMB served functions similar to the PSOC. It preserved the experiences and memories of the First World War through most of the interwar years, and provided a basic framework for policymakers searching for a more politically feasible mechanism to increase

20. Memorandum by Hardigg, Reorganisation of the ANMB, 10 March 1932, JB 346 (Serial 501), RG 225; Smith, *Economic Mobilization*, 41, 75.

21. Smith, *Economic Mobilization*, 79-81.

industrial and military preparedness. The scheme that gradually evolved centered primarily on aircraft production.²²

The Munich Crisis and Its Aftermath

The Munich crisis injected an element of urgency into the Western democracies' war plans and rearmament efforts. In Britain, Chamberlain proclaimed that the circumstances which created this crisis should never be repeated even while he savoured signing the Munich Agreement. To this end, Britain and France would have to accelerate their rearmament efforts.²³ In France, Premier Edouard Daladier had reached a similar decision. Even in the United States, as Hull explained to Lord Lothian, "the practical outcome of the shock caused by recent events [Munich]" included acceleration of rearmament, and "a desire to facilitate the supply of arms and materials to Great Britain and France" to make war less likely.²⁴

One of the earliest results of this call for rearmament after Munich was a closer supply relationship between France and the United States. Daladier blamed the inferior condition of the French air force for allowing the Germans to gain the upper hand at Munich. For example, he claimed he travelled to Munich knowing that "the Germans can bomb Paris whenever they choose" because of the Luftwaffe's superiority, and therefore he was forced to give in to Hitler. Moreover, Daladier believed that if he "had had three or four thousand aircraft Munich would never have happened".²⁵ Daladier made this point even more emphatically in a conversation with William C. Bullitt (U.S. Ambassador to France) shortly after Munich. He told Bullitt "that in his opinion the single thing which counted today was not diplomatic negotiations but strengthening of the military forces of France especially in the field of air rearmament". Daladier

22. Except for the books by Leighton and Coakley, and R.E. Smith, little work has been done on US industrial mobilisation initiatives during the interwar period.

23. Donald C. Watt, *How War Came* (New York: Pantheon Books, 1989), 82-3.

24. Letter, Hull to Lothian, October(?) 1938, File 358, Hull Papers, Library of Congress.

25. Jean Monnet, *Memoirs*, trans. Richard Mayne (London: Collins, 1978), 117-18.

believed that if France could strengthen her air force "the discussions which inevitably would come during the next 12 months might be carried on in an atmosphere of give and take. Otherwise France would be confronted with ultimatums". Bullitt reported that they "discussed for an hour and a half the aviation position and ways and means of remedying it". The American ambassador apparently felt the conversations were sensitive enough to require returning to the United States "to report this portion of our discussion by word of mouth".²⁶ Bullitt travelled to the United States less than two weeks after this meeting with Daladier.

Under orders from Daladier, Jean Monnet departed for America about the same time as Bullitt to explore prospects for purchasing aircraft.²⁷ Up to this point France had ordered only 100 American aircraft, and now Monnet was to determine the feasibility of purchasing as many as 1700. The Ambassador arranged for Monnet to raise this issue directly with Roosevelt. The President supported the French initiative and directed Monnet to discuss it in greater detail with Secretary of the Treasury Henry Morgenthau, Jr. As Roosevelt told Monnet during their discussion, "Munich had opened the way to war", and the United States must be spared "from ever having to give in under threats as France and Britain had had to do. For this purpose it was essential to gain overwhelming military superiority" and "at present the key factor was air-power". Therefore, to protect the western democracies, the United States must find a way to increase aircraft production and help France and England find the capital to purchase them. Furthermore the US must be prepared to work around the Neutrality Act

26. Telegram, Bullitt to Hull, 3 October 1938 in US Department of State, *Foreign Relations of the United States* (hereafter cited as *FRUS*), 1938, vol 1, 711-12.

27. Jean Monnet, later known as the father of the European Community, dealt with US authorities on supply issues repeatedly during the war. In addition to heading the early French air missions, he chaired the Anglo-French Co-ordinating Committee, and served as a member of the British Supply Council after the fall of France. In 1943 he left his Supply Council position to help de Gaulle organise a French Provisional Government-in-exile.

so as not to interfere with rearmament, even if this meant building assembly plants in Canada.²⁸

The President, acting with the impetuosity reminiscent of his days as the Assistant Secretary of Navy, immediately set out to create an aircraft programme such as he described to Monnet. At the White House on 14 November 1938 the President held one of the most important meetings of the interwar years to outline his rearmament plan. Those in attendance included Secretary Morgenthau, Louis Johnson (Assistant Secretary of War), Harry Hopkins (WPA Administrator), General Craig (Army Chief of Staff), General Marshall (Deputy Chief of Staff) and General Arnold (Chief of the Air Corps). Roosevelt opened the meeting by emphasising the importance of the United States' possessing "a large mass of airplanes in being, together with a large productive capacity to be available as a striking force to back United States foreign policies". According to Morgenthau's records the President went on to point out:

that for the first time since the Holy Alliance in 1818 the United States now faced the possibility of an attack on the Atlantic side in both the Northern and Southern Hemispheres. He said this demanded our providing immediately a huge air force so that we do not need to have a huge army to follow that air force. He considered that sending a large army abroad was undesirable and politically out of the question.

The President's next point was that in 1917 it took the United States 13 months after its declaration of war to put the first plane on the battlefield in Europe. The circumstances then prevented that delay being disastrous. Hereafter there would be no such period of grace.

Roosevelt also believed that if the United States had possessed 5000 aircraft during the Munich crisis and the ability to produce 10,000 per year that "Hitler would not have dared to take the stand that he did". In order to meet any future threat the President proposed to increase immediately the number of military aircraft to 10,000.²⁹

28. Monnet, *Memoirs*, 118-9; John M. Haight, Jr, *American Aid to France, 1938-1940* (New York: Atheneum, 1970), chapters 1-2. Haight's work is still the best available on French purchasing in the United States.

29. 14 November 1938, Morgenthau Diary (hereafter cited as MD) 150: 337-342, Roosevelt Library; Memorandum on White House Meeting, Arnold to Chief of Staff, 15 November 1938, WDCSA SGS [Secretariat], Verifax 100, Reel 20/762 Marshall Library.

FDR had thrived on meetings of this sort since his days as Assistant Secretary of the Navy. His advisors were on hand to listen to Roosevelt's decisions, not to discuss options. The President ignored the army's industrial mobilisation plans and presented no opportunity for a critical analysis of his proposal. Throughout the meeting he exhibited the same single-mindedness for increasing the number of aircraft as he had shown for rebuilding the navy at the start of the First World War. Typically, he had no plan for the use of these weapons once they had been manufactured.

While Roosevelt was no longer subject to the restraining hand of Josephus Daniels, ultimately he did have to convince the War Department of the need for air rearmament. This would be difficult. The military men in attendance disagreed with Roosevelt because they thought a more balanced rearmament programme was required for the Army as a whole. General Marshall, the new Deputy Chief of Staff, gained instant notoriety when, at the end of the meeting, the President asked for his concurrence on the proposal. Instead Marshall responded that he did not agree with the programme at all.³⁰

Thus Roosevelt's Air Corps expansion seemed ideal from a political perspective but less than perfect from the military viewpoint. Politically it met many needs without making any firm commitments. Roosevelt wanted to account for three things in his scheme: first, to help France, and Britain if necessary, in their stand against Hitler; second, to increase the American military's effectiveness *without* the appearance of leading the United States into war; and third, to be sufficiently vague in his actions so that the media and Congress could not pinpoint his motive for the Air Corps expansion programme and then substantiate their accusation. Militarily, however, his programme was unacceptable to the War Department and needed to be altered. In a December 1938 study the Department provided Roosevelt with a balanced, two-year rearmament programme which consisted of four elements: first, a 10,000

30. Eric Larrabee, *Commander in Chief* (New York: Harper and Row, 1987), 96.

airplane air force; second, sufficient munitions, equipment and supplies to support the Protective Mobilization Plan Army; third, provision to accelerate industrial mobilisation; and fourth, expanded ground forces to include an additional 58,000 Regular Army soldiers and 35,000 National Guardsmen.³¹

Under great pressure from the War Department, Roosevelt dramatically altered his rearmament plans. However he continued to support the French initiative to purchase American aircraft, and approved their request to purchase 1000 planes. This idea was unpopular with the War Department as well because its officials expected the French purchasing plan to interfere with the Army's own rearmament programme. According to a memorandum sent by Secretary of War Woodring to Morgenthau: "An order at this time for one thousand planes for a foreign government would prevent fulfillment of our ten thousand plane program within the time limits now assigned." Moreover, the Air Corps disliked the prospect of the French purchasing the most advanced American aircraft, especially the Douglas 7-B attack bomber (DB-7). Within the Air Corps, officials believed this aircraft could outperform any other operational pursuit or bomber plane.³²

The War Department fought the release of these aircraft but to no avail. On 29 December 1938 Woodring conceded defeat. He sent a memorandum to Morgenthau stating that he had instructed General Arnold to make arrangements for the French to inspect a number of planes including the DB-7.³³ Morgenthau, however, felt uncomfortable with his position as intermediary between the French purchasing mission and the War Department. As he told Monnet two days later, "I find myself now in the position that the whole United States Army is opposed to what I am doing and I am doing it secretly." He went on to say that, as Secretary the Treasury, he could not continue to force the United States

31. Letter, Johnson to Craig, 10 December 1938, Box 72, Accession 8476, Louis Johnson Papers, University of Virginia Library.

32. 22 December 1938, MD 172: 30-32; Dallek, *Roosevelt*, 174.

33. 29 December 1938, MD 172: 77.

Army to show planes to the French against the wishes of Army Chief of Staff and the Chief of the Air Corps. Morgenthau insisted that "If I am going to do anything more on this thing, I have got to have this mission out in the open." Monnet assured Morgenthau that he appreciated the Secretary's difficult position and promised to discuss the matter with the French Government.³⁴

But Monnet failed to win permission for a public statement in time to protect Morgenthau. Under renewed pressure from the President, the Army was directed on 16 January 1939 to provide the French with immediate access to every available aircraft. On 23 January 1939, before the release of any public statement, a DB-7 crashed killing an American pilot and injuring a French observer.³⁵ The crash was impossible to keep secret because it destroyed nine automobiles and injured ten observers. Inevitably, a Congressional inquiry followed shortly thereafter.³⁶

Before the crash the French had placed a \$60 million order for 555 aircraft (including DB-7s) to be delivered between May and October 1939. They forestalled ordering any P-40s (the latest American fighter) because the earliest delivery date from the factory for this aircraft would be May 1940. Between February and September 1939 the French placed no additional orders for American planes and, with the exception of ordering 1400 additional aircraft engines from the United States, purchased no other war supplies. At the outbreak of war in September 1939 fewer than half of these aircraft had been delivered, but the United States in the interim had learned much about improving procedures to accelerate aircraft production.³⁷

While Britain remained aloof from these proceedings, it was weighing the merits of placing more munitions orders in the United States. The strongest

34. 30 December 1938, MD 172: 76-87 and 2 January 1939, MD 173: 1-5.

35. 23 January 1939, MD 173: 61.

36. John M. Blum, *From the Morgenthau Diaries*, 3 vols (Boston: Houghton Mifflin, 1959-67), 2: 71. Much of volume 173 of Morgenthau's diary is devoted to this inquiry.

37. Haight, *American Aid*, 103, 131; Dallek, *Roosevelt*, 175; Blum, *Morgenthau*, 2: 78.

advocates of using American industrial potential were on the Air Staff. On 12 November 1938, just two days before Roosevelt announced his intentions to purchase 10,000 aircraft, the Air Staff Plans Division under Group Captain John C. Slessor submitted a paper, "American Co-operation with Great Britain in the Event of War with Germany". The paper opened with the remark that "The importance of active American sympathy with the democratic Powers in the event of war with Germany is so obvious as to require no emphasis." Despite the fact that Weir's recent Air Mission had shown the limited capacity of the American aircraft industry, the industry's production potential remained immensely important to Britain. Indeed "to decry the value of American support merely on the grounds that they cannot at present supply us with aircraft in sufficient quantities or of adequate quality is obviously to take a ludicrously short view." Slessor and his staff stressed the importance of using private enterprise initiatives to promote at least some Anglo-American co-operation in peacetime. To do this effectively Britain should work also for the repeal of the Neutrality and Johnson Acts. Until these Acts were abolished it would be impossible for Britain to make use of the American munitions industry.³⁸

Slessor's recommendations went unnoticed until mid-1939. Until then the only American asset to attract the interest of the Air Ministry was the Norden bombsight. Group Captain George Pirie, the British Air Attache in Washington, first tried to gain access to this highly classified apparatus in May 1938. By March 1939 Pirie had given up any hope of acquiring it. As he commented in a letter to Major Archie Boyle (Deputy Director of Air Intelligence) "The U.S. bomb sight is now a 'political' piece of equipment!...The Norden sight is in fact one of the United States' most jealously guarded secrets, and frankly, it is going to be very difficult indeed to persuade the Navy Department, who are the sole

38. Memorandum on American Co-operation with Britain, Slessor to Freeman, 12 November 1938, Ministry of Aviation Papers (hereafter cited as AVIA) 10/120, PRO.

owners of the sight to part with it..."³⁹ When his efforts proved fruitless he prevailed upon Chamberlain, through the Foreign Office, to write directly to Roosevelt in August 1939 about the possible acquisition of the Norden bombsight. Roosevelt, at the request of the Army and Navy, once again refused Chamberlain's request.⁴⁰

The War Office showed less interest in long-term access to American equipment and production than the Air Ministry. Even after the annexation of the remainder of Czechoslovakia in March 1939 it still opposed the creation of a war production potential in the United States. Leslie Hore-Belisha explained to Chatfield that the War Office determined after exhaustive enquiries into US production capabilities "that apart from the multiplicity of patterns, the equipments available were generally of older date and inferior to our own". As a result War Office officials dismissed the capabilities of the American munitions industry, and concentrated instead on developing British and Canadian industrial potential.⁴¹

In the first half of 1939, British policymakers weighed the importance of Anglo-American co-operation for the future of their nation. Certain offices, such as Slessor's Plans Division, actively campaigned for close Anglo-American co-operation. But this was not a commonly held position within the Government. Failed attempts to foster co-operation, such as the Hampton Mission, and efforts to acquire new military technology, such as the Norden bombsight, reinforced beliefs that American co-operation offered limited advantages. Roosevelt's first, doomed attempt to repeal the Neutrality Act reinforced this position. As long as this Act remained in effect the United States promised to be an unreliable ally, at

39. Memorandum on Norden bomb sight, Pirie to Boyle, 8 August 1938 and Letter, Pirie to Boyle, 30 March 1939 in Air Ministry Papers (hereafter cited as AIR) 2/3339, PRO.

40. H. Duncan Hall, *North American Supply* (London: HMSO, 1955), 43-6; W.F. Craven and James L. Cate, eds., *The Army Air Forces in World War II*, 6 vols. (Chicago: Univ. of Chicago Press, 1948-1955), 1: 598.

41. Letter, Hore-Belisha to Chatfield, 23 March 1939, CAB 104/158.

best. Therefore even in early 1939, His Majesty's Government refused to pursue Anglo-American co-operation wholeheartedly.

The Riverdale Mission

A Foreign Office recommendation to the CID first prompted British policymakers to reconsider their position on long-term Anglo-American co-operation. Specifically the Foreign Office advised the CID to explore the possibility of establishing a purchasing mission in the United States. Ambassador Lindsay and his staff originally discussed the prospect of a "Government purchasing agency" in the United States in April 1939. Based on their discussions, they believed the Foreign Office should anticipate the need for a British purchasing mission in America, if Britain were to go to war. Three important factors influenced the Embassy's attitude toward the establishment of a purchasing mission in the US--the experiences of the First World War, the French effort already underway to establish such an agency, and intelligence assessments of the productive capacity of American industry.

First, the British Embassy staff (in Washington) argued that Britain must modify the purchasing mission system of the First World War. They believed the existing purchasing technique had advanced "so far beyond the stage that it had reached twenty years ago, or indeed has reached now in England, that individuals or firms who are not experts in the matter can no longer hope to make purchases on a large scale with economy and efficiency". Under these circumstances even J.P. Morgan and Company lacked the expertise to make the large scale commercial purchases Britain might require. In addition the Government would pay exorbitant prices for any goods procured by a privately-owned firm. Therefore Lindsay strongly supported the establishment of a properly qualified purchasing agency.⁴²

42. Letter, Lindsay to Palairt, 9 May 1939, FO 115/3675; Note of Meeting on War Purchases in the USA, 9 June 1939, FO 115/3675.

This attitude towards the establishment of a purchasing agency in the US was further influenced by the belief that France was well ahead of England in efforts to establish a permanent American purchasing mission. Foreign Office officials warned that if Britain waited until weapons were needed, US armament firms would either lack the capacity to increase production immediately or would already be inundated with orders from the United States and other foreign governments.⁴³

Finally, concern about the success of the French mission was heightened by intelligence assessments on the possible impact of a European war on US industry. Desmond Morton, Director of the Industrial Intelligence Centre (IIC), believed once war broke out in Europe the American Government would greatly increase its orders with industry for war-like stores, even though the United States would not be immediately involved.⁴⁴ Drawing from a source close to Assistant Secretary of War Louis Johnson, Morton advised the Foreign Office that a mobilisation of this sort would leave little capacity for foreign orders, and since Britain would then just be one of many nations clamouring for supplies it was essential to have someone on the spot familiar with "the American Executive and the American manufacturer". For these reasons Morton strongly supported the despatch to America of "an unobtrusive Commission" which would "inform itself of probable eventualities in the realm of production and supply in the event of a European war, and to be ready to advise at short notice on what our course of action should be".⁴⁵

Within the United States Government, the Foreign Office first relied on Louis Johnson to present a favourable case for a British Purchasing Mission. The Assistant Secretary himself went to great lengths to substantiate his reputation as

43. J.G. Norris, "French Mission Arrives to Pave Way for Buying War Materials", *Washington Post*, 4 May 1939, FO 115/3675.

44. Note of Meeting on War Purchases in the USA, 9 June 1939, CAB 104/158; Letter, Morton to Ashton-Gwatkin, 10 June 1939, FO 115/3675.

45. Letter, Morton to Ashton-Gwatkin, 10 June 1939 and Letter, Ashton-Gwatkin to Hoyer Millar, 13 June 1939 in FO 115/3675.

a senior ranking US official with "an extreme desire to be helpful" to the British. On one occasion Johnson even offered a British representative the use of a US Government aircraft to fly to Dayton, Ohio in order to study the Army Air Corps's aviation fuel.⁴⁶ Johnson's friendliness toward the British, his crucial role in the formulation of the US Industrial Mobilization Plan, and his reputation for being well informed about the US Government's intentions regarding rearmament and supply led the British Embassy staff in Washington to designate him as the most approachable American official. Furthermore, they believed that by establishing contact with him Britain would be in a much better position to receive American assistance and information in the event of war.⁴⁷

Johnson's approachability, combined with the insistent efforts by Lindsay, Morton and others to send a British supply representative to North America convinced the CID of the wisdom of sending such a representative to the United States. They recommended either R.H. Brand or Lord Riverdale for the task. Due to Brand's illness, Lord Riverdale was selected. Lord Riverdale's political accomplishments, business interests in the United States, membership in the advisory committee on war munitions during the First World War, and work with the PSOC made him an excellent emissary for the British government. He could meet Louis Johnson on an equal footing and also talk knowledgeably about Britain's industrial requirements.⁴⁸

Lord Riverdale departed England on 22 July 1939 (approximately one month after Hampton returned from Washington) and arrived in the United States on 31 July 1939 to commence a two week combined US-Canada visit. During his first day in Washington Lord Riverdale met twice with Louis Johnson to discuss specific aspects of Britain's projected wartime supply needs.⁴⁹ In both

46. Minute by Chalkley on Purchasing Agency, 17 June 1939, FO 115/3675.

47. Letter, Chalkley to Ashton-Gwatkin, 27 June 1939, FO 115/3675.

48. Letter, Burgin to Prime Minister, 4 July 1939 and Note, Robinson to Burgin, 10 July 1939 in CAB 104/159; (1) Telegram, Lindsay to Foreign Office, 29 June 1939, (2) Minute for Lindsay on purchasing policy, 5 July 1939, (3) Telegram, Lindsay to Foreign Office, 6 July 1939 in FO 115/3675.

49. Minute by Chalkley on Riverdale's visit, 31 July 1939, FO 115/3683.

conversations Johnson adamantly insisted on the immediate establishment of a nucleus purchasing commission and assured Lord Riverdale of complete American co-operation. Johnson's insistence was due partly to the frustration of dealing with piecemeal French purchasing requests. But Riverdale sensed almost immediately Johnson's willingness to help Britain in ways he would not assist other governments.

In the course of these discussions Johnson explained to Lord Riverdale the methods employed to expand the production capacity of US industry in the event of war. Johnson explained that US industry had some latent capacity both in machine tools and aircraft engine production. Furthermore, Johnson on at least one occasion went well beyond polite discussion when he shared with Lord Riverdale confidential information regarding the value of US aircraft orders.⁵⁰ Lord Riverdale considered this information important enough to forward it by secret telegram to the Air Ministry and the Ministry of Supply.⁵¹

The remainder of Lord Riverdale's mission was even more important, if less sensational, because it established a line of communication with Henry Morgenthau, Jr and the Treasury Department. Morgenthau's various dealings with the French purchasing mission had established him as the President's *de facto* liaison for the foreign sales of American munitions. However, Morgenthau felt like "a singed cat" (his words) after the difficult Congressional hearings on the French aircraft accident. Consequently he initially refused any request that his department work with Riverdale, "barring a request from the President of the United States". Only after Hull repeatedly assured Morgenthau that Riverdale just wanted to familiarise himself with the operation of the Treasury's Procurement Division did Morgenthau agree to allow Riverdale to meet with Treasury personnel.⁵²

50. Riverdale's Trip Report, 14 August 1939, FO 115/3683.

51. Telegram, Riverdale to Air Ministry and Ministry of Supply, 2 August 1939, FO 115/3676.

52. 26 July 1939, MD 205: 58, 75-6; 27 July 1939, MD 205: 249.

As a result Captain H.E. Collins and Mr John W. Hanes, both from the Treasury Department, discussed the idea of a purchasing commission at length with Lord Riverdale. Collins, Director of the Procurement Division, explained the Treasury's procurement practices in great detail. And Hanes, Under Secretary of the Treasury, discussed the American and British defence budgets, particularly the British war debts from the First World War with Lord Riverdale. The war debt issue remained of crucial concern because the Johnson Act forbade the US to extend credit to any country, including Britain, with outstanding war debts. Lord Riverdale was well aware of the potentially detrimental impact of this Act (as well as the Neutrality Act) on British access to US industry in the event of war. Therefore in his discussions with the Treasury Department representatives he repeatedly asked for their assessment of the likelihood that such legislation would be repealed if England went to war. He received constant reassurance that both acts would be waived under these circumstances, but he was also cautioned that until the legislation had been revoked Britain must strictly adhere to it. Anglophiles in the American government feared that any attempt to find loopholes serving Britain's interest could arouse the ire of pacifists and isolationists who would then try to frustrate Britain's efforts in the United States.

Finally as part of his formal report Lord Riverdale addressed the purchasing agency's structure and location. New York was chosen as the best location for the agency in view of the scope of the city's financial and business activities. The purchasing agency itself would deal directly with Whitehall, and the British Embassy's commercial counsellor would act as the liaison between the British and American governments. Lord Riverdale reiterated the importance of moving swiftly in establishing an embryonic purchasing agency. Moreover, he stressed that the current goodwill towards the idea in Washington would dissipate quickly if positive steps were not taken immediately.⁵³

53. Riverdale's Trip Report, 14 August 1939, FO 115/3683.

The new Ministry of Supply and the Foreign Office reacted with unusual speed to the idea of establishing a purchasing agency. An interdepartmental conference under Sir Arthur Robinson's chairmanship was held on 23 August 1939. By 26 August Lindsay received a secret telegram outlining the structure of a small organization whose personnel were about to depart for the United States and "would prepare the ground for a fuller mission". The mission would have offices in New York and Montreal, and initially would consist of a Director of Contracts supported by a financial adviser, a contracts adviser and three technical advisers representing the various services.

In this same telegram the Foreign Office sought Lindsay's advice on the most effective way to cast the mission's establishment in a positive light for the American public.⁵⁴ Lindsay stressed that an air of secrecy should not surround the mission. While he believed that the nature and extent of Britain's purchases should remain classified, he felt only misfortune would accompany any attempt to disguise the mission's true purpose.⁵⁵ Within two days of Lindsay's message, the Cabinet approved a mission under Colonel J.H. Greenly to look into the utilisation of Canadian and American war potential.⁵⁶ Hence, Britain created the first permanent wartime mission which would have continual dealings with the United States just before the war started.⁵⁷

* * *

The mixture of purpose, flexibility and commitment encompassed in the Riverdale mission set it apart from other interwar efforts to promote

54. Memorandum, Minister of Supply on establishment of a Purchasing Commission in the US and Canada, CP 177 (39), 26 August 1939, AVIA 38/47; Telegram, Foreign Office to Lindsay, 26 August 1939, FO 115/3677.

55. Telegram, Lindsay to Foreign Office, 26 August 1939, FO 115/3677.

56. Memorandum by the Minister of Supply, "Purchasing Commission in the United States of America", 5 September 1939, AVIA 38/47.

57. Roosevelt asked the British Government to send the mission to Canada first, see Telegram, Lothian to Halifax, 8 September 1939, FO 115/3677.

Anglo-American co-operation. It enjoyed the mutual support and interest of both governments, a clearly defined goal, the authority to establish a purchasing mission, and the British Government's commitment to long-term Anglo-American supply co-operation. The Riverdale mission's success, however, was not due to these factors alone; it also owed much to organisations such as the PSOC and the ANMB. They helped preserve the supply lessons of the First World War during a time when supply commanded little attention. Hence, the United States and Britain understood the necessity to move quickly to establish a supply relationship once the need had been identified. The impact of this relationship on the formation of an Anglo-American wartime alliance had yet to be determined. That responsibility rested with the two governments involved, and the individuals chosen to represent their governments in the supply arena in particular. As the next chapter will demonstrate, the efforts of Arthur B. Purvis and Henry Morgenthau, Jr. proved instrumental in the exploitation of this nascent supply relationship.

Chapter V

The Early Months of War

The invasion of Poland compelled His Majesty's Government to declare war on Germany. The British Government's attempts to assess the nation's wartime requirements were complicated because confrontation between the Allies and Germany was not immediate. But British officials believed they could meet most of their needs without turning to the United States for assistance. Thus there was little overlap between Britain's war preparations and America's national defence initiatives inspired by the European war. However, the declaration of war prompted both nations to renew efforts to explore America's industrial potential in case they needed to employ it to defeat Germany. This task fell to the civilian officials responsible for the Anglo-American supply relationship, which improved dramatically between September 1939 and 24 January 1940. In part, the advances reflected a shared desire to increase production to meet anticipated supply needs. But the early success of this relationship owed much to the close friendship forged between Arthur Purvis and Henry Morgenthau.

Britain Declares War

Chamberlain officially announced the creation of a War Cabinet on 1 September 1939. Modelled after its First World War predecessor, the War Cabinet approved rearmament schemes, discussed grand strategy, and worked to strengthen the Anglo-French alliance. The War Cabinet's powers superseded those of the peacetime Cabinet and the Committee of Imperial Defence. It consisted of nine members (Chamberlain's peacetime Cabinet had twenty-two) including the Prime Minister, Chancellor of the Exchequer, Foreign Secretary, Lord Privy Seal

(Hoare), Minister without Portfolio (Hankey), Minister for the Co-ordination of Defence and the Service Ministers.¹

The War Cabinet, including Winston Churchill (the new First Lord of the Admiralty), met for the first time on 3 September 1939. In the early days, these men devoted most of their time to the improvement of the nation's military readiness and to the formulation of an Anglo-French operations plan. Military readiness presented a serious problem. Leslie Burgin (Minister of Supply) reported to the War Cabinet on 6 September 1939 that, based on existing production rates, Britain could equip no more than 16 divisions for service abroad in the first year of the war, despite the official goal of 32 divisions. Any serious attempt to meet this goal required immediate, extensive expansion of the nation's munitions manufacturing capabilities. Beyond these 32 divisions, Burgin also asked the War Cabinet to estimate the Army's final strength. Chamberlain thought it best to create a small committee of Ministers to examine this issue. Thus the War Cabinet approved the formation of a Land Forces Committee to advise on the scale and organisation of Britain's wartime Army.²

Sir Samuel Hoare assumed the chairmanship of the Land Forces Committee which also included Chatfield, Burgin, Hankey, and the Service Ministers. In one afternoon the Committee agreed that by the end of the second year of war (based on projections of a three year war) the army should reach its final strength of 55 divisions. In addition, after twelve months twenty divisions should be ready for immediate service.³ Two weeks later the Land Forces Committee also increased the monthly aircraft production goal to 2550 aircraft.

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1. Conclusions, WM 1 (39), 3 September 1939, CAB 65/1; Winston S. Churchill, *The Second World War*, 6 vols (Boston: Houghton Mifflin, 1948-1953), 1: 405-6; Roy Douglas, *The Advent of War, 1939-40* (London: Macmillan, 1983), 59; J.R.M. Butler, *Grand Strategy*, vol. 2 (London: HMSO, 1957), 2: 4-6.
 2. Conclusions, WM 6 (39), 6 September 1939, CAB 65/1.
 3. Conclusions, WM 9 (39), 9 September 1939, CAB 65/1, Viscount Templewood, *Nine Troubled Years* (London: Collins, 1954), 398-99.

This represented a tremendous expansion because the RAF's actual strength in September 1939 included only 1660 first-line and 2200 reserve aircraft.⁴

The War Cabinet approved these proposals, and showed it could move quickly to create comprehensive rearmament programmes. Unfortunately its efforts to formulate grand strategy were less successful. After the excitement of the first days of the war had dissipated and Europe settled into the Phoney War, the War Cabinet continued to struggle with formulating the nation's strategic goals. Allied and national concerns needed to be addressed. Since there was no immediate threat, the War Cabinet felt no sense of urgency to resolve these issues quickly.

In October 1939 the War Cabinet created a Standing Ministerial Committee on Military Co-ordination to deal with strategic planning. However, the Prime Minister's lack of involvement hampered the organisation's usefulness from the beginning, because the chairman lacked the authority to settle committee disputes. The Co-ordination Committee also had no direct contact with French planners and hence could contribute little to Allied grand strategy. Instead the Supreme War Council attempted to tackle these issues.⁵

Chamberlain and Daladier originally discussed the establishment of a Supreme War Council (based on the 1917-18 model) in the Summer of 1939 as a way to foster Anglo-French co-operation. In September 1939, the Allies formally announced the Council's creation. The organisation was small and included only the two Prime Ministers and one other Minister from each country. The Supreme War Council had a broad scope of responsibilities so the topics under discussion during its meetings embraced such diverse issues as industrial mobilisation, internal feelings in Germany, relations with other European nations and Allied force composition and disposition. But the Supreme War Council lacked

4. Conclusions, WM 23 (39), 22 September 1939, CAB 65/1.

5. Butler, *Grand Strategy*, 2: 6; Martin Gilbert, *The Finest Hour*, vol. 6 of *Winston S. Churchill* (London: Heinemann, 1983), 40.

executive authority. Its participants, instead, agreed to leave final military decisions to the national Governments.⁶

As a result of this decentralisation, Anglo-French strategy to stop a German invasion of the Low Countries and France was fragmented. Instead of a unified plan, France with its larger army controlled land strategy, and Britain with its more sizeable air force dominated air strategy. Belgium's uncertain status as a neutral nation further complicated attempts to formulate a single Allied strategy. After the reoccupation of the Rhineland in 1936 Belgium reverted to its traditional neutrality. British and French staffs assumed Belgium would want Allied assistance if threatened by Germany, but this help required a common British, French and Belgian war plan. But even after the invasion of Poland, Belgium refused to participate officially in staff talks. General Gamelin (French Chief of Staff) eventually conducted secret negotiations with the Belgian staff, and based on these discussions he devised Plan D (allied forces would advance to the Meuse-Antwerp line). The British Chiefs of Staff voiced some concern about Gamelin's plan, but they agreed to it because the plan reduced Britain's overall troop requirements and placed most of the manpower burden on France. The Supreme War Council subsequently endorsed Plan D on 17 November 1939--five days after Hitler's original date for the invasion of France and the Low Countries.⁷

Air policy dominated the discussions during this 17 November 1939 meeting. In this area the roles were reversed, and Britain dominated. France and Britain had originally agreed in September that "it was unthinkable that we should initiate [an] unrestricted air attack on Germany". In part, this decision reflected a promise to President Roosevelt not to bomb civilians. But British and French officials also believed it wise to increase the size of their bomber fleets

6. Conclusions, WM 14 (39), 13 September 1939, CAB 65/1; Butler, *Grand Strategy*, 2: 9.

7. Confidential Annex WM 19 (39), 18 September 1939, CAB 65/3; Churchill, *Second World War*, 1: 482-83; Butler, *Grand Strategy*, 2: 157-62.

before launching an air offensive against Germany. France, in addition, feared the impact of a retaliatory German attack on its aircraft industry. Fighter production in particular was restricted to a few factories which, if destroyed, would wipe out the production line for French fighters.⁸ This consensus developed in September soon dissolved, and by November 1939 the Allies sharply disagreed on air strategy.

The French still preferred to delay any air offensive against Germany until mid-1940. The British Chiefs of Staff, however, advocated an immediate air attack on the Ruhr should the Germans invade Belgium or Holland. Most of the War Cabinet supported this policy. Hoare, for example, believed that the time the Wehrmacht began to advance into these countries:

was the psychological moment to launch an attack on the Ruhr. The German Air Force was only just recovering from the operations in Poland; there would be no depth of defences to the Westward of the Ruhr and the district itself would be full of advancing German troops and supply columns. Such an opportunity to strike a really heavy blow might never recur.⁹

Because the French disagreed with this policy, the War Cabinet recommended that the Supreme War Council discuss it at this 17 November 1939 meeting. But the British Government refused to alter its opinion, and the Council merely agreed to discuss it in greater depth at a later time. Thus Allied bombing policy remained uncoordinated until Winston Churchill (by this time Chairman of the Military Co-ordination Committee) suggested a re-examination of the issue in an 8 April 1940 meeting.¹⁰

During this period, however, the British waged a limited air campaign against Germany. The RAF launched its first air strike against Germany the day after Britain declared war. In accordance with Roosevelt's request not to endanger civilians, the British airmen targeted German warships. During this raid no serious damage was done to the warships, although seven of 29 British

8. Confidential Annex, WM 12 (39) 11 September 1939, CAB 65/3; Telegram, Lothian to Halifax, 31 August 1939, *DBFP*, 3, 7: 428.

9. Confidential Annex, WM 77 (39), 9 November 1939, CAB 65/4.

10. Confidential Annex, WM 77 (39), 9 November 1939, CAB 65/4; Butler, *Grand Strategy*, 2: 168-69.

aircraft were destroyed. The German Navy was subject to similar air attacks, with equally inconclusive results, throughout the early months of the war. In addition to these missions, RAF's Bomber Command had responsibility for distributing propaganda, the second major aspect of this air war. Well into 1940 the airmen devoted several missions to dropping leaflets over Germany and the occupied territories.¹¹

While the British conducted this limited air offensive, a more deadly campaign had already commenced in the Atlantic. On 26 September 1939, the day before Warsaw surrendered, Hitler authorised the German Navy to attack British troop-ships and merchant ships without warning (a month later he expanded the scope of this directive to include French shipping). The pocket battleship *Admiral Graf Spee* was one of the most famous German raiders during this early phase of the Battle of the Atlantic. This ship left Germany just prior to the outbreak of hostilities, and within the month sank several British merchant vessels. The scale of the *Graf Spee*'s success compelled the Royal Navy to launch a massive search to destroy this menace to British shipping. Eventually these efforts were rewarded when it trapped the *Graf Spee* in shallow waters off the coast near Montevideo, forcing the captain to scuttle the ship to avoid capture.¹²

The scuttling of the *Graf Spee* raised British morale at a crucial time. It stood apart as a tangible victory in a period fraught with much tension but little open conflict. Despite the sinking of the *Graf Spee*, by the end of 1939 Britain still found it difficult to focus on winning a shooting war. Chamberlain's belief that Germany would collapse because of a fragile economy and low morale was widely accepted within the Government. This interpretation meant time was on the Allies' side, and they would need only to retain a solid, non-aggressive front

11. Denis Richards, *The Fight at Odds*, vol. 1 of *Royal Air Force 1939-1945* (London: HMSO, 1953), 40-54. Among other things, these early missions dramatically revealed the dangers of daylight bombing to Bomber Command.

12. Stephen Roskill, *The Defensive*, vol. 1 of *The War at Sea* (London: HMSO, 1954), 112-15; Churchill, *Second World War*, 1: 423-28, 513, 517-18, 525-26.

against Germany until the collapse occurred.¹³ Not surprisingly Britain's attitude towards the United States during these early wartime months remained largely unchanged from the interwar period, and Chamberlain and his Cabinet felt no immediate pressure to woo the United States in order to ensure Britain's survival.

America Responds to the European War

While the British were indecisive about how to fight the war, Americans faced with the dilemma of how to treat the Allies. Sympathy for the Allied war effort existed in the United States, but the nation was determined to keep its distance from the fighting. Roosevelt spoke for the American people in his 3 September 1939 radio address when he stated:

Let no man or woman thoughtlessly or falsely talk of America sending its armies to European fields. At this moment there is being prepared a proclamation of American neutrality. This would have been done even if there had been no neutrality statute on the books, for this proclamation is in accordance with international law and with American policy.

Then he noted that while the US would remain neutral, "I cannot ask that every American remain neutral in thought as well. Even a neutral has a right to take account of facts. Even a neutral cannot be asked to close his mind or his conscience." The Neutrality Act revision which followed in November 1939 also reflected this remote, but sympathetic attitude toward the Allies.¹⁴

Roosevelt's first attempt in 1939 to revise the Neutrality Act had failed. He originally hinted at this idea in his 4 January 1939 State of the Union address sparking a spirited debate over the existing Neutrality Act.¹⁵ The Administration wanted to alter the 1937 version by removing the arms embargo provision and renewing the cash-and-carry policy for trade with belligerent nations. The persistent isolationist sentiment in the Senate, however, blocked the Administration's efforts to incorporate these points, and in July 1939 all attempts

13. Reynolds, *Anglo-American Alliance*, 74-5.

14. Radio Address by Roosevelt, 3 September 1939, *Peace and War*, 483-85.

15. State of the Union Address, 4 January 1939, *PPA*, 1939: 3-4.

at revision were abandoned. The Neutrality Act of 1937 thus remained in effect when the European war started.

The President reopened the neutrality debate on 21 September 1939. In an address to Congress on this date he pressed for the same revisions he had outlined earlier in the year. Although the start of the European war offered a compelling case for amendment of the Neutrality Act, it was not assured. The isolationists conducted an effective publicity campaign against any changes to this Act, arguing that its revision would lead to American involvement in the European war. For a month and a half the Roosevelt Administration struggled to win authorisation for this legislation. Its efforts finally were rewarded when the President signed into law a new Neutrality Act which contained the requested revisions on 4 November 1939. Ultimately, the Administration's success was because the amendments matched the public mood. The cash-and-carry provision favoured Britain, in particular, because the superiority of its navy and merchant marine provided ready access to American markets. However, the Act contained other provisions intended to shield the United States from the European war. For example, it compelled the President to identify combat zones if a war existed anywhere in the world. Once delineated, American merchant ships would be prohibited from entering these combat zones, regardless of the economic costs. Furthermore, the delineation of such zones reflected a partial willingness to abandon the long standing belief in freedom of the seas in order to prevent strict adherence to this principle from once again nudging the United States toward war.¹⁶

While the Neutrality Act of 1939 embodied America's ambivalence toward the European war, similar sentiment was expressed in the United States' mobilisation policy. Three days after the President issued the neutrality

16. "Neutrality Act of 4 November 1939", *Peace and War*, 494-506; William L. Langer and Everett S. Gleason, *The Challenge to Isolation, 1937-1940*, 2 vols (Gloucester, MA: Peter Smith, 1970), 1: 232-33. Divine, *Illusion*, 297-331 contains the most extensive discussion of this second attempt to revise the 1937 Neutrality Act. The final vote on revision was: Senate 55 to 24, House 243 to 172.

proclamation he declared a limited national emergency and authorised the expansion of the fighting services. Roosevelt initially planned a 70,000 man increase. Fearing a public outcry if the forces grew too quickly, the President ultimately authorised only an additional 17,000 men for the Regular Army. This addition brought the Regular Army's enlisted strength up to 227,000 men--still well below the authorised peacetime figure of 280,000. When further expansion was discussed in late November 1939, Woodring informed the President that the Regular Army's strength should not exceed 250,000. The Secretary of War continued to believe a major conflict could be averted in Europe, and therefore the United States Army should be prudent about the magnitude of its expansion. General Marshall, now the Chief of Staff, disagreed with the Secretary and campaigned for the full peacetime manpower complement. Roosevelt chose to accept Woodring's assessment and limited the Army's expansion accordingly.¹⁷

He showed similar restraint with budget requests. Six weeks after the war started in Europe, the Office of the Chief of Staff submitted a request for an \$850 million armament programme to meet the nation's expanded defence needs. Independently G-4 (War Department General Staff, Supply Section) had assembled an even bolder rearmament plan and proposed a special \$1 billion programme to General Marshall. Ultimately both plans proved too ambitious for Roosevelt. In October 1939 the President notified the War Department that he would consider as excessive any supplementary programme over \$120 million.¹⁸

Most interesting of all, however, was Roosevelt's reaction to industrial mobilisation initiatives. Assistant Secretary of War Louis Johnson originally persuaded the President to establish a War Resources Board (WRB) in early August 1939 to direct wartime economic mobilisation. With Roosevelt's approval, Johnson summoned Edward R. Stettinius, Jr (chairman of US Steel

17. Memorandum, "Increase in the Army", Marshall to Gasser, 8 September 1939, Larry Bland, *et al.*, eds, *The Papers of George Catlett Marshall* (hereafter cited as *GCM Papers*), 2 vols (Baltimore: Johns Hopkins Univ. Press, 1981, 1986), 2: 53-4, 112-13; Watson, *Chief of Staff*, 156-58.

18. Watson, *Chief of Staff*, 161-62.

Corporation) to Washington on 9 August 1939 to direct an advisory agency on munitions. Initially Stettinius's organisation was to devote its time to "reviewing and completing the Industrial Mobilization Plan...specifically for use only in the event of a major war" and then advise the Army and Navy Munitions Board (ANMB) on its findings. Once a war broke out the WRB "would become an administrative agency and be called the War Resources Administration; it would then report directly to the President and have the same powers as the old War Industries Board". In short, the formation of the WRB appeared to fulfil the requirement for the economic mobilisation superagency outlined in the IMP.¹⁹

The creation of the WRB, however, generated considerable criticism from the outset. Those opposed to rearmament believed the board's establishment took the United States a step closer to war. Labour and agricultural spokesmen declaimed that the WRB served only big business, and was contrary to the values of the New Deal. Roosevelt himself, disliked the WRB because it required him to centralise authority for economic mobilisation into one organisation. Usually the President's style was to divide responsibility among several individuals and then settle major issues himself. Thus for political and personal reasons, Roosevelt sought an alternative to the WRB just two weeks after he approved its creation.²⁰ The President found his solution in the form of the Advisory Commission to the Council of National Defense.

Although this Council had not convened since the First World War, existing statutes permitted the President to appoint an Advisory Commission without Congressional approval. The Advisory Commission's decentralised nature also appealed to Roosevelt because its members had to look to him for direction, and it allowed him to minimise any politically damaging disruptions to

19. Memorandum by Stettinius, Jr on the Formation and Activities of the WRB, mid-September (?) 1939 and Letter, Roosevelt to Stettinius, Jr, 24 November 1939 in folder WRB, Box 74, Accession 2723, Stettinius, Jr Papers, University of Virginia Library.

20. Civilian Production Administration (CPA), *Industrial Mobilization for War 1940-1945*, vol. 1 (Washington, DC: GPO, 1947), 9; John M. Blum, *V was for Victory* (New York: Harcourt Brace Jovanovich, 1976), 117-18.

the fragile US economy. This suited his management style much better than to delegate complete responsibility to another person. Based on these factors, FDR notified Stettinius on 30 August 1939 of his intention to resurrect the Advisory Commission, and asked Stettinius to re-evaluate the WRB's responsibilities in light of this decision. Since Roosevelt had already decided to circumvent the WRB, his negative reaction to the Stettinius committee report was predictable.

On 11 September 1939 Roosevelt informed the Cabinet that the board's proposals consisted of "a very comprehensive blueprint...from which it would appear that this committee was prepared to take over all functions of Government". Furthermore Roosevelt told the Cabinet members "that he had no intention of permitting this and that he would not approve this blueprint".²¹ Stettinius was excluded from this meeting and was not informed of the President's views. When he met again with Roosevelt on 13 September, Stettinius noted the President "discussed with me a great many things in confidence as to how he would organise industry to meet a major war effort. He described to me in detail the seriousness of the war situation." Always one to avoid a confrontation if possible, Roosevelt never mentioned his intention to disband the board during this conversation. Indeed, Stettinius only learned of it when he read Roosevelt's announcement in the newspapers two weeks later. Stettinius, for his part, acknowledged the fruitlessness of campaigning for the WRB's continued existence if the President opposed it. The board effectively ceased to function at this point, although it remained an organisation on paper until 24 November 1939.²² Ironically, after the demise of the War Resources Board, Roosevelt postponed the reactivation of the Advisory Commission to the Council of National Defense until May 1940, almost a year after he had first considered the possibility.

21. Harold L. Ickes, *The Secret Diaries of Harold L. Ickes*, 3 vols (New York: Simon and Schuster, 1953-1954), 2: 720.

22. Memorandum by Stettinius, Jr. on the Formation and Activities of the WRB, mid-September (?) 1939 and Letter, Roosevelt to Stettinius, Jr., 24 November 1939 in folder WRB, Box 74, Accession 2723, Stettinius, Jr. Papers.

In his reluctance to organise the nation's industry for war, Roosevelt's attitude reflected the ambivalence in American public opinion on this issue and toward the European war in general. In the United States' major responses to the war (Neutrality Act revision, rearmament and economic mobilisation efforts) two themes were evident. First, the United States should assist the Allies as much as possible without getting involved in the war. And second, the United States should strengthen its national defence without disrupting its economy. These goals would have been difficult to meet under the best of circumstances. In the charged atmosphere of the first months of the war, it was virtually impossible. The Roosevelt Administration had to balance the Allies' requests with the rearmament requirements of the US War and Navy Departments, and it had to take on Congress just as the 1940 Presidential election year opened. (Roosevelt by this time was already toying with the idea of running for an unprecedented third term.) So under Roosevelt's direction, the United States navigated an uncertain, tentative course during those first months of war as it tried to meet these goals. Despite all the speeches, little changed in the United States' approach toward Britain during this time except for the approval of the revised Neutrality Act. Indeed, based on new tensions that surfaced during this period, it sometimes looked as though Anglo-American relations had not improved at all.

Anglo-American Tensions

In late 1939, disagreements over neutral versus belligerent rights, along with British wartime trade practices created a considerable amount of friction between the two countries. The memories of bitter confrontations over neutral rights during the First World War prompted Britain and the United States to approach the issue gingerly when the Second World War began. In a 4 September 1939 meeting with Lord Lothian, the new British Ambassador in the United States, Hull proposed the adoption of a navicert system similar to the one in operation during the Great War. Under this system British authorities inspected American

ships before they left their home waters. If the authorities verified that the cargo on board was destined for delivery to a neutral nation they would issue a certificate, a navicert, which would then protect the vessel from later being diverted into a British port for examination. His Majesty's Government responded favourably to Hull's suggestion and agreed to a meeting with American experts to discuss this measure to minimise the conflicts over American trade with other neutrals.²³

The Declaration of Panama also received an initially positive response. This declaration was a product of the Pan American Conference held in September and October 1939 to discuss ways to protect the Western Hemisphere from the European war. This declaration established a neutrality zone around the entire hemisphere extending well beyond the established international limit (it was three hundred to one thousand miles wide, depending on the curvature of the American coastline). The zone commenced at the United States-Canadian border, and reached southward encompassing all of South America. The twenty-one American Republics agreed to patrol this zone collectively to ensure that all belligerent activities remained outside the hemisphere.²⁴

In the weeks immediately after the signing of the Declaration of Panama, the United States Department of State notified the belligerent powers about the creation of the Pan American "safety belt". Churchill, as First Lord, discussed the implications of this neutrality zone with the rest of the War Cabinet during a 5 October 1939 meeting. He pointed out that "in practice, it was understood that the United States Navy would be responsible for its enforcement in both North and South American waters" although in theory all the South American navies would participate in the enforcement of this zone. Churchill therefore recommended that Britain accept the terms of the declaration because it relieved the Royal Navy of "a great load of responsibility" and freed up more escort ships

23. Memorandum by Hull, 4 September 1939, *FRUS 1939*, 1: 718-19; Hull, *Memoirs*, 1: 680-81.

24. Hull, *Memoirs*, 1: 688-90.

for convoy duty. He also pointed out that if Germany rejected the zone "Herr Hitler would have quarreled with Mr Roosevelt and would have put himself in the wrong with American public opinion." The War Cabinet accepted Churchill's recommendation and he wired President Roosevelt of their decision the same day.²⁵

Despite Britain's initial interest in the navicert system and acceptance of the Neutrality Zone, by the end of 1939 both measures proved harmful for Anglo-American relations. For example, the United States had agreed to the use of navicerts with the provision that Britain meet four conditions: first, American trade with neutral countries must remain undisturbed; second, United States trade would not be subject to discrimination; third, the character of the goods, and their destination were the sole criteria on which a navicert could be issued (or refused); and fourth, a reason for the rejection of a navicert must be given to the applicant. But Britain implemented the system on 1 December 1939 without reaching an agreement with the American Government on these conditions. This lack of co-ordination invariably led to frequent disagreements between the two nations over the treatment of American ships destined for neutral countries. As Hull explained to Lothian, from the American perspective current British navicert practices hurt US trade and gave Britain "a monopoly in the shipping and trading situation".²⁶

Britain's cavalier treatment of the American neutrality zone during the hunt for the *Graf Spee* also upset American policymakers. When the Royal Navy trapped the enemy vessel in the waters off Montevideo, it blatantly violated the security zone proclaimed by the American republics at the Panama Conference. This prompted the American Republics, including the United States, to lodge an

25. Confidential Annex, WM 38 (39), 5 October 1939, CAB 65/3; Message, Churchill to Roosevelt, 5 October 1939, Warren F. Kimball, ed., *Churchill and Roosevelt: The Complete Correspondence* (hereafter cited as *Correspondence*), 3 vols. (London: Collins, 1984), 1: 26-7.

26. Memorandum on "The United States-British Differences", 30 January 1940, File 213, Hull Paper; Hull, *Memoirs*, 1: 735-36.

official protest with the British and German Governments. At the same time the Roosevelt Administration filed complaints against His Majesty's Government because of Britain's seizure of German supply ships within this noncombatant zone. The furore over these incidents, as well as the navicert issue, indicated that differences over neutral and belligerent rights on the high seas persisted.²⁷

Other British wartime policies further heightened the tensions between the two countries in the early months of the war. Strong disagreements resulted from the British interception and censorship of American mails, including diplomatic despatches and correspondence destined for neutral nations. Once again, according to Hull, the greatest source of American irritation was that His Majesty's Government hurriedly implemented incomplete programmes to interfere with the United States mails, but failed to notify American officials of its intentions.²⁸

The most heated exchanges between the two nations, however, were reserved for Britain's new trade policies. Shortly after the declaration of war Britain altered its policy on the purchase of American commodities. The British Government decided to restrict its American purchases to items essential to the war effort because of Britain's limited dollar reserves. State Department officials, businessmen, and farmers decried the decision. They claimed that this policy hurt legitimate American economic interests, and that Britain and France were "not in such desperate straits at this time as to force them to take such a step". Hull and Kennedy relayed these complaints to their British counterparts, warning them "that they could alienate all public opinion in this country [the United States] by such extreme practices, with the result that in the end Great Britain would suffer enormously instead of gaining to any extent". By the end of

27. Gilbert, *Finest Hour*, 116; Hull, *Memoirs*, 1: 692.

28. "Representations to the British Government with Regard to the Censorship of American Mail", 7 October 1939 to 2 January 1940, *FRUS 1939*, 2: 266-71; Memorandum on "United States-British Differences", 30 January 1940, File 213, Hull Papers.

January 1940 Britain's wartime trade policies had been thoroughly discussed between the two nations, but no significant changes in these policies resulted.²⁹

Disagreements continued to mar Anglo-American relations during the first months of war. The British resented the attitude adopted by US newspapers which suggested that "the war was a great spectacle for them and they had a right to advise and reproach from their abundant security".³⁰ And confrontations over neutral rights and Britain's restricted trade policies ensured that, at best, the United States felt a lukewarm sympathy for the Allied cause. As one British Embassy official later noted: "In spite of friends too many to number, one felt then that the American atmosphere was hostile."³¹ Lord Lothian in particular sensed a subtle, but growing, resentment in the United States towards Britain which could no longer be ignored. As he cautioned Lord Halifax in a 26 January 1940 despatch, there was a growing feeling in America that

while the Administration had shown the utmost friendship to Great Britain compatible with American public feeling about neutrality...we had been trading on that friendship, and instead of going out of our way to return the friendship by meeting Administration difficulties, had given more regard to nations like Italy which had more nuisance value.³²

Thus during the winter of 1939-1940 Anglo-American relations assumed more the character of the 1914-1917 relationship than a wartime alliance.

Anglo-American Supply Relations: September - November 1939

Since the need for a strong Anglo-American alliance to win the war was not yet apparent, the successful establishment of an Anglo-American supply relationship amidst this muddled state of affairs came as an even greater surprise. Indeed, this materialised only because a few senior British and American officials worked diligently to follow up on Lord Riverdale's successes. Greenly was particularly

29. Telegrams about British Purchases, 13 September 1939 to 26 January 1940, *FRUS 1939*, 2: 215-17, 225-28, 231-33; Memorandum on "United States-British Differences", 30 January 1940, File 213, Hull Papers.

30. Letter, Spender to Lothian, 23 December 1939, GD 40/17/407/14-17, Lothian Papers, Scottish Record Office.

31. Letter, N. Butler to Hodson, 3 November 1947, Lothian Papers, Round Table.

32. Telegram, Lothian to Halifax, 26 January 1940, FO 414/277.

instrumental in this process. As head of the British Purchasing Mission in North America, he realised his organisation's effectiveness would be limited until His Majesty's Government answered several pressing questions: How should a British Purchasing Commission be structured? Should the Canadian and American branches be independent or interdependent? What should the relationship be between the British and French Purchasing Commissions? And who should be in charge of the Purchasing Commission in America?

Roosevelt complicated initial attempts to answer these questions by notifying Lothian that he wanted the purchasing mission established first in Canada. After Greenly and his staff arrived in Canada, FDR said they would be allowed to travel to the United States to consult with the American Government--but only as members of the Canadian Purchasing Mission. Until the Neutrality Act was revised, Roosevelt insisted on this procedure to avoid accusations that the British purchasing agency intended to circumvent this Act. Moreover, he thought the publicity it received in Canada would generate support among American businessmen for Neutrality Act revision; after all, without revision Britain might build rival factories in Canada.³³ Guided by these restrictions and issues, policymakers on both sides of the Atlantic worked to create an effective British purchasing agency in the United States.

First, the structure of this agency needed to be defined. J.P. Morgan and Company lobbied to resume its First World War purchasing responsibilities. Not surprisingly, because of the Nye Committee report and other accusations of war profiteering levelled against Morgan's during the interwar period, this suggestion met with little enthusiasm. Roosevelt refused to allow American companies to serve as purchasing agents and proposed instead that Britain form a corporation like Amtorg (the Russian purchasing agency) so the British could purchase their supplies directly from American businesses. Lothian explained that the British Government wanted to avoid incorporation because it preferred a mission which

33. Telegram, Lothian to Halifax, 8 September 1939, FO 115/3677.

could work with the American Government.³⁴ The Roosevelt Administration accepted the British proposal when US Treasury officials pointed out, *inter alia*, the tax difficulties of incorporation. Hence Greenly, his staff, and various British Embassy officials used the first two months of the war to establish the structure for a purchasing agency in the United States (known officially as the British Purchasing Commission). In order to co-ordinate all North American activities, His Majesty's Government directed that this agency operate under Greenly's British Supply Board based in Ottawa.³⁵

Arthur Blaikie Purvis

Once the organisational scheme received approval a director for the agency needed to be appointed. British and American industrialists, as well as government officials, realised it was essential for this person to command respect in Britain, the United States and Canada. An interesting exchange on this point took place between Alfred P. Sloan (President of General Motors Corporation), Lord McGowan (Chairman of Imperial Chemical Industries, and a Director for General Motors) and Burgin. Sloan wrote to McGowan on 7 September 1939 to offer his thoughts on wartime purchases in the United States. He stressed the need to select the most talented person available to supervise a purchasing agency in the United States. This individual must maintain a close association with his American counterparts because they knew "the industrial situation here in [the United States] from beginning to end". Sloan also highlighted the problems of high prices and profiteering encountered in the First World War, and he drew on these lessons to stress the need to create "the most intelligent form of organisation in the purchasing of supplies". McGowan strongly endorsed Sloan's

34. Historical Memorandum from J.Morgan and Co., Lamont to Lothian, 12 September 1939, FO 115/3679; Telegram, Lothian to Halifax, 14 September 1939, FO 115/3678.

35. Pinsent Memorandum on meeting with Morgenthau, 10 October 1939, FO 115/3712; Establishment of Purchasing Commissions, 25 September to 18 October 1939, *FRUS 1939*, 1: 565-67; Hall, *North American Supply*, 68-70; Blum, *Morgenthau*, 2: 101.

letter and sent it on to Burgin. Eventually a copy of it also reached Greenly in Ottawa.³⁶

Perhaps McGowan's involvement in the selection of the purchasing agency director was merely coincidental, but the only name mentioned for this position in the United States was Arthur Blaikie Purvis, chairman of Canadian Industries Limited (an ICI affiliate), and a man known to Lord McGowan since 1910. Purvis was born in London of Scottish parents on 31 March 1890. Educated at Tottenham Grammar School, he had won a scholarship to continue his studies. But his formal education ended abruptly when his father died, forcing Purvis to leave school and seek employment at the age of 13. After working at an assortment of jobs for seven years, in 1910 Purvis was given a letter of introduction to Mr Harry (later Lord) McGowan of Nobel's Explosives Company, Glasgow (later part of ICI). McGowan hired Purvis, and by 1914 he had already worked for the Company's South American and South African Departments. After the First World War broke out Nobel's sent Purvis to the United States in September 1914 to purchase all available acetone supplies to meet Britain's increased demand for military explosives. Securing acetone worth 25 million dollars, Purvis gained the distinction of becoming Britain's first purchaser of wartime supplies in the United States.

In 1915 his health broke under the strain of his wartime work, and he did not resume his duties until 1918. After the war Purvis remained in North America, and in 1924 he took over as President of Canadian Explosives, Limited. Canadian Industries, Limited (CIL), as the company became known in 1927, represented the largest joint undertaking of ICI and du Pont Company. Thus the work at CIL kept Purvis in contact with the British, American, and Canadian business communities throughout the interwar period. Purvis's drive and ambition largely accounted for the expansion of CIL in the 1920s and 1930s,

36. Letter, Sloan to McGowan, 7 September 1939 and Letter, McGowan to Burgin, 18 September 1939 in Ministry of Aviation papers (hereafter cited as AVIA), 22/3154, PRO.

but these characteristics made him somewhat unpopular with the CIL managerial staff and gave credence to rumours that he aspired to be Prime Minister of Canada. By 1939 he was one of Canada's most prominent industrialists serving on the board of directors of eleven different Canadian organisations. During the mid- and late 1930s he also devoted considerable time to community service, and he chaired the immensely successful National Employment Commission between 1936 and 1938.³⁷

Greenly officially nominated Purvis for the directorship of the purchasing mission in October 1939. His nomination was heartily endorsed by Lothian and senior Ministry of Supply officials, such as Arthur Robinson and Lord Weir (Weir was now Director General of Explosives at the Ministry of Supply). By the end of October Purvis had accepted the position, and merely awaited the approval of the revised Neutrality Act before moving to New York.³⁸ When he arrived in New York as Director General of the British Purchasing Commission, Purvis was known to the relevant British ministers and respected in the international business community. Yet he remained unknown to United States Government officials, including Henry Morgenthau, Jr, US Secretary of the Treasury and Purvis's American counterpart.

Henry Morgenthau, Jr

Henry Morgenthau, Jr was born on 11 May 1891, in New York City, into a wealthy family of German-Jewish descent. Morgenthau, Sr had made his fortune in real estate and started to prepare his only son from an early age to follow in

37. Memorandum by McGowan, 4 January 1918 and "Arthur B. Purvis - A Short Biography", 26 September 1941, *Contact* in CIL Archives; "Mr A.B. Purvis", *The Times*, 16 August 1941: 7; W.J. Reader, *Imperial Chemical Industries: A History*, 2 vols (London: Oxford Univ. Press, 1975), 2: 212-14, 217, 225; H.D. Hall, "Purvis", *Dictionary of National Biography 1941-1950*, eds L.G. Wickham Legg and E.T. Williams (Oxford: Oxford Univ. Press, 1959), 700-2. Interestingly, none of Purvis's biographers reveal the cause of his illness in 1915.

38. Telegram, Lothian to Halifax, 11 October 1939, FO 115/3706; Telegram, Robinson to Greenly, 27 October 1939, FO 115/3681; Record of Meeting at the Treasury, 25 October 1939 and Letter, Robinson to McGowan, 27 October 1939 in AVIA 22/3155.

his footsteps. Young Henry, however, lacked his father's enthusiasm for real estate and chose a career in agriculture instead. With no experience in this area and incomplete higher education (he had left Cornell University after a few semesters), Morgenthau purchased several hundred acres of land in Dutchess County, New York and commenced his life as a gentleman farmer.

Almost from the moment he purchased this farm, other activities competed for his attention. Between 1914 and 1916 he spent a considerable amount of time serving as private secretary to his father, the American Ambassador in Turkey. From this vantage point Morgenthau, Jr watched some of the major operations of the First World War unfold. When young Morgenthau was not in Turkey, he went to New York City (via London) to oversee the management of his parents' complicated financial portfolio.³⁹ Even when Morgenthau was able to return to his farm he found himself increasingly involved in Dutchess County politics.

Morgenthau's interest in local politics brought him in contact with several of his Dutchess County neighbours, including Franklin Delano Roosevelt. These two men first met in 1915 at a luncheon at Hyde Park, and by the time Roosevelt received the 1920 Democratic vice-presidential nomination they had become close friends. The friendship gradually carried over into the political arena. Morgenthau immersed himself in Roosevelt's various political campaigns, and at each step Roosevelt rewarded Morgenthau's loyalty and service by giving him a political appointment which allowed the two friends to work together.

When FDR won the presidential election in 1932, he brought Morgenthau into the Government as the head of the Federal Farm Board (later restructured and renamed the Federal Credit Administration). Morgenthau was delighted with the appointment but served in this capacity for only a year. On 13 November 1933 Roosevelt asked him to take over as Acting Secretary of the Treasury

39. Morgenthau's stops in London first introduced him to the officials at the Foreign Office. On these occasions he frequently carried the despatches exchanged between his father and Sir Edward Grey. Blum, *Morgenthau*, 1: 5-6.

because Secretary Woodin was terminally ill. Morgenthau accepted the job, became Secretary in January 1935 after Woodin's death, and continued in this capacity until the President's death in 1945.⁴⁰

As Secretary of the Treasury, Morgenthau periodically met with officials of His Majesty's Government -- and not always with favourable results. For example, Morgenthau failed to impress British authorities with his attempt at secret diplomacy in 1937. After a conversation with the President about the increasingly unstable world situation in February 1937, Morgenthau asked for permission to send a secret message to Neville Chamberlain. Morgenthau wanted to inquire if the Chancellor of the Exchequer could offer any suggestions on how the United States could help prevent another European war. The President granted his approval, and two days later Morgenthau sent for Kenneth Bewley (the Exchequer's representative in Washington) to give him a personal message for Chamberlain.

Under orders from Ambassador Lindsay to comply with the Secretary's request, Bewley left immediately for Britain. Defensive about his role as a secret courier for the Americans, Bewley hastened to justify his actions to British officials upon his arrival in London. He explained that the President regarded the Treasury as his own department, and for Roosevelt "to act through the Treasury would be more or less equivalent to keeping the matter in his own hands". As for Morgenthau, Bewley stated "he is a rather ignorant but absolutely sincere and direct man" who earnestly wanted this effort to succeed.⁴¹ Bewley returned to the United States approximately one month later, carrying Chamberlain's response to Morgenthau's message. By the time the Secretary read Chamberlain's answer he had lost his enthusiasm for personal diplomacy. And Morgenthau asked Bewley if he thought "Mr. Chamberlain would feel any offense if the matter was now transferred into another channel?" Bewley

40. Blum, *Morgenthau*, 1: Chapters 1 and 2.

41. Memorandum by Bewley, 23 February 1937, FO 115/3413/506, Pt. 2; Blum, *Morgenthau*, 1: 458-9.

diplomatically replied that Chamberlain would certainly wish to use "the channel most appropriate to the subject matter".⁴²

This example of Morgenthau's amateurish involvement in areas tangential to US Treasury affairs undoubtedly cast doubt on his suitability for sensitive diplomatic work. Thus, in early 1938, when rumours began to circulate in Washington that Morgenthau might replace Joseph Kennedy as the American Ambassador in London, Lindsay vehemently opposed the idea. The British Ambassador commented in a letter to the Foreign Office that "personally I think Morgenthau would make a bad Ambassador anywhere". He went on to state that although Morgenthau was friendly to Britain, he was also excitable, emotional and touchy and that His Majesty's Government should discourage any ambassadorial ambition.⁴³

Morgenthau might have been difficult to deal with, but it was essential for British Government representatives in the United States to get along with him. As Bewley had noted, Roosevelt used the Treasury for unorthodox purposes. Most importantly, Morgenthau had co-ordinated most of the Allied purchases in the United States since 1938. Therefore the head of the British purchasing mission needed a solid relationship with the Secretary in order to be effective. Fortunately for the British, Purvis already possessed impressive credentials for his American mission. His Canadian business background, American wife and Scottish ancestry all helped to distance him from the London establishment which politely had shunned Morgenthau. Moreover, Purvis's appointment as Director General of the British Purchasing Commission meant

42. Letter, N. Chamberlain to Morgenthau, 26 March 1937 (date received by Morgenthau) and Memorandum by Bewley, 27 March 1937 in FO 115/3413/506 Pt. 2.

43. Letter, Lindsay to J. Balfour, 8 March 1938 FO 371/21544. In early 1938 Morgenthau's hostile reaction to the Foreign Office's unwillingness to invite him officially to London reinforced Lindsay's assessment, see (1) Letter, Lindsay to Waley, 24 January 1938, (2) Memorandum by J. Balfour, 14 February 1938, (3) Telegram, Lindsay to Foreign Office, 22 March 1938, (4) Telegram, Bewley to Waley, 14 July 1938 all in FO 371/21544; and "Records of Leading Personalities in the United States", Lindsay to Halifax, 4 August 1939, FO 414/276.

that if a unified Anglo-French Purchasing Commission were established, Purvis would be a likely candidate to direct it. This option minimised the chances that Jean Monnet might return to the United States to head a joint mission. Morgenthau preferred to avoid this possibility, although he noted "while I am not crazy to have Monnet come over here...I suppose I get along with him as well as I can with any other Frenchman."⁴⁴ Thus Purvis's background alone promised a favourable start to the next phase in the Anglo-American supply relationship.

Anglo-American Supply Relations: November 1939-January 1940

The President approved the Neutrality Act revision in early November 1939, and the British Purchasing Commission officially commenced its work shortly thereafter. After the Neutrality Act was revised, Roosevelt displayed even greater interest in the Allied purchasing system. The President's primary concern focused on the need for centralised control of purchasing on both sides of the Atlantic. Roosevelt felt that through such close co-ordination the United States could avoid any danger of Allied purchases interfering with the American preparedness programme. Furthermore, he believed the close monitoring of all purchases would help prevent a general rise in domestic prices.⁴⁵ To achieve these goals Roosevelt simultaneously supported the establishment of two committees, one American and one Allied, to handle all requests.

Morgenthau prompted Roosevelt's interest in an American committee. After the Neutrality Act was revised, Morgenthau asked Roosevelt to relieve him of his purchasing responsibilities. As the Secretary explained to Purvis, "it is very important work and I think it will take the full time of whoever he designates." The President agreed to this request. The Secretary suggested the President create instead an informal committee to represent the United States Government. The committee would consist of the Director of Procurement (Treasury Department), the Quartermaster General of the Army, and the

44. 18 October 1939, MD 218: 22.

45. Memorandum, Meeting with the President, 29 December 1939, AVIA 38/1.

Paymaster General of the Navy. It would serve as the sole liaison with foreign governments. In order to keep Roosevelt informed, it would submit a weekly report to him through Mr McReynolds, an administrative assistant to the President. Roosevelt accepted Morgenthau's recommendation on 6 December 1939, and named Captain (USN, ret) Harry E. Collins, the Treasury's Director of Procurement, as chairman of this new Presidential Liaison Committee (also known as the Synchronising Committee). In this new capacity, Collins would continue to report to Morgenthau. Thus despite FDR's earlier promises, Morgenthau still retained *de facto* responsibility for the Allied purchasing programme in December 1939.⁴⁶

Ever responsive to the needs of his long-time friend, Morgenthau accepted this situation gracefully. Furthermore, now that he had the official support of the President, Morgenthau almost gleefully set out to ensure that the services understood the extent of his authority in the purchasing arena. Louis Johnson and Secretary of the Navy Edison expressed considerable outrage when they learned of the Liaison Committee's creation because both believed it undermined the usefulness and power of the Army and Navy Munitions Board. Not only did Collins' committee assume some of the Munitions Board's responsibilities, the Liaison Committee's mere existence was a direct affront to Johnson and Edison because it supplanted the authority of the ANMB (see pages 81-85). When they called Morgenthau to see if the new committee could be abolished even before it convened for the first time, the Treasury Secretary was not sympathetic. Morgenthau merely said, "Look, gentlemen, if you don't like this thing, see [sic] just go to the White House, don't bother me with it." Morgenthau especially enjoyed Johnson's outrage. As he told Collins over the telephone "He's [Johnson] just fit to be tied." When Collins responded by stating "I hope his blood pressure goes to two hundred and sixty", Morgenthau

46. 9 November 1939, MD 222: 118; 29 November 1939, MD 225: 39; 6 December 1939, MD 227: 44; Blum, *Morgenthau*, 2: 112.

questioned if even that was high enough to incapacitate Johnson.⁴⁷ This unofficial, bureaucratic feud over the control of Allied purchasing between the Treasury and War Departments provided a continual source of tension during those first few months of the war. However, the President's support for Morgenthau as the single point of contact never wavered.

Roosevelt also tried to ensure the Allies would establish a single Anglo-French purchasing commission. In early November he began to press the Allies to consolidate their purchasing arrangements by working through Lord Lothian, Greenly, Purvis, and Ambassadors Bullitt and Kennedy. Roosevelt's demands built a strong case for Allied co-operation, but any permanent move in this direction could only come from Chamberlain and Daladier.⁴⁸ At the Supreme War Council meeting on 17 November 1939, the British and French Prime Ministers took an important step toward consolidation of the overall economic war effort of the two countries. The Council completed arrangements to establish joint executive committees for air, munitions and raw materials, petroleum, food, shipping, economic warfare, and purchasing. An Anglo-French Co-ordinating Committee, consisting of eight senior officials chosen from the various executive committees and under the chairmanship Jean Monnet, coordinated the work of these individual committees.⁴⁹

Since Monnet was to head the London-based Anglo-French Co-ordinating Committee, it seemed appropriate to select a British representative to direct the Allied purchasing efforts in America. A combined Anglo-French board chaired by Arthur Purvis offered the most logical solution. Ironically, however, Daladier refused to approve this option until he learned "whether the United States

47. 8 December 1939, MD 227: 226-27. Smith, *Economic Mobilization*, 42-3 overestimates the role of the Army and Navy Munitions Board in the early days of the war because he fails to address how executive agencies, such as the Presidential Liaison Committee limited the Army and Navy Munitions Board's powers.

48. 10 November 1939, MD 222: 144; Telegram, Greenly to Robinson, 11(?) November 1939, FO 115/3701.

49. Telegram, Kennedy to Hull, *FRUS 1939*, 1: 568-69; Monnet, *Memoirs*, 128. Although Monnet's memoirs dwell on his own accomplishments, they provide an interesting account of early Anglo-French supply co-operation.

Government will consider Purvis *persona grata* in the highest degree". Apparently the French Prime Minister received a satisfactory answer to his query, because on 25 November 1939 he notified Roosevelt and Hull that the British and French Governments had agreed to create a joint purchasing commission in the United States under Purvis.⁵⁰

The Prime Ministers' agreement to establish the Anglo-French Purchasing Commission preceded the formation of the President's Liaison Committee by approximately two weeks. Together the creation of these two organisations demonstrated the high degree of importance placed on a centralised purchasing system by the three heads of government. Their interest gave the two committees legitimacy and assured their chairmen support at the highest levels of government. This alone marked a significant change in affairs from the Allied purchasing arrangements of most of the First World War. However, even the involvement of Roosevelt, Chamberlain and Daladier did not ensure the success of these new purchasing arrangements. Much of this success depended on the strength of the working relationship between the Anglo-French Purchasing Commission and the President's Liaison Committee.

A comfortable relationship between these two organisations did not materialise automatically. Because of unresolved organisational issues, the Anglo-French Purchasing Commission did not convene formally until 17 January 1940.⁵¹ Meanwhile, the Allies tried to continue with the old purchasing arrangements for the most pressing items, such as aircraft and machine tools. Morgenthau prevented the Allies from succumbing to this temptation by his refusal to work with anyone other than Purvis.

An early incident involving Lord Riverdale clearly demonstrated Morgenthau's acceptance of Purvis's dominant role in Allied purchasing. In mid-

50. 18 November 1939, MD 223: 27-8; Telegram, Bullitt to Hull, 25 November 1939 and Memorandum by Lothian, 30 November 1939 in *FRUS 1939*, 1: 570-71.

51. Minutes of First Meeting, Anglo-French Purchasing Board, 17 January 1940, AVIA 38/6.

December, the British Embassy notified Morgenthau's office that Lord Riverdale would arrive shortly in Washington. Embassy officials thought the Secretary might want to consult with Riverdale on questions dealing with the purchase of alloy metals, since he was an expert in this area. Morgenthau sent back a curt reply refusing to meet with Riverdale, who was travelling as a private citizen. As the Secretary explained to the Embassy, Treasury officials would meet only with Purvis. Purvis reinforced Morgenthau's decision in word and deed. Not only did he praise the Secretary's action, Purvis also cancelled a previously scheduled meeting with Lord Riverdale at Morgenthau's request in order to meet with the Secretary. When Morgenthau apologised for disrupting Purvis's meeting with Riverdale, the Allied Purchasing Chairman replied convincingly "This [the meeting with Morgenthau] is much more important."⁵²

A similar episode occurred when M. Rene Pleven, a personal assistant to Monnet, tried to discuss aircraft purchasing with Morgenthau. Monnet had despatched Pleven to the United States to meet Purvis and to discuss the Allied arrangements in London for the co-ordination of the economic war effort. But Pleven's specific responsibilities also included leading an Allied mission to examine American aircraft production capacity. The President was the first to receive word of Pleven's Mission in a letter from Ambassador Bullitt. Roosevelt summoned Morgenthau to the White House, informed him of the letter's content, and reiterated that the United States Government would work only through Purvis. Morgenthau heartily supported this position, and he subsequently notified Purvis about this discussion. Morgenthau later informed Pleven of this policy during the Frenchman's courtesy call at the Treasury, at which Purvis was also present. Morgenthau discouraged direct contact with the Treasury and explained instead "the thing that you want to do is to sit down with Mr Purvis and Capt Collins and go over this whole situation".⁵³

52. 18 December 1939, MD 230: 90; 22 December 1939, MD 232: 18.

53. Anglo-French Co-ordinating Committee Constitution, 4 December 1939 and Letter, Monnet to Purvis, 8 December 1939 in AVIA 38/1; "Very Secret Report" submitted

Purvis appreciated the steadfast support of the American Government. And with Morgenthau's assistance, he quickly centralised control over much of the Allied purchasing system. This close relationship allowed the two men to discuss topics indirectly related to Allied purchasing. For example, they worked out a funding scheme which helped American industrialists expand their plant facilities without incurring substantial tax liabilities. This permitted the manufacturers to increase production to meet Allied requirements, while it saved the Allies from bearing the full financial burden for these expansions.⁵⁴

Morgenthau's exploration of a moral embargo on the sale of strategic metals to Germany, Russia and Japan brought the two men even closer together. Under a moral embargo private industries were encouraged to withhold shipments of strategic materials to these countries. In turn, to prevent American firms from losing money, the Allies were asked to purchase larger quantities of these materials. Roosevelt asked Morgenthau to examine the possibility of a moral embargo on molybdenum, a metallic element used for the production of high-speed tools. The Treasury Secretary ignored Hull's organisation and discussed the prospect of such an embargo directly with Purvis on 8 December 1939. As Morgenthau explained to the Purchasing Commission Chairman "a thing like this is--you and I acting for the President. It has nothing to do with the other things we have talked about". Purvis added "this will get to the heart of the thing and the United States is willing to co-operate. It seizes ones imagination very definitely." In several long meetings in December 1939 and January 1940 these two men discussed the implementation of a moral embargo. Eventually it included materials such as nickel and tungsten, as well as molybdenum. Since it was a voluntary embargo it lacked the impact of a legal embargo which for political and legal reasons the United States Government could not impose. But

by Plevin *et al.*, 25 January 1940, AVIA 38/16; 22 December 1939, MD 232: 1-5, 19-20.

54. 27 December 1939, MD 232: 178; 29 December 1939, MD 232: 316.

the establishment of the moral embargo played an essential role in the development of the Purvis-Morgenthau relationship.⁵⁵

Although Purvis and Morgenthau successfully co-ordinated most aspects of Allied purchasing from the start, the muddled circumstances surrounding the Allied purchase of machine tools and aircraft in America diminished some of their effectiveness. Two factors greatly complicated Anglo-French efforts to purchase these badly needed items: first, His Majesty's Government was reluctant to change the previously established procedures for purchasing machine tools; and second, Britain and France differed fundamentally on whether machine tools or aircraft should have the higher priority, and the United States Government was unaware of this difference.

The Allies acknowledged the problems inherent in the uncoordinated purchase of machine tools. Competing orders, for example, could lead to a rise in prices and delayed delivery dates. But the Ministry of Supply and the Air Ministry both preferred their established practice of purchasing machine tools through importers in England. Any alteration might put these people out of business at a time when many of them had already arranged advanced purchases in the United States. Furthermore, as of December 1939 the Air Ministry needed all available American machine tools for the next eighteen months in order to attain its 2550 aircraft per month production programme. Any interference with existing channels of supply might disrupt the chances of meeting this goal.

55. 8 December 1939, MD 227: 471; 10 January 1940, MD 234: 153-165; Blum, *Morgenthau*, 2: 127-9. Roosevelt's decision to ask the Treasury, rather than the State Department, about the feasibility of the moral embargo reflected his growing bias against Hull's organisation. Early in his Presidency, Roosevelt had consulted the State Department on most foreign policy issues. However, as this organisation showed less willingness to support the President's views on the European war, the President assumed more direct control over foreign policy. When he did ask for the Department's assistance he usually turned to Welles rather than Hull. Howard Jablon, *Crossroads of Decision: The State Department and Foreign Policy, 1933-1937* (Lexington, KY: Univ. of Kentucky Press, 1983) examines this early relationship between Roosevelt and the State Department.

Therefore, new procedures would be implemented only after careful examination.⁵⁶

Purvis tried to dissuade these London-based officials from using their established purchasing methods. He insisted the best way to acquire the required machine tools quickly from the United States was to consolidate and "frankly disclose the needs of the Allied war programme" to the American Government. Conversely, he warned the Roosevelt Administration would be obstructionist if it believed the British were trying to circumvent the recently created purchasing organisations. Moreover, the present technique for purchasing machine tools made it impossible for Purvis to carry out the British Government's instructions to centralise all purchasing in America.⁵⁷

By the end of December the Purchasing Commission had been given permission to discuss the machine tool situation in confidence with the Roosevelt Administration, but uncoordinated buying continued to cause difficulties between the United States and the Allies. In mid-January 1940 Greenly renewed the plea on behalf of Purvis's organisation. He commented in a message to Robinson that the Departments at home did not appreciate "that the senior executive of the British Purchasing Commission have far greater knowledge and experience of American industry than the majority of individual purchasers sent from home". Despite Greenly's efforts, however, the situation remained unchanged at the end of January 1940.⁵⁸

These machine tool difficulties in the United States reflected a larger problem in the Allied purchasing programme. In the early days of the British Purchasing Commission some important decisions had to be taken regarding American purchases, in light of Britain's limited dollar reserves. Most

56. Telegram, Robinson to Greenly, 23 November 1939 and Telegram, Robinson to Greenly, 5 December 1939 in AVIA 38/44; H. Duncan Hall and C.C. Wrigley, *Studies of Overseas Supply* (London: HMSO, 1956), 72-3.

57. Cable on "Machine Tools" by Purvis, 10 December 1939, AVIA 38/44.

58. Telegram, Greenly to Robinson, 12 January 1940, AVIA 38/99; 30 January 1940, MD 238: 295.

importantly, British policymakers believed they had to choose between purchasing machine tools to produce British aircraft or placing orders for additional American aircraft. After much discussion, Air Ministry officials reluctantly agreed with the Treasury that they should use any available American money primarily for machine tool purchases in order to meet Britain's current aircraft production programme.⁵⁹

Shortly after this decision was taken, Chamberlain received the letter from Daladier which first outlined the proposal for Pleven's Mission to explore American aircraft production potential. Daladier still wanted to possess clear air superiority in Europe, and he believed he could only achieve this goal by increasing American industrial output in engines and fuselages. The Treasury advised the Prime Minister's office to warn Daladier from the outset that "the French proposal is really incompatible with our present programme". But it suggested that if the French wished to follow through with the investigation, a British representative should join the mission. Chamberlain formally communicated these views to Daladier during a Supreme War Council meeting.

Meanwhile Britain's North American purchasing contingent learned about the Pleven Mission from Sir Arthur Street (Permanent Under-Secretary, Air Ministry). Street sent a telegram to Greenly which emphasised the investigative aspect of the mission. He specifically cautioned Greenly to "be most careful not to create impression that His Majesty's Government might be prepared to commit themselves to expenditure in the way either of creation of productive capacity or of follow-on production orders in U.S.A." Greenly almost certainly shared the contents of this message with Purvis, yet despite all of the British reservations about Pleven's Mission, the Americans apparently never learned of these concerns.⁶⁰

59. (1) Letter, Street to Gilbert, 6 December 1939, (2) Treasury Memorandum on "Purchase of Airplanes in USA", 7 December 1939, and (3) Gilbert Memorandum on "Purchases of Aircraft in USA", 8 December 1939 in T 161/948/S.45903.

60. (1) Letter, Daladier to Prime Minister, 11 December 1939, (2) Memorandum, Treasury's Comments on Daladier's Proposal, 18 December 1939, and (3)

When Pleven arrived in the United States he explicitly communicated his intention to place orders for as many aircraft as possible. As Pleven told Morgenthau in their introductory meeting, he wanted to explore the possibility of increasing "the quantities of engines and planes that we could obtain from the United States" because to attain air supremacy "we must have many...more planes than we will be able to secure even if the plans of France and England can be consummated as planned." When Morgenthau inquired how many aircraft the Allies anticipated buying for this purpose, Pleven responded, "we have in mind something like 10,000." Thus was born the notion that large aircraft purchases were a top priority for both Britain and France.⁶¹ This idea was reinforced by later meetings with American officials to discuss which types of planes should be included in this overall figure.

Throughout Pleven's visit, neither Greenly (the British representative to the Anglo-French Air Mission) nor Purvis (who was present at most of the Air Mission's meetings) challenged the impression created by the Frenchman during that first meeting with Morgenthau. When the story of the negotiations began to reach Britain, policymakers urgently tried to reverse the direction the meetings were taking. Air Ministry and Treasury officials again warned that French interest in US aircraft purchases could severely disrupt Britain's own production programme. The danger was even more apparent now because, although no actual commitment had been made, British involvement in the mission gave tacit approval to Pleven's actions. Much to the dismay of these British officials, their predictions proved all too accurate. Morgenthau became an enthusiastic supporter of Allied aircraft purchases, and in early January he recommended to Roosevelt that the "English and French should place orders so that they take every other one of [the] Army and Navy planes now in production that they can use. I am

Telegram, Street to Greenly, 28 December 1939 in T 161/1000/S.46294/1;
Conclusions, WM 120 (39), 20 December 1939, CAB 65/2.

61. 22 December 1939, MD 232: 1-2.

afraid they are getting planes now which will be one cycle behind their enemies."⁶²

The reasons Purvis, who was overseeing Pleven's Mission, said nothing to Morgenthau about Britain's reluctance to place aircraft orders remain unknown. But the most likely explanation is threefold. First, in order to minimise any discussion about Allied disunity in the United States, Purvis chose to downplay the machine tool versus aircraft controversy. Second, even late in the talks, Monnet stated that the negotiators could walk out at any time without causing any harm, and so the immediate need to discuss this problem with Morgenthau was minimised. And third, Purvis wanted to co-operate fully with the United States. Since Morgenthau supported selling American aircraft to the Allies, Purvis wanted at least to appear supportive of this policy. Therefore he decided to advocate British purchase of American planes despite his instructions from London.⁶³ In any case, at the end of January Britain still had not placed additional aircraft orders with American manufacturers. This set the stage for serious discussions between Purvis and Morgenthau over Britain's purchasing priorities. Such talks would occupy much of their time in the following month.

* * *

Despite confusion over the placement of machine tool and aircraft orders, purchasing arrangements showed a remarkable degree of Anglo-French, Anglo-American, and Allied-American co-operation during those first months of war. And Roosevelt, as if to emphasise this point, authorised news releases late on 23 and 24 January 1940 officially confirming the establishment of the President's

62. Memorandum by Compton, "Expansion of Aircraft Production in USA", 16 January 1940 and Memorandum by Gilbert, 16 January 1940 in T 161/1000/S.46294/1; 29 December 1939, MD 232: 307, 317-18; 30 December 1940, MD 232: 412-13; 7 January 1940, MD 233: 377.

63. Memorandum by Gilbert, 16 January 1940, T 161/1000/S.46394/1.

Liaison Committee and the Anglo-French Purchasing Commission.⁶⁴ Indeed, in a period marked by Allied uncertainty regarding grand strategy and military requirements, persistent American isolationism, Anglo-American tensions on the high seas, and American ambivalence about aid to the Allies, the Anglo-American purchasing relationship stood apart because of its co-operative spirit. This relationship revolved around Purvis and Morgenthau in the first months of the war. This suited Roosevelt's management style which favoured informal, personal contacts over more traditional, departmental means of communication. And it reflected the British Government's initial marginal interest in American assistance. Correspondingly, this relative disinterest allowed Purvis to set a more amicable tone for the relationship between the British Purchasing Commission and the Roosevelt Administration than Chamberlain might have chosen. Purvis and Morgenthau would continue to guide the supply relationship through its next phase between February and June 1940. But the American service chiefs, among others, would also become more involved in the Anglo-American supply relationship during these months as they worked to minimise the impact of military supply sales on the state of readiness of their forces.

64. 23 January 1940, MD: 153-56; "Plane Purchasing Up to Morgenthau", *New York Times*, 23 January 1940: 3; "Allies Form Board of Purchases Here", *New York Times*, 24 January 1940: 4.

Chapter VI

From Awareness to Urgency

The Phoney War ended abruptly with the invasions of Scandinavia, the Low Countries and France in April and May 1940. These campaigns significantly altered Anglo-French relations and forced Britain to re-evaluate its relationship with the United States. The US was also greatly disturbed by the developments in Norway and Western Europe and, as a result, started to restructure its own national defence policy. These simultaneous moves by Britain and the United States indicated a general shift from simple awareness of the German threat to Europe to an urgent desire to contain Hitler. But much uncertainty persisted about the best way to accomplish this goal. While British and American strategists struggled with this question, the Anglo-American supply relationship flourished. Civilian and military officials from both countries could choose to limit discussions to immediate supply concerns, or they could use the supply arena to explore subtle ways to widen the scope of Anglo-American co-operation. This flexibility made the supply relationship crucial to Anglo-American relations during these unsettled months of 1940.

The End of the Phoney War

During the early months of 1940, the British War Cabinet focused its planning efforts on Scandinavia, but this work proceeded at a leisurely pace. The War Cabinet's interest in the Baltic region stemmed from Germany's reliance on Swedish iron ore and French pressure to open a second front in this area. Planners believed Germany must be denied access to the ore despite Sweden's neutrality. Yet any attempt to interfere with this supply of Swedish ore to Germany automatically involved Norway as well. After the ore was mined it was transported to either the Swedish port at Lulea, or Narvik on the Norwegian

coast. Narvik proved the more popular of the two ports since it remained ice-free year around. Moreover, Norway followed a policy of strict neutrality at this time. Thus any actions to interfere with the German-Swedish-Norwegian iron ore network threatened to turn the two neutral countries against the Allies.

Concern about adverse reaction from Sweden and Norway resulted in dramatic shifts in the War Cabinet's Scandinavian strategy between January and March 1940. In January 1940, the War Cabinet considered options which included the occupation of the iron ore fields, seizure of the railways, and capture of one or both of the ports. The War Cabinet, for example, first planned to capture only Narvik, but then decided on 12 January that a larger operation would be more successful. This plan was cast aside a week later following the French decision to provide financial aid to Finland. Chamberlain told the Chiefs of Staff to discuss this action with the French because "Allied assistance to Finland might be the only way of getting a footing in Scandinavia."¹ With this remark, concerns about Finland dominated the next phase in Allied planning for the Baltic.

At the Supreme War Council meeting held on 5 February 1940, Britain agreed to despatch three to four divisions to help Finland by 20 March. The British intended to land their forces at Narvik and Trondheim, then move toward Finland via Boden. These movements would take their troops directly through the iron ore region of Sweden, and thus provide the Allies with an ideal opportunity to capture it. But this plan suffered from complications almost from its inception. The Swedish Government vehemently opposed the scheme; and Finland advised the Allies that the plan's effectiveness necessitated more military aid. The Allies continued the Finnish aid debate until 13 March 1940 when Finland signed a peace treaty with the Soviets.²

1. Conclusions, WM 26 (40), 29 January 1940, CAB 65/5; Butler, *Grand Strategy*, 2: 91.

2. Confidential Annex, WM 35 (40), 7 February 1940, CAB 65/11; Butler, *Grand Strategy*, 2: 112.

Ironically, the day before the signing of the Russo-Finnish Treaty, the War Cabinet had authorised British landings at Narvik and Trondheim, with possible follow-on attacks at Stavanger and Bergen. But when word reached Chamberlain about the treaty he ordered the postponement of Britain's Scandinavian expedition until the War Cabinet could discuss the implications of the Russo-Finnish agreement. Rather than capture Narvik and Trondheim, Chamberlain now wanted to send a mission to Norway and Sweden to improve relations with these two countries. Most of the War Cabinet agreed with the Prime Minister, but Churchill continued to support these landings and any other measure which would interrupt the German supply of iron ore.³

The next major opportunity to consider Scandinavian policy was the Supreme War Council meeting on 28 March 1940. During this meeting the Allies agreed to mine the Rhine on 4 April, Norwegian territorial waters on 5 April, and to enter Belgian territory without permission should Holland be invaded. However on 1 April 1940, the French War Committee asked the British to postpone the mining of the Rhine for another three months because of the continued vulnerability of the nation's aircraft and munitions factories to German air attacks. This request prompted the War Cabinet to delay briefly the mining of Norwegian waters, hoping that France would change its position. When Britain and France failed to reach a compromise, the War Cabinet decided to proceed without French approval on 5 April 1940, and a special naval force left Scapa for Norway. But this move came too late. By the time the British naval force departed, Hitler had already started to implement his own plans for the occupation of Norway and Denmark.⁴

Although Allied planning in the early months of 1940 was more focused than during the first months of the war, the results were equally ineffective. While British and French planners concentrated on the Scandinavian region,

3. Gilbert, *Finest Hour*, 188-89.

4. Butler, *Grand Strategy*, 2: 122-25; Gilbert, *Finest Hour*, 212.

indecisiveness and disagreements prevented the implementation of any of their plans. Furthermore, these Allied planners continued to experience difficulties in agreeing to a common course of action. By early April they could no longer afford the leisurely consideration of theoretical wartime scenarios. Instead, they faced the daunting task of trying to stop Hitler's war machine when German troops invaded Norway on 9 April 1940, the same day they occupied Denmark.

On 10 April 1940, the Supreme War Council laid plans to stop the German offensive and agreed that the Allies' immediate goal was to seize Narvik from the Germans. At a subsequent meeting on 22 April 1940, the Supreme War Council made the capture of Trondheim another military objective in Norway. But within the week the Council conceded that German air superiority and the continual drain of the Norwegian campaign on Britain's naval resources dashed any hopes of taking Trondheim. Reluctantly the Allies put aside this goal.⁵ This decision largely stemmed from a growing concern that the Norwegian invasion foreshadowed an offensive on the Western Front and possibly an attack on Britain. Thus, although the Allies were still involved in Scandinavia at the end of April, the War Cabinet had started to shift its focus away from the North and more toward these threats to the West.⁶

One of the most crucial steps Chamberlain took as head of the War Cabinet involved the re-appointment of Churchill as head of the Military Co-ordination Committee. The events in Finland had already heightened dissatisfaction with Chamberlain's Government, and the setbacks suffered during the Norwegian campaign further soured public opinion against the Prime Minister and his Cabinet. In an effort to regain the public's confidence Chamberlain decided to increase Churchill's responsibilities because of his popular reputation as a strong wartime leader. Thus on 1 May 1940 the Prime Minister agreed to restore and expand Churchill's powers over the Military Co-

5. Butler, *Grand Strategy*, 2: 129, 131.

6. Gilbert, *Finest Hour*, 276.

ordination Committee (Chamberlain had assumed temporary control of it on 17 April). Under this new arrangement Churchill, on behalf of the Military Co-ordination Committee, could convene, preside over, and direct the efforts of the Chiefs of Staff Committee. The effectiveness of this setup, however, was never tested. Instead, Churchill became Prime Minister scarcely a week later.⁷

On 2 May 1940, Churchill assumed his expanded duties over the Military Co-ordination Committee. Shortly thereafter a debate commenced in the House of Commons on the Government's actions in Norway. The two-day debate and the 8 May vote which followed, indicated that Chamberlain lacked the support to lead the Government effectively in wartime. Chamberlain still tried, without success, to persuade Labour to join a National Coalition Government. All hopes gone for such a coalition, Chamberlain resigned the Prime Ministership on 10 May, and Churchill replaced him. Churchill assumed the responsibilities of the Minister of Defence as well, which allowed him to control specific aspects of strategic policy in addition to the overall direction of the war effort.⁸

The invasion of the Low Countries began the same day Churchill undertook these new responsibilities. Hitler had ordered his planners to prepare for this campaign shortly after the defeat of Poland. Originally he had intended the invasion to start in November, but several weather delays ultimately postponed it until May 1940. Once the invasion started German forces quickly swept into Holland, Luxembourg and Belgium, and on 14 May broke through the Allied line at Sedan. This breakthrough had chilling implications. It allowed the Germans to trap the British and French forces in Belgium by sweeping behind the Allied armies toward the Channel ports. Hitler's forces pursued this objective with alarming speed. When Hitler approved a temporary halt to this drive on 24

7. Letter, Samuel to Lothian, 27 March 1940, GD 40/17/404/341-345, Lothian Papers, Scottish Record Office; John Colville, *The Fringes of Power: 10 Downing Street Diaries, 1939-1955* (New York: W.W. Norton, 1985), 104; Churchill, *Second World War*, 1: 644-45.

8. Conclusions, WM 119 (40), 10 May 1940, CAB 65/7; Butler, *Grand Strategy*, 2: 140, 144-45.

May approximately 340,000 Allied troops were held within a small perimeter around Dunkirk. Two days later on 26 May, the British Government issued the order to commence the evacuation of the forces trapped within this perimeter. Operation Dynamo continued until midnight 2 June 1940, evacuating over 338,000 soldiers. But the evacuation did nothing to stop the German advance. When German troops broke through the French line at several points on 6 June, they virtually guaranteed the fall of France.

Meanwhile, the Norwegian campaign had fared no better. British and Norwegian forces captured Narvik on 28 May 1940. But even before the port's seizure, the evacuation order had been issued. The Chiefs of Staff recommended this course of action to the War Cabinet because Narvik's defence threatened to drain vital resources from British land, sea, and air forces. The evacuation of Narvik commenced on 3 June and ended in the early morning hours of 8 June 1940. On 10 June all Norwegian resistance ceased, but Britain soon received more bad news. On 11 June 1940 Italy finally entered the war on Germany's side and expanded the war's scope to include the Mediterranean and North Africa. Italy's declaration of war came less than a week before Marshal Pétain, the new French Premier, asked the Germans for an armistice. That armistice was signed on 22 June 1940.

Finland's demise and the Norwegian campaign publicly revealed the shortcomings which afflicted Britain's strategic planning process. The War Cabinet's unsuccessful attempts to deal with the problems in Scandinavia prompted accusations from an increasingly large group of critics that the organisation was slow, cumbersome, and indecisive. These critics charged it was unsuited in its present form to direct the nation's war effort. Chamberlain's reputation as a war leader suffered similarly, not only because of his failure to direct the War Cabinet, but also because of his inability to convince the public

that he could bring the war to a successful conclusion.⁹ By the time the Germans invaded the Low Countries these factors had forced Chamberlain from office and vindicated Winston Churchill's decision to restructure the War Cabinet completely. But the new Prime Minister had little time to consider thoroughly the larger organisational and strategic questions facing Britain during his first six weeks in office. Instead Churchill devoted most of his efforts to minimising the magnitude of German victories on the Western Front and in Scandinavia. When he did contemplate the future course of the war during these traumatic weeks, one point was clearly communicated to Churchill - Britain required all possible assistance from the United States. Although most US citizens sympathised with the Allied cause, popular sentiment stressed staying out of the war. Moreover, many Americans now doubted Britain's chances for survival.

Neutrality, Rearmament and Sympathy for the Allies

The United States observed the events in Scandinavia and Western Europe from its protected position across the Atlantic. The US Government watched with a sympathetic detachment when Finland's courageous struggle against the Soviet Union commenced on 30 November 1939. The United States imposed a moral embargo (see pages 128-29) against the Soviet Union within a few weeks of the invasion. But Hull persuaded Roosevelt that any additional actions by the Executive to aid Finland would lead to a confrontation with Congress (with the next Presidential election less than a year away). On this occasion the President listened to Hull, and Roosevelt deftly shifted all responsibility to Congress for providing financial assistance to the Finnish Government.¹⁰ Hjalmar Procopé, the Finnish Minister in Washington, unsuccessfully appealed to Hull to alter the Roosevelt Administration's position during an 8 February 1940 meeting. But Hull merely reiterated that without Congressional approval the Finnish

9. See for example Letter, Samuel to Lothian, 27 March 1940, GD 40/17/404/341-345, Lothian Papers, Scottish Record Office.

10. Letter, Garner to Roosevelt, 16 January 1940, *PPA*, 1940: 49-51.

Government would have to appeal privately to American industries for assistance. Congress finally authorised 20 million dollars of financial aid for Finland on 28 February 1940 (the purchase of munitions with this money was forbidden), but it was too late to assist Finland in its struggle against Russia.¹¹

The United States Government made one last attempt to assist the Finns in the first week of March 1940. During a 5 March meeting, Roosevelt gave Procopé permission to approach Morgenthau about the possibility of purchasing 150 pursuit aircraft and 36 twin-engine bombers. Procopé took his request to the Treasury Secretary and Morgenthau, in turn, discussed the feasibility of the request with key Army and Navy personnel. General Arnold's position became clear when he bluntly dismissed Morgenthau's inquiry with "Don't look at me, Jack." The naval representatives, more tactfully, gave the Treasury Secretary the same answer. Morgenthau then asked Purvis if Britain and France could turn over some of their American aircraft orders to Finland. No pressure was put on the Anglo-French Purchasing Commission to meet this request and not surprisingly, Purvis refused.¹² Consequently Finland did not receive any aircraft, and this brief episode typified the American attitude toward Finland. Although the United States was sympathetic, it was unwilling to make any commitments which might harm American or Allied preparedness or draw US neutrality into question.

While the Russians and the Finns were still fighting in February, Roosevelt announced his plans to send Sumner Welles (Under Secretary of State) to visit Rome, Berlin, Paris and London. Roosevelt, in fact, was playing a delicate game of domestic politics with Welles's Mission. Publicly Roosevelt explained that the visit was "solely for the purpose of advising the President and the Secretary of State as to the present conditions in Europe". Privately,

11. Telegram, Schoenfeld to Hull, 5 February 1940 and Letter, Hull to Procopé, 8 February 1940 in *FRUS 1940*, 1: 287-88; Langer and Gleason, *Challenge*, 1: 335-40.

12. 5 March 1940, MD 245: 230-41; 6 March 1940, MD 245: 350-57; 7 March 1940, MD 246: 39.

however, he instructed Welles to explore the possibilities of bringing a lasting peace to Europe during his visits to these European capitals.¹³ The President knew that the isolationists would criticise an exploratory peace effort as a threat to American neutrality. But Roosevelt believed he could enhance his chances of winning a third Presidential term by creating a viable opportunity for the US to bring peace to Europe.¹⁴

His Majesty's Government and Secretary Hull tried to discourage the Welles Mission. They saw no opportunity for bringing peace to the continent, and they rightly feared that rumours stemming from the mission would cause great confusion, especially in neutral European nations.¹⁵ Despite these protests the President despatched Welles to Europe. Equipped with letters of introduction from Roosevelt, Welles travelled to Rome (25 February 1940), then proceeded to Berlin (1 March 1940), Paris (7 March), and finally London (11 March). He returned to Rome briefly before departing for the United States at the end of March.

The fall of Finland coincided with the return of the Welles Mission from Europe. As a peace initiative, this whirlwind tour of Europe failed. Indeed, Welles's Mission emphasised the vague, idealistic aspects of American diplomacy that Europeans found so exasperating. But as Welles's extensive trip report indicates, it enhanced American appreciation for the complexity of the European situation. And his pessimistic view of this situation notwithstanding, Welles hoped that the United States, supported by other neutral states, could bring peace to the region.¹⁶ The invasion of Denmark and Norway scarcely two

13. Press Conference, 9 February 1940, *PPA*, 1940: 77; Letters, Roosevelt to Chamberlain and Roosevelt to Mussolini, 14 February 1940, in Elliot Roosevelt, ed., *FDR: His Personal Letters, 1928-1945*, 2 vols (cited as *FDR 1928-1945*), (New York: Duell, Sloan and Pearce, 1950), 2: 1001.

14. Dallek, *Roosevelt*, 217.

15. Thomas E. Hachey, *Confidential Dispatches: Analyses of America by the British Ambassadors, 1939-1945* (Evanston, IL: New Univ. Press, 1974), 19; Hull, *Memoirs*, 1: 737-38.

16. Report by Welles on his Mission to Europe, 26 February 1940, *FRUS 1940*, 1: 21-117.

weeks after Welles submitted his report abruptly terminated any such speculations.

The German invasions of Denmark and Norway ended the Roosevelt Administration's interest in peace initiatives. The United States watched the Northern campaign develop with detached sympathy for the invaded countries reminiscent of its attitude toward Finland. But the Danish occupation provided a source of great concern for the United States because of its implications for hemispheric defence. Specifically, the United States was worried about the fate of Iceland and Greenland, both Danish possessions.

Arguably, Iceland and Greenland both belonged in the Western Hemisphere. In Iceland's case the US State Department was willing to accept its closer ties to Europe and rely on Britain to protect it from a German invasion. As a result the United States decided in April 1940 to limit its involvement in Icelandic affairs to an exchange of diplomatic missions.¹⁷ Greenland posed a more serious problem because of its proximity to North America. On 12 April Hull advised Lothian of the US State Department's position: Greenland belonged to the Western Hemisphere and thus fell under the jurisdiction of the Monroe Doctrine (pending the restoration of Denmark's sovereignty). Lothian assured Hull that His Majesty's Government accepted this US claim. But Canada reacted very sharply to the United States' position. Because of Greenland's proximity to its borders, the Canadian Government demanded the US guarantee Greenland's security. If the American Government refused this request, Canada threatened to land a small defence force in Greenland. Denmark also sought more active US participation in Greenland's affairs. The Danish Minister in the United States hinted at the possible creation of a US protectorate over Greenland to defend it from potential German invasion. This idea disturbed the State Department particularly because of fears it would set a bad precedent for other powers

17. Documents, Establishment of official relations between Iceland and the United States, 10 April 1940, *FRUS 1940*, 2: 675-77.

(namely Japan) to claim the colonial possessions of the occupied European countries. Thus the American Government found itself in a difficult position. It wanted to exclude other countries from Greenland, but it was reluctant to take actions to guarantee Greenland's security. A compromise was reached on 1 May when the US Government agreed to establish a consulate in Greenland and despatch a series of US Coast Guard cutters to patrol Greenland's coastline.¹⁸

The invasion of Denmark and Norway had a more immediate impact on US strategic planning. On 10 April 1940, the day after Hitler invaded these countries, the Joint Board approved the Joint Planning Committee's (JPC) proposal to revise the Rainbow Plans. Certainly the growing tensions in Europe previously compelled the JPC to consider revision of the Rainbow Plans, but the Northern invasion finally spurred planners into action. Rainbow 1, the basic plan for hemispheric defence, underwent such minor revision that Presidential approval was unnecessary. Instead the war planners now gave the highest priority to the completion of Rainbow 2 and the development of Rainbow 3.

The Joint Board's decision acknowledged that Rainbow 2 and 3 now contained the most likely scenarios for the United States' next war. Both plans anticipated the extension of the European war to the Pacific. In each case Britain and France remained allied in their struggle against Germany (and potentially Italy and the Soviet Union); and the Allies still exercised "effective control of the Atlantic and Indian Oceans" with continued control of these oceans virtually assured. Japan, supported by Germany and Italy, was expected to take "armed aggressive action against the Far Eastern interests of the United States, Great Britain, France, and Holland", forcing the US and these other countries to act in concert to protect their interests. Since effective Allied resistance in Europe was anticipated, Rainbow 2 projected an immediate American challenge to the Japanese threat in the western Pacific. Rainbow 3, however, assumed less

18. Documents, US measures for the defence of Greenland, 12 April to 1 May 1940, *FRUS 1940*, 2: 352-53, 357-58, 360, 362.

favourable conditions which would allow US forces to control only the eastern Pacific. This would force the US later on "to extend this control westward as rapidly as circumstances permit".¹⁹

A renewed interest in military planning, reflected in the priority given to Rainbow 2 and 3, substantiated the isolationists' fears of the Welles Mission. While Rainbow 3 heralded the end of peace initiatives, Rainbow 2 emphasised the joint planners' belief that the United States could soon enter the war. Little more than a month later, the invasion of France and the Low Countries would force another dramatic re-evaluation of US strategic plans.

The German Army's sweep through the Low Countries and its rapid advance through France altered the very basis of American war planning. The United States' war planners could no longer rely on France and Britain to fulfill the tasks outlined in Rainbow 2 and 3. Thus, as Hitler's army was pushing the British and French forces back into the area around Dunkirk, American planners scrambled to revise the country's war plans. On 22 May 1940 the War Plans Division submitted a memorandum to Marshall which outlined the threats to US security in the Far East, South America, and Europe. This memorandum also stressed the United States' limited ability to respond to these threats alone. The Plans Division, therefore, recommended that the United States concentrate on hemispheric defence because it was "not practicable to send forces to the Far East, to Europe, and to South America all at once" America's interests would be served best by "the conduct of offensive-defensive operations in South America in defense of the Western Hemisphere and of our own vital interests". Marshall discussed this recommendation the following day with Roosevelt, Welles and Stark, and they all agreed that the United States must avoid involvement with

19. "Enclosure (A) to Joint Planning Committee Report", 9 April 1940, JB 325 (Serial 642), (Serial 642-1), RG 225; Tracy B. Kittredge, "United States-British Naval Cooperation, 1939-1942", unpublished manuscript (Washington, DC: US Naval Operational Archives, no date), Chapter 8, Appendix A: 132-47.

Japan and concentrate on hemispheric defence.²⁰ Most importantly, this decision meant that Rainbow 4 supplanted Rainbow 2 and 3 as the primary US war plan.

Planners hurriedly developed Rainbow 4 during the last days of May. This plan outlined a bleak scenario for the democratic powers. It anticipated that the defeat of France and Britain would leave the United States alone to face a German-Italian-Japanese coalition. Strained relations would precede the outbreak of hostilities in the Western Hemisphere. During this period the United States would occupy key British, French, Dutch and Danish possessions in the region (including Greenland) which Germany and Italy might try to claim for themselves. The United States eventually would go to war when this coalition violated "the letter or spirit of the Monroe Doctrine". At the outbreak of hostilities, the United States also would fully mobilise its industrial and financial resources to meet wartime demands.²¹ Completed and approved by the Joint Board on 7 June, the Service Secretaries approved Rainbow 4 on 13 June and forwarded it to Roosevelt for formal approval on 14 August 1940.²²

Clearly, the June crisis had left little room for optimism in the United States about the future of Britain and France. In addition to war plan revision, the French debacle led to further increases in rearmament expenditures. Emphasising the growing threat to the Western Hemisphere, on 16 May the President asked Congress to approve a supplemental military appropriation of \$1.2 billion (\$732 million for the army), which included funding to produce 50,000 aircraft a year.²³ The President also highlighted his interest in

20. Memorandum, "National Strategic Decisions", 22 May 1940 and Memorandum for War Plans Division, 23 May 1940 in Bland, ed., *GCM Papers*, 2: 218-20.

21. JPC Report on Rainbow 4, 30 May 1940, Kittredge, "Naval Cooperation", Chapter 8, Appendix A: 144-48.

22. Stetson Conn and Byron Fairchild, *The Framework of Hemispheric Defense* (Washington, DC: GPO, 1960), 34. FDR delayed approval of this plan because he wanted his newly appointed Service Secretaries to review it first. Maurice Matloff and Edwin M. Snell, *Strategic Planning for Coalition Warfare, 1941-1942* (Washington, DC: GPO, 1953), note 5: 13.

23. Letter, Marshall to Baruch, 14 May 1940, Folder 7, Box 7, Marshall Papers, Marshall Library; Roosevelt, Message to Congress on National Defense Appropriations, 16 May 1940, *PPA*, 1940: 202; Bland, ed., *GCM Papers*, 2: 217.

rearmament two weeks later when he finally resurrected the Advisory Commission to the Council of National Defense, with William S. Knudsen as chairman.

Knudsen knew the United States currently lacked the productive capacity to satisfy wartime requirements. In one of his first acts as chairman, Knudsen asked Louis Johnson on 11 June to answer the question: "How much munitions productive capacity does this country need and how rapidly must it become available?" The response formed the nation's first comprehensive production plan, the Munitions Program of 20 June 1940. War planners used the troop basis from the July 1939 Protective Mobilization Plan to provide this guideline for American rearmament. Based on these figures, the War Department estimated the United States needed to create a productive capacity sufficient to meet the combat needs of one million men by 1 October 1941, two million men by 1 January 1942, and four million by 1 April 1942, as well as achieve the President's yearly production goal of 50,000 aircraft. Initially the estimated cost for this programme was 11 billion dollars but Roosevelt told Army officials to reduce the cost to a more reasonable level. The approved 20 June 1940 Munitions Program amounted to 7.3 billion dollars.²⁴ Before it was submitted to Congress this programme would be changed yet again (see pages 178-180). But even in its preliminary form, the programme demonstrated American determination to avoid the problems of the First World War created by the lag time between industrial and manpower mobilisation in the event of war.

Despite its sympathy for the Allies, America moved to distance itself from the European struggle. This aspect of American policy reflected a dual fear that the Axis powers posed a serious threat to the Western Hemisphere, and that the Allies would be unable to contribute significantly to any struggle in this

24. (1) Memorandum, Burns to Assistant Secretary of War, 13 June 1940, (2) Memorandum, L. Johnson to Knudsen, 18 June 1940 and (3) Memorandum by Aurand, "Munitions Program of June 20, 1940", 24 June 1940, all in War Department General Staff, Director of SS and P, G-4, Numerical File (hereafter cited as G-4) Papers, vol. 31773, RG 165, National Archives.

region. The resultant shift toward a hemispheric defence strategy by US policymakers contributed to a growing reluctance at the War Department by June 1940 to encourage Anglo-American supply co-operation.

Supply Relations Stabilise: 24 January-10 May 1940

In the months preceding the invasion of the Low Countries and France, the Anglo-American supply relationship had been built on an economic foundation. British and American officials wanted to minimise the expense involved in the expansion of US war industries, while maximising the contribution of this expansion to their own nation's defence. Certainly the potential for misunderstanding between the two nations was great; invariably each country felt its money was supporting the defence efforts of the other. Senior officers in the United States Army and Army Air Corps particularly held this opinion. Thus the Anglo-French Purchasing Board, the President's Liaison Committee, and sometimes the President himself devoted great effort to working out a compromise acceptable to civilian and military policymakers from both nations. Between February and May 1940, these circumstances served to highlight further the importance of the Purvis-Morgenthau friendship.

In January 1940, for example, Monnet's Co-ordinating Committee first proposed a mission to the United States to discuss the control and sale of essential materials, and to assist Purvis in negotiations with the US Administration on questions of supply and economic warfare. Frank Ashton-Gwatkin (economic adviser in the Foreign Office) and Professor Rist were to conduct this mission. Morgenthau received word of the Co-ordinating Committee's intentions in February, discussed the proposal with Roosevelt, and told Purvis the mission could proceed as suggested. Despite these assurances, when the Gwatkin-Rist Mission arrived in Washington in early March 1940, Morgenthau refused to meet with these two men in an official capacity.²⁵

25. Minutes, Anglo-French Co-ordinating Committee, 5 January and 16 February 1940, AVIA 38/12; 8 February 1940, MD 240: 114-15, 163.

Morgenthau's reluctance to receive these emissaries apparently stemmed from his discovery that Gwatkin and Rist would also be working with the State Department and the British Embassy.

Purvis first informed Morgenthau about the diplomatic aspects of the Gwatkin-Rist Mission on 26 February 1940. The news surprised the Secretary and led him to suggest that Purvis "talk with these two gentlemen, find out what they have in mind" and then report back to Morgenthau. When Rist tried to arrange an appointment with the Secretary shortly thereafter, Morgenthau adopted an even more formal tone and told Rist that their first meeting would have to be arranged through the British Ambassador. On 5 March 1940, the day after Rist's request, Morgenthau notified Purvis he wanted to avoid official discussions with Gwatkin and Rist altogether. According to Morgenthau, these men were going to make a number of requests and the answer to 95 per cent of them would be no. The Secretary, in exasperated fashion, explained to Purvis he could not help "with copper, with oil, with soy beans". And once he refused these and similar requests, he would find himself in a "crossfire between Lord Lothian, yourself [Purvis], Mr. Ashton-Gwatkin, Mr. Rist and Mr. Hull and Herbert Feis [State Department Economic Advisor]".²⁶

In fact, Morgenthau was specifically concerned about the State Department's involvement. The Treasury Secretary believed that if he received the Gwatkin-Rist Mission, State Department and Treasury lines of responsibility gradually would become tangled. He wanted to avoid the possibility of the State Department's using British supply requests as leverage to deal with American complaints against the British. For example, Morgenthau feared he might become embroiled in fights over "whether the mail should be stopped in Bermuda in exchange for copper...or should we continue to give them [the British] airplane engines unless they let the mails go through." Any linkage of this sort with State Department affairs threatened the informality and

26. 26 February 1940, MD 242: 302; 4-5 March 1940, MD 245: 114-17, 280-81.

effectiveness of the Anglo-American supply relationship. Thus Morgenthau used his only meeting with Gwatkin, Rist, and their respective Ambassadors to explain why he would not work with a mission he had originally sanctioned. This created a difficult situation for Purvis.²⁷

Purvis had to utilise all of his diplomatic skills to prevent this meeting from inspiring a re-enactment of one of Morgenthau's ill-fated interwar diplomatic efforts. The Purchasing Board Chairman accomplished this by working with Rist and Gwatkin throughout their visit to the United States even while supporting Morgenthau's decision, despite pressure from Monnet to challenge it. Purvis's actions were not lost on Morgenthau, and they served to further increase the bond between the two men.²⁸

The Gwatkin-Rist Mission cast Morgenthau in an unfavourable light, but it did not diminish his importance to the Allied purchasing effort. During the same three months the Gwatkin-Rist Mission had been planned and despatched, the Treasury Secretary worked diligently to solve the machine tool controversy. As overseer of Allied purchasing in the United States, Morgenthau requested co-ordination of all Allied orders. He believed that if machine tool manufacturers could be convinced these Allied orders would help business rather than "leaving them with costly, empty plants", then more machine tools would be available for domestic and Allied use.²⁹ In an effort to accomplish this goal Morgenthau held several meetings during the last two days of January 1940.

On 30 January Morgenthau chastised machine tool manufacturers for their failure to meet Allied needs. He told these men that to prevent further confusion they should consider Purvis the "sole arbiter of machine tool orders in the United States for the Allies". This directive effectively terminated the Allies' use of the

27. 5 March 1940, MD 245: 280-87. Hall, *North American Supply*, 91 makes no mention of Morgenthau's hostile reaction to this mission.

28. 11 March 1940, MD 246: 238-39; Telegram, Gwatkin to Leith-Ross, 11 March 1940 and Lothian to Halifax, 11 March 1940 in AVIA 38/4; Letter, Monnet to Purvis, 20 March 1940, AVIA 38/11.

29. Charles Murphy, "The Best Bargain We Can Jolly Well Make", *Fortune*, April 1940: 120.

earlier, indirect machine tool purchasing method. At the same time, he told Purvis that the Allies must decide "which was more important to the Allies - airplanes and airplane motors or machine tools" and then give US manufacturers a definite order schedule reflecting this priority. Orders could be filled in this way with minimal disruption. Undoubtedly Morgenthau's actions were a response to complaints from senior executives, like Alfred Sloan at General Motors, who noted that uncoordinated machine tools requests remained the dominant problem in trying to meet Allied aircraft requests.³⁰ To ensure a solution, Morgenthau dismissed the machine tool manufacturers at the end of the second day of meetings and ordered them to return the following week with a complete production programme. When they returned to the Secretary's office on 7 February with a comprehensive programme, Morgenthau told Purvis that the Allies' immediate machine tool requirements now could be met.

Interestingly, Purvis finally received some guidance from London during this period regarding the relative importance of machine tools versus aircraft. He told Morgenthau that the Allies definitely placed a higher priority on the purchase of machine tools. When the Secretary received this news he took little note of it. Indeed, the evidence indicates his previous interest in the answer to this question largely stemmed from his scheme to increase machine tool production. This plan required the Allies to consolidate their purchasing arrangements and to estimate long-range production goals so the US machine tool manufacturers could safely expand their plant capacity. With the 7 February submission of the manufacturers' programme, Morgenthau largely realised his goal to consolidate machine tool production.³¹ Almost immediately, aircraft production and allocation replaced the machine tool issue as the primary supply

30. 30 January 1940, MD 238: 292-302; Telegram, Purvis to Monnet, 30 January 1940, AVIA 38/99.

31. 31 January 1940, MD 238: 357-61; 7 February 1940, MD 240: 50-69; Telegram, Purvis to Monnet, 8 February 1940, AVIA 38/99.

concern of the Allies and the United States. But the aircraft debate, unlike the machine tool discussions, would invite considerable US military involvement.

Just two days prior to Morgenthau's 7 February meeting with the machine tool manufacturers, the Supreme War Council discussed the possibility of placing large aircraft and aircraft engine orders in the United States. During this meeting Daladier again pressed the British to utilise US aircraft production capability. The French Premier's actions were prompted by an item in Pleven's report (see pages 127, 131-133) which mentioned that if US industry received notification by 1 February, it could deliver 8400 airframes and 13650 engines by 30 September 1941. Before the Supreme War Council discussed this possibility Pleven's deadline had passed, and several other issues still needed to be addressed prior to signing any contracts.³²

British and French policymakers wanted to discuss with American authorities the types of aircraft available, their accompanying armament, and production costs before placing their orders. The Allies (undoubtedly at Britain's direction) also insisted any new programme not interfere with existing Allied orders for machine tools, engines, and aluminium for use in British and French aircraft production. Because of these concerns, the Allies decided to send Pleven and Jacquin, along with Sir Henry Self (from the British Air Ministry), on a second mission to the United States. Purvis again had overall responsibility for the mission once it arrived in the United States.³³

Morgenthau first met with the Allied Air Mission on 7 March. During this meeting the Secretary was informed that the Allies sought 3,000 fighters, 2,000 bombers and 12,000 engines from US manufacturers. Since most of the engines would not be available until 1941, the Allies wanted to order airplanes "which will meet the war conditions prevailing in 1941". This request covered

32. Conclusions, WM 35 (40), 7 February 1940, CAB 65/5; "Very Secret Report" submitted by Pleven *et al.*, 25 January 1940, AVIA 38/16; Telegram, Purvis to Monnet, 8 February 1940, AVIA 38/99.

33. Purco 16, Halifax to Lothian, 16 February 1940, AVIA 38/15.

several aircraft, such as: the Lockheed P-38, the Bell P-39, the improved Curtiss P-40, and the new four-engine bombers under development. None of these aircraft had been released previously to the Allies. Morgenthau explained he could not guarantee their availability "because you are getting into things which affect our Army and Navy and I don't know how they are going to feel".³⁴ When Morgenthau passed the request on to the services he received his answer in short order - Woodring, Johnson and Arnold all refused the Allies' request.

The War Department successfully frustrated the Treasury Secretary's early efforts to assist the newly arrived Allied Air Mission. Finally in desperation, he turned to the President for assistance. Roosevelt firmly supported Morgenthau by summoning several officials including Woodring, Johnson and Arnold to the White House. In a two and a half hour meeting that Arnold described as "a party at which apparently the Secretary of War and the Chief of the Air Corps were to be spanked and were spanked", Roosevelt emphasised the need for co-operation and co-ordination with the Allies. To Morgenthau's delight, the President chastised Louis Johnson for his lack of co-operation, and informed Arnold "that there were places where officers who did not play ball might be sent, such as Guam". Despite the President's insistence on working with the Allies and his previously stated interest in their obtaining the latest models possible, he agreed that there should be some restrictions on aircraft sales to the Allies.³⁵

As would be expected an equitable settlement took time to formulate. Admiral John H. Towers (Chief of Naval Air) notified Collins on 15 March 1940 that the Navy would be happy to discuss plans and specifications for

34. Memorandum by Purvis, 7 March 1940, AVIA 38/108; 7 March 1940, MD 246: 78-94.

35. Memorandum on Conference at the White House, 13 March 1940, Aircraft Production 1939-41 file, Box 223, Arnold Papers, Library of Congress; 13 March 1940, MD 247: 10-11. Interestingly, when the President was asked about aircraft sales to the Allies during a 19 March 1940 press conference, co-operation with the Allies was never mentioned. He emphasised the importance of these new orders only for the purpose of industrial expansion. Press Conference, 19 March 1940, *PPA*, 1940: 104-108

existing and proposed aircraft and engines. However, none of the aircraft on the Allies' purchasing list belonged to the Navy. The senior Army officials urgently conferred between 14 and 19 March in order to restructure the War Department's purchasing policy. General Marshall formally submitted the revised proposal to the President on 25 March 1940. It contained five basic provisions: (1) when it serves US national defence purposes, current military aircraft should be released for sale to foreign countries on a case-by-case basis; (2) if an aircraft is released for foreign purchase, the orders must stimulate US productive capacity and insure that a superior aircraft will be to available to US forces; (3) vital secrets must be protected; (4) no designs will be released for manufacture or assembly abroad; and (5) foreign governments must furnish a detailed report on the combat performance of American-made aircraft.³⁶

The day after this policy was presented to the President, Purvis informed Monnet of Morgenthau's and Roosevelt's efforts on the Allies' behalf. Purvis also apprised Monnet of the Allied Air Mission's recommendation that British and French policymakers should permit the immediate placement of aircraft orders in the United States. Monnet passed on this recommendation to the Anglo-French Executive Committee for Air Production and Supply (one of the Permanent Executive Committees of the Anglo-French Co-ordinating Committee). This Committee agreed with the Air Mission, and subsequently asked the Supreme War Council to approve the request on 27 March 1940. After months of discussion and two exploratory missions, on 29 March the Supreme War Council finally authorised the placement of large aircraft orders in the United States. Purvis informed Morgenthau of the good news shortly thereafter. More than a victory for Allied purchasing, the Secretary believed this announcement indicated that the Allies "were really going to go ahead and fight"

36. 15 March 1940, MD 247: 189; "Government Policy on Aircraft Foreign Sales", 25 March 1940, Aircraft Production 1939-41 file, Box 223, Arnold Papers.

Hitler. Yet even after all this work, the placement of the British and French orders did not occur immediately.³⁷

During the first two weeks in April Purvis, Morgenthau, their staffs, and the War Department negotiated the release of several aircraft models for Allied purchase. In time all of the requested models were released, but this process provoked an unexpected disagreement over the payment of aircraft development costs. This first came to light on 11 April 1940 when the War Department insisted Britain and France pay the development costs (totalling between six and seven million dollars) since they would be the first countries to use the aircraft operationally. Struggling to save every possible dollar Purvis, Plevin and Self argued that the Allies had already invested over twenty million dollars in the US aircraft industry, and the resultant expansion would benefit the American armed forces directly. They concluded the War Department should pay the costs. This time Morgenthau sided with the Army, and he insisted that the Allies stop bickering and simply pay these costs. Morgenthau was fed up with the British, in particular, because he told Collins "they're getting off cheap. And I want to see them...sign a contract, The [sic] English." The next day the British and the French agreed to pay the development costs, and Purvis signed a contract for the first of many aircraft orders on 17 April 1940. The Purchasing Committee Chairman understood that the United States would make no more concessions to

37. Purco 71, Purvis to Monnet, 26 March 1940, AVIA 38/1; "US Aircraft Potential", 27 March 1940, PREM 1/410; Conclusions, WM 77 (40), 29 March 1940, CAB 65/6; 2 April 1940, MD 250: 65. German officials assigned to the embassy in Washington closely watched these Allied-American supply negotiations. They realised that US authorities wanted to support the British and French forces while improving American military preparedness. However, they recommended that the German Government not criticise the US for assisting the Allies. They believed little would be gained because US production limitations meant that the published aircraft delivery goals were unrealistic. Moreover these German officials wanted the price negotiations to continue for as long as possible, and they thought that a condemnation of American actions might "spur on the competitive spirit of the domestic aviation industry and contribute toward a speedy settlement" of these negotiations. Telegram, Böttricher and Thomsen to Foreign Ministry, 4 April 1940, Auswärtiges Amt., *Documents on German Foreign Policy, 1918-1945*, Series D (cited as *DGFP*), vols 8-13 (London: HMSO, 1954-64), 9: 73-5.

the Allies, for the moment. And the United States refused to go any further to assist the Allied purchasing effort until Hitler's invasion of the West.³⁸

Thus the first serious attempt at Anglo-American co-operation during the Second World War most resembled a complicated business arrangement orchestrated by Roosevelt, Morgenthau and Purvis. Before 10 May, the Allies would still delay signing a contract if it would benefit their own production programmes or save dollars; and the US War Department wanted as much money as possible from the Allies to compensate for the delayed expansion of the US Army Air Corps. But the Allied purchases (especially aircraft and machine tools) before the invasion of the West were crucial to all parties involved. For the Allies the number of aircraft available for combat increased. For the Americans it was the first time they had to consider the impact of Allied needs on US defence preparations. But in return, the Allied orders expanded overall US productive capacity and ensured US planes would be battle tested.³⁹ In any event, for the Allies the fulfillment of immediate supply needs outweighed any financial considerations after Hitler had invaded the West.

The Crisis: 10 May-22 June 1940

When Hitler's troops invaded France the Allies dramatically increased the size of their American purchasing orders, and the urgent need for these supplies meant there was no longer time to spare for careful negotiations. Before Dunkirk the Allies continued to concentrate on aircraft purchases; but afterwards the British, in particular, worked to replace all of the equipment left on the French beaches.

38. Subsequently the Allies placed orders roughly matching their original plan to purchase 2440 fighters and 2160 bombers. These orders were altered slightly, however, to maximise the use of the limited dollar reserves and to purchase any planes ready for immediate delivery. As of mid-April 1940, the Allies anticipated deliveries would start in July 1940. 11 April 1940, MD 253: 291-97, 312-20; 12 April 1940, MD 254: 10, 14-31; Purco 87, Purvis to Monnet, 17 April 1940, AVIA 38/4.

39. Battle tests were crucial because in early 1940 most US planes lacked puncture-proof fuel tanks, shatterproof glass, and armour plate in the cockpit until the Allies requested modifications. "Allies Demand Defense Arms in U.S. Planes", *New York Herald Tribune*, 22 March 1940, Aircraft-News Clips file, Box 35, Accession 8476, Louis Johnson Papers.

United States policymakers appreciated the Allies' desperate circumstances and worked to increase the flow of supplies accordingly. But American officials also understood that these supplies might be given to the Allies at the expense of US national defence. This concern became more apparent as Rainbow 4 gained in popularity among US strategic planners, and correspondingly contributed to a growing reluctance to offer vast quantities of war supplies to the Allies.

The Allies earnestly began to seek United States aid in the weeks between the German breakthrough at Sedan and Operation Dynamo, and they met with considerable success. Churchill, now Prime Minister, led this effort with a passionate appeal to Roosevelt for extensive American assistance, including forty or fifty old destroyers, hundreds of the latest types of aircraft, and anti-aircraft equipment and ammunition. Although Roosevelt's reply was largely non-committal, he did express his willingness to seek more aircraft for the Allies, and to consider favourably requests for anti-aircraft equipment and ammunition submitted through Purvis.⁴⁰

While these exchanges were going on at the highest level, Purvis worked to ensure that the Allies' current orders in the United States were secure, and to discover other materiel the Americans might be willing to offer. Purvis was successful in both areas. He received Morgenthau's assurance that the new US rearmament programme would not interfere with Allied purchases, and secured the release from the US services of 405 of the 734 pursuit aircraft they had on order.⁴¹ However, these initiatives still left the Allies in need of equipment, particularly aircraft. Monnet sent Purvis a message just two days later asking the Purchasing Commission chairman, *inter alia*, to secure for the Allies any additional US aircraft in stock. Churchill himself again intervened on 20 May when he cabled Roosevelt to request personally the release of as many more

40. Telegram, Churchill to Roosevelt, 15 May 1940, Kimball, ed., *Correspondence*, 1: 37-9.

41. 15 May 1940, MD 262: 312-14; Purco 118, Purvis to Monnet, 14 May 1940, AVIA 38/4.

P-40s as possible. This time the Americans were less generous, not because of the Allied setbacks in France, but because the US Army Air Corps had no aircraft left to give. Based on this point, Marshall convinced the President that although sympathetic to the Allied request, the United States must keep the remaining combat airplanes on hand and on order for training purposes. The United States, however, did turn over other crucial supplies.⁴²

Shortly after the invasion of France, Purvis had inquired about the possible acquisition of small arms and ammunition, field guns, and mortars, as well as anti-aircraft guns and ammunition from US Army stocks. On the last day of the Dunkirk evacuation, Purvis notified Monnet that with "the help of Mr. Morgenthau's strenuous efforts" the Allies had acquired supplies from the United States including: 395 field guns (75 mm) and accompanying ammunition; 308 Stokes trench mortars; 500,000 Lee Enfield .30 calibre rifles; 25,000 Browning Automatic .30 calibre rifles; 10,000 Browning .30 calibre machine guns; and 100,000,000 rounds of .30 calibre ball ammunition. Although the British did not receive any anti-aircraft guns with this order, the purchases still consumed a significant portion of surplus American stores.⁴³

The way the Allies acquired this material was especially important for the purpose of strengthening Anglo-American relations. The Neutrality Act prohibited the sale of Army equipment by the US Government, and Roosevelt believed under the circumstances it would be impossible to ask Congress to modify the law. But he also believed General Marshall, "who is in complete control of these stocks and who is sympathetic to the Allied cause", could devise a way to make these supplies accessible to the Allies. The President was not disappointed. On 4 June 1940, the Attorney General and the Solicitor General agreed that under an old statute the Secretary of War could dispose of any

42. 17 May 1940, MD 263: 170, 174-76; Purco 140, Purvis to Monnet, 22 May 1940, AVIA 38/4; Telegram, Churchill to Roosevelt, 20 May 1940, Kimball, ed., *Correspondence*, 1: 40.

43. Purco 168, Purvis to Monnet, 4 June 1940, AVIA 38/5; 17 May 1940, MD 263: 170, 174-76.

property the Army had in its possession before 11 July 1919 without a public advertisement. Since most of the supplies sold to the Allies came from First World War stocks, Marshall acted on behalf of the Secretary of War, declared these weapons surplus, and arranged for their sale under the statute. This action released the goods for sale but did not solve the problem of getting them to the Allies.⁴⁴ Thus creative means had to be found to arrange for the transfer of the supplies to the Allies.

General Wesson (Chief of Ordnance) discussed the problem with Edward R. Stettinius, Jr (formerly head of the WRB) on 4 June 1940. He asked Stettinius if the US Steel Corporation would act as an intermediary. The notion was a clever one because Stettinius had been named as a member of the newly reconstituted Advisory Commission to the Council of National Defense, but he had not yet turned over his responsibilities as Chairman of US Steel. The proposal Wesson outlined to Stettinius was for the US Steel Export Company (a subsidiary of US Steel Corporation) to purchase the various surplus materials from the US War Department. These articles would then be immediately resold to the Anglo-French Purchasing Commission at the exact price paid by the US Steel Export Company. Stettinius liked the idea. Although he believed it unwise to participate directly, he recommended senior US Steel officials support this move. Wesson finalised the arrangements and by 11 June 1940, the day after Roosevelt promised to "extend to the opponents of force the material resources of the nation", the original sale of surplus munitions to the Allies was complete. At least in this instance the President's words matched the US Government's actions.⁴⁵

44. Purco 157, Purvis to Monnet, 29 May 1940 and Purco 163, Purvis to Monnet, 31 May 1940 in AVIA 38/5; 4 June 1940, MD 268: 196-97.

45. Confidential Memorandum by E.R. Stettinius, Jr, 11 June 1940 and US Steel Corp. Press Release, 12 June 1940 in NDAC-GB folder, Box 87, Accession 2723, Stettinius, Jr Papers; Presidential Address at University of Virginia, 10 June 1940, *PPA*, 1940: 264. Stettinius's role in this arrangement is overlooked in the secondary literature, see for example Hall, *North American Supply*, 137.

As the Allied collapse in France appeared increasingly likely the Anglo-American supply relationship remained sound. Even so, some American war planners believed the United States should be holding on to all of its military supplies until rearmament was well under way and the requirements for Rainbow 4 satisfied. Indeed, already on 14 June 1940 further discussions were undertaken to deal with additional Allied requests. Marshall refused to release certain material to the Allies such as additional ammunition for field guns, and anti-aircraft and anti-tank guns, or to give the Allies priority on training aircraft. During the discussions, when Morgenthau was advocating a compromise on one of these items, Marshall firmly responded "it would just be suicide" because stores were already so depleted that US defence was imperiled. But the Army was willing to turn over some bombs and more rifles, and the Navy offered 400 sub-machine guns. In addition another aircraft contract was nearing completion for 93 additional bombers. Thus despite the stress the British and French requests placed on US war supplies, the Americans still made an earnest effort to give the Allies as much material as possible.⁴⁶

This support, however, did not mean that the United States had unlimited faith in the Allied war effort. War planners were not the only ones who questioned the ability of the Allies to survive - the US manufacturers also had their doubts. The immediate impact of the manufacturers' attitude was much more dramatic because, as the situation in France worsened, these manufacturers became increasingly reluctant to accept additional French contracts. This also threatened the British purchasing programme because the British and French usually placed their orders under one contract, a process which emphasised Allied unity and permitted allocation of material according to the greatest need when the war supplies were delivered. By 15 June 1940 the potential impact of the fall of France on the British purchasing programme greatly concerned Purvis. In a telegram despatched that day, Purvis informed Horace Wilson that a reliable

46. 12 June 1940, MD 272: 13-45.

source had advised him "that a very serious situation may arise in the next few hours which would require instant action to protect British interests". Since British and French contracts were so closely intertwined, Purvis requested authority to exercise his discretion in protecting British supply interests in the United States. The following day Halifax confirmed that the British Government would grant Purvis the authority to act on its behalf.⁴⁷

The acceleration of the French collapse, however, forced Purvis to act faster than anyone in Britain or the United States expected. When Pétain, as leader of the new French Government, announced that he would seek an armistice on 16 June, Purvis realised he had to move quickly to gain control of the French contracts. At any moment Pétain's Government or the German Reich might revoke Bloch-Lainé's authority to negotiate purchasing agreements on behalf of the French Government. Once that authority was revoked, any hope of Britain taking over the French orders in the United States would disappear. Late into the evening of 16 June, Purvis, Bloch-Lainé, Jacquin, and the legal advisers attached to the British and French Purchasing Missions worked frantically to prepare the agreements for the transfer of contracts. And without any additional consultation with the British Government, at 3 a.m. on 17 June, Purvis and Bloch-Lainé signed an agreement which turned over six hundred million dollars worth of French contracts in the United States to the British.⁴⁸

The impact of the Purvis--Bloch-Lainé agreement was dramatic. It provided the means to recoup at least some of the material lost during the Battle of France. It prevented a potentially disastrous interruption of the British purchasing programme in the United States. And it instantly doubled the drain on British dollar reserves. Britain's continued willingness to fight was the implicit,

47. Telegram, Purvis to H. Wilson, 15 June 1940 and Telegrams (3), H. Wilson to Purvis, all sent on 16 June 1940, in AVIA 38/24; Hall, *North American Supply*, 146-47.

48. Documents pertaining to the "Assignment of French Contracts in the United States", 16 June 1940, Appendix II, Hall, *North American Supply*, 498-504; Hall, *North American Supply*, 147-49.

yet most important, aspect of this agreement for the United States Government. The American Government's reaction was apparent when Purvis informed Morgenthau about the agreement, just as the latter was departing for a meeting with the President. Morgenthau told Purvis that he was "terribly glad you [Purvis] called me because it's very important that I know this at this moment". During Morgenthau's meeting with Roosevelt they discussed the future of British purchasing efforts in the United States. When Morgenthau asked if he should continue to give the British the same assistance he had given to the Allies up to this point, Roosevelt responded by telling his friend that "You have been doing grand work and continue to give the English the same help."⁴⁹ This guarantee of continued support for British supply efforts in the United States was a tangible commitment by the Roosevelt Administration to back the British war effort at a time when strategic planners had begun to question this policy.

The Widening Scope of the Anglo-American Supply Relationship

Subsequent technical and personnel exchanges between February and June 1940, fostered by the Anglo-American supply relationship, indicated the potential for increased co-operation in areas other than supply. In particular, the supply relationship improved the chances of initiating an exchange of technical information between the British and American Navies. It also encouraged the assignment of US observers to British units. In both cases these developments reflected the relationship's impact in seemingly tangential areas, but in ways essential to building a wartime coalition.

Interest in Anglo-American naval co-operation was not new. Before the start of the Second World War, the Royal Navy and the United States Navy unsuccessfully explored the possibility of setting up a technical exchange (see pages 66-71). The outbreak of war forced Britain and the United States to reconsider this possibility, but both were still hampered by the belief that the

49. 17 June 1940, MD 273: 123-27.

other side would gain more from such an arrangement. On the American side Captain A.G. Kirk, the US Naval Attaché in London, struggled to overcome the objections to technical co-operation between the two naval services by repeatedly requesting secret information from Rear Admiral Godfrey, the Royal Navy's Director of Intelligence. Kirk sought particular information on "the damaging effect of German magnetic mines and torpedoes" and British anti-submarine devices. The US Naval Attaché also told Godfrey that it would be to Britain's advantage to share this information because, armed with it, the US fleet would be better prepared to meet the German threat at sea should America enter the war. Godfrey was tolerant of Kirk's inquiries but was reluctant to release the requested information. However, he did think Kirk's requests were of sufficient importance to propose a re-examination of the general policy governing the exchange of technical information.

Godfrey noted that the disadvantages of supplying more technical secrets to the United States were significant because: America always asked for more, US security arrangements were inferior, and US Navy inter-departmental rivalries interfered with exchange efforts once a proposal was put forward. Despite these disadvantages, Godfrey believed the US Navy would help to cement "the common interest of the two countries". Furthermore, it would ensure that the Americans would be equipped to operate in British waters should the United States enter the war. Based on these considerations, the Director of Naval Intelligence recommended increased exchange of information with the US Navy. Godfrey first presented this suggestion on 26 February 1940, but as of 1 June 1940 it had yet to be approved.⁵⁰

Certainly the Admiralty's slow response could be attributed in part to the uncooperative attitude of senior US Navy officials. They made little effort to ease British doubts or to support Kirk's actions because much ambivalence about

50. Minute by Godfrey and subsequent comments by Admiralty Staff, 26 February to 30 May 1940, ADM 116/4302.

Anglo-American naval co-operation still lingered within the American Navy. Indeed, the only significant technical exchanges that occurred before June 1940 resulted from Admiralty orders placed in the US by the Anglo-French Purchasing Commission for motor torpedo boats and degaussing cables. By default, then, Purvis's Commission became the primary vehicle for naval co-operation, and the one upon which the United States and Britain relied during the first part of 1940. However, the role of the supply relationship was constrained in this instance because the total amount spent on Admiralty contracts by the end of April 1940 amounted to only two and a half million dollars (approximately 1% of the British contracts placed in the United States at that time). Technical exchanges to cover contracts for such a small amount could hardly sustain a close, long-term relationship.⁵¹

On the issue of observers, senior service officials on both sides were much more involved. For example, the US Navy first requested permission to allow observers on board His Majesty's ships on 2 October 1939. In characteristic fashion, however, the Navy Department refused to authorise reciprocal visits by British observers for fear this might violate American neutrality. Not surprisingly, Churchill then denied the US request officially "in deference to the wishes of the the Commander-in-Chief, Home Fleet", but more likely because of American unwillingness to accept British observers.

The situation remained unchanged until 18 May 1940 when, just three days after Churchill first asked Roosevelt for approximately fifty destroyers, the Admiralty indicated its willingness to reconsider the US observers issue. The decision to re-examine this policy was based on the supply, rather than naval, considerations. The Admiralty minute on the proposed revision noted that "Sir Edward Bridges [Secretary to the War Cabinet] considers that this will enormously strengthen the position of our purchasing organisation in America, and he is very anxious for the necessary permission to be given." To emphasise

51. Kittredge, "Naval Cooperation", 111-12; Hall, *North American Supply*, 125.

this point the minute also stated that the authorisation for the observers should be passed through Purvis to Morgenthau, rather than through naval channels. Alexander (the new First Lord of the Admiralty) approved this decision and notified the Prime Minister two days later - Churchill did not object to the First Lord's actions.⁵²

While Purvis's Mission may have played a secondary role in securing authorisation for US observers to be attached to the British Fleet, it was instrumental in gaining permission for the Army Air Corps to send observers to Britain. Since the beginning of the war, General Arnold had wanted to assign some of his staff to work with the Allies in order to analyse Allied operations "tactically as well as technically". At the end of January 1940 the British Government still had not acted on Arnold's request, and General Brett informed Morgenthau of this situation during a conference with the Treasury Secretary on 21 January. Morgenthau subsequently discussed the matter with the President and was assured that it would be settled.⁵³

In early March the Secretary asked Arnold if the observers had been sent abroad. Only then did he learn that Britain continued to refuse authorisation for their despatch (France had approved the assignment of one observer). The news that the British still had not allowed additional US observers to travel to London prompted Morgenthau to raise the subject again with the President. As he told Arnold, "every day they [the British] ask me something special. They can't refuse." Morgenthau met the President on 8 March. By 11 March, Air Chief Marshal Newall (Chief of the Air Staff) had not only heard of the President's request, he had already recommended its approval. Newall noted that in February the United States first proposed the addition of two Assistant Air

52. Minute for the First Sea Lord, "Exchange of Information with America", 18 May 1940, ADM 116/4302; Letter, Alexander to Churchill, 20 May 1940, PREM 3/475/1; Kittredge, "Naval Cooperation", 111; Leutze, *Bargaining*, 64.

53. Telegram on US Military Mission, Military Attaché to DMO & I, 8 September 1939, FO 371/22837; Brett Memorandum, "Conference with Mr Morgenthau at Bolling Field Exhibition", 22 January 1940, Aircraft Production 1939-41 file, Box 223, Arnold Papers; 21 January 1940, MD 237: 1.

Attachés to the US Embassy staff as observers. He recommended approving this action because it would enhance Anglo-American goodwill, provide the US with information which would allow it to construct better aircraft, and most importantly, it would please the President since he was personally interested in the despatch of these officers.⁵⁴ By 23 March, two Army Air Corps observers were on their way to London.

In order to ensure the observers' success, Brett asked Purvis "in return for the many favors which we have granted your government in the past...that you make a special effort to insure that these officers...will be given an opportunity to visit the various factories and development installations" in Britain. Brett wanted them to submit the most accurate assessment possible of Britain's aviation industry. Purvis assured General Brett that he would cable London, and do everything possible to guarantee the success of this venture.⁵⁵

Thus, the British already were accustomed to Army Air Corps observers when Colonel Carl Spaatz received orders on 4 May 1940 assigning him to the American Embassy in this capacity. Spaatz arrived in London along with another officer on 31 May 1940; and he immediately began to send Arnold detailed reports on RAF operations based on visits to RAF installations, as well as conversations with senior officials such as Air Marshal Pierse (VCAS), Air Commodore Boyle (Intelligence), and Air Commodore Slessor (Plans).⁵⁶ Spaatz's activities would have been impossible if Morgenthau had not utilised the purchasing relationship as leverage to win permission to place observers in

54. The British Government's continual reluctance to grant this request stemmed from two fears: technical and operational secrets might be compromised, and the US Government might refuse British observers equal access to American organisations and resources. 5 March 1940, MD 245: 238-39; 7 March 1940, MD 246: 30-2; Memorandum by Newall, "Proposed Appointment of Two Additional Air Attachés", 11 March 1940, AVIA 10/122.

55. Letter, Brett to Purvis, 19 March 1940 and Letter, Purvis to Brett, 23 March 1940 in AVIA 38/69.

56. Special Orders 106, Colonel Carl Spaatz, 4 May 1940 and Letter, Spaatz to Arnold, 4 June 1940, 4 January-30 September 1940 file, Box 7, Spaatz Papers, Library of Congress; Entries, 31 May to 5 June 1940, "Mission to England Diary", Box 7, Spaatz Papers.

Britain. But because Arnold and Brett were willing to turn to the Treasury Secretary for assistance, the Air Corps was well represented in Britain when the US Navy received authorisation to attach observers to His Majesty's fleet. In both cases, the use of observers opened up another avenue for Anglo-American co-operation.

* * *

By the end of June 1940 a dramatic divergence in British and American strategy had threatened to occur. France had fallen, and the defeat of Britain seemed imminent. Despite obvious US sympathy for the British struggle, American war planners began to consider hemispheric defence as the prudent, logical means to ensure the security of the United States. This meant the United States should retain all war supplies until American rearmament was complete, rather than provide continued material support for the British. If the only link between the two countries in June 1940 had been through contingency war plans, this divergence might have occurred. But the Anglo-American supply relationship was strong enough by this time, and it enjoyed enough support among senior US civilian policymakers to prevent this break. In the first months after the fall of France these policymakers still advocated selling supplies to the British, even when the service chiefs cautioned that US defence preparations would suffer as a result. This decision to continue British aid was largely a tribute to the countless hours of discussions Purvis and Morgenthau had undertaken since November 1939, and to their wider appreciation of where national interests lay. Through their efforts the supply relationship encouraged further co-operation between the two nations, and they avoided an uncooperative atmosphere reminiscent of the First World War. Thus, although several difficulties remained, the Anglo-American relationship gradually began to blossom in the last half of 1940.

Chapter VII

The Period of Uncertainty

The fall of France had a dramatic impact on Anglo-American relations since Britain had lost her most important ally, and the United States began to believe it might have to face the Axis threat alone. The loss of its French ally meant that Britain would need more supplies from the United States. But although the United States remained sympathetic to the British war effort, in mid-1940 several US policymakers and industrialists were very sceptical about the ability of Britain to survive. These policymakers were willing to state their support for Britain and even to continue offering aid which would not undermine the US rearmament initiatives. However, they had little desire to provide the British with additional materiel assistance at the expense of the American forces, particularly if the British were going to surrender shortly thereafter to Germany. Therefore to increase this flow of supplies from the United States to Britain, the British had to convince the United States Government that American security needs were served best by offering Britain increased supply assistance. To accomplish this task the British Government first had to persuade these sceptical United States officials of its ability to survive.

Britain's War

The circumstances which confronted the War Cabinet after the fall of France significantly differed from those it had faced six months earlier. In February 1940 the War Cabinet discussed theoretical, wartime scenarios at a rather leisurely pace with its French ally. Hitler's subsequent conquest of most of Europe, including France, now forced this organisation to cope with several simultaneous threats. Among other things, the War Cabinet had to deal with the threat of German appropriation of the French fleet, Britain's shipping losses, the

possibility of an Italian offensive in the Middle East, and most importantly, the grim prospect of a German invasion of the British Isles (Hitler authorised preparations for this invasion on 5 June 1940). As one crisis followed another during the second half of 1940, Churchill and his staff juggled Britain's available manpower and supply resources as efficiently as possible in order to continue the fight against Germany and Italy.

Of immediate concern to British planners after the fall of France was the fate of the French fleet. Ideally the War Cabinet wanted to incorporate into the Royal Navy as many of the French vessels as possible. During a 22 June meeting, Churchill proclaimed that the French ships must not fall into German hands even if Britain "should have to fight and sink them". In the following few days the French gave no indication they intended either to scuttle their fleet or turn it over to the British. Increasingly concerned about the large portion of the French fleet at Mers el-Kebir (three miles west of Oran) the War Cabinet agreed on 27 June that plans should be made to either neutralise or seize the French ships at this port. These plans would become a crucial part of Operation Catapult.¹

Between 27 June and 3 July a special naval staff completed the preparations for Catapult. When the operation commenced on 3 July, all French ships in British ports were seized. The British delivered an ultimatum to Marcel Gensoul (the French Admiral at Oran) on the same day, giving him four alternatives: sail his fleet to British harbours and continue to fight with the Royal Navy, sail his ships with a reduced crew to any British port for the duration of the war, sail these ships with a reduced crew to a French port in the West Indies, or scuttle his ships within six hours. Gensoul refused to accept any of these alternatives, and at 5.55 p.m. the Royal Navy opened fire on the French ships. Nine minutes later, when the order to cease fire was given, more than 1250

1. (1) Confidential Annex, WM 176 (40), 22 June 1940, (2) Confidential Annex, WM 179 (40), 24 June 1940, (3) Confidential Annex, WM 184 (40), 27 June 1940 all in CAB 65/13.

French sailors were dead and a significant portion of the French fleet destroyed. By firing on the French, the British outraged their former ally while demonstrating to the world as little else could Britain's determination to survive.²

The action at Oran effectively resolved the War Cabinet's most immediate maritime worry, but an emerging shipping crisis posed another serious problem for the war effort. The magnitude of this crisis began to emerge in June 1940. During that month merchant shipping losses totalled 585,496 tons as compared to 288,461 in May. Moreover, Italy's declaration of war, the fall of France and a shortage of destroyers made the use of the Atlantic sealanes even more hazardous after June.

Italy's 10 June decision to declare war on Britain effectively denied access to the Eastern Mediterranean to British shipping coming from Gibraltar. Thus nearly all supplies for the British troops in this region now had to be shipped around the Cape, increasing the length of the voyage from 3,000 miles to 13,000 miles. Furthermore, the destination ports frequently lacked the equipment to receive these shipments. But most importantly, the French surrender meant that the German Navy could use French ports to seal off the English Channel and to launch extended patrols to attack Atlantic shipping. This action heightened the danger to British convoys, and it forced planners to divert east coast Channel traffic to routes along Britain's western and northern coasts. These changes in June 1940 increased round-voyage time from 90 to 122 days.³

As a result of this increased voyage time, the need arose for more effective convoy escorts; but the Royal Navy lacked the naval vessels, destroyers in particular, to keep the vital Atlantic sea lanes open. But the increased demand for convoy escorts only partially accounted for the shortfall in destroyers. Operation Dynamo witnessed the loss of six destroyers and damage to another

2. Conclusions, WM 191 (40), 2 July 1940, CAB 65/8; Confidential Annex, WM 192 (40), 3 July 1940, CAB 65/14; Gilbert, *Finest Hour*, 637-38.

3. The Takoradi-Cairo air route was also used to supply British forces in the Western Desert, see pages 236-37.

nineteen, all of which exacerbated this shortage. Most importantly, the threat of a German invasion of the British Isles further increased demands on this type of ship, because naval experts believed it was the vessel most suited to protect Britain from invasion. Thus Britain urgently needed destroyers and its effort to acquire them, as will be discussed later, inspired one of the most famous Anglo-American supply agreements (the Destroyers-for-Bases Deal) of the Second World War.⁴

Beyond Britain's immediate security and economic concerns, Italy's declaration of war threatened British interests in the Mediterranean and North Africa. If Egypt and Malta fell to the Axis, the Eastern Mediterranean would be denied totally to Britain. And while Italy boasted an estimated 215,000 troops in North Africa, Britain could muster only 50,000. The magnitude of this threat led to Churchill's establishment of a small Ministerial Committee on 11 July to "consult together upon the conduct of the war in the Middle East".⁵ The Committee agreed with General Sir Archibald Wavell's (Commander-in-Chief, Middle East Command) earlier assessment that the dominant problem facing the British forces in the Middle East was the need for more supplies. And the Committee subsequently reported to the War Cabinet that equipment shortages "mattered most and could be mended least" when it came to the maintenance of an effective posture in the Middle East.⁶

The shortage was difficult to mend because the anticipated German invasion gave British home defence forces first priority to receive tanks, guns, and other war supplies. However, the situation changed somewhat when Wavell notified the War Cabinet on 31 July that most of his troops had withdrawn to Sidi Barrani because they lacked the equipment to hold a more forward position.

4. Roskill, *War at Sea*, 1: 615; C.B.A. Behrens, *Merchant Shipping and the Demands of War* (London: HMSO, 1955), 108-110; Butler, *Grand Strategy*, 2: 236-37.

5. This committee consisted of the Secretaries of State for War, India, and the Colonies (Eden, Amery and Lord Lloyd respectively).

6. Churchill, *Second World War*, 2: 418-23, Earl of Avon, *The Eden Memoirs: The Reckoning* (London: Cassell, 1965), 126.

Wavell's announcement forced the Cabinet to acknowledge the extent of Britain's weakness in the Middle East, and prompted this organisation to advocate the despatch of equipment as soon as possible.⁷

Since no specific supply allocations were made during this meeting, Wavell discussed the supply shortages in much more depth with Churchill, Eden and the Chiefs of Staff when he travelled to London in early August. Wavell wanted to persuade these men that he needed tanks above all. His efforts were rewarded when Eden informed the War Cabinet on 23 August that approximately 150 tanks and other essential equipment were on their way to the Middle East. Against Churchill's wishes this shipment was sent around the Cape because of the hazards of the Mediterranean passage. Consequently this vital equipment was not available when the Italian offensive commenced on 13 September.⁸

Wavell's forces halted the Italian attack within a few days, but this brought no relief to his forces. Indeed, the Italian setback increased the likelihood of German intervention in the Middle East. This threat was not lost on Churchill, and the Prime Minister now began to call for an immediate buildup of forces in that region. But even though the need for more supplies in the Middle East was becoming evident, home defence requirements still received top priority.

Home defence preparations and the Royal Air Force's struggle to retain air superiority over the British Isles were inseparable. If the RAF could defeat the Luftwaffe's efforts to dominate British skies, the German invasion would be thwarted. Conversely, if the Luftwaffe succeeded, Operation Sea Lion (the German code name for the invasion of Britain) would be implemented immediately. The dramatic story of the ensuing air battle over Britain has been told countless times and need not be repeated here. But the RAF's increased need for aircraft as a result of this crisis should be touched upon briefly.

7. Confidential Annex, WM 216 (40), 31 July 1940, CAB 65/14.

8. Confidential Annex, WM 233 (40), 23 August 1940 and Confidential Annex, WM 234 (40), 26 August 1940 in CAB 65/14.

During the Battle of Britain production of fighter aircraft was the primary concern of the newly created Ministry of Aircraft Production (MAP). However, demands for trainers and bombers complicated the MAP's task. In addition to fighter aircraft, trainer aircraft were required to instruct the new pilots chosen to replace those lost in combat. Moreover, bomber aircraft were in demand because, as Churchill pointed out, although "the Fighters are our salvation...the Bombers alone provide the means of victory." Churchill still believed that an abundant supply of bombers would allow Britain "to pulverise the entire industry and scientific structure" on which Germany's war effort depended.⁹ The resultant and overwhelming demand for all types of aircraft during the second half of 1940 ensured that aircraft remained Britain's number one production priority. Despite the desperate need for destroyers, tanks, anti-aircraft and anti-tank guns, and small arms and ammunition, Britain needed aircraft even more urgently.¹⁰

The aforementioned operations were of vital concern to Britain's military planners. In the meantime, however, operations in Greece and Dakar were underway. Furthermore the Japanese decision to join the Rome-Berlin Axis by signing the Tripartite Pact on 27 September 1940, heightened the threat to British interests in the Pacific. As these strategic commitments multiplied, they placed a severe strain on Britain's war fighting capabilities. Materiel shortages, even more than a lack of manpower, threatened to undermine efforts to counter the Axis threat. Correspondingly, Britain renewed efforts to convince American authorities to adopt British production types. And they lobbied for top delivery priority on all US produced war supplies.

Acceleration of American Defence Preparations

The rapid demise of France, the startling military effectiveness of the German Army, and Britain's seemingly desperate fight for survival resulted in some of the most sweeping changes in the American defence establishment ever

9. Churchill, *Second World War*, 2: 458.

10. Churchill, *Second World War*, 2: 461.

implemented in peacetime. Roosevelt rid the War Department of the Woodring-Johnson rivalry by appointing Henry Stimson as the new Secretary of War. Stimson and Marshall campaigned vigorously for Selective Service legislation. The Army held its largest ever peacetime exercises. And Congress approved increased munitions appropriations for the services. These changes were intended to improve the war fighting capability of the American forces. But the appropriations debate also highlighted the Roosevelt Administration's continued interest in supporting Britain.

With the daily deterioration of the European situation, Woodring's isolationism and his feud with Johnson became intolerable. Thus when Navy Secretary Edison resigned to run for the Governorship of New Jersey, Roosevelt also decided to ask for Woodring's resignation. Woodring reluctantly acceded to the President's request on 20 June 1940. The President could now appoint to these crucial positions individuals sympathetic to his defence policies, particularly his desire to aid the British.¹¹ He filled these Cabinet offices with two Republican Party members. Roosevelt's supporters said the President wanted to build a bipartisan coalition in the event of war; and his detractors said it was a political ploy to keep the Republican Party off-balance during the last months before the election. In reality both factors probably influenced the President's decision to designate Frank Knox as the new Secretary of the Navy, and Henry L. Stimson as the head of the War Department.¹²

Colonel Frank Knox, the Republican Vice-Presidential nominee in the 1936 Presidential election, publisher of the *Chicago Daily News*, and a strong supporter of Roosevelt's foreign policy despite his party affiliation, immediately accepted the nomination. Stimson's appointment took longer to arrange. Henry Stimson, former Secretary of War under William Taft, and Secretary of State

11. Letters, Roosevelt to Woodring, 19, 25 June 1940, Roosevelt, ed., *FDR 1928-1945*, 2: 1041-44; Blum, *Morgenthau*, 2: 165.

12. Robert E. Sherwood, *Roosevelt and Hopkins* (New York: Harper and Row, 1950), 162-63.

under Herbert Hoover agreed to accept the job if two conditions were met: peacetime compulsory military service, and the right to appoint his own Assistant Secretary. This latter point required Louis Johnson's dismissal as Assistant Secretary of War. Roosevelt accepted both conditions, but proved characteristically reluctant to request Johnson's resignation. Indeed Johnson was still in place after Stimson was sworn in as Secretary of War on 10 July 1940. Johnson only resigned at the end of July when Stimson forwarded to Congress (at Morgenthau's suggestion) Judge Robert P. Patterson's nomination as Assistant Secretary. With Patterson's appointment, the senior civilian leaders at the War Department shared a common vision of American defence needs at last.¹³

The implementation of military conscription was one of Stimson's first initiatives as Secretary of War. Yet the impetus for Selective Service legislation did not come from Stimson himself, but from the influential members of the Military Training Camp Association. This group (its membership included Stimson and Patterson) initially advocated the adoption of a First World War scheme which supported voluntary military training for civilians. Because of the severity of the problems in Europe, many members felt such measures to be inadequate and advocated the establishment of a compulsory draft. Grenville Clark, the Association's chairman, subsequently spearheaded an effort to find co-sponsors for a Selective Service bill. These efforts were rewarded when, on 20 June 1940, Democratic Senator Burke and Republican Congressman Wadsworth introduced a compulsory military training bill into the Senate and the House.¹⁴

General Marshall welcomed this bipartisan legislation. Prior to the fall of France he had hoped that national defence needs could be met by bringing the Regular Army and National Guard up to their authorised peacetime strengths. However, in July planners estimated it would take the Army ten months to reach

13. 25 June 1940, Stimson Diary, Yale University Library; 17 July 1940, MD 283: 164-65. Not everyone was happy with Stimson's appointment. The isolationists, in particular, denounced it as another step toward European intervention, see for example *Congressional Record*, 76th Congress, 9 July 1940: 14094-14097.

14. Watson, *Chief of Staff*, 189-91.

these strengths. In view of the rapidly deteriorating international situation that rate was much too slow. A draft would be necessary, but the same domestic circumstances that prevented the Roosevelt Administration from introducing a conscription bill made it equally impossible for the War Department to sponsor the measure. Marshall, in particular, believed the civilian sector had to take the lead in the Selective Service debate. He wanted to avoid a resurgence of the accusations made during Stimson's Senate confirmation hearings that the military was moving the country closer to war. As he explained in an interview years later, if he had initiated this debate "I would have defeated myself before I started, and I was very conscious of that feeling."¹⁵ Once the debate commenced Marshall willingly testified before the Senate and House committees in support of the draft. Indeed, Marshall and Stimson devoted most of July and August 1940 to guaranteeing the passage of this legislation in Congress and ensuring Roosevelt's public support for it (the President intentionally remained aloof from the public debate until after he received the Democratic Presidential nomination on 19 July). Their efforts were rewarded on 16 September 1940 with the passage of a law making all males between ages 21 and 45 eligible for one year of military service. The War Department, however, could only deploy these draftees in the Western Hemisphere (except for US territories and possessions outside this region).¹⁶

Efforts to provide more realistic training for American troops accompanied the War Department's call for a manpower increase. Prior to Hitler's rapid sweep through Europe, the lack of money and the small size of the Army had restricted field exercises to the division level and below. After observing the way German forces dominated the European battlefields, Marshall

15. Marshall Interview, Tape 10M, 22 January 1957, col. 276, Marshall Library; Bland, ed., *GCM Papers*, 2: 263

16. Presidential Request to Call Out National Guard, 29 July 1940 and Press Conference, 2 August 1940, *PPA*, 1940: 313-14, 317-21; Watson, *Chief of Staff*, 196; "History of the Joint Chiefs of Staff: The War Against Germany and Her Satellites", incomplete draft manuscript, no date, copy in Xerox 1561, Marshall Library, sec. 3: 19.

insisted that large scale manoeuvres be held to simulate this new battlefield environment. Because of his efforts, nation-wide, corps level manoeuvres were underway by August 1940. Later events validated his actions. These exercises (along with subsequent army level exercises held in 1941) provided senior officers with their only experience in large unit command before the United States entered the war. And commanders at every organisational level learned about the co-ordination and communication problems in a war of movement.¹⁷

These manoeuvres taught an important lesson about materiel as well as manpower: the United States desperately needed large quantities of modern military equipment for its expanding Army to be effective. The 20 June 1940 Munitions Program (see page 148) had outlined the War Department's tentative plans to meet the supply requirements based on the 19 July 1939 troop basis. But before Congress received this munitions programme, the Supply Division (G-4) requested permission to adjust it based on a more recent troop analysis. Thus, the Supply Division proposed an increase in the cost of the procurement programme from \$7.3 million to \$8.0 million.

The President refused to approve this revised 20 June 1940 Munitions Program. Instead he asked the War Department to limit the total cost of this munitions plan to four million dollars in cash and contracts - over three million dollars less than the sum he had approved for the original programme! Moreover, he wanted certain items essential to a balanced rearmament programme (such as clothing and motor vehicles) eliminated altogether. Roosevelt now emphasised that the programme's "main objectives are planes, guns, ammunition, tanks and productive capacity". These were, of course, the same items that Britain desperately needed. Indeed the Supply Division unknowingly had provided the President a subtle means to make the munitions

17. (1) Memorandum for Col Burns, 23 February 1940, (2) Telegram to Lt Gen Embrick, 7 May 1940, (3) Marshall Radio Address, 5 August 1940 in Bland, ed., *GCM Papers*, 2: 112, 164-5, 208, 280-4; Forrest C. Pogue, *Ordeal and Hope 1939-1942* (New York: Viking Press, 1966), 89-90.

programme more politically acceptable, stress the production of items Britain required, and downplay the War Department's balanced rearmament programme. Subsequently, the 20 June Munitions Program was revised to meet the President's demands, renamed the 30 June Munitions Program to reflect these changes, and submitted to Congress for approval. Congress duly appropriated the funds for this rearmament programme in July 1940.¹⁸

As official historians such as R. Elberton Smith and Mark S. Watson suggest, Roosevelt's alteration to the 20 June Munitions Program indicated a continued desire to minimise the chance of a Congressional confrontation over rearmament while ensuring increased production quantities of major supply items.¹⁹ The President's instincts were correct. Congress approved the appropriations because of the long-term neglect the services had suffered during the 1920s and 1930s. The possibility that this equipment might help the British was never considered. If this suggestion had been made the programme probably would have suffered. Just days before, on 28 June 1940, the President reluctantly had approved the Walsh Amendment (sponsored by Senator David I. Walsh, Chairman of the Naval Affairs Committee) which stipulated that only the Chief of Staff or the Chief of Naval Operations could certify that US war materiel was not essential to national defence. Walsh had proposed this amendment after he inadvertently learned that the US Navy had transferred 23 vessels to the Royal Navy without his Committee's knowledge. Concerned that the Roosevelt Administration was giving away vital war materiel to the Allies, Walsh created this legislation in an attempt to reduce the flow of war supplies to the British.²⁰

18. (1) Memorandum by Aurand, 24 June 1940, (2) Memorandum, Moore to Marshall, 25 June 1940, (3) Memorandum, Marshall to L. Johnson, 25 June 1940, (4) Memorandum, L. Johnson to Marshall, 1 July 1940, (5) Memorandum by Col Burns on White House Conference, 3 July 1940 all in G-4/31773, RG 165.

19. See Smith, *Economic Mobilization*, 130-32; Leighton and Coakley, *Global Logistics*, 29-30; also Watson, *Chief of Staff*, 177-82.

20. Walsh originally only asked naval officials if any destroyers had been transferred. At the time the answer was no, but concern about a negative Congressional reaction prompted naval officials to reveal these other transfers. *Congressional Record*, 76th Congress, 21 June 1940: 13314-13318; Bland, ed., *GCM Papers*, 2: 262.

However, Roosevelt's desire to avoid a confrontation with Congress only partially governed his actions. While this munitions programme was under consideration, Roosevelt, Marshall and Stark engaged in yet another debate over the scope of US national defence policy. Marshall and Stark advocated adjusting national defence policies to accommodate hemispheric defence requirements. Therefore they recommended: (1) the cessation of military equipment sales to the British from available US stores, (2) the acceptance of British munitions orders "only to the extent that is possible without retarding the procurement programs of our own Army and Navy", (3) closer co-operation with Latin American countries, (4) the introduction of a longer working week in order to accelerate production, and (5) immediate enactment of Selective Service "followed at once by complete military and naval mobilization". FDR's response to these recommendations indicated lukewarm interest in hemispheric defence strategy, qualified support for the draft, and a continued desire to assist the British war effort. Unlike his military advisers, Roosevelt already saw US national defence and Britain's survival as virtually synonymous.²¹

The President told Marshall and Stark that, although in general he agreed that most war supplies should remain in the United States, he also wanted the US fighting forces "to continue to search over our materiel to see if there was something that we might find it [sic] possible to release" to Britain, especially if "the British displayed an ability to withstand the German assault". Moreover, the President directed that American industries accept British munitions orders "as long as the materiel can be employed to damage the German war effort", without *seriously* affecting US defence procurement programs. At the same time, Roosevelt took the threat to Latin America much less seriously than military planners, and he was, therefore, much less enthusiastic about providing supplies to the Latin American countries. He informed Marshall that to "keep them [Latin

21. Memorandum for the President, "Basis for Immediate Decisions Concerning the National Defense", 22 June 1940, War Plans Division Papers (hereafter cited as WPD), 4250-3, RG 165, National Archives.

American countries] sweet, we will let them have a few tiny dribbles which will not amount to anything to us". Finally, he refused to extend the work week until all idle American workers were re-employed - otherwise the labour unions, in particular, would protest against this action.²²

Thus in late June 1940 the Roosevelt Administration and the War Department were engaged in a debate over Britain's place in US rearmament and strategic planning. Unlike the War Department, the Roosevelt Administration continued to see Britain's struggle as the front line of American defence. However, the President's sympathy for Britain was only partially responsible for this attitude. Equally important the position suited him politically. During the election year there was more room for equivocation on controversial issues such as the draft and industrial mobilisation, which the services believed essential for defence purposes. Conversely, the fighting services' decision to support selective service, a balanced munitions programme based on the PMP, and more aid to Latin America did not mean they had abandoned Britain altogether. Rather, it indicated a belief that British needs should be satisfied only if they did not interfere with US defence requirements.

The first two and a half months after the fall of France the Administration and the War Department worked to reconcile these points of view. Certainly Britain's determination to fight, so boldly exhibited at Oran and during the Battle of Britain, implicitly supported Roosevelt's position. But the British Purchasing Commission's efforts to strike a compromise which made continued American materiel aid to Britain beneficial to both parties also proved invaluable to the case for increased British support.

22. Memorandum on Conference with the President, Marshall to Strong, 24 June 1940, WPD 4250-3, RG 165.

American Doubts and British Hopes

The fall of France forced the British and American Governments to re-examine their commitment to a close supply relationship. For the Americans this re-examination highlighted doubts about the wisdom of increasing assistance to the beleaguered British. Conversely, the British struggled to persuade the Americans that an increase in the flow of supplies to Britain would ensure defeat of the Axis powers. Both countries pursued various avenues in defining their respective interests and responsibilities in this new relationship: they discussed delivery priorities and production types, exchanged exploratory and technical missions, orchestrated the high visibility "destroyers-for-bases" deal, and participated in staff conversations. In the United States, the British Government relied heavily on the Purchasing Commission to convince the US Government to provide increased materiel assistance to the British. The Purchasing Commission's efforts to ensure this assistance concentrated on striking compromises with the Americans which would benefit British and American forces.

Before any of these tasks could be undertaken the British Government had to restructure its supply committees to allow for the increased importance of Purvis's New York office over its Ottawa counterpart, as well as to account for the French departure from the purchasing organisations. For example, the formal dissolution of Greenly's British Supply Board in Ottawa on 1 July 1940 meant that British purchasing efforts in North America subsequently would be coordinated from the United States. Formerly this Board had administratively controlled Purvis's Commission. And, although Greenly never interfered with Purvis's operation, the Supply Board had represented yet another checkpoint for the Purchasing Commission to pass through before it could finalise a purchase. This arrangement changed when the Supply Board was dissolved; and Purvis, in

his capacity as Chairman of the British Purchasing Committee, received complete control over all British war purchases placed in the United States.²³

It took over another week to dissolve the Anglo-French Co-ordinating Committee and replace it with the new North American Supply Committee on 10 July 1940. Sir Arthur Salter was appointed chairman of this Supply Committee. And its membership included senior representatives from the War Office, Admiralty, Foreign Office, Treasury, Ministry of Shipping, and Dominions Office, as well as Sir Walter Layton, an economist from the Ministry of Supply.²⁴ Furthermore, a small standing organisation called the Central Office for North American Supplies under Mr T.H. Brand, was created to provide continuity when Salter's committee was not in session.²⁵

A. The Battle for Production Priority: Aircraft

The first challenge these new organisations faced was to prevent American defence requirements from threatening British orders already placed in the United States. Some American officials were keen to use the orders to accelerate the pace of American rearmament. And Purvis, in particular, found much of his time in July occupied with protecting these orders. The difficulty of this task became evident during meetings held on 23 and 24 July to discuss the allocation of aircraft frames and engines. The new Secretary of War requested the 23 July meeting to gain better understanding of the current policy for allocation of air frames and engines. But in his quest for information, the new Secretary unintentionally had set the stage for a spectacular Anglo-American clash.

Only one week before these meetings, William Knudsen (Advisory Commission head of production) told Purvis that Britain should release to the

23. "Britain's Buyers Get Full Powers," *New York Times*, 1 July 1940: 2; Greenwood Comment, 11 July 1940, House of Commons debates, *Hansard*, 5th series, vol. 362, cols. 1342-43.

24. Layton had worked at the Ministry of Munitions during the First World War, see pages 27-8.

25. Minutes, NAS 1 (40), 10 July 1940, CAB 92/27; Telegram, Foreign Office to Lothian, 10 July 1940, CAB 115/1.

United States 14,000 of its 24,000 engines then on order. Purvis was taken aback by Knudsen's demand, and turned to Morgenthau for assistance. The Treasury Secretary successfully rescued Purvis from this situation by reminding Knudsen of a 16 May 1940 Presidential directive which stipulated that the US production programme "must be built on top of the Allied order". Knudsen conceded this point, and the crisis abated until Stimson opened the 23 July meeting.²⁶

At the start of the meeting Knudsen again proposed the British forfeit to the United States thousands of their ordered aircraft engines. Morgenthau vehemently attacked this position. He again cited Roosevelt's 16 May directive, and then noted that it would be "the height of stupidity to do anything at this time which interferes with their [the British] program when they are doing their fighting with their men, their blood, and their money". Moreover, Morgenthau commented that "at no time has either General Marshall or Admiral Stark told me that anything that we have done has interfered with the national defense program." Knudsen remained unconvinced, and he went on to question the recent increase in British aircraft orders.

Knudsen believed that the United States could not produce more than 30,000 aircraft before 1 April 1942, and that this number should be equitably allocated between Britain and the United States. Under this proposed arrangement Britain would be limited to approximately 700 aircraft per month. Knudsen argued that if Britain "required large quantities of planes it should have placed its orders in 1939". Purvis explained to Knudsen, at Morgenthau's suggestion, the criteria used for placing these earlier orders. He drew attention to the fact that the aircraft orders were placed on the basis of the aircraft manufacturers' ability to produce planes, not on Allied requirements. And he pointed out the crucial contribution these orders made to increasing US productive capacity. Knudsen remained unconvinced, and at the end of the meeting the two men continued to disagree. Knudsen looked to the Army Air

26. 18 July 1940, MD 284: 44-5; 22 July 1940, MD 285: 50.

Corps officers for support, Purvis and Morgenthau remained united in their advocacy of aid for Britain, and Stimson and Admiral Towers (USN) tried to stay as neutral as possible (the Navy at the time was fully equipped with aircraft). When it became obvious that no resolution would be achieved, Morgenthau recommended the meeting adjourn until the next day.²⁷

After the meeting, Morgenthau called Purvis to discuss the tactical mistakes in the morning's session. Morgenthau told Purvis that the way to stop Knudsen was to place an order for 3000 additional planes a month, starting in January 1941. This order, along with the requirements from the Army and Navy, would force the country to develop the productive capacity to meet the increased demand. The magnitude of Morgenthau's proposed increase shocked Purvis. But the Purchasing Commission Chairman appreciated the wisdom of this proposal, and he subsequently requested this increase at the 24 July meeting. Knudsen opposed the idea, Brett was sceptical, but Stimson, Knox and Morgenthau supported it. The aircraft production programme was altered accordingly, and the British orders remained secure. Regarding the allocation of aircraft engines, the participants merely agreed to meet once a month to discuss these allocations. Thus Purvis had to fight only incremental battles for engines rather than risk losing 14,000 at one time.²⁸

Until the funding for the expanded aircraft programme had been arranged, Purvis and Morgenthau still had much work to do. After the late July announcement, British Treasury officials questioned the decision to expand aircraft production in the United States by 3000 aircraft each month. They doubted the United States' ability to produce so many aircraft, the RAF's need for them, and Britain's ability to pay the requested sum. The Air Ministry vehemently pressed for the full programme. Purvis and Morgenthau would

27. "Notes of Discussion in Washington on July 23rd" by Purvis, 12 August 1940, AVIA 38/14; 23 July 1940, MD 285: 206-53; 23 July 1940, Stimson Diary.

28. "Memorandum of Discussion at Meeting at Washington July 24th" by Purvis, 12 August 1940, AVIA 38/14; 24 July 1940, MD 286: 92-118, 122-26; 24 July 1940, Stimson Diary.

devote considerable effort during August to ensure continued support for this programme from both Governments.²⁹

In addition to the implicit support for Britain which the plan to increase aircraft production demonstrated, these two days of meetings highlighted another internal struggle within the Roosevelt Administration. This time the struggle was between the new Advisory Commission on National Defense (NDAC) and the Treasury over the allocation of American war materiel. Knudsen, as a member of the President's newly revived NDAC, and Treasury Secretary Morgenthau both were keen to increase the overall production of war supplies. However, Knudsen wanted the US fighting services to receive the highest priority in the allocation process, while Morgenthau remained adamant that Britain receive top priority. Roosevelt's continued support for Morgenthau's position combined with the NDAC's institutional weaknesses forced Knudsen to bargain from a precarious position, as the Treasury Secretary's domination of the 23 and 24 July meetings demonstrated. Thus, for the time being, Morgenthau remained the dominant voice in the Roosevelt Administration on production and allocation of aircraft frames and engines, and other war materiel.³⁰

B. The Battle of Production Types: Tanks

The British largely accepted the American aircraft types. But Britain did not acquiesce so readily with other war supplies - especially tanks. Based on the lessons learned in France, British authorities insisted that at a minimum these tanks should have armour 60-70mm thick, two-pounder guns, and a three-man turret. Currently the US had no tanks that fitted these criteria, and the War

29. Memorandum, Gilbert to Barlow, 29 July 1940, T 161/1081/S.47297; Memorandum, Baker to Self, 8 August 1940, AVIA 38/429; Memorandum, Slessor to Sinclair, 10 August 1940, Air Ministry Papers (hereafter cited as AIR) 19/168, PRO; MAP 163, Llewelin to M. Wilson, 27 August 1940, AVIA 38/14.

30. Blum, *Morgenthau*, 2: 171-77, gives the best overall account of this struggle but surprisingly does not highlight the conflict between Morgenthau and Knudsen for dominance in matters of allocation and production. Hall, *North American Supply*, 170-73 offers the best British account of these events. However, it ignores the differences within the Roosevelt Administration which shaped these negotiations.

Office believed that no American design existed to fulfill these requirements. Therefore, by giving US manufacturers these requirements along with information about the fighting in France and its effect on tank design, British officials hoped to persuade the American Army that the most efficient way to produce more and better tanks was to adopt a modified British design as the standard.³¹

In one of his last acts as Co-ordinating Committee Chairman, Monnet warned Herbert Morrison (Minister of Supply) that if the British wanted priority on American supplies such as tanks, field guns and small arms, then they must accept United States standards. Only under exceptional circumstances would American authorities consider adopting British types. Despite Monnet's words of caution, Morrison informed him that the Ministry of Supply would strive for the production of British types, particularly the A12 and A15 tanks, in America.³²

Purvis shared Monnet's pessimism. He wired London that neither the United States nor Canada possessed the plans and specifications for these British tanks. Since the US was already very reluctant to produce British equipment, Purvis believed the case was hopeless. Instead he advised the War Office to accept the American designs because this would accelerate tank deliveries to the various theatres of war. Purvis's suggestion was also rejected. Salter notified Purvis on 11 July that the North American Supply Committee was confident British tanks were well suited for adoption as a common Anglo-American standard. Furthermore, the Committee believed it would be easy to convince US officials to adopt these British types because the "American Army stocks of medium and heavy tanks must be quite negligible". In order to encourage the

31. "Tank Mission to the U.S.A.," July 1940, AVIA 38/102.

32. Letter, Monnet to Morrison, 23 June 1940 and Letter, Morrison to Monnet, 26 June 1940 in AVIA 22/3242.

United States to produce only British tanks, Salter informed Purvis on 14 July 1940 that Mr J.G. Weir would travel to the United States.³³

Weir arrived in New York on 14 July with a set of plans for the A15 tank. He quickly realised that the London authorities had been overly optimistic about American willingness to adopt British tanks. When he met with Knudsen and representatives of the US Army's Ordnance Department he was informed that the United States Government's object was to produce reasonably effective tanks as quickly as possible. Therefore American manufacturers would produce only current US tanks, although they would modify them to incorporate lessons learned from recent combat experiences. The War Department stated this policy so emphatically Weir decided to return immediately to London to discuss its implications with Ministry of Supply officials.³⁴

Weir's July mission to America also sought to prepare the way for future negotiations. Thus, a second mission travelled to the United States despite Weir's discouraging report about his original negotiations with the Americans. This second tank mission, under Michael Dewar, was to work closely with the British Purchasing Commission and the American authorities to arrange for the purchase and delivery of 2000 cruiser tanks. Brigadier Pratt accompanied Dewar to the United States in order to stress the importance of a combat-ready tank. Because of his experience as a tank brigade commander in France, Pratt could provide the War Department with a detailed, first-hand account of armoured operations during this campaign. By 1 August 1940 Pratt and Dewar had met with Stimson, Morgenthau, and Marshall. Thanks to Morgenthau they had also examined the US Army's secret experimental tanks, including the M3. Fully convinced that the US would refuse to produce a British design, the Dewar Mission informed

33. Mr Weir had led the earlier aircraft purchasing mission to the United States in 1938, see page 80. Purco 283, Purvis to Monnet, 4 July 1940, AVIA 38/5; Pursa 1, Purvis to Salter, 11 July 1940, AVIA 38/26.

34. "Standardisation of Types", July-August 1940, CAB 102/111.

London that the M3, modified with a British turret, would produce an adequate combat tank design suitable for mass production.³⁵

Yet it would take another month, and another mission, before any orders were placed. Ironically this final mission almost destroyed the accomplishments of its two predecessors. The War Office sent this third mission under the direction of Major General Pakenham-Walsh to the United States in one last effort to convince the Americans to produce a British-type tank. There was no prior co-ordination with the British Purchasing Commission, and Pakenham-Walsh's uninvited appearance brought a storm of complaints from American policymakers and manufacturers. When Purvis told London officials that the General's ill-informed actions threatened to undo the tank compromise reached by the two countries, the primacy of the Purchasing Commission in arranging tank purchases was reaffirmed and Pakenham-Walsh's Mission faded in prominence.³⁶

By early August, before any staff conversations had taken place, Britain and the United States had exchanged classified operational and technical data in order to expedite tank production. On 22 August, the British Purchasing Commission received permission to place an order for 1500 M3 tanks. Shortly thereafter negotiations would increase this order to 3000. Thus Britain claimed a

35. 1 August 1940, Stimson Diary; 3 August 1940, MD 288: 247-50; "Tank Mission to the U.S.A.", July 1940, AVIA 38/102.

36. See for reference: Entries, 1 August - 24 October 1940, Diary of Maj Gen R.J. Pakenham-Walsh, Boxes 1, 3, Pakenham-Walsh Papers, Liddell Hart Centre, King's College London; "USA Report by Pakenham-Walsh" file, AVIA 12/94; "Order for 3000 Cruiser Tanks from the USA" file, AVIA 22/3245; Pursa 78, Purvis to Salter, 28 August 1940, AVIA 38/26; and "Tanks: Dewar Mission to USA", War Office Papers (hereafter cited as WO) 185/40-59, PRO. Historically Pakenham-Walsh has been given too much credit for the placement of large British tank orders in the US for two reasons. First, he left detailed accounts of his mission which historians such as William Johnsen, "Forging the Foundations of the Grand Alliance: Anglo-American Military Collaboration, 1938-1941 (Duke Univ. Ph.D. Diss., 1986), 103-105, accept at face value. And second, since orders were placed shortly after Pakenham-Walsh's Mission historians assume he was responsible for the settlement (see for example Gilbert, *Finest Hour*, 745-46).

significant portion of the first M3 production models to roll off the assembly lines despite the US Army's own severe tank shortage.³⁷

C. American and British Missions

Britain's successful attempt to acquire these tanks was proof of a growing sense of confidence in the United States regarding Britain's future. Initiatives such as William Donovan's trip to England reinforced this confidence. At Roosevelt's behest, Donovan was to observe the effectiveness of the Conscription Law, learn which legislation might be required for the effective operation of a counter-espionage organisation, assess whether Britain could stay in the war, and, as a corollary, advise whether or not Britain seemed worthy of US support. He returned to the United States in early August, impressed with his reception in Britain, confident of that nation's ability to survive, and convinced that American aid could have a decisive impact on the war's outcome. Donovan would undertake other personal missions for the President, and later he would establish the Office of Strategic Services (forerunner to the Central Intelligence Agency). But in these early days of the war, his observations strengthened Roosevelt's resolve to provide continued materiel assistance to Britain, thereby overriding the reluctance of US Army officials to do so.³⁸

In the meantime, London officials also discussed the advantages of an Anglo-American technical exchange. This idea had been proposed prior to the French surrender, and was discarded in the belief that Britain would gain little from the exchange. In late June 1940, several British policymakers expressed renewed interest in this idea because of their increased reliance on US war materiel. Archibald Sinclair (Secretary of State for Air) wrote to Churchill on 25

37. Suply 444, Ministry of Supply to Purvis, 22 August 1940 and Suply 431, Purvis to Ministry of Supply, 24 August 1940 in AVIA 22/3245.

38. Memorandum, Rutherford to Stettinius, 13 July 1940, File 'D' misc., Box 119, Accession 2723, Stettinius, Jr Papers; Entry, 23 July 1940, Diary, Lee Papers, US Army Historical Institute; James R. Leutze, ed., *The London Observer: The Journal of General Raymond E. Lee 1940-1941* (London: Hutchinson, 1971), 18-9, 27-8; Minute, Salter to Prime Minister, 17 August 1940, PREM 3/483/8.

June 1940 and asked the Prime Minister to approve a technical exchange (to cover areas such as RDF and submarine detection). Sinclair explained that Britain stood to gain from the exchange because the United States would be able to incorporate technical secrets, gained through the exchanges, into equipment manufactured for Britain. Churchill gave his approval on 30 June, after consulting with Lord Beaverbrook (Minister for Aircraft Production) and receiving an urgent telegram from Lothian advocating the exchange. Subsequently, the Foreign Office advised Lothian on 6 July 1940 that the British Government had agreed to "a general interchange of secret technical information with the United States".³⁹

The British Ambassador notified Roosevelt that His Majesty's Government would greatly appreciate such an interchange, and assured the President that Britain did not intend to use this proposal as a bargaining chip. The proposal was approved by the Roosevelt Administration on 11 July 1940. The War Department even supported the exchange, although Stimson insisted that the War and Navy Departments first approve British purchases of items produced as a result of these technical exchanges.⁴⁰

But while the United States was establishing the parameters for this exchange, Churchill already threatened to terminate it. On 17 July 1940, Churchill sent a minute to General Ismay which suggests the Prime Minister had forgotten he had previously approved the technical exchange. Churchill wrote to Ismay that:

I do not myself see what we are going to get out of this arrangement. Are we going to throw all our secrets into the American lap, and see what they give us in exchange? If so, I am against it...If an exchange is to be arranged, I should like to carry it out piece by piece...What is the urgency of this matter? Who is making a fuss, and what happens if we do not give an immediate decision?⁴¹

39. (1) Letter, Sinclair to Churchill, 25 June 1940, (2) Letter, Beaverbrook to Churchill, 27 June 1940, (3) Telegram, Foreign Office to Lothian, 6 July 1940, and (4) Minute, Ismay to Prime Minister, 18 July 1940 all in PREM 3/475/1.

40. Aide-memoire, Lothian to Roosevelt, 8 July 1940 and Letter, Stimson to Acting Secretary of State, 22 July 1940 in Army-AG Classified File, 1940-1942 (hereafter cited as AG) 400.3295, 7-19-40 (1), RG 407, National Archives.

41. Minute, Churchill to Ismay, 17 July 1940, PREM 3/475/1.

Ismay reminded the Prime Minister he had already authorised this interchange, but its fate remained uncertain.⁴² Churchill met with his advisers a week later to discuss the policy again. At that meeting Halifax and Sinclair managed to persuade the Prime Minister that Britain could not go back on its offer now that Roosevelt had accepted it. And at the end of July Sir Henry Tizard was chosen to lead the delegation.

Churchill at that point delayed the exchange again. Despite Lothian's protestations to the contrary, the Prime Minister decided to use the technical mission as a bargaining chip. Desperate to acquire US destroyers (see next section), Churchill postponed Tizard's departure because "of the holding-back on the American side" over Britain's request for these vessels.⁴³ When the Americans showed renewed willingness to accommodate this request, arrangements for Tizard's Mission were finalised, and the scientist arrived in Washington on 27 August 1940.⁴⁴ But these repeated attempts by British officials to link the technical talks with supply concessions demonstrated the influence supply issues exerted on other aspects of Anglo-American relations. Tizard concluded that a sustained technical exchange was crucial for supply purposes because "We [Britain] are unlikely to get enough of the war equipment that we want from the U.S.A. unless we can pass on our superior technical knowledge and operational experience in an effective way as soon as possible."⁴⁵

D. Destroyers-for-Bases

These missions despatched in July and August 1940 were largely the result of the fall of France. When Britain lost its main ally, the United States was the most obvious choice to fill the void. But the American desire to help was based on Britain's chances of survival. Before the two countries moved any nearer together, both sought a more thorough appreciation of the implications of a

42. Minute, Ismay to Churchill, 18 July 1940, PREM 3/475/1.

43. Minute, Churchill to Ismay, 1 August 1940, PREM 3/475/1.

44. 27 August 1940, Stimson Diary.

45. Report, Tizard to Prime Minister, 19 October 1940, PREM 3/475/1.

closer relationship. The Donovan, Tizard and Dewar Missions helped their respective Governments to agree to a more co-operative course. The Destroyers-Bases deal was negotiated while Britain and the United States were still sorting out their new relationship.⁴⁶

This deal, one of the most publicised Anglo-American agreements of the war, was also one of the first major supply arrangements concluded after the French surrender. Its origins are found in Churchill's 15 May 1940 message to Roosevelt which implored Roosevelt to arrange for the loan of approximately fifty old US destroyers to Britain. The President informed the Prime Minister the next day that the request required Congressional authorisation, and at the time Congress would not approve it.⁴⁷ Britain's need for these vessels increased after Dunkirk and Germany's intensified campaign against British merchant shipping. But despite Churchill's appeals, Roosevelt did not act on this request until late July 1940.⁴⁸

After he received an even more urgent request from Churchill for destroyers on 31 July, Roosevelt again discussed a possible transfer at Cabinet on 2 August. During the ensuing debate described by Stimson as "one of the most serious and important debates that I have ever had in [a] Cabinet Meeting", Knox mentioned the idea of exchanging bases for destroyers. The idea's favourable reception was tempered when the Cabinet sought the British Government's assurance that under no circumstances would the Royal Navy fall into German hands. The President further suggested that His Majesty's Government guarantee that the British Navy would sail to North American or imperial ports if Germany

46. For in-depth accounts of the Destroyers-Bases deal see (1) Philip Goodhart, *Fifty Ships that Saved the World* (London: Heinemann, 1965), (2) Reynolds, *Anglo-American Alliance*, 121-32, (3) Leutze, *Bargaining*, 72-97, 104-13, 115-27, and (4) Langer and Gleason, *Challenge*, 742-76.

47. A clause in the statute which allowed the President to dispose of "obsolete" war materiel forbade the inclusion of naval vessels. Roosevelt's assessment of the Congressional mood was correct. The rumours around Washington about the possibility of a destroyer sale inspired the Walsh Amendment.

48. Telegram, Churchill to Roosevelt, 15 May 1940, Kimball, ed., *Correspondence*, 1: 37-9; Memorandum, Roosevelt to Knox, 22 July 1940, Roosevelt, ed., *FDR 1928-1945*, 2: 1048-49.

were victorious. Clearly the US Government wanted to link a destroyers-bases deal to future control over the British fleet in the event Britain was defeated.⁴⁹

Churchill initially refused to give the Americans this guarantee. According to a message given to Welles by Lothian, the Prime Minister believed such a promise might create "in the minds of the British people and of their enemies abroad the impression that the Government had in mind the collapse of Britain as a possible contingency". It fell to Lothian to work out a compromise that would fit the needs of both the British and American Governments. On 13 August 1940 Churchill received a telegram from the President which asked for: first, His Majesty's Government's assurance that the British fleet would be sent to other parts of the Empire for imperial defence, in the event of a German victory; and second, the acquisition (through purchase or a 99-year lease) of Newfoundland, Bermuda, the Bahamas, Jamaica, St. Lucia, Trinidad and British Guiana for naval training and exercises. The War Cabinet agreed to this arrangement in principle on 14 August.⁵⁰

Before the deal could be finalised both Governments had to agree on its official wording. Roosevelt insisted on a formal bargain because he believed this was the only way he could conclude the deal without Congressional approval. The President had gone to great lengths to avoid Congressional involvement during these negotiations. He had requested an independent legal opinion on the statute which prohibited the sale of ships to belligerents in hopes of finding a loophole. When the lawyers told him just such a loophole existed (the lawyers said the same rules should govern the treatment of Army and Navy surplus), Roosevelt passed this information on to Congress to test their reaction. Although

49. Roosevelt also sought Wilkie's approval for the transfer to ensure it did not become an election issue. Memorandum on Cabinet meeting, 2 August 1940, Roosevelt, ed., *FDR 1928-1945*, 2: 1050-51; Kimball, ed., *Correspondence*, 1: 56-7; Ickes, *Diary*, 3: 283, 292; 2 August 1940, Stimson Diary.

50. Memorandum, Hull to Roosevelt, 4 August 1940 and Letter, Lothian to Welles, 8 August 1940, *FRUS 1940*, 3: 61, 64-5; Telegram, Roosevelt to Churchill, 13 August 1940, Kimball, ed., *Correspondence*, 1: 58-9; Conclusions, WM 227 (40), 14 August 1940, CAB 65/8.

some strong protests were voiced, most Congressmen were willing to let stand this new interpretation of the First World War statute. Thus, according to the Attorney General, as long as the Chief of Naval Operations certified that a destroyers-for-bases exchange would strengthen rather than impair national security, the President's actions were legally sound.⁵¹

Churchill, however, feared the British reaction to an obviously one-sided transaction. Thus he decided to announce publicly that the British Government had "spontaneously, and without being asked or offered any inducement" agreed to lease these sites to the United States. This caused problems for the Roosevelt Administration because it invalidated the President's claim that a formal bargain had been concluded, and the last days of August were devoted to working out another compromise between the two Governments. Eventually it was announced that Britain had given the United States the right to free use of the facilities in Newfoundland and Bermuda; and that the United States had leased the facilities in British Guiana and the Caribbean from Britain in exchange for American destroyers. The basic Destroyers-Bases agreement was finalised on 2 September. Arrangements for additional US materiel (including five heavy bombers, five flying boats, 250,000 rifles and 30 million rounds of rifle ammunition) which had been inadvertently excluded from the original agreement, were concluded later.⁵²

At first glance the Destroyers-Bases deal indicated only a minimal improvement in Anglo-American co-operation. The tough negotiations which preceded the signing of the agreement revealed a bilateral unwillingness to

51. *Congressional Record*, 76th Congress, 15 August 1940: 15896-15904. The reasons for this lack of Congressional opposition included: the Democratic party majority in Congress largely supported the President, Wilkie's approval for the deal had undermined a Republican protest, and the isolationists had long supported the acquisition of the islands controlled by a European power in the Americas.

52. Kittredge, "Naval Cooperation", 202-3; Conclusions, WM 231 (40), 21 August 1940 and Conclusions, WM 236 (40), 29 August 1940 in CAB 65/8; 10, 13-14, 17 September 1940, Stimson Diary; Telegrams, Churchill to Roosevelt, 22 September 1940, Kimball, ed., *Correspondence*, 1: 71-2; Letter, Lothian to Hull, 2 September 1940, *FRUS 1940*, 3: 73-4.

compromise. But this Anglo-American agreement was also the first negotiated at the most senior levels of Government. When the agreement finally was reached and publicly approved by Churchill and Roosevelt, it was a *de facto* acknowledgement of increased American commitment to the British war effort. This commitment alone indicated that the period of American uncertainty about Britain's future was coming to an end.⁵³

E. The Anglo-American Arms Standardisation Talks

While senior civilian policymakers negotiated the final terms of the Destroyers-Bases deal, the first formal staff talks of the war commenced. Roosevelt, exhibiting a fondness for staff talks which dated back to the First World War, originally proposed secret Anglo-American staff conversations on 17 June 1940. Although unspecified at the time, he proposed air and naval components to these conversations.⁵⁴ The President's suggestion was passed on to Admiral Sir Sydney Bailey at the British Admiralty. Just two days earlier Bailey had been asked to chair a committee on future prospects for Anglo-American naval co-operation. Guided by the Admiralty reports from the First World War, the Bailey Committee recommended support for Roosevelt's proposal. But the Committee was interested only in discussing future naval strategy with the Americans.⁵⁵

The Joint Planning Committee, on the other hand, sought to expand greatly the scope of these conversations beyond that envisioned by the Bailey Committee. The Planning Committee wanted the talks to encompass all three

53. German Embassy officials in Washington shared this belief. In a 3 September 1940 despatch on the Destroyers-Bases deal they notified the Foreign Ministry that "the American Government has, as a result of the military developments of the past 2 months, arrived at the conviction that England can hold out and has enough resistance for a longer war until final victory over Germany." Telegram, Thomsen to Foreign Ministry, 3 September 1940, *DGFP*, 11: 12-4.

54. The evidence does not support Reynolds' contention (*Anglo-American Alliance*, 118) that Roosevelt proposed these talks to strengthen "hemispheric defence against the possibility of a British collapse". Rather these staff conversations more closely resembled the exploratory talks of the First World War and the interwar period (see pages 15, 39, 66-71).

55. Bailey Report, 25 June 1940, ADM 116/4210; Kittredge, "Naval Cooperation", 245-50.

services and to embrace overall grand strategy. Furthermore, it hoped to explore joint materiel requirements because "the ability of American industry to supply every type of military equipment and supplies is, of course, essential to the successful prosecution of the war". The Air Ministry especially believed the meetings should concentrate on technical and materiel assistance. And Air Commodore J.C. Slessor spearheaded the campaign to broaden the scope of these Anglo-American talks.⁵⁶

The differences between the Bailey Committee and the Joint Planning Committee over the scope and nature of the talks came to a head in a minute from Slessor to Air Chief Marshal Newall. In this message Slessor condemned the Admiralty for considering Roosevelt's suggestion as purely a naval matter, and for ignoring inputs from the Air Ministry and War Office. He warned Newall that "there is grave danger that by this fantastic and typically naval procedure we may be missing a great opportunity." Slessor's argument helped to convince the Chiefs of Staff that representatives from all three services should be included. The United States responded in kind, and by the end of July a delegation comprising Rear Admiral R.L. Ghormley (Assistant Chief of Naval Operations, USN), Brigadier General G.V. Strong (Assistant Chief of Staff, Plans, USA), and Major General D.C. Emmons (Commanding General, GHQ, USAAC) was on its way to London to participate in the staff talks. To disguise the purpose of these conversations they were called the Anglo-American Standardisation of Arms Committee meetings.⁵⁷

The talks commenced on 20 August 1940. During that introductory session the Vice Chiefs of Staff met with the Americans. The British chairman, Air Marshal R.E.C. Peirse (VCAS), welcomed the delegation and outlined a

56. Note by JPC on Staff Conversations with the US, JP (40) 276, 27 June 1940, CAB 84/15. Minute by Bailey, 5 July 1940, ADM 116/4302.

57. Leutze, *Bargaining*, 148-53, gives the most comprehensive coverage of these conversations. However, he concentrates on the naval discussions to the virtual exclusion of all of other facets of the talks. Minute, Slessor to Chief of Air Staff, 7 July 1940, AIR 8/443; Minute, Ismay to Churchill, 8 August 1940, PREM 3/475/1; Kittredge, "Naval Cooperation", 211, 219.

proposed agenda for its time in Britain. Rather than commence the staff talks immediately Peirse suggested that the delegates go on a short tour to "see something of the fighting Services". After they returned to London, the Chiefs of Staff would then present "their views on the existing strategical situation and outline the proposed policy for the future conduct of the war".⁵⁸

Ghormley spoke first for the Americans. He perfunctorily acknowledged the welcome, hastened to emphasise "that the American Representatives in no way were a joint Mission", and stressed that "none of these observers have been authorised to make any commitments on behalf of their Government". After Ghormley finished this disclaimer, General Strong introduced the topic which dominated the remainder of this meeting. Strong pointed out the crucial role that production played in modern war, and the importance of co-ordinating British and American requirements since the United States' military strategy would be governed largely by its productive capacity. Peirse agreed with this point, but maintained that before any serious planning could take place it was necessary to define "the strategical policy on which requirements were to be based". The Air Marshal believed the American representatives would appreciate this point more after their tour and discussions with the Chiefs of Staff; with this remark Peirse terminated the meeting. Thus, although the Americans indicated they wanted to talk, the Chiefs of Staff chose to give them a first-hand view of the British fighting services. Between 21 August and 28 August Ghormley, Strong and Emmons visited three RAF installations, two Army units and one Royal Navy base.⁵⁹

On 29 August the second formal meeting of the Anglo-American Standardisation of Arms Committee convened. The British Chiefs of Staff were in attendance, as promised. Newall, as chairman, briefed the US delegates on the

58. Minutes, Anglo-American Standardisation of Arms Committee, SA (J) 1st Meeting, 20 August 1940, CAB 122/59.

59. Minutes, Anglo-American Standardisation of Arms Committee, SA (J) 1st Meeting, 20 August 1940, CAB 122/59.

existing strategical situation. This briefing included an overview of the political and economic situations, enemy actions, and the production programmes. The meeting obviously was structured to impart information rather than discuss issues of mutual interest, because there was little opportunity for questions after this presentation.⁶⁰

More discussion did occur during the third, and final, meeting held on 31 August 1940. This meeting opened with Newall's overview of Britain's future strategic intentions. He touched on home defence, the Middle East threat, the air offensive, and potential problems in the Far East. Afterwards, the American representatives were invited to put questions to the Chiefs of Staff. First the discussion focused on Italy's fighting efficiency, then it shifted to the impact of US economic and industrial co-operation on British strategy, and concluded with a discussion of the potential impact of transferring part of the United States Fleet from the Pacific to the Atlantic (this move was required under Rainbow 4). Following these brief discussions the meeting concluded, and the formal part of the talks ended.⁶¹ Prior to departing for the US, each American representative met individually with his service counterpart on the Joint Planning Committee. After these meetings Ghormley remained behind while Strong and Emmons returned to America before the end of September.⁶²

These talks were unsuccessful in bringing the countries closer together because the two nations were pursuing different goals. The British used the negotiations primarily to brief the Americans on Britain's war fighting capacity. The Americans had no specific aim other than to ensure they made no commitments to the British. Indeed the absence of a common agenda made these

60. Minutes, Anglo-American Standardisation of Arms Committee, SA (J) 2nd Meeting, 29 August 1940, CAB 122/59.

61. Minutes, Anglo-American Standardisation of Arms Committee, SA (J) 3rd Meeting, 29 August 1940, CAB 122/59.

62. These individual meetings were equally unproductive. Slessor's comment after his talks with Emmons was terse: "nothing worth recording - Emmons was useless." Entry, 2 September 1940, "Anglo-American Air Collaboration (orig)", Box 70, Spaatz Papers.

meetings vaguely reminiscent of the staff talks of the late-1930s. And since most of the discussion dealt with production issues, the cover-up title of "Anglo-American Arms Standardisation Talks" was actually more accurate than any other. However, as earlier analyses of these discussions point out, the lack of concrete results did not undermine the value of these talks as a gesture of Anglo-American co-operation. The mere fact they occurred made them important. Furthermore, Strong and Emmons returned to the United States convinced that Britain could survive, and they shared this conviction with senior American policymakers.⁶³

America Persuaded

By the time Strong and Emmons returned to the United States, Britain again seemed a likely US ally. Correspondingly, the United States Government was more willing to consider schemes other than straightforward purchasing or exchange agreements to assist Britain. And during the last quarter of 1940 the two countries struggled to find common ground which could ease the way for the formulation of an alliance should the United States enter the war. However, Strong's unofficial, verbal report to Morgenthau about the London talks threatened to cause a serious setback in Anglo-American supply relations by undermining the first British mission to arrive in the United States after these talks.

A. Strong's Report

When Strong returned to the United States he reported first to the Chief of Staff. He told Marshall that "comparatively nothing was held back", and outlined several aspects of the British war effort. His comments touched on the British

63. Johnsen, "Forging the Foundations", 113-27 offers a detailed version of the Anglo-American Arms Standardisation Talks. He presents the standard interpretation of the talks as inconclusive, but important to Anglo-American relations. Leutze, *Bargaining*, 146-61, stresses Ghormley's role and sees the British as much more calculated in their approach to the Americans regarding future strategy than the evidence indicates.

training system, air defence, fighter command operations, the impact of German bombings on the nation's war effort, food supply, and war production issues. Not surprisingly, Strong had several points to make on this last issue. He mentioned Britain's need for more equipment such as tanks, heavy calibre anti-tank guns, and B-17s. And he also informed Marshall that a supply mission under Sir Walter Layton was coming to the United States "in an attempt to find a cure for their ills, not ours". Strong's report, in other words, attempted to present a well-balanced, overall impression of the British war effort.⁶⁴

On 23 September Strong met with the new Secretary of War. Strong had only worked briefly with Stimson since the delegation had departed for the United States shortly after the latter became Secretary of War. At that time Stimson "had been a little sceptical whether we would gain much by sending these two high-ranking officers over", but Strong's report convinced Stimson his early concerns had been unwarranted. Strong told the Secretary that the British had allowed the Americans "to see people whom other officers would not have been able to see and to get the situation admirably sketched out from the very highest authorities". In the end, Stimson proclaimed the mission had "proved a great success".⁶⁵

However, Strong verbally gave Morgenthau a very different version of his report a few days later. He told Morgenthau first, the British were only giving the Treasury Secretary partial information about what they were doing in the United States; second, he [Strong] had been treated "as though he was a schoolboy with a very limited education" when he asked Layton a simple question about productive capacity; third, Layton would visit America (he had already arrived in the US) to tell the United States Government what to produce for the British even though it was "just silly" for an economist to tell an army officer what types of weapons were required; and finally the British "are

64. Conference in the Office of the Chief of Staff, 21 September, 1940, WDSCA SGS [Secretariat] (1939-1945), Verifax 100, Reel 20/762, Marshall Library.

65. 23 September 1940, Stimson Diary.

multiplying by three and four times the needs of everything that they want". Strong's report incensed Morgenthau, and the Secretary informed his staff that "I am not going to be treated that way." Subsequently, Morgenthau ordered Purvis to report to his office so he could "unload heavy" on the Purchasing Commission chairman about Strong's findings.

Morgenthau communicated his rage to Purvis, but the Secretary never revealed the full content of Strong's remarks to Purvis or anyone else. Strong's official report for Roosevelt, Stimson, and Marshall contained a "toned down" version of his comments about Britain's inaccurate assessment of its production requirements. But the vitriolic comments Strong had shared with Morgenthau were absent.⁶⁶

The most plausible explanation for the dramatic differences in the reports rests in Strong's personal relationship with these men. He had worked with Marshall since 1938 (during some of the worst years of the Woodring-Johnson feud), and must have known of his Chief's disdain for the gossipy details behind this personality clash. Stimson, as the new Secretary of War largely remained an unknown quantity. Most likely, however, Strong was aware Stimson considered Layton a close friend, making it unwise to condemn the economist so harshly.⁶⁷ Conversely, Morgenthau had worked periodically with Strong on purchasing matters since 1938, and the Treasury Secretary virtually encouraged the type of comments Marshall disliked. It is probable that Strong took advantage of this aspect of Morgenthau's personality to make off the record, critical remarks he would not place in an official report. In any event, Strong's report to the

66. Memorandum for the President, "Preliminary Report of Generals Strong and Emmons, 9 October 1940, Stimson 1940-41 file, Box 106, President's Secretary's File (cited as PSF), Roosevelt Papers, Roosevelt Library. Other historical accounts of Strong's report fail to compare these different versions. And most importantly, they largely ignore his verbal report to Morgenthau. As a result these historians overlook the subsequent problems created by these staff conversations in London. See for example Watson, *Chief of Staff*, 113-115; Matloff and Snell, *Strategic Planning*, 22-24, Johnsen, "Forging the Foundations", 124-26.

67. In his 10 September 1940 diary entry, Stimson refers to Layton as a "very close friend of mine".

Treasury Secretary exerted a subtle yet significant influence on Anglo-American discussions for the remainder of 1940.

B. Layton's Mission

The primary casualty of Strong's report was Layton's Mission. Layton's Mission to the United States was planned while the Arms Standardisation Talks were still underway. During a 26 August meeting of the North American Supply Committee, Salter proposed that Layton travel to America to discuss the British Army's production requirements in the US based on the 55 Division scheme (see pages 101-2). While in America Layton also would observe the operation of the British Purchasing Commission, and suggest any changes he believed would improve future supply operations in the US.⁶⁸ This last point caused some consternation in Purvis's organisation. Monnet (now in New York working for the Purchasing Commission) contacted Salter and told him that Layton should be cautious about recommending any changes to an organisation as delicate and complex as the British Purchasing Commission. The Frenchman, who had been in the US for a month, said he was only beginning to understand its operation. Salter assured Monnet that Layton would restrict his recommendations to those which were compatible with Purvis's conception of the organisation. Purvis himself indicated his support for the visit when he informed the London authorities a few days later, that "Sir Walter was the right man to come out" to the US.⁶⁹

When Purvis expressed his approval for Layton's proposed visit to London, he mentioned the pending visit to Morgenthau. The Secretary had been receptive to the idea, if largely uninterested. But three weeks later, after hearing Strong's comments, Morgenthau's support for Layton's Mission evaporated. Instead the Treasury Secretary told Purvis that since "Strong is a very important

68. Armaments Programmes, NAS (40) 18, 26 August 1940, CAB 92/27.

69. 4 September 1940, Salter-Monnet Telecon; 8 September 1940, Purvis-Gorell Barnes Telecon both in CAB 115/751.

fellow and one of our best"; probably the best thing Purvis could do with Layton would be to send him home immediately upon his arrival in the States (Layton was already in the US by this time).⁷⁰

Layton's first encounter with Morgenthau and Roosevelt was on 27 September 1940. Having already voiced his own displeasure over this mission to the President, Morgenthau escorted Layton over to the White House to meet Roosevelt. Rather than upset Morgenthau and the established purchasing arrangement, the President told Layton "that he should go nowhere and see nobody unless he had Arthur Purvis with him".⁷¹ Morgenthau continued to show his displeasure when he met with Layton a few days later. And the Secretary thoroughly discouraged his initiatives to advance production of British types for the 55 Division, or 'A', Programme (Morgenthau told Layton that if Britain wanted its own munitions types, the British should make them in Canada).⁷² The War Department reinforced Morgenthau's message, displaying no enthusiasm for increased production of British types. In short, Layton received a very cool reception from American authorities (except for Stimson). These responses forced Layton to rethink his approach to the Americans, if the British were to find a way to take advantage of US productive capacity.⁷³ The Ten Division Programme (also known as the 'B' Programme) resulted from this effort.

Under this programme the British Government would use American weapons "to equip fully and maintain ten additional Divisions of [the] British Empire's army" by 1942.⁷⁴ The idea was well received in the United States because it would help increase the nation's productive capacity. The British were told if they placed these orders they would receive greater, and earlier support from the Americans because the US could produce standard American types

70. 4 September 1940, MD 302: 299; 26 September 1940, MD 309: 40-50, 102-21.

71. 27 September 1940, MD 309: 166, 192.

72. 4 October 1940, MD 319: 58-75.

73. Layton later described this as "penetrating the Morgenthau bottleneck" in Letter, Layton to Churchill, 12 November 1940, PREM 3/483/2.

74. 24 October 1940, Stimson Diary; Telegram, Layton to Prime Minister, 25 October 1940, PREM 3/483/2.

faster and cheaper. Moreover, the United States Government would be able to allocate its own production items to the British first, thus making the supplies available to Britain before the Ten Division Programme orders were filled.

General Dill (CIGS) liked this proposal from a military perspective. In addition to the points cited by Layton, Dill told Churchill that these orders would provide insurance against the dislocation of British production by bombing, could be used to equip and maintain either Free French or Imperial divisions, and would help prepare American industry for the demands of operations, should the US declare war. Churchill was also convinced, and he sent a minute to Dill exclaiming "This is splendid. We sh[oul]d at once accept offer." Indeed, Churchill wanted to accept the offer even if the United States had to be deceived a little about its purpose. US authorities mistakenly believed that under the 'B' Programme Britain would draft men for ten additional divisions to use this equipment. When Dill suggested that this point should be clarified, Churchill directed him to "say nothing to make the Americans suppose we are not going to raise the additional ten Divisions. We shall certainly need all the equipment. Do nothing to put them off giving it to us. Accept the American offer in the best possible way."⁷⁵

By the end of November Layton had received authorisation from both Governments to place the orders as outlined in the Ten Division Programme. As part of a compromise between the two countries, Layton also received permission to place orders for the continued production of some essential British equipment items in the 'A' Programme, such as the .303 calibre rifle, medium artillery pieces and two types of anti-tank gun. However, the War Department warned Layton that these pieces of equipment would have a lower production

75. (1) Memorandum, Dill to Churchill, 26 October 1940, (2) Memorandum, Dill to Churchill, 4 November 1940, (3) Minute, Churchill to Dill, 5 November 1940 in PREM 3/483/2.

priority than their American equivalents.⁷⁶ The Ten Division Programme was important as an exercise in co-operation. And although Britain never received any of the orders, the programme helped American industry cope with the massive expansion required after Pearl Harbor - just as Dill had predicted.⁷⁷

Another important legacy of Layton's visit was to enhance Purvis's personal role in Anglo-American supply negotiations, largely because Morgenthau disliked Layton. When Layton travelled to the United States his orders gave him permission to propose revisions to the British Purchasing Commission's organisation. The War Office, in particular, was not satisfied with the current state of British purchasing (largely because of the unwillingness of American manufacturers to produce British types). This prompted the War Office to complain to Churchill that the supply situation in the United States was unsatisfactory, and that Purvis was "too American in his outlook".⁷⁸ Indeed, by the end of November, Eden (Secretary of State for War) recommended to Churchill that a "more representative figure than Purvis should be our principal co-ordinator of all the supply missions in North America".⁷⁹ However, Eden's remarks failed to undermine Purvis's position. The same day Eden sent this

76. 28 November 1940, MD 332: 206-17, 222-29; Letter, Stimson to Layton, 29 November 1940, British 'A' and 'B' Program, Box 26, Army Service Forces, International Division (cited as ASF, ID) Papers, RG 160, National Archives.

77. Kimball, *Unsordid Act*, 81-6, 102-103, attempts to highlight some personality differences and bureaucratic conflicts which significantly complicated Layton's Mission. However, Kimball's account is riddled with inaccuracies including: an erroneous account of a 25 September meeting between Layton and Roosevelt when these two men met for the first time on 27 September (Kimball attributes much of what occurred between Morgenthau and Strong on 25 September to this "meeting" between Layton and Roosevelt); an accusation that Layton played an insignificant role in the formulation of the 'B' Programme; and a suggestion that "British lack of enthusiasm" delayed implementation of the 'B' Programme when Dill and Churchill had encouraged the programme's adoption (the US Government was largely responsible for the delay since it was still working out the administrative details of this programme in mid-December 1940). Most of these inaccuracies can be attributed to Kimball's inability to access primary documents and his subsequent reliance on secondary sources.

78. Minute, Eden to Prime Minister, 27 November 1940, PREM 3/483/2.

79. Memorandum, Eden to Prime Minister, 29 November 1940, PREM 3/483/2. Surprisingly other works dealing with Anglo-American supply relations are reluctant to mention Eden's complaint against Purvis, even though the Purchasing Commission chairman acknowledged he did not understand the ways of Whitehall, see Stonehaven's Report to Churchill, 15 October 1940, PREM 3/483/1.

minute to Churchill, the Prime Minister met Purvis for the first time. Churchill found Purvis "very able and zealous", and recommended that Eden speak with the Purchasing Commission chairman at the first possible opportunity.⁸⁰

Just a few days after Purvis received this vote of confidence, Mackenzie King (Canadian Prime Minister) confidentially communicated to Churchill some of Morgenthau's difficulties with Layton. His cable made reference to the Treasury Secretary's desire to see Layton return to London, and to work only with Purvis on any future supply negotiations.⁸¹ Churchill assured the Canadian Prime Minister that Layton would soon leave the United States. And, largely prompted by King, Churchill also supported the creation of the British Supply Council in North America under the chairmanship of Arthur Purvis. As chairman, Purvis not only remained the central British figure in North American supply discussions, he virtually controlled all British supply operations in North America. In acknowledgement of his elevated status, Churchill proposed Purvis's name to the King for a Privy Councillorship, and officially authorised him to work independently of (but in harmony with) the British Ambassador to the United States.⁸²

Despite Layton's indirect impact on Purvis's position, the most important legacy of his mission was his advice to bring the United States more into Britain's confidence. While he was still in the United States, Layton advised Churchill that America was willing to throw its "industrial resources into the balance on a very big scale indeed. But if this is to be done, we need to put before the Administration not a series of demands in terms of specific material, but a picture of what is required to win the war."⁸³ His picture of the materiel required to win the war was more than a balance sheet outlining Britain's

80. Minute, Prime Minister to Eden, 30 November 1940, PREM 3/483/2.

81. Telegram, Canadian Prime Minister to Churchill, 5 December 1940, PREM 3/483/2.

82. Draft Telegram, Churchill to Canadian Prime Minister, 7 December 1940, PREM 3/483/2; Suply 1000, Ministry of Supply to Weir, *et al.*, 14 December 1940, AVIA 38/47.

83. Letter, Layton to Churchill, 12 November 1940, PREM 3/483/2.

industrial requirements. As he explained in his final report, the British and American defence programmes should be fused into one programme as soon as possible. And, this exchange "should not be confined merely to supply data, but should aim at an understanding between the two Governments so that America's industrial war effort may be definitely focussed on the same strategic goal as our own". Layton realised Britain would have to offer strategic justification for its supply requests if it wanted full access to America's industrial capacity.⁸⁴

Initially Strong's unfavourable report to Morgenthau about British war production caused a deep and dangerous rift in the Anglo-American supply relationship. Morgenthau, ever sensitive to real or imagined affronts from the London establishment, was quick to seek retribution against Layton for his treatment of Strong. But, the Anglo-American relationship actually became stronger than ever because of this late-1940 setback. In order to convince US policymakers that Strong's assessment was in error, British officials found they had to share with the Americans classified information which had been withheld even during the "frank" discussions of the Arms Standardisation Talks. This modified the original intent of Layton's Mission because he realised that for Britain to increase its supply deliveries from the US the two countries would have to share common strategic, as well as production, goals.

* * *

By the end of 1940 American authorities had reached a conclusion similar to Layton's. Britain's tenacious fight for survival, accompanied by these candid discussions (though still short of full disclosure) finally had convinced powerful American policymakers that aid to Britain would contribute significantly to United States defence. Once this realisation had been reached the Anglo-

84. Report by Layton, "Visit to the United States", NAS (41) 3, 1 January 1941, AVIA 38/30.

American supply relationship provided a logical forum for increased strategic co-operation. But first US strategic planners needed to modify the nation's war plans yet again, this time to account for Britain as a viable ally. This process actually commenced in November 1940 with American staff discussions about Admiral Stark's Plan "D" (better known as Plan Dog) which envisioned an Anglo-American alliance to fight the Axis. Plan Dog and Anglo-American supply needs subsequently provided the foundation for the American-British Conversations (ABC) held early in 1941, during which grand strategy and supply requirements became virtually inseparable.

Chapter VIII

Strategy and Supply

America's belief in Britain's ultimate survival, reflected in the supply negotiations of late-1940, eventually influenced US strategic planning. While the prospects for Britain's survival improved, the Japanese threat to the Pacific increased. Because the United States lacked the resources for simultaneous protection of its interests in the Pacific and Atlantic, American planners began to encourage a larger role for Britain in US grand strategy. They recognised that the British ability to stop Hitler depended on a steady supply of US war materiel. Thus senior American officials came to the same conclusion that Layton had expressed to London policymakers, that a combined military strategy and Anglo-American supply co-operation were inseparable. Between January 1941 and the start of Operation Barbarossa in June, the relationship between strategy and supply transformed traditional Anglo-American supply collaboration.

The Expanding Conflict

When Hitler indefinitely postponed Operation Sea Lion on 12 October 1940, the most immediate threat to Britain's survival disappeared. But even as this threat diminished, the widening scope of the war in the last months of 1940 ensured that other security problems replaced it. During the first six months of 1941 Britain found itself almost overwhelmed by increased Axis threats in the Atlantic, in the skies over Europe, and in the Balkans and North Africa. Due to the lack of adequate materiel and manpower, the British Government constantly had to shift resources to counter apparent alterations in the enemy's strategy. This situation remained largely unchanged until Germany's invasion of the Soviet Union in mid-June concentrated most of Germany's fighting forces in the East.

The battle for control of the Atlantic was well underway by the start of 1941. In June 1940 Germany's Navy had increased its attacks on Allied shipping, and in August 1940 it began to blockade the British Isles. By February 1941 the threat to British vessels in the Atlantic had grown dramatically. On 4 February 1941 Grand Admiral Raeder (Commander-in-Chief of the German Navy) advised the Führer that an all-out military effort aimed at destroying Britain's shipping was essential to the destruction of the British economy. Raeder argued that success depended on close co-operation between the Reich's Air and Naval forces, attacking British ships at sea and in port. This argument provided the foundation for Hitler's Directive Number 23, issued two days later. This directive specified that the Luftwaffe and the German Navy would strike at Britain's most vital harbours, attack shipping (especially inbound traffic), and destroy manufacturing centres for aircraft, anti-aircraft, and explosives production. Thus the British war economy became Germany's primary naval and air target, marking a fundamental shift in the German High Command's strategy to defeat the British.¹

Early German successes against British shipping forced Churchill to shift Britain's air and naval forces to combat this newest danger. Proclaiming on 6 March 1941 that the Battle of the Atlantic had commenced, Churchill issued his own directive which lifted "this business [the maritime threat] to the highest plane, over everything else". Thus convoy protection was improved by redeploying destroyers (especially those formerly assigned to anti-invasion duties) as escorts, increasing the armament on merchant ships, and fitting more reliable radars to aircraft and ships involved in convoy duties. A considerable redeployment of RAF aircraft also occurred. Coastal Command in Northern Ireland received more aircraft, and Fighter Command took on additional responsibilities for the protection of east coast convoys.²

1. Butler, *Grand Strategy*, 2: 396, 466-67.

2. Confidential Annex, WM 23 (41), 4 March 1941, CAB 65/22; Churchill, *Second World War*, 3: 122-26; Butler, *Grand Strategy*, 2: 469.

In addition to new duties for these two Commands, Bomber Command underwent the most dramatic change in conjunction with the Battle of the Atlantic. Just days after Churchill released his directive, Bomber Command was directed to concentrate on the destruction of enemy submarines, warships, and long-range aircraft (aircraft sank 294 merchant ships in the first six months of 1941) rather than increase strategic bombing attacks against German land targets. Bomber Command focused on these objectives for over a month. These maritime targets were difficult to hit and placed a tremendous burden on the Command's limited resources. Air Marshal Peirse (Commander-in-Chief Bomber Command) on 15 April suggested to Churchill, with Portal's approval, that British attacks on these targets represented an uneconomical use of Britain's bombers and proposed a re-examination of Bomber Command's role in the Atlantic. The Prime Minister agreed to this point, and gave Bomber Command permission to concentrate again on attacking land-based targets in Germany. None-the-less, Churchill continued to assign Peirse's organisation so many targets in the North Atlantic that this theatre of operations remained the primary concern of Bomber Command until air strategy was discussed again in June 1941.³

In addition to the Battle of the Atlantic and the air offensive against Germany, the Prime Minister and his advisers had to struggle with the expanding conflict in North Africa and the Balkans during the first half of 1941. Much had happened in these regions since the cessation of the September 1940 Italian offensive. On 9 December 1940 General Wavell ordered Operation Compass as a counter-offensive against the Italians in North Africa. By 15 December all enemy troops had been forced to withdraw from Egypt, and Wavell's forces had captured over 38,000 prisoners. Tobruk fell a month later on 22 January 1941, and the garrisons at Benghazi and El Agheila surrendered shortly thereafter. In accordance with instructions from the War Cabinet's Defence Committee,

3. Butler, *Grand Strategy*, 2: 470-71, 483-84; R.J. Overy, *The Air War 1939-1945* (London: Macmillan, 1980), 39.

Wavell ordered a halt to the offensive without attempting to occupy Tripolitania.⁴

One reason for the termination of Operation Compass in January 1941 was the growing Axis threat in the Balkans. On 28 October 1940 Mussolini attacked Greece from Albania, and the Greek Government immediately requested assistance from Britain. But because of Wavell's pending offensive in North Africa, His Majesty's Government offered only limited assistance to the Greeks. Even without British aid, the Greeks countered the attack and forced the Italians back into Albania by mid-December 1940. The failed Italian offensive in the Balkans, combined with the events in North Africa, forced Hitler to commit German troops to both theatres. And although planning for the invasion of the Soviet Union was already underway, on 13 December 1940 the Führer ordered the occupation of Greece, Operation Marita. In particular, he wanted this operation to prevent the establishment of a British air base in the Balkans from which they could attack Italy and the Roumanian oil fields. On 11 January 1941 Hitler issued another directive which declared his intention to help Italy in Tripolitania and the Balkans.⁵

Hitler's decision to assist Mussolini in North Africa led to the formation of the German Afrika Corps under General Erwin Rommel. Rommel's troops started to arrive in Tripoli on 8 February 1941, and by 24 March the General was ready to face the British. Eschewing permission from Berlin, the Afrika Corps began to attack weak points in the enemy's defences. By 11 April, except for the Australian garrison at Tobruk, Wavell's force had been pushed back to the Egyptian border.⁶ Thus most of the territory Wavell's Western Desert Force had captured from the Italians reverted to the control of the Axis powers within a few months.

4. Confidential Annex, WM 302 (40), 9 December 1940, CAB 65/16; Churchill, *Second World War*, 2: 614; Butler, *Grand Strategy*, 2: 375, 378.

5. Butler, *Grand Strategy*, 2: 385-88.

6. Butler, *Grand Strategy*, 2: 386, 452; Confidential Annex, WM 36 (41), 7 April 1941, CAB 65/22.

Wavell's inability to blunt the German advance in North Africa largely was due to lack of troops and equipment. On 11 February 1941 the Defence Committee ordered Wavell to secure his position in Benghazi, and then send all available men and materiel from North Africa to Greece. As Churchill told the full War Cabinet a week later, "If the Greeks decided to oppose a German advance into their country, we should have to help them to the full extent of our power." Despite growing misgivings in the following month about this position, the British Government sent four divisions to Greece. But these troops made little difference to the Greek resistance, just as British policymakers had feared. Operation Marita began on 6 April 1941, and the Greek Army surrendered on 23 April. This defeat was followed a month later by the 20 May German airborne assault against Crete, which ended in the island's surrender on 31 May. As this operation came to an end, the British and Commonwealth forces were evacuated from the island. The Royal Navy successfully removed most of the troops, but tanks and other heavy equipment had to be left behind. Thus the British supply situation in this theatre continued to deteriorate.⁷

British forces survived the first six months of 1941, but ultimate victory over Germany and its allies remained doubtful. The British fleet destroyed much of the Italian Navy during the Battle of Matapan and sank the *Bismarck*. Elsewhere in the Middle East, British troops thwarted a pro-Axis revolt in Iraq. But against these victories the British faced the aforementioned setbacks, along with increased Naval losses in the Mediterranean and the discouraging impact of Wavell's failed 15-17 June 1941 offensive (Operation Battleaxe) in North Africa. The failure of Operation Battleaxe especially upset Churchill because he had virtually coerced Wavell into launching this offensive. As a result, on 21 June, the day before Operation Barbarossa commenced, the Prime Minister relieved

7. Confidential Annex, WM 19 (41), 20 February 1941, CAB 65/21; Telegram, Lee to War Department, 7 May 1941, G-4/31691-1, sec. I, RG 165; Churchill, *Second World War*, 3: 64-5.

Wavell as Commander-in-Chief of the Western Desert Force.⁸ Observing these events from across the Atlantic, most senior US policymakers believed that American assistance to Britain would have to go beyond materiel aid by the end of June 1941.

Convergence of Strategic Aims and Supply Needs

Embattled Britain's determination to survive convinced American policymakers by the end of 1940 that US security interests were best served by increased aid to Britain. Britain's ability to cope with Hitler's continued aggressions in 1941, particularly in the Balkans, reinforced this belief. Moreover US strategic planners reached a consensus that America's war plans should be modified to account for closer Anglo-American co-operation. These revisions began about the same time Layton concluded that full disclosure of Britain's future strategic plans offered His Majesty's Government the best chance to increase supply allocations from the United States. Thus, although the two Governments approached the issue of Anglo-American co-operation from different directions, in November 1940 these Governments embarked on convergent paths of action. By the end of March 1941 they reached their crossroad, and British and American policymakers discussed grand strategy and supply needs in Anglo-American, rather than national, terms.

Increased confidence in Britain's survivability was not sufficient in and of itself to have inspired yet another re-evaluation of US strategic doctrine. But when US planners combined this confidence with the growing Japanese threat in the Pacific, a compelling case for a strategic review emerged. The Tripartite Pact, signed in late September 1940, alerted Roosevelt and his Cabinet to the need for a new plan to deal with Japan. As Stimson noted after a 4 October 1940 Cabinet meeting:

8. Churchill was eager for a victory and North Africa was currently the only theatre where a British offensive was feasible. Gilbert, *Finest Hour*, 1097; Churchill, *Second World War*, 3: 327-28, 339; Butler, *Grand Strategy*, 2: 541.

The President spoke very seriously of the situation that confronts us with the agreement between Japan and Germany and Italy. Japan has already begun to checkmate and we had a long discussion of what our action should be. Everybody agreed that the purpose of the three Axis Powers was to scare us out of giving materiel aid to Great Britain and there was some fear expressed that they might succeed in stampeding some of our citizens in Congress but the general concensus [sic] was that we make no reply - we should do no talking but do some straight out acting which will show Japan that we mean business and that we are not in the least afraid of her.⁹

Stimson's comment indicates that the US Government perceived a direct relationship between the Tripartite Treaty, aid to Britain, and Japanese aggression. The British Government's decision to re-open the Burma Road on 17 October further heightened US concern about Japanese intentions in the Pacific. Considered altogether, these concerns prompted Admiral Stark (Chief of Naval Operations) to suggest a reorientation of US strategy.

Stark believed that existing US Naval resources could not cope simultaneously with the Axis threats in the Pacific and Atlantic theatres. This belief prompted Stark to draft the now famous "Plan Dog Memorandum" for Secretary Knox which outlined the need for new strategic priorities in the event the United States declared war on the Axis powers. Stark based this document on the assumption "that if Britain wins decisively against Germany we could win everywhere: but that if she loses the problem confronting us would be very great; and, while we might not *lose everywhere*, we might possibly, not *win anywhere*." He explained that the balance of power in Europe for many years had been "a very strong pillar of the defense structure of the Americas" and that "the collapse of Great Britain or the destruction or surrender of the British Fleet will destroy this balance and will free European military power for possible encroachment in this hemisphere."

Highlighting the importance of Britain's survival to US defence, the Admiral presented four scenarios which described America's possible response to war against the Axis. The first scenario restated the basic hemispheric defence strategy; the second one called for an offensive against Japan; and the third

9. 4 October 1940, Stimson Diary.

possibility considered dividing US forces evenly between the Atlantic and Pacific theatres. In the last scenario, Plan "D" (or Dog), Stark foresaw a strong Anglo-American offensive in the Atlantic, and a defensive posture in the Pacific. When Stark submitted his memorandum on 12 November 1940, he recommended that Knox adopt this last course of action because it permitted the nation to focus its full offensive strength in a single direction. Furthermore, the Chief of Naval Operations suggested that the US Government invite the British to participate in secret staff talks to discuss possible revisions to US war plans.¹⁰

After General Marshall, the War Plans Division and Secretary Knox had commented on the Plan Dog Memorandum, Stark submitted it the President. Characteristically, Roosevelt did not give the memorandum his explicit approval, but he asked the War, State and Navy Departments to draw up a joint estimate based on this document. The President also granted permission for US planners to participate in secret Anglo-American staff talks.¹¹ Unlike the Anglo-American Arms Standardisation Talks, when these staff conversations commenced on 29 January 1941 the United States representatives were ready to discuss explicit US strategic objectives with their British counterparts.

10. Memorandum for the Secretary, Stark to Knox, 12 November 1940, OP-12-CTB, in Kittredge, "Naval Cooperation", Chapter 13, Appendix A: 253-64. The British had asked for staff talks earlier. In his 4 October message to Roosevelt, Churchill suggested that an American squadron "pay a friendly visit to Singapore". The Prime Minister argued that not only would this visit provide the British garrison at Singapore with badly needed support, it also offered a useful pretext "for a technical discussion of naval and military problems" in the Pacific. In reality Churchill and his senior advisers wanted the Americans to assume the primary responsibility for Singapore's naval and air defence since Britain lacked the resources. Roosevelt, however, refused Churchill's October request for a staff conference. Once staff conferences were initiated persistent Anglo-American differences over strategy in the Pacific prevented any agreement regarding Singapore's defence before December 1941 (see pages 252-53). Telegram, Churchill to Roosevelt, 4 October 1940, Kimball, ed., *Correspondence*, 1: 74.

11. "Joint Instructions for Army and Navy Representatives for Holding Staff Conversations with the British", 21 January 1941, JB 325 (Serial 674), RG 225; Memorandum of Gerow, "White House Conference, 16 January 1941, Bland, ed., *GCM Papers*, 2: 360, 391-92. Lothian suggested additional staff conversations in October 1940 as a follow-up to the Anglo-American Arms Standardisation talks, but US authorities delayed consideration of this idea until after the election. Kittredge, "Naval Cooperation", 305.

A. The ABC Talks

The British had willingly agreed to participate in the staff conversations, and by early December 1940, preparations for the American-British Staff Conversations (commonly known as the ABC Conference) were underway.¹² The British Government quickly selected delegates from the three fighting services. This delegation consisted of: Rear Admirals R.M. Bellairs and V.H. Danckwerts, and Captain A.W. Clarke from the Royal Navy; Major General E.L. Morris from the War Office; Air Commodore J.C. Slessor from the Royal Air Force; and Lieutenant Colonel A.J. Cornwall-Jones from the War Cabinet Office.¹³ After their appointment these officers received general instructions on conducting the talks. The Chiefs of Staff emphasised that "complete frankness" should govern any exchange with the Americans, and no binding commitment on general strategy should be made until reviewed by senior officials in His Majesty's Government. Governed by these principles, the delegates were to persuade the Americans to accept the British proposal for Anglo-American grand strategy.

The first two points of the British strategy resembled Plan Dog. The Chiefs of Staff proclaimed that the European theatre was the crucial one; and as a corollary, they called for the defeat of Germany and Italy before concentrating Allied forces against Japan. The third element of this proposed strategy emphasised the importance of Singapore to the protection of British interests in the Far East.¹⁴ In addition to these broad guidelines, General Dill and Air Chief Marshal Portal stressed to their representatives that under no circumstances should any agreement be reached which interfered with British supply orders in

12. Some historians erroneously refer to the ABC talks as the American-British-Canadian Staff Conversations. Commonwealth representatives from Canada, Australia, and New Zealand were associated with the British delegation but they did not attend the joint meetings.

13. ABC-1 Report, 27 March 1941, US Congress, *Hearings Before the Joint Committee on the Investigation of the Pearl Harbor Attack* (cited as PHA), 39 parts (Washington, DC: GPO, 1946-47), 15: 1487. When this delegation travelled to the United States the new British Ambassador, Lord Halifax, accompanied it. Halifax was chosen for this position after Lord Lothian died suddenly in mid-December 1940.

14. Annex, British-United States Technical Conversations, General Instructions, 15 December 1940, CAB 122/6.

the United States. The RAF, in particular, was keen not only to safeguard its US orders but to increase deliveries of heavy and medium bombers.¹⁵ Fully briefed on their responsibilities, the British delegates arrived in the United States on 23 January 1940, disguised as civilian advisers to the British Supply Council.

The American delegation that greeted the British representatives consisted of separate Army and Navy sections. The Army Section had four members: Major General S.K. Embick, Brigadier Generals Sherman Miles and L.T. Gerow, and Colonel J.T. McNarney (from the Army Air Corps). The principle members of the Naval section were Rear Admiral R.L. Ghormley (he sailed to the United States with the British representatives because he had remained in London after the Anglo-American Arms Standardisation Talks), Rear Admiral R.K. Turner and Captain A.G. Kirk.¹⁶ Plan Dog (and its supporting Joint Board document) outlined the general approach the US officers were to adopt for the ABC Conference.

Although the American delegation was guided by the fundamental assumption that an Anglo-American alliance would confront the Axis powers, the members of this delegation were cautioned to beware of Britain's limitations. In particular, they directed their attention to: mediocre British leadership (except for Churchill, Cunningham, and Wavell) and the corresponding need to avoid entrusting America's "future to British direction"; Britain's dependency on direct US military assistance and increased materiel aid to defeat Germany; and His Majesty's Government's desire to protect Britain's postwar commercial and military interests.¹⁷

15. Annex, British-United States Technical Conversations, General Instructions, 15 December 1940 and British-United States Technical Conversations, Instructions for British Air Representative, 28 December 1940, in CAB 122/6.

16. ABC-1 Report, 27 March 1941, *PHA*, 15: 1487.

17. 21 January 1941, Joint Instructions for Army and Navy Representatives, JB 325 (Serial 674), RG 225. These points were based on lessons the United States Government believed it had learned since 1914 about working with the British. First, they felt that Britain's wartime record did not entitle it automatically to command US troops. Second, the Americans would discuss co-operative ventures with the British from a position of relative military and economic strength. And third, the United States would not fight to protect British imperial interests.

With preparations completed, General Marshall and Admiral Stark opened the first plenary meeting of the ABC Conference on 29 January 1941. Primarily because American policymakers wanted to limit the level of implied US commitment to the British war effort, the President and senior State Department officials intentionally distanced themselves from this and all subsequent meetings.¹⁸ The early sessions were devoted to the presentation of general policy statements by the two delegations, while the officers used the rest of the conference to grapple with fundamental strategic issues. Most importantly, over the ensuing two months they addressed Far Eastern strategy, Atlantic strategy, and Anglo-American air collaboration. Policy agreement in the latter two areas was crucial to any combined effort to defeat Germany and its Allies.

The final report submitted on 27 March 1941 (commonly known as ABC-1) assessed the level of co-operation achieved in these three major categories. Little progress was reported on the Far Eastern issue. Despite Bellairs's persistent efforts to alter the position of the US Naval delegates, these representatives were adamant that the US Asiatic fleet would not be reinforced in order to protect Singapore. The American position should not have surprised the British given the United States' deep-seated prejudice against protecting British imperial interests in the Far East. Moreover Stark originally justified the ABC talks by the US Navy's inability to fight a two-ocean war; thus, the country's top defence priority remained in the Atlantic.¹⁹

The disagreements which dominated discussions of Far Eastern strategy were noticeably absent when the delegates turned their attention to the second issue, the Atlantic theatre. In ABC-1 the two delegations pledged close Anglo-

18. Marshall Interview, 15 January 1957, Tape 9M, cols 259-60, Marshall Library; Watson, *Chief of Staff*, 375; Leutze, *Bargaining*, 221.

19. ABC-1 Report, 27 March 1941, *PHA*, 15: 1485-1495; Leutze, *Bargaining*, 225-36, 240-46. Far Eastern policy was discussed further at the April 1941 American-Dutch-British Conference in Singapore. No significant progress was made at these talks. ADB Conversations, *PHA*, 15: 1551-1584, 1677-1679. Christopher Thorne's *Allies of a Kind* provides a detailed account of the Anglo-American relations in the Pacific theatre.

American co-operation in several areas essential to a successful offensive against Germany. Among other things, they agreed on principal strategic means (such as an air offensive and the destruction of the German war economy), geographical areas of responsibility, and command arrangements for combined forces. The final report also provided for the immediate exchange of high-level military missions between Britain and the United States, and the establishment of a military transport service between the two countries to encourage prompt collaboration.²⁰

The unique requirements for a sustained air offensive against Germany led the delegates to create a special sub-committee to report on the third major issue, Anglo-American air collaboration. A strong personality, Air Commodore Slessor dominated this committee. He had been in the United States since November 1940 as a member of the British Purchasing Commission.²¹ During the ABC talks on air policy he convincingly argued that the United States should relinquish its newly produced aircraft to Britain. Slessor pointed out that an air offensive against Germany was the key strategic objective of Anglo-American air policy. And since Britain was the only active belligerent participating in the talks, the United States currently would not partake in the execution of this strategy. Therefore, until the US entered the conflict, Britain should receive all new US-manufactured aircraft to use in the air war against the Axis.

Convinced by Slessor's argument, the Air Sub-committee submitted a separate policy report (entitled ABC-2) which focused on the "supply and

20. ABC-1 Report, 27 March 1941, *PHA*, 15: 1485-1495, 1497-1500; "History of the Joint Chiefs of Staff: The War Against Germany and Her Satellites", incomplete draft manuscript, no date, 43-50, copy in Xerox 1561, Marshall Library.

21. Like Layton, Slessor's trip had its roots in Strong's report on the Arms Standardisation Talks. One of the points that Strong emphasised to Morgenthau was that "the U.K. need was for pilots not for aeroplanes, that U.K. aeroplane production had overtaken the pilot training programme and that in consequence any aeroplanes shipped from U.S. would merely be stocked unused for a long time." Morgenthau told Purvis that if this were the case, Britain would no longer have priority for American aircraft. The Air Ministry hastily sent Slessor to the United States to correct this impression. Pursa 128, Purvis to Salter, 2 October 1940, AVIA 38/3; Telegram, Purvis to Salter, 6 October 1940, AIR 8/446.

distribution of aircraft". In ABC-2 the Army Air Corps officials willingly gave the RAF top priority in the allocation of aircraft. These officers agreed to defer the planned 54-group expansion programme (this was considered the minimum essential for US defence) in order to strengthen the RAF. Until the United States declared war, Britain would receive all new US-manufactured aircraft over existing orders. And once America had entered the war, new output would be "divided on approximately a 50/50 basis".²²

In effect, ABC-2 marked the commencement of a new phase in the Anglo-American supply relationship. The co-operative US attitude is startling when compared to the hostility senior Air Corps officials demonstrated to Morgenthau in November 1940 over the forfeiture to the British of an even smaller portion of US aircraft production capacity.²³ Interestingly, however, Presidential pressure and the Morgenthau-Purvis relationship played virtually no role in this agreement. For the first time, a combined Anglo-American air strategy governed the US Army Air Corps' vision of how to best allocate resources. Having accepted this strategy, the Air Corps officials agreed to support it by allocating aircraft based on the ability "to absorb materiel usefully".²⁴ And until the United States entered the war, Britain was the nation most able to fulfill this charter.

Overall the ABC talks marked an important juncture in Anglo-American military relations. Britain and the United States had successfully established a combined strategy for Atlantic theatre operations, as well as air operations. Although disagreements over the Pacific persisted, the delegates managed to

22. This accord became known as the Slessor Agreement. The US Naval Aviation expansion programme was unaffected by this agreement because it had "been integrated with the expansion of the United States Navy as a whole". Air Collaboration, B.U.S. (J) (41) 39, ABC-2, 29 March 1941, CAB 122/7.

23. At Morgenthau's suggestion Roosevelt, on 8 November 1940, announced "a 50-50 rule" for the delivery of aircraft to the US and Britain. Press Conference, 8 November 1940, PPA, 1940: 563; Conference in the Office of the Chief of Staff, 14 November 1940, WDCSA SGS [Secretariat] (1939-1945), Verifax 3882, Reel 20/762, Marshall Library.

24. Air Collaboration, B.U.S. (J) (41) 39, ABC-2, 29 March 1941, CAB 122/7.

prevent them from undermining Anglo-American co-operation in other areas. Indeed, this desire to isolate disagreements so they could not ruin the talks marked an important development in the relationship. Moreover, the American delegation's willingness to support the joint air strategy with an offer to give the British desperately needed US aircraft demonstrated the depth of its commitment to a combined strategy. In short, the ABC Conference revealed a closeness in Anglo-American relations that had not existed since the First World War.²⁵

B. Lend-Lease

While the ABC Conference was proceeding in utmost secrecy, a Congressional struggle over Lend-Lease was fought before the entire nation.²⁶ On 10 January 1941 the Lend-Lease Act, H.R. 1776, "An Act to Further Promote the Defense of the United States, and for Other Purposes" was introduced simultaneously in the US House and Senate. H.R. 1776 gave the President the power to ensure the British Government retained access to the American arsenal after its dollar reserves expired. This act, if passed, would demonstrate the willingness of the American people to provide all aid to Britain short of direct military involvement. From January to March 1941 this Lend-Lease bill dominated debate in the the Congress, and across the nation.

25. The most comprehensive summary of the ABC Conference is in Matloff and Snell, *Strategic Planning*, 32-43. Leutze concentrates almost exclusively on the naval aspects of the ABC Talks in *Bargaining for Supremacy*. This leads him to stress the discussions over fleet disposition in the Far East, and thus the "competitive" aspects of this conference. He does address Anglo-American responsibilities in the Atlantic, but he downplays the significance of the agreements reached. Moreover, the importance of ABC-2 is ignored. William Blaylock in his thesis on "Britain's Attempt to Maximise U.S. Participation in the Second World War, 1939-1941: A Case Study in Targeting Theory", argues that the British delegation was responsible for the ABC initiatives. These initiatives, he maintains, were part of a long-term British effort to get the Americans into the war. Because he ignores, among other things, Plan Dog, the US interest in staff talks, the agreements reached in the Atlantic, and ABC-2, Blaylock underestimates the American contribution and minimises the overall significance of these talks. The author's reliance on secondary sources (he did not consult the ABC-1 final report or any of the American primary documents) explains this interpretation. Blaylock, "Targeting Theory", 371-79.

26. Stark in the first plenary meeting warned if word of the ABC conference "got out it would jeopardise the passage of the Lend-Lease [Act] and might prove disastrous". First Meeting, B.U.S. Staff Conference - Notes on Minutes, "Air Ministry - Document Notes", no date, Box 59, Spaatz papers.

Lend-Lease marked the culmination of efforts by British and American officials to cope with the problems created by His Majesty's Government's dwindling dollar reserves. Lothian first made these financial difficulties a matter of public record when he returned to the United States after a visit to England. As he stepped off his plane on 23 November 1940 the British Ambassador announced that Britain might need some financial assistance from the United States in the coming year. The subsequent attention this brief remark received in the next week forced the Roosevelt Administration to clarify its public stance on providing financial assistance to the British.²⁷

The British Treasury's lack of funds to support the Ten Division Programme first revealed the full magnitude of this crisis to senior American policymakers. The draft terms outlined by Stimson's Department for the implementation of the "B" Programme on 27 November skirted the issue of Britain's financial commitments under this programme. When Morgenthau pointed out the depleted state of British finances, the Secretary of War told the Cabinet on 29 November that in order to implement this programme "it would be necessary for us to pay for the extra costs". The Cabinet agreed to help the British, and after the meeting Stimson authorised the placement of the orders stipulated in the "B" Programme.²⁸ With the President's approval, Morgenthau worked out an interim arrangement to use Reconstruction Finance Corporation funds to pay for the plant expansion required to implement this programme. But the long term difficulties due to Britain's dollar shortage remained unsolved. Meeting on 3 December, Roosevelt's senior Cabinet members finally decided that with Congressional approval the US Government should pay Britain's war expenses "from now on". Thus the Cabinet agreed that the time had arrived for the Executive to take the case for aiding Britain to the Legislature.²⁹

27. David Reynolds, "Lothian and the Origins of Lend-Lease", *The Larger Idea: Lord Lothian and the Problem of National Sovereignty*, ed. John Turner (London: Historians' Press), 98-103.

28. 28 November 1940, MD 332: 206-17; 29 November 1940, Stimson Diary.

29. 3 December 1940, Stimson Diary; Blum, *Morgenthau*, 2: 201-203.

That same day, the President departed on a two-week vacation cruise. During this cruise Roosevelt came to a conclusion similar to his Cabinet's. The impetus for his decision in part was provided by the public response to Lothian's remarks, but it was inspired largely by a 7 December 1940 letter from Churchill. In this letter Churchill wove together grand strategy, the battles of 1940, future Axis threats, and Britain's supply and financial needs into a compelling appeal for additional US assistance. The Prime Minister told President Roosevelt that in view of the present situation "I feel entitled, nay bound, to lay before you the various ways in which the United States could give supreme and decisive help to what is, in certain aspects, the common cause." These suggestions included an expanded US Naval commitment in the Atlantic, a substantial increase in American merchant shipbuilding capacity, and accelerated delivery of aircraft and other war materiel to British forces.³⁰ According to Hopkins, the message had a profound effect on the President. But it was not just the financial crisis that commanded the President's attention. Churchill's carefully crafted message (it was one his most revised messages ever sent to Roosevelt) convinced the President that the United States Government needed to devise a more encompassing programme to assist the British. The programme he envisaged eventually became famous as Lend-Lease. In short, it meant that the US would manufacture war materials to lend to Britain, and once the war ended Britain would return in kind the materiel it had leased from the United States.³¹

On 17 December Roosevelt discussed Lend-Lease with Morgenthau, and using his homely "garden hose" analogy, he also mentioned the idea during a press conference. After Christmas Roosevelt took the case for Lend-Lease directly to the American people, proclaiming in his 29 December Fireside Chat that the United States must become "the great arsenal of democracy". The

30. Letter, Churchill to Roosevelt, 7 December 1940, Kimball, ed., *Correspondence*, 1: 89-111.

31. Robert E. Sherwood, *Roosevelt and Hopkins: An Intimate History* (New York: Harper and Row, 1950), 224; Reynolds, *Anglo-American Alliance*, 154.

following day he talked with Purvis and Morgenthau about specific terms for Lend-Lease. Purvis told the President that the British Government currently needed \$15 billion in US aid. Rather than express dismay at the size of this request, Roosevelt believed its magnitude made immediate legislative approval all the more urgent. Thus, Roosevelt asked Morgenthau to prepare the draft of a Lend-Lease bill. Purvis worked closely with Morgenthau and the Treasury staff during the busy days that followed. By 3 January 1941 a completed draft was available for other key Administration officials to review, along with an initial list of British requirements (later known as the Purvis Balance Sheet).³²

The Lend-Lease bill was introduced formally in the Congress a week later. The most compelling challenge to the bill came from the isolationist claim that Lend-Lease made war inevitable. As Senator Walsh observed "the present objective [of Lend-Lease] as strongly declared on the floor of the Senate, is actual intervention in the European war." Despite similar protests from other isolationists, by 11 March 1941 the measure had been strongly endorsed by both houses of Congress. The House of Representatives approved it by a margin of 260 to 165 votes on 9 February; and the 11 March Senate vote found 60 senators supporting the bill and 31 rejecting it. Roosevelt signed the Lend-Lease Act into law later that same day.³³

32. In his garden hose comparison, Roosevelt likened aid to Britain to lending a garden hose to a neighbour to douse a fire. Once the fire had been extinguished the neighbour would pay for the use of the hose or, if damaged, replace it. Press Conference, 17 December 1940 and Fireside Chat on National Security, 29 December 1940 in *PPA*, 1940: 604-14, 633-44; Purvis memo on discussion with Roosevelt, 30 December 1940, AVIA 38/8; 3 January 1941, MD 344: 236-60.

33. *Congressional Record*, 77th Congress, 8 March 1941: A1161. See Kimball, *Unsordid Act*, Chapters 6 and 7 for a detailed discussion of the Congressional debate. A survey of the *Congressional Record* between 10 January and 11 March 1941 indicates how completely the Lend-Lease debate gripped the nation's attention. The strong opposition of the isolationists to Lend-Lease, particularly Senators Nye, Tobey, and Vandenberg, and Representatives Fish, Tinkham and Vorys, is evident throughout the two month debate. In addition, the Germans also watched the Lend-Lease discussions closely, see Telegram, Bötticher and Thomsen to Foreign Ministry, 26 February 1941 and Telegram, Thomsen to Foreign Ministry, 9 March 1941, *DGFP* 12: 161-64; 251-52.

The significance of the Lend-Lease bill is revealed on several levels, as some of the most important works on this piece of legislation demonstrate. Langer and Gleason see Lend-Lease as a test of American resolve to assist the democracies even at the risk of war. Kimball believes the essence of the Lend-Lease debate rests in "an age-old question" about the nature of American democracy: should the elected official follow the electorate or his own conscience when formulating policy? Dobson concentrates on the economic aspects of H.R. 1776 and argues that Lend-Lease provided Britain with a solution to its wartime supply problem but in the process complicated Anglo-American economic relations. And Reynolds emphasises it as a logical continuation of Roosevelt's foreign and defence policy since Munich, which did little to solve Britain's immediate supply crisis. As he notes, Lend-Lease "was not outstandingly novel, or notably altruistic, or even particularly important *in 1941*".³⁴

However, these authors neglect a vitally important aspect of the Lend-Lease Programme: its impact on Anglo-American military relations. Even after the fall of France, unlike his military and naval advisers, Roosevelt envisioned an Anglo-American alliance to fight Germany and its allies. By the end of the year the Tripartite Treaty and Britain's improved military situation in the second half of 1940 generated acceptance of this view within the services as well. But it was difficult to assess the extent to which a similar shift had occurred in US public opinion. Even the election results were inconclusive since Roosevelt and Wilkie agreed not to turn the Anglo-American relationship into a campaign issue. Thus the Lend-Lease debate provided Roosevelt with an indication of the extent to which he could publicly encourage a close Anglo-American alliance. In secret,

34. William L. Langer and S. Everett Gleason, *The Undeclared War, 1940-1941* (Gloucester, MA: Peter Smith, 1968), 254. Halifax communicated a similar opinion to the Foreign Office, see Telegram, Halifax to Foreign Office, 18 March 1941, AVIA 38/1089; Kimball, *Unsordid Act*, 238; Alan P. Dobson, *US Wartime Aid to Britain* (London: Croom Helm, 1986), 30-31 and Chapter 2; Reynolds, *Anglo-American Alliance*, 166-67.

however, he approved initiatives by British and American military planners to formulate a coalition strategy in the ABC talks. Certainly Walsh and other isolationists would have been even more outspoken against the Lend-Lease Act had they realised that some of the same men testifying on behalf of this legislation (Stimson, Knox, Marshall, and Stark) were also receiving routine status reports on the ABC Conference. In short, Roosevelt used Lend-Lease to gauge public support for a very close Anglo-American supply relationship. When the final Lend-Lease vote indicated the existence of strong support for this relationship, the Roosevelt Administration began to look for ways to use this mandate for another purpose: the selective implementation of the ABC agreements in order to ease the US transition from peace to war.

An Emerging Alliance

The blending of Anglo-American strategy and supply goals in the first three months of 1941 was repeated with increasing intensity between April and June 1941. Senior US advisers believed they had a partial mandate to prepare the nation for war against the Axis in coalition with Britain. This belief was manifested in the organisational changes fostered by the ABC and Lend-Lease agreements, closer Anglo-American air collaboration and the American assumption of some of the British responsibilities in the Battle of the Atlantic. In all three areas the influence of Anglo-American supply issues was evident - sometimes even dominant - but occurred in the context of a more encompassing Anglo-American relationship. Gradually the United States began to shoulder a small portion of the war burden that Britain alone had carried since the French surrender.

A. Organisational Integration

Since the beginning of the war the Anglo-American supply relationship had provided a reliable way for Britain and the United States to maintain unbroken communications. The success of the ABC and Lend-Lease agreements was a tribute to the original supply relationship, yet also was responsible for altering the nature of this established conduit for Anglo-American discussion. Specifically, ABC-1 called for the exchange of British and American military missions, and in time they assumed responsibility for some of the supply negotiations. Likewise, Lend-Lease inspired organisational changes, and although they were not as explicitly defined as in ABC-1, they were no less significant. Separately these changes might not have inspired closer Anglo-American co-operation. Collectively, however, they created a larger, more encompassing Anglo-American relationship in which supply issues played a leading, but no longer, insulated role.

Under ABC-1 both countries agreed to exchange military missions. For the United States this decision marked the despatch of its first large full-time mission to Britain. This mission, the US Special Observer Group, consisted of an Army and a Navy element. The War Department selected Major General J.E. Chaney to chair its delegation (the Special Army Observer Group). Heading the Navy's group, Rear Admiral Ghormley returned to London after the conclusion of the ABC talks as the Special Naval Observer. Unlike any previous US mission, the Special Observer Group operated completely independently of the American Embassy. As its instructions explicitly stated, military and naval "matters pertaining to the British Chiefs of Staff Committee which require joint decision will be taken up through you or through the British Military Mission in Washington...and not through diplomatic or other channels." By 19 May 1941

the US Special Observer Group was in London and ready to work with the British Chiefs of Staff.³⁵

ABC-1 provided the guidance for the subsequent discussions in which the US Special Observers Group participated after its arrival in London. The discussions were to address the delineation of British and American duties under this plan. However, disagreement between the the US Army and Navy groups over the interpretation of ABC-1 (some of the Army officers felt their Navy counterparts had demanded too much of the British during the Washington conversations), as well as lingering doubts harboured by British policymakers about how much information should be disclosed to the American representatives, limited the initial effectiveness of this mission. During its first two months in Britain the Special Observers' discussions with the British Chiefs of Staff and Joint Planning Staff resembled more the earlier exploratory staff conversations to examine the feasibility of closer co-operation, than talks to define national responsibilities in a coalition war.³⁶

The British equivalent of the US Special Observers Group, known as the British Military Mission (later called the British Joint Staff Mission), encountered a very different set of circumstances when it arrived in Washington. Because of the central role the British Supply Council had assumed in Anglo-American relations, the first priority for the British Military Mission was to co-ordinate its work with Purvis's organisation, particularly the 200 Military Mission.³⁷ In January 1941, before the ABC Conference commenced, His Majesty's Government had authorised Purvis to establish in Washington this advisory military mission to the Supply Council. Under the command of Maj Gen D.H.

35. Letter of Instruction, Marshall to Chaney, 24 April 1941, Folder 28, Box 60, Marshall Papers; Telegram, Chaney to Adjutant General, 23 May 1941, WPD 4402-5, RG 165; Kittredge, "Naval Cooperation", 412.

36. Kittredge, "Naval Cooperation", 444-86; Leutze, ed., *London Observer*, 279. Little information exists on the early days of the US Special Observer Group, Kittredge's "Naval Cooperation" remains the best source.

37. For the sake of secrecy until 20 December 1941 the British Military Mission members were officially described as technical advisers to the British Supply Council. Hall, *North American Supply*, 312.

Pratt, the 200 Military Mission provided the British Supply Council with operational information to justify purchasing requests to the Americans. While advising the Supply Council, the 200 Military Mission established a good relationship with the War Department. The British Military Mission appreciated the advantages of building on this established relationship. The Supply Council similarly understood the advantages of working with officials appointed by the British Chiefs of Staff to "translate cold lists of materiel into terms of military operations". Thus from the moment the British Military Mission was established both British supply and military representatives worked to establish a co-operative relationship.³⁸

Harry Hopkins's (now US Lend-Lease Administrator) remark to Lt Gen Beaumont-Nesbitt (interim Army representative to the British Military Mission) that he was worried about the British situation in the Middle East emphasised the importance of strengthening the existing link between the supply and military missions. Hopkins wanted to help the British in this theatre, but the US Army would release essential equipment only if it were convinced that the British would employ it effectively. Hopkins suggested that the best way to achieve this goal would be to send a high-ranking British officer to Washington to discuss the Middle Eastern situation. Wavell responded by sending Brigadier Whiteley (Wavell's Chief of Operations) to the United States to explain British strategy in the Middle East and to highlight his command's urgent need for American supplies.

Upon his arrival Whiteley first discussed his mission in detail with Purvis because the Brigadier wanted to ensure he offered Wavell's case to senior

38. Letter, D.S.D. to Pratt, 3 January 1941 and Pratt memorandum, "Military Aspects of the British N.A. Organisation", 6 February 1941 in AVIA 38/121; "Note of Meeting", 5 May 1941, AVIA 22/3256; "Appointments to the British Military Mission in Washington", 18 May 1941, WPD 4402-10, RG 165. The British Chiefs of Staff thought the establishment of the Military Mission was sufficiently important to create an interim mission comprised of Admiral Danckwerts, General Beaumont-Nesbitt, and Air Commodore Pirie until the arrival in late May 1941 of the permanent mission, which included Admiral Sir C. Little, Lt Gen H.C.B. Weymss, and Air Marshal A.T. Harris.

American officials in the most convincing manner possible. With Purvis's assistance, Whiteley convinced the Roosevelt Administration to allow the British Government to order a vast array of equipment which included engineer stores essential to the maintenance of a military base in a non-industrial region, as well as the usual weapons requirements. The Brigadier's case was sufficiently compelling to ensure that most of these supplies were on their way to the Middle East by the end of the summer. Moreover, Whiteley's success prompted senior officials from the British Supply Council and the Military Mission to reiterate that the "closest touch" must be maintained between their two organisations.³⁹

Lend-Lease, independent of the ABC agreements, led to equally significant changes in the American supply organisation. The most important impact of the Lend-Lease agreement was to transfer most purchasing responsibilities from the Treasury to the War Department. Under this new arrangement Secretary Morgenthau relinquished his executive responsibilities to Harry Hopkins (hence his involvement in Whiteley's Mission). Hopkins first became involved in the Anglo-American supply relationship when he travelled to Britain as President Roosevelt's special envoy on 20 January 1941. Although Hopkins travelled as a private citizen, Churchill knew of the importance of his mission. Previously Brendan Bracken had advised him that: "Hopkins, the confidant of Roosevelt, was the most important American visitor to this country we had ever had. He had come to tell the President what we needed and to form an opinion of the country's morale." As a result, Churchill lavished special attention on an initially sceptical Hopkins during the latter's visit to Britain. The Prime Minister's efforts were rewarded when Hopkins, all doubts removed about the wisdom of offering Britain increased American assistance, informed the President that: "This island needs our help now Mr. President with everything

39. Telecon between Purvis and Brand, 9 April 1941, CAB 115/751; Telegram, Beaumont-Nesbit to CIGS, 11 April 1941, CAB 122/81; "Military Situation and Requirements in the Middle East", MM (J) (41) 14, 12 May 1941, WPD 4402-22, RG 165. The only source to touch on Whiteley's Mission is Hall and Wrigley, *Studies of Overseas Supply*, 24-25.

we can give them." Completely convinced this must be the US position, Hopkins returned to the United States on 10 February 1941 eager to support the British.

When Hopkins arrived back in Washington the Lend-Lease debate was underway in the Senate. Even before the Senate voted, Roosevelt had made preliminary arrangements for the administration of Lend-Lease. On 26 February 1941 Roosevelt decided to establish an advisory committee consisting of the four major Department Secretaries (Hull, Morgenthau, Stimson and Knox) with Hopkins as the committee secretary. The committee met infrequently, leaving the day-to-day operations to Hopkins. This arrangement made Hopkins the *de facto* head of the organisation and removed Morgenthau from the centre of the purchasing arena.⁴⁰

Hopkins's appointment dramatically changed the established Anglo-American purchasing procedures. When the Treasury forfeited its central supply role (which disturbed Purvis especially), and Hopkins continued to display his notorious dislike for routine administrative tasks, the War Department was forced to become intimately involved in these purchasing arrangements. Lieutenant Colonel (later Lieutenant General) Henry S. Aurand, from the US Army's Supply Division, assumed the bulk of these duties.⁴¹ In April 1941 Aurand began to centralise the defence aid procurement process. Considerable initial overlap occurred between Aurand's Defense Aid Section in G-4, and a similar section in the Office of the Under Secretary of War. But by October 1941

40. Comment by Bracken, 10 January 1941, Colville, *Fringes of Power*, 331; Sherwood, *Hopkins*, 232-57; 26 February 1941, Stimson Diary; Memorandum by Hopkins, no date, Aircraft Production 1939-41 file, Box 223, Arnold Papers. Historians who believe the Anglo-American supply relationship started with Lend-Lease fail to understand the important role Morgenthau played in this relationship prior to March 1941. Thus, like Randall Woods, they assert that the reason Roosevelt selected Hopkins was simply because "the aid program was much too important to turn over to Henry Morgenthau". Randall B. Woods, *A Changing of the Guard: Anglo-American Relations, 1941-1946* (Chapel Hill, NC: Univ. of North Carolina Press, 1990), 10.

41. Aurand's responsibilities at the War Department were far greater than his relatively junior rank indicated, and rapid promotion soon compensated for these deficiencies. For a biography of Aurand see John Reese, "Supply Man: The Army Life of Lieutenant General Henry S. Aurand, 1915-1952" (Kansas States Univ. Ph.D. Thesis, 1984).

Aurand had successfully consolidated the War Department's Lend-Lease activities under his own organisation. To ensure the effective administration of the Lend-Lease programme, Aurand had created the Defense Aid Supply Committee to address the type, amount, and time frame for the diversion of US production. This committee consisted of representatives from the supply arms and services (Ordnance, Quartermaster, Signal, Medical, Chemical Warfare, and Engineers), the Air Corps, and the British Supply Council. Furthermore, since Britain was engaged in combat, the committee agreed that the "distribution of available supplies must follow the strategic plans prepared there [Britain]".⁴²

Because overall defence aid organisation was disorganised and cumbersome, the system underwent several modifications during its early months. Bureaucratic disputes were frequent, and decisions still required approval from Hopkins and Roosevelt before any action could be taken. But the decision to make Anglo-American supply relations a primary concern of the American military forced the Army to centralise and modernise its own purchasing procedures. As a result the Army was better prepared for the rapid expansion it underwent in the hectic months after Pearl Harbor.

B. Air Collaboration

Harry Hopkin's influence as the senior executive in charge of Lend-Lease went beyond the immediate administration of this programme. One of the first initiatives he promoted in his new capacity encouraged Anglo-American air collaboration beyond the boundaries suggested by ABC-2. Even while the two delegations were involved in the ABC negotiations, Hopkins suggested that General Arnold travel to London to discuss overall air requirements with his British counterparts. When Hopkins originally mentioned the trip to General

42. This committee and its sub-committees were patterned after the Joint Aircraft Committee (JAC) which was originally established on 13 September 1940. In the subsequent months the JAC effectively handled the problem of allocation of aircraft and engines Knudsen had highlighted earlier to Secretary Stimson (see pages 183-86). Memorandum, Aurand to Reybold, 25 March 1941, G-4/32697, sec. 1, RG 165; Memorandum, Reybold to Moore, AG.008 Lend-Lease (4-15-41), RG 407.

Marshall, he merely stated such a trip might help the principal British and American leaders better understand each others' supply requirements. In a letter to Churchill, however, Hopkins suggested that Arnold's "point of view is that our own Army [the US] should be built up at all costs, and he has a tendency to resist efforts to give adequate aid to England". Thus if the British wanted to ensure complete co-operation with the US in the future, His Majesty's Government had to convince Arnold that American help would be used wisely.⁴³

Before he left Washington, Arnold would define the objectives of his visit only in the broadest terms. He told British officials that he wanted to meet senior RAF officers, discuss training, and consider possibilities for long-term co-operation. Once he arrived in London on 12 April 1941 this attitude changed. Visibly moved by the evidence of the British struggle against Germany and its allies, the General expressed interest in a more encompassing Anglo-American air collaboration programme.⁴⁴ Thus the British acquired another powerful ally in the US War Department.

Indeed, General Arnold played an important role when the Roosevelt Administration decided to take decisive actions to increase Anglo-American air collaboration. For example, Arnold encouraged the establishment of an effective aircraft delivery system between the United States and Britain. Before the passage of Lend-Lease the American manufacturers had employed civilian pilots to ferry aircraft between the United States and Canada. Once the aircraft reached this destination it was the responsibility of the British to arrange transport across the Atlantic, and for this the Ministry of Aircraft Production operated the Atlantic Ferrying Organisation (Atfero). As aircraft production increased in 1941 additional pressure was placed on Atfero to increase the number of aircraft it flew across the Atlantic. Atfero, however, lacked the pilot resources to

43. Memorandum, Marshall to Stimson, 10 March 1941, Folder 3, Box 84, Marshall Papers; Letter, Hopkins to Churchill, 4 April 1941, PREM 4/25/8.

44. Minute, Sinclair to Churchill, 29 March 1941, AIR 8/487; Diary, "Trip to England, April 1941", Box 271, Arnold Papers. Most likely, Arnold's dislike for the British resulted from two years of competition with them for US produced aircraft.

accomplish this mission and a backlog of new aircraft accumulated in Canada. While still in Britain, Arnold asked the President on 21 April for permission to arrange for Army Air Corps pilots to ferry all aircraft between the US and Canada, so that the civilian pilots employed by the factories could join Atfero. Roosevelt immediately gave his approval. But even this system soon seemed inadequate, and on 28 May the President directed the War Department to assume full responsibility for ferrying aircraft to Britain. The next day Arnold's Army Air Corps created its own Ferrying Command to fulfill this responsibility.⁴⁵

On 29 May the US Government went a step further to encourage air collaboration. The same day the Air Corps Ferrying Command was established, Stimson formally announced that the United States would relinquish one-third of its flying school capacity to the British. Under the Lend-Lease Act, US funds could be used to train British pilots at Army Air Corps installations. General Arnold had suggested this idea to Churchill during his visit to Britain, and the Prime Minister gratefully accepted the offer. Thus, by mid-1941 the United States Government not only allowed the British first priority on US produced aircraft, it also closely co-operated with the British Government in the transport of these machines and in the training of the pilots to fly them.⁴⁶

Additionally, as early as April 1941, the United States Government permitted US aircraft maintenance personnel to work with the British at Takoradi. The British shipped aircraft to this west African port, assembled them, and then flew them across Africa to Cairo. First opened when Italy entered the war, this overland route began to deliver aircraft to Egypt in September 1940. However, the success of this route caused difficulties similar to those experienced by Atfero: as more American aircraft became available, greater

45. Craven and Cate, eds., *Army Air Forces*, 1: 313-16; Letter on Atfero, Harmon to Harriman, 24 May 1941, AVIA 9/5; Meeting with Col Olds on Ferrying Command, 11 June 1941, AVIA 38/547.

46. Memorandum, "British Pilot Training Program, 1941-1942", 12 June 1941, Box 25, ASF, ID, RG 160; 29 May 1941, Stimson Diary; Telegram, Churchill to Roosevelt, 10 May 1941 and Telegram, Roosevelt to Churchill, 21 May 1941 in Kimball, ed., *Correspondence*, 1: 183, 192.

numbers of US technicians were required to assemble them.⁴⁷ On 10 March 1941 the shortage of experts was brought to Churchill's attention. The Prime Minister heard that, as of 8 March, 195 machines awaited assembly at Takoradi. When Portal looked into this bottleneck, he learned that 139 of 195 of these aircraft had been manufactured in the United States. The Chief of the Air Staff told the Prime Minister that this backlog was easily explained because the American aircraft were "extremely complicated" and "strange to our men". One month later the problem had worsened and by 25 April 1941 the inventory at Takoradi showed 66 British and 219 American aircraft on hand.⁴⁸

The backlog at Takoradi disturbed American officials as much as it bothered Churchill. The reports that reached senior US policymakers told disheartening tales of US fighter planes that remained crated long after they were unloaded from the cargo ships, and of British unwillingness to learn new maintenance procedures. But the Americans, rather than threaten to cut off the US aircraft supply (as they might have done just a few months previously), now struggled to find a solution to the bottleneck at Takoradi. On 8 May 1941 a new agreement called for the US Army Air Corps to send a percentage of its technicians to advise the British on maintenance procedures for American aircraft. And Arnold believed that once some of these mechanics reached Takoradi, the backlog could be cleared in a matter of weeks.⁴⁹

Clearly, by the end of June 1941, Anglo-American air collaboration encompassed much more than negotiations over aircraft production priority. Air strategy and the production, delivery and maintenance of aircraft now were tightly intertwined. As the emphasis of Anglo-American air collaboration shifted

47. Craven and Cate, eds., *Army Air Forces*, 1: 325; Richards, *Fight at Odds*, 247-49.

48. Minute re. Takoradi, Portal to Churchill, 11 March 1941, File 1 and Minute re. Takoradi, Portal to Churchill, 25 April 1941, File 2, both in Portal Papers, Christ Church College Library.

49. Letter, Winant to Moore-Brabazon, 8 May 1941, AVIA 9/5; 30 June and 30 July 1941, Stimson Diary; Conference in the Office of the Secretary of War, 30(?) June 1941, WDCSA SGS [Secretariat] (1939-1945), Verifax 3882, Reel 19/759, Marshall Library.

away from supply issues, responsibilities formerly held by supply organisations (such as the British Supply Council) were assumed by the RAF and the US Army Air Corps. From Arnold's perspective, one of the most important results of this increased air collaboration with the British was greater Air Corps autonomy (the USAAC had unsuccessfully fought for this goal since the end of the First World War). On 20 June 1941 the War Department approved the creation of the US Army Air Forces (USAAF). Although the Army Air Forces remained a subordinate division within the Army, this decision gave General Arnold direct responsibility for all combat and supply elements involved in air warfare. Furthermore, Arnold was authorised to establish an air staff in order to assist in policy formulation. Problems certainly remained (most notably in the establishment of a working relationship between the new air staff and the War Department General Staff), but this move toward air autonomy highlighted air power's unique wartime role - a role already acknowledged at the ABC talks.⁵⁰

C. The Battle of the Atlantic

Closer Anglo-American air collaboration partially demonstrated the interdependence between a joint grand strategy and shared supply requirements. But in the first half of 1941 this relationship most fully revealed itself during the Battle of the Atlantic. Fundamentally, this battle was about supply. The British Government needed a reliable supply line to North America in order to sustain its war effort. Conversely, Hitler believed if Britain's transatlantic supply line were shut down, the island would collapse. The United States Government was aware of the high stakes in the Atlantic battle, and as British losses in the Atlantic mounted in 1941, the US heightened its commitment to the protection of the Anglo-American supply line. This commitment revealed itself through another revision of US strategy, the occupation of Greenland, and the expansion

50. Watson, *Chief of Staff*, 293. Prior to the creation of the USAAF there had been no unity of command over the combat and training air elements. Their commanders had answered to various authorities within the War Department. Craven and Cate, eds, *Army Air Forces*, 1: 115 and 6: 19.

of the Atlantic security zone. Moreover, the United States' actions in the Atlantic came under intense German scrutiny. Thus, America's overt sympathy for the British increased the likelihood of an eventual confrontation between the American and German Navies.

The ABC Conversations forced another revision of US grand strategy. Since broad areas of Anglo-American co-operation were defined in ABC-1, Rainbow 5 replaced Rainbow 4 as the most likely American strategy in the event of war. As originally conceived in 1939, Rainbow 5 called for a British, French and American alliance to defeat Germany and its allies, thereby ensuring US security. Since September 1939 Rainbow 5 had received little attention because US planners believed the other Rainbow plans were more applicable. But after the conclusion of the ABC conference, the Joint Board immediately directed its planning committee to revise and complete Rainbow 5. This plan, as approved by the Joint Board on 14 May 1941, mirrored the decisions reached during the secret ABC meetings. Most importantly, Rainbow 5 confirmed the Anglo-American agreement to make victory in the Atlantic theatre the top priority for both nations.

The Joint Board (with the Service Secretaries' approval) forwarded Rainbow 5, along with the final ABC report, to the President on 2 June 1941. Roosevelt neither approved nor disapproved the plan. Instead he asked the Joint Board to return it to him if the United States entered the war. The President's reaction seems peculiar in light of his 16 January 1941 comments to his senior Service advisers which outlined the basic US position for the ABC talks. During this meeting Roosevelt told his senior military and naval advisers that the US should remain on the defensive in the Pacific, the Navy should be prepared to escort merchant vessels to Britain, the Army should only enter combat when it was adequately rearmed, and America should continue to provide Britain with large supplies of war materiel. Most likely, Roosevelt wanted to avoid any formal acknowledgement of these ABC documents in case news of the staff talks

reached the American public. He still doubted American public acceptance of a formal military commitment to the British, particularly a commitment made during the Lend-Lease negotiations.⁵¹

However, the President gave his virtual, if not formal, approval of the Rainbow 5 strategy by authorising increased commitment to the Atlantic theatre. For example, on 25 March 1941 Roosevelt granted a request from Churchill for use of an American shipyard to repair a damaged British battleship. And shortly thereafter he authorised a long-range programme to repair Royal Navy ships in US yards.⁵² During this same period, Roosevelt met with his senior advisers to discuss not only how to assist the British fleet but also to explore "how far he could go toward the...protection of the British Transport line." For this purpose, in a 10 April discussion at the White House the President proposed moving the line that defined the Western Hemisphere (and thus the US neutrality zone) from 60 to 25 degrees west longitude, and then assigning a large portion of the US Navy to the patrol of this area. A few days later he decided to move this boundary west to the 26th meridian, but this newly defined zone would also include all of Greenland and the Azores.⁵³

Greenland had been a focal point of US hemispheric defence planning since the invasion of Denmark (see pages 143-45). Still under pressure from Canada to ensure Greenland's security, the United States negotiated an agreement with the Danish Minister in Washington to place Greenland under temporary US protection. Roosevelt publicly announced the agreement the same

51. Roosevelt's memory of the security breach after the Ingersoll talks (see page 70) would help explain his reluctance to sign an official report. Matloff and Snell, *Strategic Planning*, 43-7; Revision of Rainbow Plans, Enclosure (A) to JPC Report, JB 325 (Serials 642, 642-1), RG 225; Joint Army and Navy War Plan - Rainbow 5, 19 November 1941, JB 325 (Serial 642-5), RG 225; Memorandum on White House Conference of 16 January 1941, Marshall to Gerow, 17 January 1941, Bland, ed., *GCM Papers*, 2: 391-92.

52. Telegram, Churchill to Roosevelt, 23 March 1941, Kimball, ed., *Correspondence*, 1: 150-151; Kittredge, "Naval Cooperation", 418.

53. 10 April 1941, Stimson Diary; Conn and Fairchild, *Hemispheric Defense*, 106-107; Samuel E. Morison, *History of the United States Naval Operations in World War II*, vol. 1 (Boston: Little, Brown, 1950), 15. See page 112 for additional discussion of the original neutrality zone.

day he first discussed the expansion of the Neutrality zone with his senior staff. The next day (11 April 1941) the President informed Churchill that the United States would utilise aircraft and naval vessels operating from Greenland and other bases in the Western Hemisphere to patrol this enlarged security zone and to notify British vessels of any threat in this zone.⁵⁴

A month later Roosevelt declared an "unlimited national emergency" during his 27 May 1941 speech to the Pan-American Union. In this address, he emphasised the importance of Iceland and Greenland to the protection of Britain's northern supply route.⁵⁵ Roosevelt did not immediately indicate what Iceland's role would be since it rested beyond the defined boundaries of the Western Hemisphere. But his speech suggested that the United States would honour a commitment specified in ABC-1 to provide an American garrison for Iceland, and thereby release the British troops for service elsewhere. Admiral Ghormley, in his role as the head of the US Navy's Special Observer Group, was asked shortly after the President's proclamation to prepare plans immediately for the despatch of American forces to Iceland. On 16 June 1941 a tentative agreement was reached, and shortly after German forces invaded the Soviet Union, American troops were on their way to Iceland.⁵⁶

Roosevelt's decisions were too restrained. Some of his advisers (most notably Stimson) and the British felt that while they were beneficial, Roosevelt's actions still did not provide US escorts for British convoys. The President refused to authorise this measure during the first half of 1941 for domestic and foreign policy reasons. Domestically, Roosevelt feared a Congressional backlash if he announced a plan to provide naval escorts to the British. Congressional debates regarding the provision of US escorts for British vessels had almost

54. US State Department documents pertaining to the defence of Greenland, 4-12 April 1941, *FRUS 1941*, 2: 42-6; Presidential Announcement on Establishment of Greenland bases, 10 April 1941, *PPA*, 1941: 96-7; Kimball, ed., *Correspondence*, 1: 166.

55. Radio Address proclaiming Unlimited National Emergency, 27 May 1941, *PPA*, 1941: 181-95.

56. Kittredge, "Naval Cooperation", 475-82.

defeated Lend-Lease. During the debates, isolationists and interventionists had agreed this move probably would be interpreted as an act of war. And for this reason public opinion polls in early April 1941 still indicated the American people disapproved of the US Navy escorts for British merchant ships. Roosevelt's fear was heightened by the Tobey Anti-Convoy Resolution, introduced into Congress on 31 March 1941. If passed, this measure would have prohibited the use of US merchant vessels to transport cargo for the British, as well as the use of US naval vessels to escort merchant ships bound for Britain. To Stimson's disappointment, Roosevelt refused to challenge this resolution directly (Stimson believed a successful challenge would give the Administration an "authoritative mandate" to provide naval escorts). Instead the President decided to wait for it to die in the Senate Foreign Relations Committee, which it did a month later.⁵⁷ Roosevelt, rather than take on another divisive issue so soon after the Lend-Lease debate, decided to work within the broad mandate that Lend-Lease gave him to meet the American obligations under ABC-1.

Foreign policy developments reinforced this decision not to challenge the Tobey Resolution. On 13 April 1941 the Soviet Union and Japan signed a neutrality pact. Publicly Secretary Hull downplayed this agreement. Privately, however, he shared a common concern with most British and American officials: this pact would encourage a Japanese offensive in the Pacific now that its northern security was guaranteed. As a result, Roosevelt decided to reduce significantly the portion of the Pacific fleet that would be transferred to the Atlantic to patrol the enlarged security zone.⁵⁸

57. 22, 25 April 1941, Stimson Diary; Dallek, *Roosevelt*, 261; Langer and Gleason, *Undeclared War*, 277, 444-48.

58. Telegram, Grew to Hull, 14 April 1941, *FRUS Japan*, 2: 186; Kittredge, "Naval Cooperation", 414-16. Waldo Heinrichs, *Threshold of War* (Oxford: Oxford Univ. Press, 1988), Chapters 2-4, provide an excellent summary of the complicated sequence of events between April and June 1941. Heinrichs accurately depicts Roosevelt as a cautious, calculated decision-maker keen to protect America. However, he downplays Roosevelt's desire to help Britain during this difficult period. This interpretation results from Heinrichs' concentration on the US Government's response to events overseas to the exclusion of the manifold dimensions of Anglo-American co-operation which influenced that response.

Even without US convoy escorts or a significant increase in the size of the Atlantic fleet, Germany was aware of the larger American role in the delivery of supplies to Britain. On 14 March 1941, shortly after the passage of the Lend-Lease Act, Hitler ordered that the German operational area in the Atlantic be extended to the border of the American security zone. When the United States moved the boundary of its security zone eastward a month later, Grand Admiral Raeder pressed the Führer to allow the German Navy to seize neutral vessels in this zone. Hitler refused to authorise any such actions. He feared such an attack against an American ship would lead to war. With his plans for the invasion of the Soviet Union almost complete, the Führer wanted to ensure the US remained a non-belligerent.⁵⁹ Thus, although the US contributions in the Atlantic were not of the scale Churchill desired, they were significant (and public) enough to alert Hitler to the potential American threat to his overall strategy.

* * *

What had once been a personal, as much as a supply, relationship in 1939 had been transformed by June 1941. Due to the Lend-Lease Act, large bureaucratic organisations had emerged to assume the responsibilities once handled primarily by two men. Hopkins and Aurand had replaced Morgenthau as the points of contact on the American side of the supply relationship. And Purvis's time was devoted to the management of the ever-expanding British Supply Council, rather than negotiating British purchases with the American Government. However, Lend-Lease did more than force organisational changes in the Anglo-American supply relationship. The Act broadly defined the parameters of the Anglo-American supply relationship, and gave the Roosevelt Administration authority

59. (1) Memoranda by Ambassador Ritter, 14 March and 1 April 1941, (2) Telegram, Rintelen to the Foreign Ministry, 12 April 1941, (3) Memoranda by Ambassador Ritter, 9 June 1941, *DGFP*, 12: 295, 428, 529-30, 987.

to encourage closer co-operation with the British as long as it did not imply direct intervention in the war. In order to identify the most effective means to assist the British, the President and his advisers looked for areas where the Lend-Lease and ABC agreements overlapped. The agreements shared three important points by recognising first, that Britain should receive top priority for US-manufactured war supplies (particularly aircraft); second, that Britain needed considerable assistance to get these supplies across the Atlantic; and finally, US maintenance expertise could play an essential role in the assemblage of American aircraft purchased by the British, and in the Royal Navy's operations in the Atlantic. Collectively these American initiatives demonstrated the United States Government's willingness to make its initial commitments to a wartime alliance and to cast aside its neutrality in order to implement portions of the newly defined Anglo-American grand strategy. This nascent alliance would mature quickly in the months between the opening of Operation Barbarossa and the attack on Pearl Harbor.

Chapter IX

Commitment to Victory

The Japanese attack on Pearl Harbor compelled the United States to abandon its neutrality. But even before the US officially became a belligerent, its responsibilities within the Anglo-American alliance had increased considerably. In part these responsibilities were reflected through additional US commitments in the Atlantic and North African theatres. Anglo-American initiatives to assist the Soviets in their struggle against the Germans also helped to strengthen both the Atlantic bond and the US commitment to the Allied war effort. But most importantly, during this period British and American planners created the Victory Programme. This plan integrated grand strategy and production requirements into a comprehensive blueprint for ultimate Allied victory in Europe. With the formulation of this plan, the British Government finally received an all-out American commitment to Hitler's defeat.

Global War

Hitler's June 1941 invasion of the Soviet Union (code-name Barbarossa) opened an entirely new theatre of war. While the invasion of Russia inspired an Anglo-Soviet alliance, it also shifted the primary burden of fighting the Germans from the British on to the Soviets. The significance of this shift was evident around the world. In East Asia, Japan believed that Barbarossa presented an ideal opportunity to pursue its expansionist interests in the Pacific. In the Mediterranean and Middle East, British forces received a temporary respite from fighting, and the invasion provided an opportunity to prepare adequately for their next offensive. And in the Atlantic, the convoys that transported war supplies from North America added Soviet ports to their list of destinations. Thus,

between June and December the events in the Soviet Union and these other theatres signalled an expanding conflict.

The commencement of Operation Barbarossa marked the culmination of Hitler's long-term plan to invade the Soviet Union. Hitler first asked his staff to study the feasibility of an Eastern offensive in the summer of 1940. As the year progressed his determination to invade the Soviet Union increased. Finally on 18 December 1940 he issued Directive 21 which ordered German forces to conduct a rapid campaign against the Soviet Union by 15 May 1941. Barbarossa did not require the complete subjugation of the Soviet Union, but called for the establishment of a defence line against Asiatic Russia which ran from Archangel to the Volga. After Hitler issued Directive 21, detailed planning for Barbarossa began in earnest. The feeble protests of some senior staff planners, uttered against the campaign early in 1941, died in the face of Hitler's iron determination to invade the Soviet Union.

The operational plans for Barbarossa, as devised by Colonel General Franz Halder (Chief of the German General Staff) and his staff, called for a three-pronged blitzkrieg against the Soviet Union. Thus, Field Marshal von Leeb's Army Group North would move toward Leningrad; Field Marshal Bock's Army Group Centre would capture Moscow; and Field Marshal von Rundstedt's Army Group South would secure the Ukraine and then advance into the Caucasus. Although Hitler constantly intervened in the planning process, his declaration of ideological war against Communism particularly stands out. Hitler referred to this war as "a war of extermination" and he directed Reichsführer SS Heinrich Himmler to exterminate any Communist in newly-occupied Soviet territory. Himmler's liberal interpretation of the Führer's charter, in fact, meant that the entire Soviet population would be at risk in an area occupied by German forces.¹

1. John Erickson, "The Wehrmacht Before Barbarossa", *History of the Second World War*, eds, Sir Basil Liddell Hart and Barrie Pitt (Hicksville, NY: Marshall

This invasion of the Soviet Union, postponed a month because of the Balkans campaign, finally commenced on 22 June 1941. At 3 a.m. the three German Army groups attacked simultaneously along a 2000-mile front. Initially the Germans advanced with staggering speed. Lulled into a false sense of security by the 1939 Molotov-Ribbentrop Non-Aggression Pact, Stalin had refused to heed the British warnings of an impending attack, thus allowing the Germans to achieve complete tactical surprise over the Soviet defenders.² A mere two days after the start of the campaign the Luftwaffe had attained air superiority, and the Wehrmacht had penetrated the Red Army's defences. Staggeringly, by 26 June the German Army was 185 miles inside the Soviet border. During the next three months Minsk, Smolensk, and Kiev all fell to the invaders, the siege of Leningrad commenced, and Army Group Centre continued to proceed rapidly toward Moscow. And as the campaign progressed, Barbarossa increasingly focused on Bock's capture of the Soviet capital. However, in October the weather broke and with it the Wehrmacht's good fortune. Mud, rain and snow dramatically slowed the progress of the offensive, highlighting the importance of the month lost fighting in the Balkans. Roads became impassable. The effectiveness of the German soldiers suffered since they were ill-equipped to fight under such harsh conditions (the offensive originally was scheduled to end by winter, so these soldiers possessed no cold weather equipment). Conversely, the Soviet soldiers were accustomed to the weather conditions and possessed the proper equipment to fight even during the harsh winters.

The weather was not the only Soviet advantage as the Wehrmacht moved toward Moscow. Despite the loss of three million soldiers in the first six months of fighting, the Red Army was far from destroyed. As soon as Stalin and General Georgi Zhukov (Commander of the Soviet forces protecting Moscow) learned that the Japanese did not intend to open a second front against the Soviets, they

Cavendish, 1973), 578-87; J.M.A. Gwyer, *Grand Strategy*, vol. 3, part 1 (London: HMSO, 1964), 67-8, 76.

2. Confidential Annex, WM 58 (41), 9 June 1941, CAB 65/23.

transferred half of the Red Army's divisions from the Far East to Moscow. Marshalling their resources to advantage - fresh troops, the weather, a crumbling German logistical system, and the German losses sustained since the beginning of Barbarossa - the Soviets finally brought the German offensive to a grinding halt. On 5 December 1941 Hitler agreed to abandon the Moscow offensive for the winter. The next day (one day before Pearl Harbor) the Red Army launched its first major counteroffensive since the German invasion of the Soviet Union.³

British planners closely followed the opening phases of Operation Barbarossa. As long as their new ally survived (an Anglo-Soviet mutual assistance treaty was signed on 12 July) Britain was freed from the primary burden of fighting. And since they expected the Soviet Union to surrender, senior British officials wanted to use this interlude effectively to reorganise and rebuild their desert forces for a new offensive in the Middle East. Churchill hoped that General Sir Claude Auchinleck (Wavell's replacement as Commander-in-Chief, Middle East Command) would take advantage of the "lull accorded us by the German entanglement in Russia" to launch a September offensive in the Western Desert.⁴ Auchinleck disagreed and argued that this time frame would not allow him to accomplish preliminary tasks essential to a successful offensive, such as: the consolidation of the British positions in Cyprus and Syria; the "regrouping, reorganisation, and re-equipment" of battle-weary units that had been used "not as formations but piecemeal"; and the improvement of supply services in the rear. In order to meet these goals Auchinleck told Churchill that November offered the first realistic opportunity for an offensive. Still unconvinced, Churchill called Auchinleck home for consultation. At the end of a hurried series of meetings in late July Auchinleck finally persuaded the War

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3. Gilbert, *Second World War*, 242-46. John Erickson, *Stalin's War with Germany*, 2 vols (London: Weidenfeld and Nicolson, 1975, 1983) remains one of the best sources available on the Russian campaign.
 4. Churchill, *Second World War*, 3: 403.

Cabinet and the Chiefs of Staff to accept 1 November as the date for a desert offensive.⁵

Churchill's desire to assist the Soviet Union provided additional incentive for an early British offensive. The Prime Minister knew that if the Soviets capitulated, Germany would again devote its military and naval forces to the defeat of Britain. Stalin, stunned by the rapid German advance, on 18 July asked Churchill to open a second front in the West. The Soviet leader repeated this plea in September along with a new proposal that Britain should send 25 to 30 divisions to fight on the Eastern front. On both occasions Churchill explained that Britain could not provide the requested assistance because of logistical difficulties and resource limitations.⁶ Nonetheless Churchill wanted to help the Soviet war effort as much as possible. Realistically Churchill believed that the best way to assist the Soviets was to conduct a successful desert offensive and to send them war materiel. The desert offensive, in particular, would force the Germans to send reinforcements to the Middle East rather than to the Eastern front. But to be most effective Britain would have to initiate an offensive before Germany could defeat the Soviet Union.⁷ Although the offensive was launched much later than Churchill wanted, the British still hoped to relieve some of the pressure on the Russian front when Operation Crusader (the code-name for the offensive) finally commenced on 18 November 1941.

During the first weeks of Operation Crusader Rommel's army almost forced an abrupt end to the Eighth Army's (formerly the Western Desert Force) hope for a successful advance across the Western Desert. But Auchinleck refused to concede defeat, and on 30 November he notified Churchill that: "Corridor to Tobruk, clear and secure. Tobruk is as relieved as I am."⁸ The Eighth Army

5. Churchill, *Second World War*, 3: 397-99, 404-405; Gwyer, *Grand Strategy*, vol.3, Part 1: 176-82; Confidential Annex, WM 76 (41), 31 July 1941, CAB 65/23.

6. Confidential Annex, WM 90 (41), 5 September 1941, CAB 65/23; Churchill, *Second World War*, 3: 383-85, 462-65.

7. Confidential Annex, WM 114 (41), 17 November 1941, CAB 65/24; Gilbert, *Finest Hour*, 1142, 1173, 1193-96.

8. Churchill, *Second World War*, 3: 574.

forced the Germans into full retreat. At this point Hitler decided to transfer an air corps from the Soviet Union to the Middle East in order to stem the British advance, but to no avail. By the end of December, Rommel had been pushed back to his original position at El Agheila.⁹

Operation Crusader, however, took a heavy toll on the Royal Navy's Mediterranean fleet. In September and October 1941, the Royal Navy had virtually severed Rommel's supply lines, blocking further buildup of his forces. In reply Hitler personally ordered the expansion of the German Mediterranean fleet, including 21 additional submarines (the redeployed air corps also assisted in sea patrols). This enlarged German presence inflicted grievous losses on the British Mediterranean fleet by the end of Operation Crusader in January 1942. They destroyed the Ark Royal and Force K (a formerly successful surface force of two cruisers and two destroyers), and severely damaged two battleships. These losses opened up Rommel's supply lines once again, and reduced the Royal Navy's Mediterranean presence to a few destroyers and three cruisers. Moreover, there was little hope for reinforcements because war had since broken out in the Far East. By the end of 1941 almost half of Germany's operational U-boats were deployed in the Mediterranean or in the waters off Gibraltar. The magnitude of the British supply effort to the Soviet Union also prompted a redeployment of additional German vessels to the Arctic region. However, Germany's expanded maritime commitment in the Mediterranean and the Arctic also provided a much needed respite for the Allies in the Atlantic theatre.¹⁰

Certainly the lull in the Battle of the Atlantic did not mean that the Atlantic sea lanes were completely safe for Allied shipping. During the last half of 1941 Britain continued to lose merchant vessels at a pace, which although reduced, still exceeded the current replacement rate. But even the reduced loss rate meant Churchill had won a partial victory in the campaign he had joined in

9. Gilbert, *Finest Hour*, 1252.

10. Gwyer, *Grand Strategy*, vol. 3, part 1: 235; Roskill, *War at Sea*, 1: 485, 492-3, 532-40.

March 1941. British planners dramatically reduced the number of independent merchant ships sailing across the Atlantic, and they became increasingly insistent that all merchant vessels travel in convoys. By December 1941 they fully appreciated the importance of these ships travelling together, well protected by the strongest surface and air escort that the British naval and air forces could assemble. And most importantly, while Britain waged this campaign in the Atlantic the US policymakers decided to increase the American commitment to the war against the Axis powers in this theatre (see next section).¹¹

Finally, considerable credit for this reversal of fortune in the Atlantic also goes to the signals intelligence breakthrough that allowed the British to read the German Navy's highly classified Enigma messages. This capability permitted the Royal Navy to track German fleet movements almost as closely as Raeder and Doenitz. As a result, the British planners were able to route convoys away from the U-boats and enemy surface ships deployed in the Atlantic. Through careful handling of this top secret information, and good fortune, British authorities successfully employed the Enigma intelligence without compromising its source for the remainder of the war.¹²

Just as Operation Barbarossa influenced the Atlantic campaign, it also influenced the course of events in the Pacific. Japan, in fact, was one of the first countries to re-examine its foreign policy in light of Barbarossa. The Russo-German war created a unique dilemma (and opportunity) for the expansionist Japanese Government: should Japan invade the Soviet Union, or should it take advantage of this diversion and move south into Indochina? Japanese leaders elected to follow the latter course. Although deciding to adhere to the Tripartite Pact, the Japanese Government agreed its troops would attack the Soviet Union only if a German victory appeared imminent. Japan's 13 April

11. Roskill, *War at Sea*, 1: 481-82.

12. F.H. Hinsley, *et al.*, *British Intelligence in the Second World War*, vol. 2 (London: HMSO, 1981), 170, 175-77; Dan van der Vat, *The Atlantic Campaign* (New York: Harper and Row, 1988), 196, 230.

1941 neutrality pact with the Soviet Union notwithstanding, the German invasion offered the Japanese the best possible security guarantee against Soviet aggression.¹³

With its northern flank secure, on 25 July the Japanese Government ordered troops into the southern portion of Indochina. The United States responded quickly to the Japanese move by freezing Japanese assets in the United States. Shortly thereafter the British and Dutch agreed to similar restrictions. After placing yet another economic sanction on Japan, the US Government, on 1 August 1941, decided to revoke all Japanese licenses for the export of petroleum products. Collectively, these actions imposed a virtual economic blockade on Japan and prompted the Japanese Government to acquire new territories in the Pacific.¹⁴

At the Atlantic Conference approximately two weeks later, Churchill and Roosevelt discussed the growing Japanese threat in the Pacific. But planners from the two countries still could not agree on an Anglo-American strategy for the area. The lack of a common strategy reflected the long-standing dispute between officials in both countries over the best way to defend the "Malay Barrier" (the line between the Malay Peninsula, Dutch East Indies, and the Fiji Islands). British officials continued to insist that the retention of Singapore was crucial to this strategy.¹⁵ In order to ensure the defence of Singapore, the British Government had to persuade the United States Government to assume considerable responsibility for its protection. Churchill had directed the steady withdrawal of British men and equipment from this base and other Far Eastern

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13. Gordon W. Prange, *At Dawn We Slept* (New York: McGraw-Hill, 1981), 145-47; Louis Morton, *Strategy and Command* (Washington, DC: GPO, 1962), 93-4.
 14. Statement, "President Freezes Assets", 26 July 1941, *PPA*, 1941: 281-83; Heinrichs, *Threshold*, 141, 177-78, Morton, *Strategy*, 96.
 15. Memorandum of Conversation by Welles, 10 August 1941, *FRUS 1941*, 1: 354-56; Heinrichs, *Threshold* 37, 127-129; Morton, *Strategy*, 97-99. Theodore Wilson devoted much of his work, *The First Summit* (London: Macdonald, 1970) to the Anglo-American policy discussions on Japan.

locations in order to support the Middle Eastern and Mediterranean theatres. Without American aid, the survival of the Singapore base was doubtful.¹⁶

Despite British pleas, US planners continued its policies first expressed at the American-British (ABC) Conference and the American-Dutch-British (ADB) Conversations. They argued that the British proposals for the defence of the Pacific remained too partial to the protection of its imperial interests. Instead, guided by the Rainbow 5 plan, the American strategists wanted to consider ways to strengthen the Philippines. They believed that strong defences in the Philippines, rather than Singapore, would reduce most effectively the likelihood of a war with Japan. This decision was reaffirmed by Marshall and Stark at the end of July, and again by the President at the Atlantic Conference. Thus, as the Japanese forces subsequently demonstrated in December 1941, Singapore and the Philippines remained poorly defended against enemy attack.¹⁷

On 22 June 1941 the invasion of the Soviet Union immediately relieved Britain of the burden of fighting Germany alone. For the next six months much of the world's attention was focused on Russia's precarious bid for survival. But even amidst this colossal confrontation, other regions of the world were embroiled in conflict. Britain rebuilt its land forces in North Africa and then launched Operation Crusader. The Royal Navy, with assistance from the RAF and the US Navy, challenged the might of the German Navy and gradually reversed the course of the Battle of the Atlantic. And Japan decided to take

16. On 12 November Churchill told the War Cabinet that it would be a "grave strategical error" to move forces now employed in the Middle East to the Far East where they might remain inactive for a year. Confidential Annex, WM 112 (41), 12 November 1941, CAB 65/24. In addition to these troop withdrawals Churchill, as Chancellor of the Exchequer, had directed a reduction in the rate of construction of the Singapore base. A decade later this decision also contributed to Singapore's vulnerability to an enemy attack during the Second World War.

17. Heinrichs, *Threshold*, 127-29; Morton, *Strategy*, 97-9; Wilson, *First Summit*, 70. The relatively junior rank of the American representatives at the April 1941 ADB talks indicated how little importance senior American officials accorded these talks. The senior ranking officer was Captain (USN) William Purnell, Chief of Staff, of the Asiatic Fleet. In July 1941 Marshall and Stark formally disapproved the report because it conflicted with ABC-1 and lacked a practical operations plan for the Far East. Matloff and Snell, *Strategic Planning*, 65-7.

advantage of the Soviet diversion and expand into Indochina. The US Government's decision to increase American assistance to Britain further emphasised the war's global nature. Thus, already in the latter part of 1941, the first indications of Churchill's Grand Alliance between Britain, the Soviet Union, and the United States began to emerge. The Allied coalition was cemented when Japan simultaneously bombed Pearl Harbor, invaded Malaya, and attacked the Philippines in December 1941 - these actions completed the transformation of the war into a global conflict.

America's War: The Atlantic and the Middle East

During the last six months of 1941 the United States and Britain strengthened the ties of their *de facto* alliance. The American Government participated more actively in the Atlantic campaign, and also increased its contributions to the British forces in the Middle East. However, as the US Government became more committed to the British struggle, senior policymakers believed they should have a greater voice in the war's conduct. Thus a disagreement arose over the relative importance of the Atlantic campaign versus the desert war. US officials believed that the two Governments should concentrate their resources on securing control of the Atlantic theatre. A British presence in the Western Desert should be maintained if possible, but a large-scale offensive to evict the Germans completely would be too costly. Conversely, the British Government fully appreciated the need to keep the sea lanes open, but it also wanted to pursue a victory in the desert because this theatre offered the only opportunity to launch an all-out offensive against the Axis powers. Since co-operation between the US and Britain was no longer problematic, the two Governments now wrestled with which theatre should receive priority.

A. The North Atlantic Theatre

The United States Naval presence increased in the Atlantic after ABC-1. However some senior members of the Roosevelt Administration (notably Stimson and Knox) argued that the expansion of the US neutrality zone, and a corresponding increase in patrols within this zone, only partially fulfilled American responsibilities for Atlantic defence (see pages 240-41). In the six months before Pearl Harbor the President approved several initiatives which ended these criticisms and turned the Atlantic into an Anglo-American theatre of war. By December 1941 the United States Government had stationed troops in Iceland, liberalised its escort policy to assist Britain, and repealed the most restrictive clauses of the 1939 Neutrality Act. These changes also prompted the first clashes between American and German forces.

During the ABC Conversations American military planners had agreed to assume the responsibility for Iceland's defence at some unspecified future date. This island's close proximity to the North Atlantic sea lanes automatically designated it as an important support base and refuge for British escort vessels. Less than two weeks before the invasion of the Soviet Union, Roosevelt took the first step in this process and directed Admiral Stark to begin preparations to replace British forces in Iceland with US Marines. On 16 June 1941 Ghormley briefed the British Chiefs of Staff on Roosevelt's directive.¹⁸ By 1 July the British, American and Icelandic Governments had worked out a mutually acceptable arrangement for the transfer, and a Marine detachment was deployed immediately thereafter. Thus on 7 July Roosevelt notified Congress that US Marines had just arrived in Iceland "in order to supplement, and eventually replace, the British forces" stationed there. The President explained that this action would prevent German seizure of a strategic location which could be used

18. Kittredge, "Naval Cooperation", 474-76. The first sinking of a US vessel, the *Robin Moor*, most certainly provided the impetus for this decision. Although the ship was sunk on 21 May, reports from the survivors only started to reach Washington on 10 June, see Joseph P. Lash, *Roosevelt and Churchill 1939-1941* (New York: W.W. Norton, 1976), 339.

to threaten Greenland and North Atlantic shipping.¹⁹ The Germans closely monitored these events, and some senior German officials even suggested the occupation of Iceland implied a US declaration of war. However, Hitler ignored this suggestion and ordered the German Navy to continue to avoid all contact with the Americans. The Führer still wanted to delay America's entry into the war until after the Soviet surrender.²⁰

The landing of US forces in Iceland only marked the beginning of an expanded commitment in the Atlantic. Roosevelt also decided to extend the boundaries of the US security zone. Most of the zone remained defined by the 26th meridian, but the line now bulged so as to include Iceland and approximately 50 miles of water to its east. Although the President easily redefined the security zone, he was more reluctant to alter the US Navy's patrol procedures within this zone. Admiral Stark proposed a scheme which authorised the US Navy to escort American, British and Icelandic shipping as far as Iceland, and to destroy any Axis forces encountered in the security zone. Roosevelt, however, decided on 24 July to authorise a US Naval escort for convoys composed only of US and Icelandic vessels; once underway, British merchant ships could join a US convoy. Not surprisingly, from the outset this system proved too cumbersome to be effective.²¹

Roosevelt's revised escort scheme in part reflected his concern about the Congressional debate over the extension of the draft. This debate had opened on 21 June, and Roosevelt wanted to minimise any potential threat to public support for this measure until after Congressional approval. As the close vote in the House of Representatives demonstrated, the President's concern was justified. On 12 August the extension of the Selective Service Act passed in the House by

19. President's Statement to Congress, Landing of Troops in Iceland, *PPA*, 1941: 255-56.

20. Telegram, Thomsen to Foreign Ministry, 9 July 1941, *DGFP*, 13: 101-103.

21. "Navy Hemisphere Defense Plan No. 3", note 17 and "Navy Hemisphere Defense Plan No. 4", note 24, Kittredge, "Naval Cooperation", 359-64; Navy Hemisphere Defense Plans, *PHA*, 5: 2294-95. Heinrichs, *Threshold*, 115-16 discusses the deficiencies of Roosevelt's revised system.

only one vote.²² Roosevelt was still at the Atlantic Conference when the House voted on the draft legislation. Interestingly, during this conference he and the Prime Minister agreed to another change in escort procedures which became effective shortly after this vote. By 1 September the US Navy would include British vessels in all convoys between the United States and Iceland. These American escort ships also would have the authority to attack any German U-boats threatening a convoy under their protection. Of course Churchill was delighted. He estimated that this move would release 52 British vessels assigned to the Atlantic for other duties, and he predicted it would bring the United States into the war within the next two months.²³

The US did not enter the war as speedily as Churchill had hoped. However, until December 1941 US and German Naval vessels engaged in an undeclared shooting war in the Atlantic. On 4 September the USS *Greer*, a First World War destroyer, provoked an attack by a German U-boat (first detected by the British) by following the submarine for several hours. The German vessel launched two torpedoes, and the *Greer* dropped depth charges on the U-boat in retaliation. Neither vessel was damaged, but this incident provided Roosevelt with an ideal opportunity to tell the American public about the new escorting policy. As he stated in his 11 September Fireside Chat: "In the waters which we deem necessary for our defense, American naval vessels and American planes will no longer wait until Axis submarines lurking under the water, or Axis raiders on the surface of the sea, strike their deadly blow - first." The Atlantic war became more dangerous in October. On 17 October a U-boat torpedoed the USS *Kearny* when it came to the assistance of a badly disorganised convoy

22. Watson, *Chief of Staff*, 220-31. Probably the continuing isolationist campaign against US Naval escort procedures also influenced Roosevelt's actions. On 30 June 1941 Senator Wheeler had introduced a resolution to investigate US convoying practices. The resolution died in early July, but only after Knox and Stark testified before the Senate Naval Affairs Committee, see *Congressional Record*, 77th Congress, 30 June 1941: 5700.

23. Conclusions, WM 84 (41), 19 August 1941, CAB 65/19. In actuality, the system became effective on 16 September. Kittredge, "Naval Cooperation", 553; Heinrichs, *Threshold*, 156.

already under fire. The ship made port in Iceland, but seven men died during the attack. This incident was followed two weeks later by the sinking of the USS *Reuben James* on 31 October with the loss of 115 lives.²⁴

Thus, by the end of October, the conflicts characteristic of escort duty had turned the Atlantic security zone into America's first theatre of war. Two weeks later this theatre of war encompassed the entire Atlantic Ocean. On 13 November 1941 Congress approved two revisions to the 1939 Neutrality Act which allowed US merchant ships to sail under arms and enter belligerent ports. The worst fears of the isolationists, voiced during the Lend-Lease debates earlier that year, had now been realized: the nation had effectively entered the war.²⁵

B. The Middle Eastern Theatre

The British Government fully appreciated and encouraged the expanded role the United States assumed in the Atlantic during the latter part of 1941. Similarly, increased American involvement in other theatres, particularly North Africa, was encouraged. Assistance to this theatre consisted principally of the provision of war supplies. However, as American shipments increased, US Government officials became more interested in the way British forces would employ this US war materiel. And as American representatives began to monitor the fighting more closely, some began to question Britain's overall commitment to the retention of control over this region. The failure of Operation Battleaxe (the British offensive in the Western Desert in June 1941, see pages 214-15), created serious doubts among senior American leaders about British operations in the Western Desert. Most importantly, these leaders worried that US war materiel would be wasted in North Africa because of the British supply problems in that theatre. Churchill realised that American officials needed reassurance that US equipment would be used with maximum effectiveness. And to offset any

24. Telegram, Campbell to Foreign Office, 6 September 1941, CAB 122/4; Fireside Chat, 11 September 1941, *PPA*, 1941: 390-91; Heinrichs, *Threshold*, 166, 205-206.

25. Messages to Congress, Neutrality Act revision, 9 October and 13 November 1941, *PPA*, 1941: 406-13, 487-90.

criticisms about the handling of American supplies, on 3 June he requested Roosevelt's permission to attach Averell Harriman (Roosevelt's Special Representative in London for Lend-Lease) as an "independent observer" to a British mission assigned to study supply arrangements in the Middle East. With the President's authorisation Harriman left for the Middle East via the Takoradi air ferry route.²⁶

Harriman remained in the Middle East for approximately six weeks. When he returned to London in mid-July Operation Barbarossa was underway and Wavell's desert offensive had failed. Clearly the war's altered circumstances influenced the manner in which Harriman's report was received when he returned to London. His findings provided an important point of departure for a series of meetings on Western Desert operations. Churchill and Hopkins (Hopkins had just returned to London at the President's request) were present for all of these meetings. During the initial sessions on 22 and 23 July, Harriman and Colonel Green (a tank expert who had accompanied Harriman) reported their observations on the vast supply operation in the Middle East. They noted the same organisational problems that Auchinleck previously had mentioned to Churchill. They highlighted the need for more American technicians to assist the British in preparation of US equipment for combat. And they pointed out the inadequate salvage arrangements to recover damaged battle tanks. But both men also noted several changes that the British had implemented to solve these difficulties. Harriman praised the reorganisation of the Middle Eastern command structure by which Churchill placed Auchinleck in command, appointed General Sir Robert Haining as Intendant General to prepare for the reception of US munitions in the Middle East, and appointed Captain Oliver Lyttleton as the Minister of State in the Middle East.²⁷

26. Telegram, Churchill to Roosevelt, Kimball, ed., *Correspondence*, 1: 203; Despatches on Harriman's Mission, 3 June 1941, *FRUS 1941*, 3: 275-77.

27. DC (S) (41), 6th mtg, 22 July 1941 and DC (S) (41), 7th mtg, 23 July 1941, CAB 70/3; Sherwood, *Hopkins*, 313; Despatches pertaining to Harriman's Mission, 25 June to 5 July 1941, *FRUS 1941*, 3: 280, 284-87; W. Averell Harriman and Elie

Importantly, these discussions of Harriman's trip gave the American delegates a more comprehensive understanding of operations in the Western Desert. Shortly after his arrival, Hopkins told Churchill that the United States could not continue to pour supplies into the Middle East without some idea of Britain's prospects for victory. Churchill decided the best way to deal with this would be to hold a special meeting where the Americans could voice their concerns to him and the British Chiefs of Staff. Hopkins spoke first for the Americans at this 24 July meeting and, restating his earlier position, he noted:

Our Chiefs of Staff believe that the Battle of the Atlantic is the final, decisive battle of the war and everything has got to be concentrated on winning it. Now, the President has a somewhat different attitude. He shares the belief that British chances in the Middle East are not too good. But he realizes that the British have got to fight the enemy wherever they find him. He is, therefore, more inclined to support continuing the campaign in the Middle East.

Hopkins pointed out, however, that it was impossible for the President to provide this support since he had "never been given a comprehensive explanation of the broad strategy of the Middle Eastern campaign".²⁸

Major General Chaney spoke next, and his remarks lacked the conciliatory tone of Hopkins's comments. He mentioned that American military planners believed the British faced four major challenges (in order of priority): (1) the defence of Britain and the Atlantic sea lanes; (2) the defence of Singapore and sea lanes to Australia and New Zealand; (3) general defence of the ocean trade routes; and (4) defence of the Middle East. Given these priorities and the dearth of war materiel, the US planners argued that the British should devote only enough war materiel to the Middle East to provide for its defence and not attempt to assemble sufficient troops and supplies to launch another offensive. After Chaney finished, Lee and Ghormley echoed these remarks.²⁹

Abel, *Special Envoy to Churchill and Stalin 1941-1946* (London: Hutchinson, 1976), 64-72. Harriman's work contains an interesting, if somewhat self-aggrandising, account of his trip.

28. Record of meeting, 24 July 1941, in Sherwood, *Hopkins*, 314-15.

29. Kittredge, "Naval Cooperation", 517-21. The Kittredge manuscript quotes extensively from the minutes of this meeting.

Churchill and his Chiefs of Staff responded immediately to Chaney's comments on American perceptions of British defence priorities. The British leaders explained that despite expanding commitments, the home defence forces were much stronger than in September 1940. They were also encouraged by progress against the Germans in the Atlantic, and they noted that the United States' steadily increasing commitment to this theatre contributed significantly to Britain's fight to control the sea lanes. In the Far East, Churchill and his senior military advisers reminded the Americans that Britain depended on US assistance to defend this region. The British comments, in effect, dismissed the high priority the American military advisers had given to the Pacific and assigned it to the Middle Eastern theatre.³⁰

Churchill and the Chiefs of Staff gave several reasons explaining Britain's commitment to the Middle East. They emphasised that the British presence required Germany to leave a considerable force in the Middle East, thus providing some relief for the Russians. Furthermore, Churchill noted that an evacuation would have been impracticable, even if desirable, because Britain lacked the transport ships necessary to remove 600,000 men and their equipment from this theatre. And finally the Prime Minister shrewdly pointed out the potential threat to the Western Hemisphere if the Germans managed to seize control of West Africa, especially Dakar (at the time US planners feared Germany would be able to attack the United States with long-range bombers from Dakar).³¹

The meeting was a success for the British. Churchill and the British Chiefs of Staff convinced the American officers of the wisdom of continuing the campaign in the Middle East, and the US delegates even endorsed additional US assistance. General Lee, for example, wrote to Ambassador Winant on 28 July "I am now of the opinion that British prospects in that area are excellent provided

30. Kittredge, "Naval Cooperation", 522-23.

31. Kittredge, "Naval Cooperation", 524-25.

first, effective unity of command and operation of the three fighting services can be established for the whole theatre and second, a copious flow of U.S. supply is established together with enough American personnel" to instruct in the operation and maintenance of the weapons.³² Most importantly, Hopkins left with a fuller understanding of the strategic importance of the Middle East that he would communicate to President Roosevelt. As he noted in a letter written to Roosevelt on 25 July, the British "are determined to fight it out in that sector [the Middle East] and it seems to me they gave very convincing reasons to all of us for that determination". Hopkins's faith in the underlying wisdom of British strategy would be crucial to the protection of British claims to American supplies as the competition for war materiel intensified.³³

American Aid to Britain: The Soviet Complication

Despite Hopkins's involvement in these discussions on the Middle East, he had travelled to London primarily for another reason. President Roosevelt had sent him to Britain to arrange a much discussed, and much postponed, meeting with Churchill. Churchill first had proposed a meeting between the two leaders in December 1940. Both men liked the idea but circumstances (such as the Lend-Lease debate and the Balkan campaign) inevitably delayed the summit. Undoubtedly prompted by the invasion of the Soviet Union and the growing Japanese threat in the Pacific, in mid-July 1941 Roosevelt decided that the time

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32. Letter, Lee to Winant, 28 July 1941, "Return to London (folder 2)", Box 307, Hopkins Papers, Roosevelt Library. This letter summarised a report sent to the War Department. Lee claimed the Russian campaign was largely responsible for his new attitude. However, the timing of his letter and his journal entries suggest that the 24 July meeting was responsible for his changed opinion.
33. Telegram, Hopkins to Roosevelt, 25 July in Sherwood, *Hopkins*, 318. Interestingly, historians commonly interpret this 24 July meeting strictly as an Anglo-American strategic debate, despite Hopkins's well-known sympathy for the British (see Johnsen, "Forging the Foundation", 274-76 and Gilbert, *Finest Hour*, 1140). General Lee's 18-24 July journal entries reflect some of the concerns of US military officers in Britain that were created by Hopkins's sympathetic attitude toward the British, see Leutze, ed., *London Observer*, 342-51.

had arrived to complete arrangements for this meeting, and Hopkins was entrusted with the task.³⁴

The President gave his emissary characteristically vague guidance. And Hopkins kept no record of his conversations with Churchill about the pending Atlantic meeting.³⁵ Nonetheless his visit established a firm date for the Roosevelt-Churchill rendezvous and shaped the summit in two important ways. First, because of the recent conversations on British Middle Eastern strategy, Hopkins urged the President to take senior military advisers with him to the Atlantic Conference. And second, he advised that the conference would be of limited usefulness without a fuller understanding of the Soviet war effort. In light of this second point, Hopkins suggested that Roosevelt send him to Moscow immediately in order to assess the situation more accurately. Roosevelt approved this suggestion, and on 27 July Hopkins departed for the USSR with instructions to observe and "to investigate how best we [the United States] can furnish material assistance to the Soviet Union at this time".³⁶

Hopkins arrived in Moscow on 30 July, and he met with Stalin that evening. Their discussion was devoted solely to Soviet supply needs. Hopkins asked the Russian leader for a list of war materiel that the Soviet Government would like the United States to ship immediately, as well as an indication of Soviet long-term needs. Initially Stalin said his short-term requirements included anti-aircraft guns, machine guns and rifles, and his most apparent long-range needs were for aviation fuel and aluminium. But after he made these comments he turned to Hopkins and remarked "Give us anti-aircraft guns and the aluminum and we can fight for three or four years." Hopkins was impressed by this determination to continue the fight against the Germans. And this impression was

34. See Wilson, *First Summit*, Chapter 2, for a detailed discussion of the background to the Atlantic Conference.

35. Hopkins's notes from his conversation with the President just prior to his departure listed three brief directives: "Economic or territorial deals - NO. Harriman not policy. No talk about war." Quoted from Sherwood, *Hopkins*, 311-14.

36. Sherwood, *Hopkins*, 317-18; Telegram, Welles to Steinhardt, 27 July 1941, *FRUS 1941*, 1: 797-98.

strengthened during his next meeting with Stalin. During their second, and last, meeting on 31 July Stalin and Hopkins again discussed Soviet supply needs. In addition Stalin provided the US emissary with an appraisal of Soviet and German military capabilities. Stalin convinced Hopkins during this conversation that the Soviet Union would survive, and therefore deserved extensive American aid. Subsequently, Hopkins communicated this assessment to the President along with a recommendation to make arrangements to send British and American representatives to Moscow to participate in a supply conference.³⁷ Hopkins's whirlwind trip to the USSR concluded the next day, and he boarded an aircraft which carried him directly to Scapa Flow. Arriving there on 2 August, he immediately transferred to the HMS *Prince of Wales* where Churchill and several of his senior advisers joined him the next day. With all these dignitaries aboard, the *Prince of Wales* left port on 4 August bound for Placentia Bay, Newfoundland. The first summit meeting between Churchill and Roosevelt was about to commence.³⁸

Hopkins's interest in Soviet aid mirrored Roosevelt's desire to assist the Soviet Union. In co-ordination with the State Department, on 24 June 1941 the President had announced that the United States would extend all possible aid to the USSR. On 7 July Ambassador Oumansky (Soviet Ambassador to the United States) presented a detailed list of Soviet requirements to the State Department. Three days later Roosevelt notified Oumansky that the American Government would ship supplies particularly urgent for Russia's defence by 1 October 1941. The War Department knew nothing of the requests until after these promises had

37. Apparently Hopkins retained some doubt about the Soviet Union's ability to survive because he recommended that this meeting be scheduled between 1 and 15 October. Stalin had told Hopkins the Soviet front would be solidified by 1 October. Hopkins's Memoranda, Conferences held at the Kremlin, 30-31 July 1941 and Hopkins's telegram to Roosevelt, 1 August 1941 in *FRUS 1941*, 1: 802-15.

38. Wilson, *First Summit*, 53-60. Key members of the British delegation at the Atlantic Conference, 9-12 August 1941 included: Sir Alexander Cadogan, Admiral Pound, General Dill and Air Chief Marshall Freeman. In addition to Harry Hopkins members of the American delegation included Sumner Welles, Averell Harriman, Admiral Stark, General Marshall and General Arnold.

been made. This failure to notify Stimson and his senior military advisers about the Soviet requests resulted in some acrimonious exchanges within the Roosevelt Administration.³⁹ Not surprisingly, the sale of aircraft to the Soviet Union provided the initial impetus for disagreements over Russian aid within the Roosevelt Administration.

When Marshall first heard of the Soviet request for aircraft in mid-July he refused to consider it. As Marshall told General Arnold on 16 July, until US needs were met he was "unalterably opposed to the release of any U.S. pursuit planes and light and medium bombers". Two days later Marshall learned, through Sumner Welles, that the President had "ordered" the Air Corps to send a token number of P-40s and light bombers (approximately a squadron of each) to the Soviet Union. Marshall turned to Stimson and Robert A. Lovett (Assistant Secretary of War for Air) for assistance in the fight to retain these aircraft. Roosevelt refused to listen to these senior officials, and after another meeting with Oumansky, the President demanded that the War Department send supplies to the Soviet Union at once.

According to Stimson, on 1 August Roosevelt "made a big row in Cabinet...in regard to munitions to Russia. He pranced in saying that the Russian war had been going on for six weeks" yet the Russians "had been given a run-around here in Washington and nothing had been done for them". Roosevelt's tirade was aimed at the War Department, and Stimson immediately took exception to the President's remarks. The War Secretary told Roosevelt that his department knew only of the Soviet request for aircraft, and that no one in the War Department had any knowledge that the Soviets had given a list of essential war materiel to the State Department. Furthermore, Stimson insisted that confusion over aid to the Soviet Union "was due largely to the uncorrelated

39. Telegram, Welles to Steinhardt, 28 June 1941 and Memoranda by Welles, 7 and 10 July 1941, *FRUS 1941*, 1: 773-74, 788-89. Oumansky's list totaled almost two billion dollars worth of equipment, and included requests for 3000 pursuit aircraft and 3000 bombers. Harriman and Abel, *Special Envoy*, 74.

organization which the President had set up". For the moment Roosevelt said little more about the other war supplies, but he insisted on immediate aircraft deliveries to Russia.

On 2 August Marshall informed the President of the War Department's scheme to supply aircraft to the Soviet Union (it called for the diversion of several planes from Britain to the Soviet Union!), and the next day the Chiefs of Staff departed for the Atlantic Conference.⁴⁰ Churchill and Roosevelt were both keen to discuss Soviet aid at this conference. Given Britain's unscheduled aircraft "contributions" to the Russian war effort, the Prime Minister wanted to ensure that Soviet assistance would not be provided at Britain's expense. And the President's unwavering desire to provide war materiel to the Soviet Union meant Soviet aid remained one of his top priorities. Thus, when these two leaders met at Placentia Bay they quickly approved Hopkins's proposal in an effort to establish a coherent Anglo-American policy on Russian aid.⁴¹

Two supply conferences were scheduled based on Hopkins's proposal, a preliminary one in London to discuss the impact of Soviet aid on Anglo-American supply followed by the announced meeting with the Soviets in Moscow. After the Atlantic Conference concluded, Roosevelt himself outlined the ultimate goal for the delegates in a 30 August letter to Stimson. He stated:

I deem it to be of paramount importance for the safety and security of America that all reasonable munitions help be provided for Russia, not only immediately but as long as she continues to fight the Axis powers effectively. I am convinced that substantial and comprehensive commitments of such character must be made to Russia by Great Britain and the United States at the proposed conference.⁴²

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40. (1) Memorandum, Marshall to Arnold, 16 July 1941, (2) Memorandum, Marshall to Lovett, 18 July 1941, (3) Memorandum, Marshall to Roosevelt, 2 August 1941, in Bland, ed., *GCM Papers*, 2: 567-70, 583-84; Conference in Office of Secretary of War, 21 July 1941, Verifax 100, Reel 19/759, Marshall Library; 1, 4 August 1941, Stimson Diary. Because Hopkins would personally brief the President about overall Soviet supply needs at the Atlantic Conference Roosevelt probably decided not to press the War Department about other items on the Soviet list during the 1 August meeting.
41. "Notes on Roosevelt-Churchill Conference", 9 August 1941, Box 271, Arnold Papers; Joint Statement by Churchill and Roosevelt on Soviet Aid, 18 August 1941, *FRUS 1941*, 1: 822-23.
42. Memorandum, Roosevelt to Stimson, 30 August 1941, "Victory Programme, US Data", WPD 4494, RG 165.

Churchill echoed this belief in a 7 September 1941 message to the President.⁴³

The preliminary conference in London convened on 15 September. The British and American delegates to this London Conference approached the negotiations cautiously. Despite Churchill's and Roosevelt's support for these meetings, both sides believed they could afford to forfeit little war materiel. Lord Beaverbrook's (now Minister of Supply, and head of the British delegation) aggressive stance at the first meeting also did little to encourage compromise. During this session Beaverbrook suggested to Averell Harriman (head of the American group) that rather than have the United States Government establish a separate allotment for the Soviet Union, it should make an overall allocation of materiel to the British. British officials, in consultation with their American counterparts, would then re-allocate a portion of this materiel to the Soviet Union. Beaverbrook argued this method would protect British orders in America, while providing the Soviets with essential supplies. Harriman repeatedly rejected the suggestion, stating that both missions had to arrive in Moscow with a definite idea of what they could offer the Soviet Union. At the end of this first meeting Beaverbrook finally agreed to Harriman's position, and the negotiations commenced.⁴⁴

The Anglo-American conversations at the London Conference began in earnest on 16 September. The delegations were divided into five sub-committees: raw materials, army, naval, air, and transportation. Within these sub-committees the most serious disagreements were over the allocation of medium tanks and aircraft. In both cases the inadequacy of America's peacetime production for

43. Telegram, Churchill to Roosevelt, 7 September 1941, Kimball, ed., *Correspondence*, 1: 238-39.

44. Minutes, London Conference meeting, 15 September 1941, WPD 4557-4, RG 165. This citation, and subsequent ones, for the London Conference are American, but these records contain copies of both the British and American minutes. Purvis's absence from this conference (he had been killed in an aircraft accident on his way to discuss Soviet aid with Churchill and Beaverbrook at the Atlantic Conference) was sadly apparent. He knew his American audience too well to use such a belligerent approach. Jean Monnet also recommended a more subtle approach which Beaverbrook chose to ignore. See Letter, Monnet to Beaverbrook, 4 September 1941, D/503, Beaverbrook Papers, House of Lords.

meeting wartime requirements was apparent. For example, based on agreements reached in July 1941 the British expected to take delivery of 2718 US medium tanks between October 1941 and 30 June 1942. However, just two months after that promise was made, lagging American tank production indicated this delivery schedule required revision (the revised production figure showed a drop from an original goal of 5000 to less than 4000 medium tanks). President Roosevelt's intention to provide substantial materiel aid to the Soviet Union further necessitated a revision. As a result, Harriman's delegation proposed to reduce medium tank deliveries to Britain to 2096, to allocate a total of 795 medium tanks to the Soviet Union, and to give the US Army the remaining 926 tanks.

British officials learned of these proposed reductions while planning for Operation Crusader was underway, and shortly after a monthly shipment of 250 tanks to the Soviet Union was authorised (the British still expected their full quota of US tanks when they made this decision). Thus, not surprisingly, Beaverbrook's delegation vehemently objected to Harriman's proposal. The strength of the British protest prompted Harriman to contact Hopkins immediately. Hopkins, in turn, briefed Roosevelt on the situation, and the President immediately intervened on Britain's behalf. He ordered Stimson to double tank production by 30 June 1942, and to accelerate the delivery dates on current orders by 25 per cent.⁴⁵

A similar debate ensued at the London Conference over aircraft allocations. The Soviet Government had asked the British and American Governments for 400 planes per month. By the start of the conference the British already had promised to send 200 fighters each month. However, when the US

45. Report, Military Material to Russia, 16 September 1941, WPD 4557-4, RG 165; G-4 Memorandum for Patterson on Tank Production, 13 September 1941 and G-4 Memorandum for Aurand on Tank Production, 18 September 1941 in G-4/31691-1, sec. V, RG 165; Letter, Roosevelt to Stimson, 25 September 1941, G-4/31691-1, sec. VI, RG 165; Memorandum, Marshall to Moore, 22 September 1941, Bland, ed., *GCM Papers*, 2: 613-14; Gwyer, *Grand Strategy*, vol. 3, part 1: 151-52; Leighton and Coakley, *Global Logistics*, 99-101. For the detailed background on Anglo-American tank negotiations in the last half of 1941 also see file "England, 'Tanks'", Box 38, ASF, ID, RG 160.

delegation arrived in London it proposed to send a total of only 1100 US aircraft to Russia (120-125 aircraft per month). Not only was the American contribution short of the monthly allocation of 200 the British had expected, the 1100 planes were to be drawn largely from the aircraft promised to the British under the Lend-Lease provisions of ABC-2 (see pages 221-22). The British protested against such a hard blow to their aircraft programme, particularly in heavy bombers. Once again Roosevelt and Hopkins protected British interests. They agreed to allocate 200 planes monthly to the Soviets, and to shift the burden of the transfer to the US Army Air Corps. Ultimately the Air Corps was asked to provide 942 of the 1800 aircraft destined for the Soviet Union.⁴⁶

The London Conference concluded on 20 September 1941, and two days later Beaverbrook, Harriman and their staffs left for the Soviet Union. After the spirited exchanges in London, the Moscow Conference was anti-climactic. The British and American delegations had largely agreed on a policy for the allocation of supplies to the Soviet Union through 30 June 1942. Thus once they arrived in Moscow their primary purpose was to inform the Soviet Government of the extent of this aid. This mission was accomplished by Beaverbrook, Harriman, and Stalin during three meetings between 28 and 30 September, and then verified with the signing of the first Soviet Supply Protocol on 1 October 1941. After he won a legislative battle to extend Lend-Lease to the Soviets, Roosevelt officially approved the protocol commitments at the end of October and immediately offered Stalin one billion dollars of supplies under Lend-Lease.

46. Minutes of London Conference Air Sub-committee, 16-17 September 1941, WPD 4557-4, RG 165; Minutes, Conference on Further Determination of Russian Aid, 21-22 October 1941, WPD 4557-20, RG 165; The official histories largely reflect their own country's view of this debate. Gwyer, *Grand Strategy*, vol. 3, part 1: 152-53 exaggerates the initial American reduction in the British aircraft allocation proposed at the London Conference. And he ignores the later alterations made to the US programme which largely negated these suggested reductions. Furthermore, Gwyer suggests the American attitude toward tank allocation was unfair, and he does not mention Roosevelt's directive to increase tank production immediately. Conversely, Leighton and Coakley, *Global Logistics*, 99-101 downplay the significance of the reductions the British initially were asked to accept in both tanks and aircraft.

Once the Soviet leader accepted this offer, President Roosevelt publicly announced the arrangement with his 7 November 1941 declaration "that the defense of the Union of Soviet Socialist Republics is vital to the defense of the United States".⁴⁷

Roosevelt's desire to provide immediate materiel support for the Soviets was very reminiscent of his attitude toward the British after the fall of France. He moved quickly and decisively to ensure that substantial American aid was sent to the Soviet Union in a short period of time. However, this supply initiative was not integrated into an overall framework that supported Anglo-American strategy and its attendant supply requirements. The President still hoped, despite warnings from the War Department, the Office of Production Management, and the Supply Priorities and Allocation Board (OPM replaced the NDAC in early 1941, and in August, SPAB assumed some of OPM's responsibilities), to meet supply demands by shifting production priorities without converting to a wartime economy. Roosevelt's refusal to take this step meant it would fall to others to make this ultimate preparation for war. Where once in June 1940 he had forced the War Department to think more comprehensively about Anglo-American war preparations, in mid-1941 it fell to Stimson's organisation to spearhead these efforts.

47. Raymond Dawson, *The Decision to Aid Russia, 1941* (Chapel Hill, NC: Univ. of North Carolina Press, 1959), 249-54, 269-84. Dawson's work traces the changes in American public opinion that allowed Roosevelt to offer aid to the Soviet Union. He relies largely on secondary sources and the *Congressional Record* because most of the primary sources were closed when he did his research. Leighton and Coakley, *Global Logistics*, 101-102; John Langer, "The Harriman and Beaverbrook Mission and the Debate over Unconditional Aid for the Soviet Union", *Journal of Contemporary History*, 14 (1979): 471-73; Letter, Roosevelt to Stettinius, 7 November 1941, *PPA*, 1941: 481. George C. Herring, *Aid to Russia 1941-1946* (New York: Columbia Univ. Press, 1973), 1-48 also addresses early aid to the Soviet Union.

The Anglo-American Consolidated Balance Sheet

Although the OPM's powers remained far removed from the superagency that Roosevelt had approved in the 1939 Industrial Mobilization Plan, the President did grant it much more authority than its predecessor. In particular, Roosevelt authorised the OPM to "survey, analyze and summarize" the combined defence requirements of the United States and Britain (and other friendly foreign governments), as well as formulate economic mobilisation plans. Guided by this Presidential charter William Knudsen, the OPM's new Director General, decided to create a unified production programme based on American, British and other requirements. Stimson, Knox (both belonged to the OPM's governing council) and Purvis agreed with Knudsen's goal, and by 10 March 1941 they had compiled a preliminary statement of combined requirements. Even this first report contained some startling conclusions, including a claim that the aggregate requirements for some supplies over the next two years exceeded productive capacity by 50 per cent.⁴⁸ Knudsen hoped this information would inspire immediate measures to increase US production of essential war materiel. However, in the first half of 1941 no substantial changes in defence manufacturing occurred, and the manufacture of civilian goods continued uninterrupted. The OPM's lack of results from this initial attempt at a unified production programme, in turn, inspired the War Department's first initiative to compel the President to put the nation's economy on a wartime basis through the Anglo-American Consolidated Balance Sheet.

Undoubtedly inspired by the events in the Soviet Union and North Africa, Stimson decided in late June to revitalise Knudsen's concept of a combined Anglo-American statement. The War Secretary told Knox, Knudsen, Purvis, and Admiral Land (head of the Maritime Commission) that he intended to "prepare

48. Executive Order No. 8629, 7 January 1941, Policy Documentation File 014.5, Office of Production Management Papers, RG 179, National Archives (also in *PPA*, 1940: 689-92); CPA, *Industrial Mobilization for War*, 134-35.

promptly [a] consolidated balance sheet of defence production in the United States" in order to address "the important question of the allocation of the United States production". Not surprisingly, British (and Canadian) productive capacity most interested the War Department because of Britain's growing reliance on US defence production. Purvis realised the importance of this effort, and immediately forwarded Stimson's request to London, along with a strong recommendation that the British Government provide the War Secretary with the desired information as soon as possible.⁴⁹ Subsequently, Churchill approved this recommendation on 10 July 1941, and Purvis officially notified Stimson of this decision on 14 July.⁵⁰ The Supply Council Chairman continued to promote this balance sheet after initial approval had been granted. He believed this device offered an effective means to highlight chronic problem areas in American defence production. Particularly since this balance sheet, unlike its predecessor, would address only production statistics, Purvis hoped this information would prompt the American Government to curtail the manufacture of civilian goods in order to meet these combined defence requirements. Indeed, Purvis was in London the day before he died discussing the importance of Stimson's initiative.⁵¹

Even while Purvis encouraged continued British co-operation on the consolidated balance sheet, Stacy May (an OPM official attached to the War Department to compile the balance sheet) was on his way to London to ensure the British and American statistics were accurately incorporated into this document. By 28 August, May and his British counterparts had completed an estimate of existing stocks and expected Anglo-American production through the end of 1942. In the cold statistical columns of this Anglo-American Consolidated

49. Pursa 446, Consul-General to Foreign Office, 3 July 1941, CAB 115/6 (also found in PREM 3/475/7); Watson, *Chief of Staff*, 337. Purvis was also responsible for the Canadian production figures.

50. Minute, Bridges to Churchill, 7 July 1941, PREM 3/475/7; Letter, Purvis to Stimson, 14 July 1941, WPD 4494-1, RG 165.

51. Minute, Meeting with Purvis, 11 August 1941, AIR 20/2095.

Balance Sheet (as the document was officially known) the inadequacies of US defence production were revealed.⁵² Indeed, the problems were so pronounced that an intra-departmental feud erupted within the War Department over responsibility for the problems in the existing production programme.⁵³

Stimson himself enumerated the production limitations in a 23 September 1941 letter to Roosevelt which he attached to the President's copy of the balance sheet (a detailed document of 60 pages). The Secretary of War told the President that, according to these figures, the United States would produce less than two-thirds of the British-Canadian total for the current quarter which ended on 30 September 1941. America could only begin to surpass overall British-Canadian production in the latter part of 1942. On a bright note, the United States' projected output would soon surpass the other two nations in the production of medium and light bombers, light tanks and merchant ships. However, American production of heavy bombers, heavy tanks, anti-aircraft guns and anti-tank guns would continue to lag behind British-Canadian production even in the last quarter of 1942. Moreover no plan existed to accelerate production of these items beyond their current level.⁵⁴ Ironically President Roosevelt still refused to sanction any action which pushed the nation closer to a wartime economy, while his decision to aid the Soviet Union only increased the burden on America's defence industries.

52. (1) Pursa 525, Halifax to Foreign Office, 7 August 1941, (2) Note, meeting with Stacy May, 28 August 41, (3) Memorandum for Bridges, "Stacy May Balance Sheet", 29 August 1941 all in CAB 115/7. This document is also called the Anglo-American-Canadian Consolidated Balance Sheet, the Stimson Balance Sheet, and the Stacy May Balance Sheet.

53. See letters exchanged in September 1941 on "Military Requirements and Materiel Production", Production (secret) file, Box 165, Patterson Papers, Library of Congress.

54. Letter, Stimson to Roosevelt, 23 September 1941, WPD 4494-16, RG 165. Watson, *Chief of Staff*, 338, unfairly criticises the British contribution to the Anglo-American Consolidated Balance Sheet. He erroneously states that: first, substantial estimates only were made available to the Americans on 20 September (he made the common mistake of confusing the balance sheet with the more encompassing Victory Programme); and second, the British feared that release of this information might hurt their chances of increased aid (the British, in fact, were strong supporters of the drawing up of the balance sheet).

Nevertheless, this balance sheet marked an important development in the evolution of Anglo-American relations. By excluding future requirements from this document American officials were forced to concentrate on the existing capacity for defence production. And these figures revealed the relative weakness of America's materiel contributions in several categories. Indeed this document's detailed, impersonal statistics revealed more effectively than any impassioned speech could do the shortcomings in Roosevelt's piecemeal approach to American production. The Anglo-American Consolidated Balance Sheet alone presented a compelling case for the US conversion to a wartime economy in the interests of the Anglo-American coalition.

A Wartime Alliance: The Victory Programme

Stimson and other War Department officials recognised that the Anglo-American Consolidated Balance Sheet only pointed out the weaknesses in American war production. By May 1941, the Secretary of War, Marshall and Robert P. Patterson (Under Secretary of War) also had endorsed the formulation of a comprehensive war production programme based on sound strategical plans. However, these officials realised that this effort required the President's support and close co-operation with the British. Once Roosevelt officially requested this plan in July 1941, a combined programme gradually emerged which specifically calculated ultimate production requirements based on Anglo-American strategies to defeat Germany. By the end of September, this Victory Programme (as it became known) effectively had removed any remaining barriers to the integration of the British and American war efforts.⁵⁵

55. Depending on the purpose of their work, historians tend to concentrate on either grand strategy or production requirements when they discuss the Victory Programme. Historians who focus on the supply aspect of the Victory Programme include: Hancock, *North American Supply*, 321-34; CPA, *Industrial Mobilization For War*, 125-41; Leighton and Coakley, *Global Logistics*, 126-34. Matloff and Snell, *Strategic Planning*, 58-62; Langer and Gleason, *The Undeclared War*, 736-41; and Sherwood, *Hopkins*, 410-18 are interested primarily in its strategic aspect. The standard reference on which many researchers rely is Watson, *Chief of Staff*, 331-366. Watson's work, in general, provides a good account of the American contribution to the Victory Programme. But given his focus, he largely ignores the

Patterson first proposed the creation of a Victory Programme to Stimson in mid-April, just weeks after the conclusion of the ABC talks. In a letter to the Secretary, Patterson maintained that "a decision should be made as promptly as possible on the production effort necessary to achieve victory on the basis of appropriate assumptions as to probable enemies and friends and theaters of operation".⁵⁶ However, despite interest in Patterson's proposal, little progress was made until 9 July 1941. On that date, Roosevelt elevated this estimation of victory requirements to the highest level of government when he wrote to the two Service Secretaries and asked them to explore "at once the over-all production requirements required to defeat our potential enemies".⁵⁷

The President's letter did not mention any British input. None-the-less, American officials at lower levels appreciated the need for British participation in the creation of this estimate. Thus, almost immediately, the British Joint Staff Mission in Washington learned unofficially of Roosevelt's request. The Joint Staff Mission, in turn, informed London authorities of the American estimate. Based on this information the British Chiefs of Staff proposed that Churchill suggest "a joint study of our production programmes" in his next cable to the President. The message would not mention the US Victory Programme, so that no discernible link would seem to exist between the American programme and Churchill's proposal. The Prime Minister agreed with his senior advisers and sent the suggested message to Roosevelt on 25 July 1941.⁵⁸

British contribution. However, as originally conceived, both aspects contributed equally to the final version of this programme. And no satisfactory account showing the interrelationship between grand strategy and production requirements in the Victory Programme exists.

56. Memorandum, Patterson to Stimson, 18 April 1941, JB 325 (Serial 692), RG 225. Note the similarity between the phrasing in this memoranda and that found in the ABC final report.
57. Watson, *Chief of Staff*, 335-37; Letter, Roosevelt to Stimson and Knox, 9 July 1941, JB 355 (Serial 707), RG 225.
58. "Future Operations and Requirements", JP (41) 549, 17 July 1941, CAB 122/122; Minute for Prime Minister, 18 July 1941, WO 193/307; Telegram, Churchill to Roosevelt, 25 July 1941 and Draft Telegram, Roosevelt to Churchill, 8 September 1941, Kimball, ed., *Correspondence*, 1: 224, 239-41.

The Anglo-American initiative to work toward a combined Victory Programme was well underway at lower levels by the time Churchill received a formal response from Roosevelt. The day the Atlantic Conference opened the British Joint Staff Mission reminded London authorities that a strategically based "joint Anglo-American Estimate of War Material required to defeat [the] enemy should be made [available] as soon as possible". During this first summit meeting, Colonel Bundy (from WPD) allowed Brigadier Dykes (from the Joint Planning Staff) to review a draft copy of the US programme. And shortly after the conference ended, Stimson officially asked Chaney, the Special Army Observer in London, to "obtain from [the] British [a] statement of their ultimate air and ground requirements".⁵⁹ The British Chiefs of Staff actually agreed to Stimson's request on 28 August, but they reminded Churchill that only a joint staff study would ensure that Anglo-American requirements had been accurately estimated. Thus, prompted by his senior military advisers, Churchill contacted the President that same day (apparently by telephone) and again proposed a joint study. Although Churchill's request was granted officially only on 8 September, Roosevelt's memorandum to Stimson on 30 August indicates that, in fact, he immediately agreed to the Prime Minister's suggestion. In any case, the British and American staffs already had worked closely together for over a month on the Victory Programme by the time Roosevelt and Churchill officially sanctioned a joint study.⁶⁰

59. Telegram, Stimson to Chaney, 21 August 1941, WPD 4494-5, RG 165; Gleam 104, Washington to Admiralty, 9 August 1941, AIR 8/414.

60. Note, JP (41) 699 (0), 28 August 1941 and Note, COS (41) 180 (0), 28 August 1941 in CAB 122/122; Memo, Roosevelt to Stimson, 30 August 1941, WPD 4494, RG 165. Interestingly, because the earlier accounts of the Victory Programme rely on either British or American primary sources, rather than both, they fail to point out the remarkable amount of unofficial co-operation between British and American long before Roosevelt agreed to a conference.

A. The Victory Programme: The British Dimension

Although the Victory Programme originated in the United States, the British completed their portion of this programme before the Americans. Anglo-American planners discussed this British contribution to the Victory Programme in special sessions at the London Conference in September 1941. In their first meeting on the Victory Programme on 17 September the Anglo-American Planning Sub-committee discussed the three primary concepts forming the strategic basis for Britain's overall production estimates.⁶¹ First, they reaffirmed that ABC-1 remained the foundation for Anglo-American strategy. Second, they emphasised the importance of a recent British Joint Planning Staff appraisal, originally completed for the British Chiefs of Staff, which stressed that in order "to beat Germany to her knees" the following methods should be employed: "an air offensive limited only by aerodrome capacity", a "rigorous blockade", "large scale sabotage, subversion and propaganda" and ultimately a limited ground offensive on the Continent (they assumed that an invasion of Western Europe would be impossible until the fighting efficiency of the German forces was reduced significantly). Finally, the British delegates acknowledged the importance of providing aid to the Soviet Union, China, and other friendly powers, while emphasising these other theatres of war must not interfere with Anglo-American commitment to victory in Europe.⁶² The American delegates readily accepted these strategic principles and the British production estimates on which they were based.

The British Victory Programme was divided into four requirement lists (Naval, Army, Air, and Merchant Shipping) and a partial listing of priorities.

61. The British representatives on the sub-committee were Brigadier Dykes, Air Commodore Dickson, and Captain Bellars. The US representatives were Brigadier General McNarney (absent for some meetings), Lt Colonel Bundy, and Captains (USN) Thomas and Wentworth.

62. Letter, Dill to Weymss, 31 July 1941, WO 193/306, much of the JPS appreciation contained in this letter appears in the final Victory Programme report; Interim Report, BH (41) 10, 17 September 1941, WPD 4494, RG 165.

Some of the more significant requirements the British desired from the United States by July 1943 included: for the Royal Navy, 12 auxiliary aircraft carriers, 10 destroyers and 20 submarines; for the Army, 28,000 tanks, 12,000 light anti-aircraft guns, and 2,750,000 rifles; for the Royal Air Force, approximately 7000 heavy bombers, 4000 light bombers, and 2500 single seater fighters; and for merchant shipping, 3,750,000 tons of non-tanker tonnage per year. Top production priority was allotted once again to heavy bombers, tanks, and merchant shipping. However, a complete priority listing for all requested materiel was unavailable at the time.⁶³

The Planning Sub-committee presented the Victory Programme to the final plenary meeting of the London Conference on 20 September. The British members briefly explained the strategic concepts behind the programme, reviewed how the estimates were calculated, and pointed out the urgent need to integrate this component of the Victory Programme with the American portion. Despite his relatively junior rank, Bundy spoke for the American delegation and assured the British that this integrative process would commence immediately upon the return of some of the US representatives to Washington. He also promised that any allocation conflicts between the British and American staffs would be settled "on a strategical basis" in Washington.⁶⁴ Shortly after this meeting concluded, the US delegation split up, with those members not travelling on to the Soviet Union returning to the United States with copies of the British Victory Programme.

Thus British planners devoted most of their Victory Programme report to estimated requirements of US-produced materiel for the British war effort. The British adopted this approach because they already knew their own maximum production rate, manpower availability, wastage rates, and general strategy to defeat the Germans. The British officials briefly summarised this information in

63. Report, "Victory Requirements", BH (41) 14, 19 September 1941, CAB 122/122.

64. Conference, BH (41), 2nd Meeting, 20 September 1941, WPD 4494, RG 165.

their Victory Programme contribution, explained how it influenced production estimates, and then devoted the rest of their report to production estimates. American war planners, however, lacked similar raw data and therefore approached the US contribution to the Victory Programme differently.

B. The Victory Programme: The American Dimension

The American version of the Victory Programme was more concerned with strategy than production. It began with an estimate of Germany's future strategy, as well as a hypothetical Allied grand strategy (based on ABC-1) to guide the United States and its associates in their war against the Axis powers. These assessments were accompanied by a three-phased concept of operations for ultimate defeat of Germany. Phase one, already underway, included the initial expansion of production and the armed services, relief of British garrisons in the Atlantic, and increased naval operations. The second phase would commence when the United States declared war, and it would be marked by "a strategic defensive in all theaters". During this phase the most important goal was to halt Axis expansion. This middle phase also stressed the importance of the rapid expansion of American industry in order to meet ultimate production requirements. The last phase, a final offensive against Germany (a defensive stance in the Pacific was still assumed) sometime after 1 July 1943, would begin once the other requirements had been filled.

The Victory Programme contained additional details about US plans for fighting Germany. The Army attached an exhaustive "estimate of ground forces" which discussed in much greater depth the strategy to defeat Germany. Unlike the British, US Army officials already believed that a large commitment of ground forces to the Continent would be necessary. Hence, Major (later Lt Gen) A.C. Wedemeyer (WPD's principal planner for the Victory Programme) maintained that the British strategy to defeat Germany was too passive. Noting plans mentioned in the British contribution to the Victory Programme,

Wedemeyer asked "are we going to retain a passive concept or are we going to adapt plans that contemplate action - rigorous offense against our principal [enemy?] Does anyone envisage military operations that are daring, aggressive, and offensive in character?" Wedemeyer believed that the United States must be prepared to take the initiative and "prepare to fight Germany by actually coming to grips with and defeating her ground forces and definitely breaking her will to combat", rather than relying on blockades, air offensives, and subversive activities as the British planners suggested.⁶⁵ In order to estimate the ultimate production requirements for a large land army, Wedemeyer believed military planners first would require a plausible approximation of the US Army's size at the height of the nation's involvement in the war.

Originally, Wedemeyer's desire to create a manpower estimate caused consternation in the War Department. John J. McCloy (Assistant Secretary of War), fearing that uniformed planners were interested in manpower expansion to the detriment of materiel production, argued that a nation's ability to fight should be measured primarily by its productive capacity rather than the number of men it could put into uniform. General Gerow (the head of WPD) assured McCloy that Army planners appreciated the interrelationship between the two estimates and evidently won authorisation for Major Wedemeyer to begin work on the manpower estimate.⁶⁶ Wedemeyer estimated the nation's total able-bodied manpower available as of 1 July 1943, subtracted from this figure the number of men the Navy, industry, and other essential wartime organisations might require, and then assumed the remainder would serve in the Army or Army Air Forces. Thus, he estimated a peak strength of 8,795,685 for the Army (in fact his estimate was quite accurate since the Army's peak strength was 8,291,336 on 31

65. See Wedemeyer's marginal comments on BH (41) 10, 17 September 1941 and BH (41) 14, 19 September 1941 in WPD 4494, RG 165; "Ultimate Requirements Study", 11 September 1941, JB 355 (Serial 707), RG 225.

66. Memorandum, McCloy to Gerow, 31 July 1941 and Memorandum, Gerow to McCloy, 5 August 1941, in ASW 004.401 Victory Program (McCloy), (8-18-41), Xerox 1998, Marshall Library.

May 1945) which he then divided into 215 divisions, including 61 armoured divisions (this estimate was much less accurate: 91 divisions were actually activated, and only 16 were armoured divisions). Once Wedemeyer had translated this total manpower figure into major units, the ultimate munitions requirements for the Army's ground forces could easily be calculated.⁶⁷

An air estimate of any sort was noticeably absent from these munitions calculations. The War Plans Division had neither the time nor the expertise to compile the ultimate production requirements for the Army Air Forces. But it was also reluctant to relinquish all control over the air component to General Arnold's new Air War Plans Division. With the creation of the US Army Air Forces in June 1941, Arnold had been authorised to create a planning division as part of the authorised Air Staff (see pages 237-38). But the Air War Plans Division's first chief, Lieutenant Colonel Harold George reported for duty only on 10 July 1941 - the day after Roosevelt requested an overall production programme.⁶⁸ In the first three weeks of its existence an important bureaucratic and doctrinal struggle ensued between the Air War Plans Division and its ground counterpart. The War Plans Division originally proposed that Colonel George and his staff work under WPD's supervision. George insisted that unless his division could work separately and could submit an independent report, no help would be forthcoming. The air planners, in particular, feared that if the War Plans Division controlled the final air report, it would restrict the Army Air Forces to a close air support role rather than plan for a strategic bombing offensive against Germany. Arnold and George adamantly adhered to this

67. Memorandum, Gerow to Marshall, 10 September 1941, JB 355 (Serial 707), RG 225. Various reasons contributed to the dramatic decrease in the number of divisions, including the discontinuation of certain specialty units as separate types because they were considered too vulnerable to enemy attack, and a significant increase in the ratio of service forces to combat elements. Watson, *Chief of Staff*, 344.

68. Maj Gen (ret), Haywood Hansell, *The Air Plan that Defeated Hitler* (Atlanta: Higgins-McArthur, 1972), 1-2.

position, and on 4 August George finally received authorisation to prepare the "Air Annex" for the Victory Programme (commonly known as AWPD-1).⁶⁹

With this charter, the small Air War Plans Division staff struggled to create quickly a comprehensive statement on the employment of air power in Europe that would be equally acceptable to air enthusiasts and their opponents. The resultant AWPD-1 accomplished this goal remarkably well. It described in detail three "lines of action" to guide the Army Air Forces in its conduct of a strategic air offensive in Europe. The first line of action called for attacks against Germany's electric power installations, transportation system, oil and petroleum industry, and civilian housing. The second line emphasised the neutralisation of the Luftwaffe, and the third course of action listed diversion objectives (targets essential to destroy but representing a diversion from the first two objectives) which included attacks on German naval bases and possible "invasion" installations. In AWPD-1, the air planners even compiled a list of 154 total targets to destroy in order to meet these three goals. In addition to targeting, AWPD-1 addressed the different roles the bombers, pursuit, and transportation aircraft would play in the European air war. Furthermore, the bombers' essential role in a strategic air offensive prompted the planners to look at basing requirements, and to estimate the number of American aerodromes required in theatre to maintain this offensive. Since Britain was too small to accommodate all of these required airfields, the air planners also devised alternative basing plans for US aircraft.

The actual calculation of production requirements was secondary to the creation of these strategic and operational estimates. Due to time constraints, George's division drew most of their production estimates from a study submitted to OPM on 18 July. They estimated that by 30 June 1943 an air offensive would require over 43,000 additional aircraft, including more than 25,000 combat aircraft and 18,000 trainers (the current aircraft inventory

69. Hansell, *Air Plan*, 62-6.

included 919 combat aircraft and 4547 trainers). Although the planners included air defensive requirements for the Pacific theatre these were extremely limited because it had been assumed that the primary responsibility for Pacific defence would remain with the US Navy.⁷⁰ The Air War Plans Division accomplished this work quickly and by 22 August, George and his staff had already won the approval of Lovett and Gerow for this new air plan. On 30 August Harriman, Marshall and Arnold all endorsed AWPD-1, and on 4 September Knudsen gave his approval despite concern about industry's ability to meet these requests. Finally on 11 September Secretary of War Stimson gave his permission to include AWPD-1, as submitted, in the Victory Programme Report for the President.⁷¹

Compared to the ground and air components, the maritime contribution to the Victory Programme was much narrower in scope. Perhaps because the Pacific remained the US Navy's primary theatre of operations and the Victory Programme concentrated on the European theatre, the naval assessment was the only one of the three which focused almost solely on production requirements. This maritime component added little to the joint statement on general strategy at the beginning of the Victory Programme. Instead, it concentrated on outlining, by vessel type, requirements through 31 December 1946 (including vessels already under construction). As of 1943, planners anticipated dramatic changes only in the number of available destroyers and submarines. The US Navy wanted an additional 164 destroyers and 59 submarines by the end of that year.⁷²

70. AWPD-1, "Ultimate Requirements", 11 September 1941, JB 355 (Serial 707), RG 225; AWPD-1, "Graphic Presentation and Brief", October 1941, Subject File, Box 65, Spaatz Papers.

71. Hansell, *Air Plan*, 93-6. While this remarkable document contained the first complete plan for the conduct of US air operations in Europe, the historians who treat the Victory Programme either ignore AWPD-1, or dismiss it in a few sentences. Some specialised studies have been written on the plan, most notably Hansell's *The Air Plan that Defeated Hitler*. But such studies exhibit a strong bias in favour of the US Army Air Forces. Hansell, for example, only vaguely alludes to the connection between the complete Victory Programme and AWPD's contribution. His primary interest is to show the evolution of an independent air operations plan.

72. Materials Recommended by the Navy, "Ultimate Requirements", 11 September 1941, JB 355 (Serial 707), RG 225. Interestingly, the US Navy programme did not

Despite its relatively narrow scope, the Navy's input to the Victory Programme infringed on the Army's estimate sufficiently to delay the submittal of the final document to the President. The source of the Army-Navy dispute was the Navy's estimate of ultimate wartime manpower requirements for both services. Naval planners believed that a one million man Army expeditionary force would be sufficient for the war in Europe, while the Navy's personnel requirement for the expanded fleet was estimated at 1,100,000, plus 150,000 Marines. The Army learned of these Naval estimates on 9 September (the President's deadline was 10 September), and not surprisingly, its senior officials refused to submit the full Victory Programme to the President until the Navy withdrew its Army manpower projection. Two weeks had passed by the time the differences were settled. Roosevelt finally received his Ultimate Production Requirements Report on 25 September 1941.⁷³

The document the President received from the Service Secretaries far exceeded anything he had requested. The ultimate production listing included estimated requirements from the United States, Britain, and other friendly powers (this list was 20 pages long although it only listed critical items). Planners estimated this programme would cost 120 billion dollars, and they projected an actual completion date of June 1944.⁷⁴ However, most of the document was devoted to the above mentioned views on future strategy and operations in the European Theatre. The Army and the Army Air Forces, in particular, had used Roosevelt's 9 July 1941 charter to clarify their own wartime responsibilities. Perhaps this tangential approach to the President's request accounted for Roosevelt's lack of response to the Victory Programme once he

even include a landing-craft estimate. The British programme called for 1300 Tank Landing Craft and 13 Tank Landing Ships. Victory Requirements, BH (41) 14, 19 September 1941, Annex 1, Requirements of the Royal Navy, CAB 122/122.

73. Materials Recommended by the Navy, "Ultimate Requirements", 11 September 1941, JB 355 (Serial 707), RG 225; Memorandum, Wedemeyer to Gerow, 9 September 1941 and Memo, Gerow to Marshall, 10 September 1941, WPD 4494-10, RG 165; Watson, *Chief of Staff*, 351-52.

74. 9 December 1941, Stimson Diary.

had received it (he took no action on the programme before Pearl Harbor). The late submittal of this document could also explain his unenthusiastic reaction, since he set the 10 September deadline so that the information would be available to Harriman's delegation. But most likely, the sheer magnitude of the overall programme prompted Roosevelt's inaction. This programme unquestionably demanded a centralised war economy, and in September the President remained unwilling to deny consumer goods to civilians and to relinquish some of his own Presidential prerogatives to a superagency for wartime production.

The President's inaction thrust the Victory Programme into the background until 4 December 1941. On that day, the *Chicago Tribune* accused the United States Army of preparing detailed plans for a war in Germany, and it substantiated these claims by quoting several passages from the highly classified Victory Programme! Although Stimson called a press conference on 5 December to limit the damage done by the *Tribune*, only the attack on Pearl Harbor a few days later saved the War Department from closer scrutiny of its war preparations. However, the security breach could not be easily mended - the German embassy immediately reported the published details of the Victory Programme to Berlin. And even after Pearl Harbor, the German war planners continued to scrutinise the Embassy reports in detail for information on the "Anglo-Saxon war plans" although German planners recognised that the Japanese attack would alter this war plan significantly.⁷⁵

The multi-dimensional Victory Programme offered two detailed blueprints for the Anglo-American wartime alliance. Roosevelt's failure to convene the promised conference to integrate these two contributions to the Victory Programme meant that important differences remained to be addressed within this coalition; but this did not detract from the overall alliance envisioned

75. Watson, *Chief of Staff*, 359-60, see especially page 359, note 79, which quotes from a 14 December 1941 Wehrmacht report on the Victory Programme; Telegram, Thomsen to Foreign Ministry, 4 December 1941, *DGFP*, 13: 950-51; Tracy Kittredge, "A Military Danger", *United States Naval Institute Proceedings* (1955): 731-43.

by planners on both sides of the Atlantic. Moreover, the American component of the Victory Programme demonstrated that US planners finally recognised that the defeat of Germany and its allies would require a total commitment by the United States to mobilise, train, and equip a force capable of conquering Germany and liberating occupied Europe. Most importantly, senior officials in both countries acknowledged that the successful implementation of this final offensive against Germany depended on a close Anglo-American alliance, measured by a mutually acceptable strategy and a shared production programme.

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During the latter half of 1941 the US increased its commitments to the British war effort in the Atlantic and the Middle East. And the Anglo-American decision to aid the Soviet Union demonstrated the willingness in principle of officials from both Governments to embrace their old adversary in order to defeat Hitler. Despite the United States' overt support for the British and the Soviets, as the Anglo-American Consolidated Balance Sheet revealed, America's war materiel contributions remained unimpressive when compared to Britain's. The US decision to create an Anglo-American Victory Programme acknowledged that an all-out commitment to victory must replace these piecemeal contributions to the war effort. This report demonstrated that neither of its contributors had any illusions about the difficulties inherent in defeating the Axis powers, even with full US participation. However, it also indicated the two countries' commitment to a full wartime coalition for as long as necessary in order to defeat the Axis powers. Originally, in June 1940, Roosevelt had forced American military planners to think in terms other than hemispheric defence. But in the last half of 1941 these military planners, not Roosevelt, used the Victory Programme to spearhead efforts to integrate long-term Anglo-American strategic goals and the supply requirements to fulfill them. These planners, even more than their

President, realised the importance of complete British and American preparation for the inevitable moment when the US would become a full combatant. Consequently, they based their plans on a strong Anglo-American coalition because its existence was an essential precondition for victory over Germany.

Chapter X

Conclusion

In the early stages of its formation, the Anglo-American coalition of the Second World War was built largely on supply negotiations and agreements between the two countries. Between 1939 and 1941 the Anglo-American supply relationship gradually blossomed to the point that it encompassed several other areas, including naval escort policies, theatre operations, and grand strategy, as well as the production and allocation of war supplies. Correspondingly, this widening scope of issues addressed by the two Governments further strengthened the fundamental ties created by their early supply relationship. The ultimate result was a mature Anglo-American wartime alliance prior to the US declaration of war. This alliance did not mean that the two countries were always in agreement, either before or after America became a full belligerent. But it did demonstrate that even prior to Pearl Harbor both nations recognised that the best hope for defeating the Axis powers rested in a close Anglo-American relationship, sometimes even at the expense of national interests. And in this sense, the alliance marked the culmination of a remarkable evolution in Anglo-American relations since 1914.

During the Great War, the Anglo-American alliance did not receive the careful cultivation that it would during the Second World War. Some officials on both sides of the Atlantic recognised the importance of a close relationship, most notably Stettinius, Page, Wiseman, and Churchill. But their numbers (and sometimes their credibility) were not sufficient to achieve effective integration of the war efforts of the two countries. Several reasons contributed to this situation. For example, Wilson and Lloyd George never established a close, personal relationship like that between Roosevelt and Churchill. Moreover, only partial integration of the senior military staffs of the two countries was achieved.

Finally, the supply relationship never stabilised because of frequent changes in the British missions and America's failure to centralise purchasing arrangements until late in the war. Before April 1917, the relationship between these two countries was sometimes marked by acrimony and, at other times, by close co-operation. After the United States entered the First World War the need to defeat Germany brought the two countries closer together. But the alliance remained unsettled throughout the period of America's belligerency, and the war ended before a more effective, co-operative arrangement could emerge.

Once the First World War had ended, disagreements between the two countries led to a rapid decline in Anglo-American relations. Throughout most of the interwar period this relationship was characterised by disputes concerning arms limitation, freedom of the seas, and Far Eastern policy. By the late 1930s the Sino-Japanese War and early German expansionism provided compelling reasons for Britain and the United States to put aside their differences. Quite clearly, the world situation demanded that hostilities born of various interwar disagreements had to be overcome in order to ease the way for a closer Anglo-American relationship.

The early supply relationship between these two countries provided the means to encourage Anglo-American co-operation. In part, the supply relationship was chosen as the primary vehicle for Anglo-American co-operation in the late 1930s because of lessons learned from the First World War. From this conflict, British and American officials recognised that an effective supply relationship would require: first, the early establishment of proper supply channels because of the time lag between order placement and delivery of the more sophisticated war materials; and second, the formation of a centralised organisation to co-ordinate supply negotiations between the two Governments. Moreover, American politicians could stress the non-military aspects of supply negotiations to foster Anglo-American co-operation and avoid domestic political criticism. In the late 1930s and early 1940 the Roosevelt Administration could

not afford to fuel isolationist arguments which declared that the President was leading the nation to war. Collectively, these factors inspired the establishment of a single British purchasing agency in the United States after Britain had declared war on Germany.

Once the British Purchasing Commission had been established, Arthur Purvis and Henry Morgenthau superbly guided the development of the Anglo-American supply relationship through the difficult days of the Phoney War up to the fall of France in mid-1940. Their personal relationship offered a means to achieve considerable Anglo-American co-operation at a time when no other clear avenue was available. Unlike the First World War, the close rapport between these two men ensured considerable continuity in the early months of this purchasing arrangement. Moreover, because of their friendship Purvis could brief Morgenthau thoroughly on British purchasing requirements, and then rely on Morgenthau to present these requests to senior US Government officials. This process frequently made Morgenthau the most compelling spokesman for British supply needs. However, the Americans also profited from this arrangement because Morgenthau's unique position gave him the power to press British authorities for various privileges, such as an increase in the number of US observers assigned to the British forces or access to more complete battle damage reports on US equipment.

After Dunkirk, military planners on both sides of the Atlantic gradually became more involved in the Anglo-America supply relationship because both countries were concerned with having adequate supplies for their forces, and supply negotiations offered a relatively innocuous way to introduce issues more directly concerned with grand strategy and the conduct of the war. In the months immediately after the French surrender, British and American military planners concentrated on the equitable distribution of US war supplies. The British needed American war materiel to replace depleted supply stocks, especially after the loss of vast stockpiles of heavy equipment during the Dunkirk evacuation, and US

military officials wanted this same materiel to accelerate American rearmament. The resultant scramble for these scarce war materials created dissension between the British and American planners. Roosevelt's decision to intervene directly and authorise additional British aid partially settled this debate. But it was Britain's determination to survive which finally convinced US military planners of the wisdom of this decision, and resulted in their desire to consider seriously the role of an Anglo-American alliance in America's defence strategy. This new willingness of American military and naval officials to work with the British gradually fostered an atmosphere conducive to closer Anglo-American co-operation in general.

Furthermore this positive atmosphere, supplemented by ever-increasing supply needs and a growing fear in America that the US would soon be at war, encouraged dramatic gestures of co-operation, such as the ABC talks and Lend-Lease. By early 1941, British and American planners viewed the production and allocation of war supplies and strategic considerations as virtually indistinguishable. With the creation of the Victory Programme planners on both sides of the Atlantic confirmed this interdependency. To previous Anglo-American agreements, the Victory Programme added a comprehensive production plan and a grand strategy to win the war.

There was no precedent for the Victory Programme, which made its creation all the more remarkable. Certainly no equivalent agreement emerged among any of the participants in the First World War. And during the Second World War neither Britain nor the United States achieved a similar level of co-operation with the third member of the Grand Alliance, the Soviet Union. Indeed, before June 1941, British and American fears of Bolshevism, the legacy of the western intervention in the Russian Civil War, the 1939 Nazi-Soviet Non-Aggression Pact, and the Russo-Finnish War collectively created an atmosphere of distrust which permeated Anglo-Soviet, and American-Soviet relations. This situation remained unchanged until the commencement of Operation Barbarossa.

And although Soviet relations with Britain and the United States improved dramatically after the German invasion of the Soviet Union, much distrust among these nations remained. Additional problems prevented the creation of a close alliance during the Second World War, including the dangers of travelling to the geographically remote Eastern Front, and the lack of British and American personnel, productive capacity, and inclination to provide assistance in the quantities that Stalin desired.

Moreover, among the Axis powers no relationship equivalent to this Anglo-American alliance existed. Official propaganda may have emphasised the closeness of the overall relationship between Germany and Italy, but the reality was quite different. Most importantly Germany and Italy did not share similar strategic aims. Indeed, as an interesting contrast to the Anglo-American cultivation of the original supply relationship in order to integrate the British and US war efforts, in 1940 the Italian Government refused an offer from Walther Funk (German Minister of Economics) for close economic collaboration. Senior Italian officials feared such a relationship would prevent Italy from pursuing its own strategic objectives. Given this fundamental disparity in objectives, there was little likelihood of any support for the creation of a German-Italian equivalent of the Victory Programme.¹

The Victory Programme cemented the Anglo-American wartime coalition to an unprecedented extent even before the attack on Pearl Harbor. But it was only during the early Anglo-American conferences held after the United States had entered the war that the importance of this programme became apparent. Based on the requirements and recommendations contained in the Victory Programme, British and American delegates to the First Washington (Arcadia) Conference (22 December 1941 to 14 January 1942) agreed that the munitions resources of Britain and the United States should belong to a common pool. They

1. Alan S. Milward, *War Economy and Society 1939-1945* (Berkeley, CA: Univ. of California Press, 1979), 37-8.

also decided to create the Combined Munitions Assignments Board (which would also be a sub-committee of the newly created Combined Chiefs of Staff) to allocate this war materiel based on strategic need.² Moreover the United States Government began to work toward a more feasible ultimate production programme using the Victory Programme as a departure point.

At the Second Washington Conference (19-25 June 1942) US senior military planners continued to advocate a Victory Programme-based strategy for the ultimate defeat of Germany. Marshall, in particular, wanted to avoid any confrontation in 1942 (such as Britain's proposed invasion of French North Africa) that would not contribute directly to the final offensive against Germany, to be launched after 1 July 1943. Thus when Churchill and his military planners continued to advocate the North African offensive during the June conference, senior US War Department officials implored the President to disapprove the idea.³

In July 1942 Marshall finally lost this plea. Since Roosevelt wanted US ground troops to undertake action in the European theatre of operations by the end of the year, Marshall reluctantly agreed to the British proposal to launch an offensive in North Africa. Given Roosevelt's directives, he considered a North African campaign the least harmful course of action for the Allies to follow until an all-out European invasion could be launched. Thus, well into 1942, senior War Department officials adhered to the Victory Programme's projected timetable and strategy for a European offensive. And, although political considerations delayed its implementation, the Allies' offensive to liberate

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2. US Minutes, Churchill and Roosevelt meeting with Military Advisers, 14 January 1942 and Memoranda of Agreement between Churchill and Roosevelt, 14 January 1942, in US Department of State, *Foreign Relations of the United States: Conferences at Washington, 1941-1942, and Casablanca, 1943* (cited as *FRUS Conferences*), (Washington, DC: GPO, 1968), 204-206, 359-61.
 3. Letter, Stimson to Roosevelt, 19 June 1942, *FRUS Conferences*, 457-60.

Europe launched in 1944 was patterned after the one outlined in this prewar plan.⁴

Beyond the Victory Programme, the Anglo-American supply relationship between 1939 and 1941 introduced several topics that would continue to concern Churchill and Roosevelt in 1942. For example, although the combined boards had immediate responsibility for the production and allocation of resources, the scarcity of crucial items (such as tanks, aircraft and landing craft) meant that the allocation of this materiel frequently had to be considered at the very highest level of government. Indeed, an examination of the messages exchanged between Churchill and Roosevelt during 1942 reveals their participation in several supply debates, including: aid to the Soviet Union and China, aircraft and shipping allocations, and Lend-Lease. This concern diminished by 1943 as the American war economy began to meet the manifold demands the Allies placed on it, and Churchill and Roosevelt concentrated increasingly on strategic and postwar issues. But especially because of questions pertaining to the Lend-Lease agreement, supply concerns would periodically occupy these two leaders for the remainder of the war.

Finally, although the Anglo-American wartime relationship would expand far beyond the initial boundaries of the supply relationship, throughout the Second World War the early British organisations in the United States (such as the British Supply Council) remained intact. The British Joint Staff Mission, created in 1941 as a result of the ABC talks and the desire to provide sound strategic justification for British supply requests, assumed a particularly important, albeit unanticipated role when Field Marshal Dill assumed command of this organisation in January 1942. Dill's arrival in Washington marked the beginning of his close friendship with General Marshall. And their friendship would have implications for the Anglo-American alliance which rivalled, perhaps

4. Memorandum, Roosevelt to Marshall, *et al.*, 16 July 1942 in Sherwood, *Hopkins*, 603-605; Larrabee, *Commander in Chief*, 137.

even exceeded, the Purvis-Morgenthau relationship in importance. Together Dill and Marshall discussed the various strategic plans of their respective Governments, and informally settled many major and potentially disruptive differences.

The early existence of the wartime coalition, however, did not mean that the Anglo-American alliance was problem-free once the United States had entered the war, as the controversy over North Africa demonstrated. Indeed after 1941, the Anglo-American wartime coalition continued to face the difficult task of trying to balance national and alliance interests, and American belligerency frequently exacerbated the difficulty of this task. For example, American planners were more reluctant to provide promised war supplies to Britain because they wanted to issue them to US forces once the United States was officially at war. This reluctance accounted for the 1942 decrease in the munitions supplied by the United States to Britain. In 1941, 11.5 per cent (by value) of all munitions supplied to British soldiers came from the United States; in 1942 this figure was reduced to 6.9 per cent (in 1943 it rose again, to 26.9 per cent).⁵ In addition, America's dominant combatant role in the Pacific, combined with Britain's imperial interests in that region, made it difficult to encourage a similar degree of co-operation between the two countries in this theatre. Many US Government officials still clung to their interwar suspicions of British policy in the Pacific. And these same suspicions had undermined previous efforts to agree on a Far Eastern defence strategy. Once the war had started, these US officials were even less inclined to support a strategy in the Pacific aimed at protecting British interests.

Thus, after Pearl Harbor, just as in the years immediately preceding America's declaration of war, the coalition's ultimate strength existed not in a special relationship in which British and American goals were shared completely, although individual "special relationships" did help to foster Anglo-American co-

5. Milward, *War, Economy and Society*, 71.

operation. Rather, the strength and uniqueness of the Anglo-American coalition rested in the wisdom of the senior policymakers in both countries to create, coordinate, and nurture an impressive network of combined committees which kept national and alliance interests in equilibrium.

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Note on Sources

Although the secondary works mentioned in the introduction were instrumental in framing the argument in this thesis, archival records provided most of the source material. In Britain, the Public Record Office (PRO) contains several relevant records. If one PRO series had to be designated as the most important, AVIA 38 would be selected. Among other things this series contains: Arthur Purvis's papers, British Purchasing Commission and British Supply Council records, documents from most of the major British missions in the United States (temporary and permanent), as well as files on Atfero and the Victory Programme. With the AVIA 38 files, a researcher quickly can become familiar with Britain's major supply concerns during the early years of the Second World War. However, without consulting other document series a researcher would not be able to integrate this supply relationship into Britain's overall war strategy. In particular, the Cabinet Papers (especially CAB 65 and CAB 115) as well as the Prime Minister's papers (most notably PREM 3 and PREM 4) were essential for this purpose.

The PRO contained most of the factual material duplicated in the private papers of key British officials. However, the papers of Lord Beaverbrook and Air Marshal Slessor are crucial to an appreciation of the role individual personalities played in the creation of this relationship. For example, on his personal copies of several official documents Slessor made pointed marginal comments pertaining to various policies and senior officials. These remarks provide the researcher with considerable insight into some of the informal influences that shaped British air policy, and also specifically affected aircraft purchasing arrangements with the United States.

The American portion of the Anglo-American supply relationship was more difficult to piece together. National Archives records (especially those of the Joint Board) provide invaluable material regarding the evolution of American defence plans during the interwar period and the early years of the Second World War. Furthermore, the various WPD 4494 files are the most complete, and easily accessible, set of documents on the Victory Programme. However, since so much of the Anglo-American supply relationship was conducted on an

informal level during 1939 and 1940 the resources of the National Archives need to be augmented considerably.

The most important resource for putting together the "unofficial" version of the Anglo-American supply relationship is the Franklin D. Roosevelt Library, in Hyde Park, New York. Henry Morgenthau's multi-volume diary is essential to understanding the early phases of the Anglo-American relationship. Not only does this diary include copies of important documents, it contains extensive transcripts of Morgenthau's meetings, telephone conversations, etc. Hence, from these volumes, a researcher actually can reconstruct major portions of each day Morgenthau spent at the Treasury.

The Marshall Research Library, in Lexington, Virginia also contains important papers which contribute to a better understanding of Marshall's early objections to aiding Britain. However, Marshall's papers are not the only reason to use this library. When Forrest Pogue was researching his biography of Marshall he had his research assistants copy all pertinent National Archives documents on Marshall's career. These copied documents are now on file at the Marshall Research Library. A researcher working on the Second World War can use the Verifax and Xerox files at this library and substantially reduce his efforts at the National Archives. Moreover, these files are better indexed than those at the National Archives, and the Marshall Library research staff can access them easily. (Certainly had I known these facts when I started my research I would have spent more time in Lexington and less in Washington.)

The collections of private papers at the Library of Congress and elsewhere varied greatly in usefulness. At the Library of Congress the Spaatz and Arnold papers are helpful to explore particular aspects of the supply relationship, such as aircraft purchasing arrangements, in greater detail. And Patterson's papers, although cited infrequently in the thesis, give a comprehensive overview of the challenges of mobilising the American economy for war before Pearl Harbor. Finally, even though Stimson's diary (Yale University Archives) is not as thorough as Morgenthau's diary, it provides a useful complement to the Treasury Secretary's personal record.

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- War Cabinet Minutes (CAB 65)
- War Cabinet Defence Committee (Supply) (CAB 70)
- War Cabinet Committees, Miscellaneous and General Series (CAB 78)
- War Cabinet Chiefs of Staff Committee (CAB 80)
- War Cabinet Joint Planning Committees: Minutes and Memoranda (CAB 84)
- War Cabinet Anglo-French Liaison: Minutes and Papers (CAB 85)
- War Cabinet Scientific Advisory Committee (CAB 90)

War Cabinet Committees on Supply, Production, Priority
and Manpower (CAB 92)
Supreme War Council 1939-1940: Minutes and Memoranda (CAB 99)
Official War Histories: Civil (CAB 102)
Historical Section: Registered Files (CAB 103)
Supplementary Registered Files (CAB 104)
Central Office for North American Supplies (CAB 115)
British Joint Staff Mission: Washington Office (CAB 122)
Private Collections: Ministers and Officials (CAB 127)

Foreign Office

Embassy and Consular Archives, United States of America
Correspondence (FO 115)
General Correspondence: Political (FO 371)
Confidential Prints, North America (FO 414)
Private Collections: Ministers and Officials (FO 800)

Prime Minister's Office

Correspondence and Papers (PREM 1)
Operations Papers (PREM 3)
Confidential Papers (PREM 4)
Private Collections (PREM 7)

Ministry of Supply (and its predecessors)

Principal Supply Officers Committee (SUPP 3)
Ordnance Board, etc.: Proceedings, Reports and Memoranda (SUPP 6)

Treasury

Supply Files (T 161)

War Office

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Bodleian Library, Oxford University

Christopher Addison
Herbert H. Asquith
Robert H. Brand
Sir Edward Grigg
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Lord Portal

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Ridley Pakenham-Walsh

National Library of Scotland, Edinburgh

Lord Elibank

Public Record Office, Kew, London

Arthur James Balfour (FO 800)

Lord Avon (FO 954)

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George C. Marshall

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Henry Morgenthau, Jr
Franklin D. Roosevelt
Alexander Sachs

United States Army Military History Institute, Carlisle Barracks, Pennsylvania

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John E. Dahlquist
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