

by the proportion of that production which the United States Services were prepared to forgo." (100)

80. Instead of requiring a new procurement organization, Lend-Lease came to be handled through the War and Navy Departments for munitions, the Maritime Commission for merchant ship construction and ship repairs, the Department of Agriculture for food and other agricultural products and the Procurement Division of the Treasury for raw materials and industrial equipment (101). Actual planning of war production was the work of the War and Navy Departments and the Office of Production Management, which last was responsible for co-ordination and regulation of production. Both the War and Navy Departments established Defense Aid Committees to deal with the several categories of munitions and requested the new British Supply Council in North America (see para 81) to provide representatives on each, since "user" justification more and more came to be demanded before procurement could be undertaken. This necessitated the appearance of British service representatives in Washington, which now replaced New York as the centre of British activities (102). Initially, these were attached to the British Purchasing Commission, the British Air Commission and other bodies, ostensibly as civilians; later a British Admiralty Delegation, British Army Staff and R.A.F. Delegation were to be grouped into a British Joint Staff Mission. The existing Joint Aircraft Committee was continued as the requirements committee for aircraft. The five committees formed within the U.S. War Department were grouped into a Defense Aid Division, headed by Colonel Henry S. Aurand, in the office of the Assistant Secretary of War. Each of these permanent sub-committees included British supply and user representatives (103). The Navy Department Committees developed into a Lend-Lease Liaison Office. Although not given that title Mr Harry Hopkins became virtual Lend-Lease Administrator. The members of the existing President's Liaison Committee carried on until 2 May 41 when it became the Division of Defense Aid Reports; Major-General James H. Burns was appointed executive officer of this Division (104). It handled all the administrative details of Lend-Lease until the office of Lend-Lease Administration was established during October 1941 under Mr Edward R. Stettinius, Jr (105).

81. In view of the imminence of Lend-Lease aid it had been made public on 15 Jan 41 that Mr Purvis had been appointed chairman of a British Supply Council in North America that would deal with all policy issues for the several British missions in Washington. According to the official statement:

There will be no alteration in relations between Supply Departments in this country and the Department of Munitions and Supply in Canada, but in view of the close inter-connection between Canada and United States programmes the Hon. C.D. Howe, Minister of Munitions and Supply, has agreed to become a member of the British Supply Council in North America (106).

On 3 Feb the Cabinet War Committee in Ottawa was told that Mr Howe's new appointment would make possible the co-ordination of British and Canadian buying in the United States.

82. In order to emphasize that the United States was not yet an "arsenal of democracy" and hoping to stir the Americans to greater production heights, Mr Purvis furnished President Roosevelt on 13 Feb 41 with a very confidential list of British requirements of ships, aircraft, weapons, ammunition, tools and semi-finished materials whose only source of supply was the United States. President Roosevelt promptly directed that, as soon as Lend-Lease should become law, the civil and service heads of the Army and Navy should confer with Treasury and Office of Production Management officials as to how total British and American requirements could be met by American industry (107).

83. Also during February 1941 Mr Knudsen secured agreement within the Office of Production Management for a "single unified American defense program" to include British and other foreign requirements for the fiscal year 1942 (108). Requirements were found to be so high, however, that realization could not be possible without drastic cuts in production for civilian use - a step which would be dangerous politically. It was not until 30 Jun, therefore, that Secretary of War Stinson asked the Office of Production Management for a consolidated balance sheet of British, Canadian and American war production. Although Mr Purvis was able to supply the British and Canadian figures at once, it was August before the Office of Production Management could begin the work of consolidating them with American figures (109). Ultimately this Anglo-American Consolidated Statement of Production became a regular statistical series.

84. The bulk of the allocations made to the United Kingdom under Lend-Lease during 1941 were for food and raw materials. Most of the munitions being delivered had been ordered earlier and were paid for in cash (110).

85. Although it had been agreed during the United States-British Staff Conversations in Washington (29 Jan-27 Mar 41) that immediate steps should be taken to provide "a method of procedure which will ensure the allocation of Military Material ... in the manner best suited to meet the demands of the Military situation", only in the case of aircraft were any steps taken by the Conference to carry out this recommendation (111) It was agreed that the British should receive all American-built planes from their approved 14,375 and 12,000 aircraft programmes, and all additional U.S. production resulting from new capacity until such time as the United States should enter the war. The existing U.S. Army Air Corps' goal of 54 groups and a target of 15,000 planes for the U.S. Navy also were accepted. Allocation was largely arranged by the Joint Aircraft Committee while planning the production schedules: however, due to the stipulation that actual deliveries would be conditioned by the ability of the British or American forces "to absorb material usefully", there was a practical priority for the British programmes (112). No similar allocation agreement was reached for army equipment:

Ground munitions lent themselves far less readily to allocation on the basis of production priorities, except of course in case of noncommon articles produced specifically for a foreign country. For the great bulk of common articles that made up both the Army and lend-lease programs, contracts were let with the same firms

and administered by the same people in the supply arms and services, though they were financed with separate funds. Much of the final assembly work was done in Army arsenals, where it was impractical to separate components produced under two types of contracts. Even where separation of the two types of contracts was possible, it was undesirable in the interests of both maximum production and intelligent distribution.... It soon became clear that any allocation policy would have to be based upon considering lend-lease and Army production of common articles as a single program, and using these devices to provide delivery to the country desired regardless of the source of financing (113).

86. For the time being, allocations could be made only in accordance with the clause of the Lend-Lease Act which permitted transfers from existing stocks to a valuation of \$1,300,000,000 with the approval of either the Chief of Staff of the U.S. Army or the Chief of Naval Operations, or by the juggling of contracts. What bothered British representatives in Washington was the fact that the proposed allocation of American munitions was "alarmingly small" in comparison with their requirements (114). In a letter of 13 May advising the Army and Navy Munitions Board Priorities Committee of the British order of preference for the production of American munitions, Mr Purvis stressed:

...the firm conviction of the British Government that ... all high ratings should be reserved for munitions supplies that can be made available for combat use at the latest by the end of June 1943. We are now entering into what may be the most critical phase of the war, and no volume of supplies planned for late delivery can compensate for a shortage of them in the near future. In fact, we urge that every consideration should be given to all cases that can be put forward in which the issuance of a high priority can achieve relatively large deliveries in the next few months (115).

Again, on 11 Jul Mr Purvis produced an aide-memoire stressing the "paramount importance of the production of military weapons that are needed now for combat use". Thus:

Orders are being placed for raw materials required in the hulls, armament, equipment, engines and instruments, of the 1943 ships, with higher ratings than those applicable to orders being placed for all similar items required under the tanks and aircraft programs. All this must tend to delay the delivery schedules of the tanks and aircraft, for which we have such urgent need.

We submit, therefore, that tanks, aircraft, anti-tank and anti-aircraft guns, which are wanted for combat use immediately should have a higher rating than vessels not due for completion until 1943 and 1944 (116).

87. At a meeting called by the British Ambassador on 7 Aug and attended by the Heads of all the British Missions in Washington the British Joint Staff Mission put forward the following views:

Smallness of allocations made to us is not due to ill-will. The fact is that present American production of war materials is hardly more than enough to provide for minimum U.S. requirements for training and possible U.S. commitments. U.S. Chief of Staff feels bound to retain sufficient material to meet these minimum requirements. He cannot at the same time meet full requirements of British and other friendly Nations. This may distress him but naturally does not to the same extent as would failure to meet his own requirements provide him with incentive to press for drastic, and politically difficult, action necessary to ensure rapid production of full requirements of all anti-Axis Nations.

It is open to us to argue that both in our opinion, and in the expressed opinion of the U.S. Administration, the United States can best defend themselves by ensuring through material aid the continued resistance of the British Empire. It seems certain, however, that the answer to such an argument would be that whilst the fronts on which the British are fighting may well represent America's first line of defence, no strategist can afford to ignore his other lines of defence or the training and morale of the forces destined to man them.

This argument is difficult to counter. Our main object on supply matters must, therefore, be to ensure that production of war material in this country is increased with the greatest possible speed until it reaches such a pitch that it can provide the necessary material to meet both U.S. and British requirements as well as China, Turkey, South American Republics, etc., and now Russia. This cannot be achieved unless there is immediate turn-over to war production of considerable proportion of the productive capacity at present devoted to manufacture of civilian goods (117).

There was general agreement with these views but it was felt that the action necessary would be possible only as a result of direct instructions from President Roosevelt.

88. A grievous blow was soon struck at Anglo-American relations in Washington, however, when Mr Purvis met his death in an aircraft accident while flying to attend the "Atlantic Meeting" (9-12 Aug 41) between Prime Minister Churchill and President Roosevelt. His work was divided between Mr Morris Wilson, an assistant who succeeded to the post of Chairman of the British Supply Council in North America, and a new Executive Officer, Mr E.P. Taylor, a Canadian business executive who was Hon. C.D. Howe's full time representative on various missions in Washington. It must be conceded, however, that the whole problem of North American supply was becoming so vast that no single individual outside the innermost circle of government could have continued to dominate the whole scene as had Mr Purvis and, in practice, the role of the British Supply Council noticeably dwindled.

89. During the "Atlantic Meeting" the British Chiefs of Staff attempted to win their American counterparts round to their way of thinking but found that Admiral Harold R. Stark and General George C. Marshall were convinced that public opinion at home would insist upon considerable quantities of new equipment being assigned to the U.S. Army and U.S.A.A.F., where shortages were acute. In this respect the British Chiefs of Staff subsequently advised the British Joint Staff Mission in Washington:

American Chiefs of Staff main pre-occupation was question of supply and organization. They were much exercised to arrive at a correct order of priority for our requirements and a fair allocation of new production. They complained about our present method of putting forward our requirements saying that they often receive requests for material through more than one channel and that these requests often conflict. Moreover they say they are not given a clear indication of the relative importance of requirements of each Service and that the items on any one list are not set out in an order of priority. They considered allocation of war material between various claimants should be done on basis of strategic requirements and they think our list should come to them through Joint Staff Mission with whom there could be free and frank discussion on military grounds of our demands. These could then be weighed up along with their own and those of other friendly countries and an agreed allocation made. They would much prefer this to present arrangements whereby they receive demands through Purchasing Organisation who are not in a position to state military case.

Chiefs of Staff consider this to be one of the most important points which emerged from discussion and have already [23 Aug] taken question up here (118).

90. On 6 Sep the British Chiefs of Staff despatched a new directive, by telegram, to the British Joint Staff Mission. As far as the British Supply Council in North America was concerned, this new directive specified:

It is necessary that the work of Council and of Joint Staff Mission should be closely co-ordinated, and in order to achieve this you will

- (a) Advise Council on all technical and military matters:
- (b) Make such representations as may be necessary to the War Department and Navy Department on the strategic aspect of our supply needs;
- (c) Refrain from initiating representations on supply matters without prior consultation with Council (119).

91. The question of aid to Russia in the form of British and American munitions was settled by the despatch of Lord Beaverbrook (Minister of Supply) and Mr W. Averell Harriman (head of the Lend-Lease Mission in London) to Moscow late in September. On 1 Oct a Protocol was signed by Beaverbrook, Harriman and Molotov, detailing the munitions that could be supplied to the U.S.S.R. by the United Kingdom and United States within the period October 1941 to June 1942.

92. The effort to fit the Soviet aid programme into the existing structure in Washington was, however, accompanied by a general trend towards "systematizing and extending" Lend-Lease operations (120). As Defense Aid Director within the U.S. War Department, Colonel Aurand laboured "indefatigably" to get all foreign military requirements, except the inevitable emergency demands, placed into programmes. Early in November a comprehensive statement of British requirements from American production through the end of 1942 was submitted by officials of the British Supply Council with a supporting brief from the British Joint Staff Mission. The British continued to insist that American rearmament should be subordinated to the needs of the actual belligerents, in which they were supported by the Chinese, Dutch and Russians. President Roosevelt himself "seemed inclined to the view that America's contribution to the defeat of the Axis should be weapons, not armies" (121). Thus, despite the objections raised by Admiral Stark and General Marshall, a formula devised by the President on 22 Sep 41 stood - 75 percent of total production should go to Defense Aid after 1 Mar 42, when 70 percent of the (U.S.) Protective Mobilization Plan equipment was expected to be on hand (122). By 25 Nov Colonel Aurand's staff had completed a new Defense Aid allocation table with schedules projected through the end of the calendar year 1942. But the Japanese attack on Pearl Harbor was to change everything (123).

(vi) Hyde Park Declaration, 1941

93. Although Canada did not want Lend-Lease aid, feeling that it should be reserved for beleaguered countries and being worried about possible curtailments of its own national sovereignty, some palliative obviously was necessary by early 1941 (124). The familiar North Atlantic triangular trade had broken down and Canada was holding large sterling balances no longer convertible into dollars. Moreover, her supply of U.S. dollars was being drained by an increasingly unbalanced trade with the United States and it was becoming difficult for Canadian industry to purchase in the United States the machine tools, raw materials and components necessary to complete existing orders (125). On 11 Feb 41 Mr Howe told the Cabinet War Committee that the passage of the Lend-Lease bill might result in British orders being transferred from Canadian to American industry. On 26 Feb the Minister of Finance told the Committee that it seemed inevitable that Canada would have to extend credit to the United Kingdom. During March a number of British orders in Canada actually were cancelled.

94. An answer was devised by President Roosevelt and Prime Minister King during their discussions at Hyde Park in April 1941 - an economic redistribution of war production in North America so that Canada could concentrate on those items it could produce most efficiently. The basis for

the solution was not a treaty, but merely the following statement, issued on 20 Apr and since known as the Hyde Park Declaration:

Among other important matters, the President and the Prime Minister discussed measures by which the most prompt and effective utilization might be made of the productive facilities of North America for the purposes both of local and hemisphere defence and of the assistance which in addition to their own programs both Canada and the United States are rendering to Great Britain and the other democracies.

It was agreed as a general principle that in mobilizing the resources of this continent each country should provide the other with the defence articles which it is best able to produce, and, above all, produce quickly, and that production programs should be co-ordinated to this end.

While Canada has expanded its productive capacity manifold since the beginning of the war, there are still numerous defence articles which it must obtain in the United States, and purchases of this character by Canada will be even greater in the coming year than in the past. On the other hand, there is existing and potential capacity in Canada for the speedy production of certain kinds of munitions, strategic materials, aluminum, and ships, which are urgently required by the United States for its own purposes.

While exact estimates cannot yet be made, it is hoped that during the next twelve months Canada can supply the United States with between \$200,000,000 and \$300,000,000 worth of such defence articles. This sum is a small fraction of the total defence program of the United States but many of the articles to be provided are of vital importance. In addition, it is of great importance to the economic and financial relations between the two countries that payment by the United States for these supplies will materially assist Canada in meeting part of the cost of Canadian defence purchases in the United States.

In so far as Canada's defence purchases in the United States consist of component parts to be used in equipment and munitions which Canada is producing for Great Britain, it is also agreed that Great Britain will obtain these parts under the Lease-Lend Act and forward them to Canada for inclusion in the finished articles.

The technical and financial details will be worked out as soon as possible in accordance with the general principles which have been agreed upon between the President and the Prime Minister (126).

95. On 13 May 41 the Canadian Government incorporated War Supplies Limited as a crown company under the Minister of Munitions and Supply to handle the sales of such munitions,

strategic materials, aluminium and ships to the United States (127). The ultimate destination of such items was the responsibility of United States authorities and there was nothing to prevent their being lend-leased to other countries.* Initially, purchases were solely of British-type stores for transfer to the United Kingdom under Lend-Lease and included vessels being constructed in Canada for the British Admiralty Technical Mission (128).

96. On 14 May it was announced that a Materials Co-ordinating Committee had been established, consisting of two representatives of the Department of Munitions and Supply and two representatives of the Office of Production Management; a consultative body only, its function was to further the pooling of the resources of both countries, particularly those raw materials that were in short supply (129). During June an earlier Canadian suggestion was followed up and Joint Economic Committees were established in both countries to study and report to the respective governments on the possibility of:

- (1) effecting a more economic, more efficient and more co-ordinated utilization of the combined resources of the two countries in the production of defence requirements (to the extent that this is not now being done) and
- (2) reducing the probable post-war economic dislocation consequent upon the changes which the economy in each country is presently undergoing (130).

Administrative functions were, however, left to the appropriate agencies already existing in the two countries.

97. On the other hand they did sponsor the creation of a Joint Defence Production Committee:

To survey the capacity and potential capacity for the production of defence matériel in each country to the end that in mobilizing the resources of the two countries, each country should provide for the common defence effort the defence article which it is best able to produce, taking into consideration the desirability of so arranging production for defence purposes as to minimize, as far as possible, and, consistent with the maximum defence effort, maladjustments in the post-defence periods (131).

Although this committee was created at the end of October its first meeting was held in Washington only on 15 Dec. With the United States now at war the name was changed to Joint War Production Committee. Nine important sub-committees were

*While undergoing training at No. 1 C.O.R.U., Bordon, Hants, in August 1943 the narrator was issued with a Rifle No. 4 Mk I, manufactured in Canada but stamped "Property of U.S. Army". Although Canada was not a recipient of Lend-Lease many of the requirements of the Canadian Army Overseas were met from British stocks, which often included Lend-Lease matériel.

established to deal with tanks and automotive vehicles, artillery, ammunition, small arms, chemicals and explosives, signals equipment, aircraft, naval and merchant shipbuilding, and conservation (132). Members of the sub-committees were the two senior executives responsible for the production programme in each country. These sub-committees facilitated the exchange of information, ideas and plans and maintained close relations with War Supplies Limited. The third meeting of the Joint War Production Committee in June 1942, and the last important one, led to the incorporation of Canadian war production requirements in the new military priority ratings created by the (American) Priorities Directive of 1942 (133).

98. Undoubtedly the aim was to integrate completely North American resources and facilities. Unfortunately, however, this was not possible. Canadian production was geared to British-type munitions and there was a limit, therefore, to the extent to which it could be adapted to American production schedules. However, it was suggested that Canada was attempting too much, including the manufacture of two types of tanks and several combat aircraft, when these could be produced far more efficiently in the United States. Moreover, the larger American industrial potential was better fitted to produce munitions which rapidly became obsolete and required both large numbers of skilled workers and specialized machine tools. Although Canada did cancel plans for producing aircraft engines, there was the obvious fact that over-specialization would make Canadian industry even more dependent on the United States and complicate the problem of conversion back to peacetime industry (134).

PART II - PRODUCTION AND ALLOCATION OF
MUNITIONS, 1942-1945

(1) Creation of Munitions
Assignment Boards

99. Pearl Harbor brought immediate changes. The United States now required greater quantities of munitions for its own Armed Forces while, at the same time, the needs of the British Commonwealth were intensified by the Japanese threat to South-East Asia and Australasia. Considering that the crisis necessitated personal talks with President Roosevelt, the British Prime Minister set out for Washington. He was accompanied by Lord Beaverbrook (Minister of Supply), Admiral Sir Dudley Pound (First Sea Lord), Air Chief Marshal Sir Charles Portal (Chief of the Air Staff), Field Marshal Sir John Dill (only recently replaced as Chief of the Imperial General Staff and now destined to remain in Washington), Lieutenant-General Gordon N. Maccready (A.C.I.G.S.) and a staff of lesser advisers. The so-called "ARCADIA" Conference got under way immediately after their arrival on 22 Dec 41.

100. Russia was too far away, both spiritually and physically, to be associated with the direction of the Anglo-American war effort and the British rightly refused to accept China as a great power. Irrespective of what was written into the United Nations Declaration, signed by representatives of 26 Nations on New Year's Day, 1942, President Roosevelt and Prime Minister Churchill were determined to keep control in their own hands. A Combined Chiefs of Staff organization was established to carry out their decisions. Although the British Chiefs of Staff met with their American counterparts only at the conferences convened by President Roosevelt and Prime Minister Churchill, they were permanently represented in Washington by Field Marshal Sir John Dill and the heads of the British Joint Staff Mission, who met with the United States Chiefs of Staff every Thursday as the "working body" of the Combined Chiefs of Staff. The bulk of the actual work was, however, done by several committees. These included the Munitions Assignment Boards established in Washington and London to allocate military stores in accordance with strategic needs.

101. During 1941 the prevailing view in Washington had been that American munitions should be allocated entirely by Americans. Immediately after Pearl Harbor President Roosevelt acted upon an earlier suggestion of Mr Harry Hopkins and created a Strategic Munitions Board to establish allocation and production programmes "to achieve sure and final victory" (135). Composed of Mr Hopkins, Admiral Stark and General Marshall, this Board was made responsible directly to the President. But it remained a paper organization and never held a formal meeting. General Marshall's responsibility was delegated to his Deputy Chief of Staff for Supply, Major-General R.C. Moore, who made item-by-item decisions on the release schedules which had been prepared since October by Colonel Aurand, the Defense Aid Director (see para 92).

102. Such a procedure was not, however, suited to the needs of a coalition war. On the supposition that the United States would meet a considerable proportion of British requirements for munitions, the United Kingdom had gone ahead and placed a far higher proportion of its available manpower in the Armed Forces than otherwise would have been possible. American strategy, so far as it had developed, was predicated on the British being furnished with American munitions. Very early in the discussions of the "ARCADIA" Conference a combined military supply committee began to meet informally. On 7 Jan 42 General Macready suggested a system of sub-allocation, whereby the free world would be divided into two spheres of influence, with the United States and the United Kingdom each looking after the needs of its own protégés. Allocations made in Washington to the United Kingdom would include the requirements of British protégés. Allocations to the U.S.S.R. would, however, continue to be based on the existing Moscow Protocol. The American authors of Global Logistics and Strategy 1940-1943 have commented as follows:

The basic principle Macready put forward was that equipment must be allocated according to the military situation and not "according to the origin of the order which produces it." A careful reading of his memorandum revealed, however, that he proposed a combined allocation committee in Washington to make bulk allocations to the British and their protégés out of American production, but a War Office, purely British, allocation committee in London to divide up these bulk allocations, as well as British production, among the Empire countries and the British protégés (136).

U.S. War Department and Lend-Lease officials viewed this proposal with suspicion and argued that any pooling arrangement should extend to British as well as American munitions.

103. When the British Chiefs of Staff put forward their scheme for continued collaboration at the formal meeting of the "ARCADIA" Conference on 13 Jan 42 they suggested that the newly authorized Combined Chiefs of Staff should "settle the broad programme of requirements based on strategic policy," and "from time to time issue general directives laying down policy to govern the distribution of available weapons of war" (137). Combined allocation committees should be formed to make allocations between the United States and the British Commonwealth, "each caring for the needs of Allies for whom it has accepted responsibility." The Americans were agreeable in principle, but insisted that they were not yet prepared to enter into a discussion of details. General Marshall emphasized that there could be no question of having any duplication in London of the Combined Chiefs of Staff organization. But, although there could be only one Combined Chiefs of Staff, who would give broad direction on the allocation of munitions, he saw no objection whatever to having parallel Allocation Committees in Washington and London deal with the allocation of American and British war materiel respectively. In view of the importance of the principle involved, and at the suggestion of Admiral of the Fleet Sir Dudley Pound, the following minute was drafted for submission to President Roosevelt and Prime Minister Churchill.

We, the Combined United States-British Chiefs of Staff, are agreed in principle that finished war equipment shall be allocated in accordance with strategical needs. We accordingly submit that an appropriate body should be set up, under the authority of the Combined Chiefs of Staff, in Washington, and a corresponding body in London, for the purpose of giving effect to this principle (138)

104. Meanwhile, Lord Beaverbrook had been urging a different scheme - the creation of a combined agency headed by Hopkins and himself to control both procurement and assignment. But, as this would have made Harry Hopkins virtual czar of the whole American war effort, it was politically unacceptable in Washington. Still, President Roosevelt was sufficiently impressed to draw up plans for a combined munitions assignment board which would be responsible directly to himself and Prime Minister Churchill. This board would be divided in two parts, one in Washington with Hopkins as chairman, the other in London with Lord Beaverbrook as chairman (139). But when President Roosevelt sought his opinion on the evening of 14 Jan, prior to the final session of the "ARCADIA" Conference, General Marshall stated that unless the proposed munitions assignment board was made responsible to the Combined Chiefs of Staff "he could not continue to assume the responsibilities of Chief of Staff" (140). No military organization could assume responsibility for operations if supplies essential to their conduct were placed under civilian control. He "saw no objection whatever to having parallel Allocation Committees in Washington and London dealing with the allocation of American and British war material respectively," but "there could be no question of having any duplication of the Combined Chiefs of Staff organization in Washington and London." Harry Hopkins supported this view, whereupon President Roosevelt agreed to accept the policy that had been recommended by the Combined Chiefs of Staff. At the subsequent session of the Conference Mr Churchill was forced to give way. Although theoretically adopted for a month's trial, in order to satisfy the British Prime Minister, the allocation machinery that evolved was to continue until the War was won. The Washington Munitions Assignments Board* became, in the words of Hopkins, a "sub-committee" of the Combined Chiefs of Staff who, if they "do not like the sub-committee's recommendations, can alter them or throw them out" (141).

105. "The theory of assignment," according to a document later issued by the London Munitions Assignment Board, was "that the entire production of Great Britain and the United States of America is pooled and divided among the United Nations in accordance with strategic needs" (142). Having once secured the total production figures to be dealt with by each Board the next step was to form an estimate of the total requirements of all claimants. The British Empire-

* Among British and American differences was the use of the words "assignment" and "assignments". Whereas there was a London Munitions Assignment Board the more important Washington body was known as the Combined Munitions Assignments Board or merely as the MAB.

Commonwealth and its European Allies were considered to be a "British Group", whereas China and the Latin American republics were in an "American Group". Russia continued as a special case, her current needs being handled under the Moscow Protocol. To summarize:

11. The requirements of the whole British group are thus ascertained in London. As far as possible, they are satisfied by assignments made by the London Board from British production. The surplus requirements which cannot be met in this way are submitted by the British Representatives in Washington to the Washington Board, where they are considered alongside the requirements of the American group. If desired, any member of the British group can instruct its Representatives in Washington to attend the meetings at which its requirements are being dealt with, and to reinforce the arguments put forward on their behalf by the British Representatives.
12. The Washington Assignment Board makes a bulk assignment to the British group. This bulk assignment is then allocated among the members of the group by the Board in London. If the assignment received from Washington is equal to the total of the demand put forward by the British group, the allocation would normally be the same as the individual requirements. If, however, a lesser assignment is received, then some further examination of the position is necessary in London before this lesser quantity is allocated. Throughout the whole process the criterion is the strategic need as assessed in accordance with instructions issued by the Combined Chiefs of Staff.
13. The process for assignments to the American group is exactly similar to that described above for the British group. The total requirements are received in Washington, and demands for assignments from British production are presented by the United States Representatives to the London Board. It would be open to representatives of other members of the United States group to back their demands if they so desired. The Washington Board makes assignments to the American group from United States production and allocates the bulk assignments received from London.
14. The great majority of the work of assignment is carried out by the Sub-Committees of the two Boards. These are composed of the experts from the Service Departments,

who know the technical details of the scales to be maintained, and the wastage to be made good, and who are aware of the state of the forces in the different theatres. It is to those Sub-Committees that in the first instance the claims of the group are submitted. In the event of any claimant feeling that due consideration has not been given to his demands, or that having regard to rival claims and to the total amount of material available, the assignment made is insufficient, the matter would come before the Board for further examination. The representative of the aggrieved claimant would, of course, receive a hearing at the Board.

15. If a ruling on strategic priority were then required reference would be made to the Combined Chiefs of Staff. At the same time the civilian Chairman would impart to the Board any relevant information as to the policy of the British and United States Governments as affecting the issue. If a satisfactory settlement could not be reached by the Board the matter would in the last resort be referred to the Prime Minister and the President for decision.

16. The aim of the Assignment Boards at present is to make short-term assignments for one month ahead, and provisional assignments for two months beyond that. As soon as it can be managed this process should be extended so that, at any rate in the principal items, long-term provisional assignments will be available to serve as a basis of planning (143).

106. Apart from Mr Harry Hopkins (chairman), the Munitions Assignments Board in Washington consisted of an equal number of American and British officers. Originally these were Admiral W.H. Standley, U.S.N.* (a former Chief of Naval Operations), Major-General R.C. Moore (Deputy Chief of Staff for Supply), Major-General M.F. Harmon (Chief of Air Staff, U.S.A.A.F.), Admiral Sir Charles Little, R.N., Lieutenant-General Sir Colville Wemyss and Air Marshal D.C. Evill, R.A.F. The executive officer was Major-General James H. Burns, U.S. Army who headed a permanent staff and secretariat. Tentative decisions were reached by the Munitions Assignments Committee (Ground), Munitions Assignments Committee (Navy) and Munitions Assignments Committee (Air) - each headed by an American service representative. The last named Committee took over the assignment functions hitherto handled by the Joint Aircraft Committee (which continued to

* Replaced by Rear Admiral J.M. Reeves, U.S.N. on 11 Feb 42.

function as a sub-committee). The Munitions Assignments Board acted largely as a court of appeal, when agreement could not be reached in the Committees, and laid down the policies to be followed, subject to direction from the Combined Chiefs of Staff. Nevertheless, all assignments had to be formally approved by the Board before becoming effective.

107. Brigadier-General Aurand was the first Chairman of the Munitions Assignments Committee (Ground), with membership coming from the War Plans Division (subsequently renamed Operations Division) of the U.S. War Department and the British Army Staff. His own Defense Aid Division provided the secretariat, which handled the routine work of compiling transfer schedules. On 9 Mar 42 the Office of the Defense Aid Director was incorporated into Lieutenant-General Brehon B. Somervell's "sprawling" Services of Supply organization, created by the War Department on that date. A month later it was redesignated International Division but without any change in organization or function. In mid-July Aurand was transferred to the staff of the Combined Production and Resources Board (see para 135) and General Somervell placed the International Division under Brigadier-General Lucius D. Clay, his Assistant Chief of Staff for Materiel, who also became chairman of the M.A.C.(G). On 12 Mar 43 the Services of Supply was renamed Army Service Forces. The Munitions Assignments Committee (Ground) met once a month to approve the recommendations of its several sub-committees* regarding the assignment of items on the Army Supply Program (see para 112), but once a week to consider the assignment of "spot items" (small quantities of experimental equipment or quantities to replace munitions lost in transit through enemy action) (144). As of 1 Jul 43, however, all but five of its sub-committees were replaced by War Department Conference Groups (145). A special Radar and Communications Coordination Committee, with U.S. Army, Navy, Army Air Forces and British representatives, was established; although in a sense independent, it reported assignments through the M.A.C.(G). Once the transfer of a particular item had been approved officially by the Munitions Assignments Board, the Services of Supply became responsible for its physical movement (146).

108. But because the original directive issued by President Roosevelt and Prime Minister Churchill was "insufficiently specific" there continued to be disagreements in Washington (147). The head of the Requirements Section of the Canadian Army Staff later wrote:

* In addition to the sub-committee dealing with agenda there were the following separate sub-committees: engineers, tractors (crawler), trucks, transportation (railroad equipment), tanks, signals, communications and radar, quartermaster, medical, explosives, chemical warfare and amphibious vehicles. These all included British representation.

Basically, the British took the stand that all equipment should be allocated strictly in accordance with strategic necessity while many of the Americans considered themselves to be at the council table for the prime purpose of protecting the interests of the U.S. Forces. The latter view was voiced in no uncertain terms by the OPD [Operations Division, War Department General Staff] representative at a memorable meeting of the Munitions Assignments Committee (Ground) when he shouted "We don't assign U.S. production to the United States Army; we take what we need and place what is left on the assignment table" (148).

The United States Army historical volume entitled The Organization and Role of the Army Service Forces has this to add:

In practice, though it was never officially stated, the ASF [Army Service Forces] and other U.S. Staff agencies concerned evolved the "residual" theory to replace that of the "common pool." Simply stated, this principle assumed that each country had primary responsibility to produce all munitions required for itself, and that each country had first call on its own productive capacity. For obvious reasons, the British clung to the theory of the "common pool" (149).

However, according to Robert Sherwood's Roosevelt and Hopkins:

All those involved in the Munitions Assignment Board seem to agree that whenever Hopkins was well enough to give it his personal attention it worked harmoniously: when he was too ill as he often was or too preoccupied with other matters to preside over its deliberations there was apt to be strife aplenty among the diverse, competitive factions involved. However, the fact remains that it worked: it handled the tremendous and bewildering job of allocating the supply of materiel to all of the services, all of the Allies, all of the various theatres of war....(150).

109. The Chairman of the London Munitions Assignment Board was Rt. Hon. Oliver Lyttelton, who succeeded Lord Beaverbrook in the supervisory post of Minister of Production on 24 Feb 42. The original service members were Rear-Admiral R.R. McGriger (Assistant Chief of the Naval Staff (Weapons)), Lieutenant-General G.N. Macready (Assistant Chief of the Imperial General Staff), Air Chief Marshal Sir Christopher L. Courtenay (Air Member for Supply and Organization) Colonel Earle. M. Wilson, U.S.A., Colonel A.J. Lyon, U.S.A.A.F. and Captain T.A. Solberg, U.S.N.; Colonel E.I.C. Jacob of the War Cabinet Secretariat served as Secretary. There were five sub-committees for the actual work of allocating Navy, Army, Air and R.D.F. (Radar) stores and Small Arms Ammunition but these did not include regular American representation. Subsequently a further sub-committee was created to deal with Engineer Stores. In contrast to the policy adopted in Washington, where the Munitions

Assignments Board assigned all munitions right down to single rifles for test purposes, the British subjected only controlled stores in critical supply to the machinery of the London Munitions Assignment Board (151). Like the Munitions Assignments Committee (Ground) in Washington the Army Assignment Sub-Committee, presided over by the A.C.I.G.S., dealt with items common to the three Armed Forces. This Committee, it might be noted, was merely a successor to the War Office committee which hitherto had been assigning controlled stores under the supervision of the same General Macready (see paras 55-56). Much of the routine procedure was handled by two new American Liaison and Munitions sections established within the General Staff Branch of the War Office. Items not in short supply were distributed by other War Office committees in accordance with current requirements. The committees of the London Munitions Assignment Board were allowed to make final assignments, where there was no dissent, and the L.M.A.B. met only occasionally as required, rather than regularly as did the M.A.B. in Washington. As the authors of the U.S. Army volume on Global Logistics and Strategy 1940-1943 have pointed out:

Since American bids against British production were never of large proportions, the combined aspects of the LMAB's operations were never so important as those of the Washington board. It concerned itself primarily with allocations to the nations of the British Empire, those assumed to be within the British sphere of responsibility, various agencies of the British Government, and theatres of operations in British areas of responsibility - all matters that, during 1942, the Americans were satisfied to leave under British control (152).

110. But how was the Anglo-American munitions pool to be divided? With most of their forces already trained and deployed in threatened areas the British insisted that first priority must be given to existing theatres of operations: actual delivery of munitions in 1942 was of much more importance than promises of American manpower for campaigns during 1943 and 1944. Though willing to make some concessions to the British, the Americans considered that their own programme of preparing a vast Army for future operations should constitute a first charge against American production. The British Army Staff protested the early actions of the Munitions Assignments Committee (Ground) giving priority to American needs and came up with a proposal based on the principle that "the provision of full equipment for existing units available in or about to proceed to an active theatre of war, or to one immediately threatened, is... the first charge on available assets, in such order or priority as may be assigned the various theatres" (153). After considerable discussion a compromise proposal was drafted by the Combined Staff Planners and approved by the Combined Chiefs of Staff on 24 Mar 42 as a strategic guide to be followed by the Munitions Assignments Board. While all naval theatres could not be considered of equal strategic importance, mobile naval forces were assigned in accordance with strategic needs and, therefore, munitions must be allocated to navies in accordance with overall requirements. Since all naval forces were presumed to be continuously engaged in active operations, allocations to them were considered as having equal priority

with land and air forces in active theatres or projected for active theatres. The following air units were given the same priority as naval forces:

- (a) Air units operating primarily for the protection of sea and air communications.
- (b) Air units which are a part of, or which operate primarily in support of, naval forces.
- (c) Air units provided for defence against air or seaborne attack (154).

Priorities for other air and land forces by theatres were:

Priority "A"

Middle East - continuous major operations.
India-Burma-Ceylon - continuous major operations.
Australia - continuous major operations.
New Zealand and Pacific Islands on the lines of communication from the U.S. - major operations for 2 months.
United Kingdom as regard air operations - continuous major operations.

Priority "B"

Hawaii - major operations for 2 months.
United Kingdom as regards land operations - major operations for 2 months.

Priority "C"

Africa, except the Middle East, Alaska, Iceland and Greenland, United States and Canada, South America including the Caribbean - air or sea borne raids.

"Amounts of munitions assigned to theatres," it was stressed, "should be based on the size of forces actively engaged and the existing state of their equipment; the probable period of active operations; and the probable character of the operations." Military units were to be issued with 100 percent of their equipment if in an active theatre of operations, if being sent to one within three months, or if vital to home defence. The training scale was to be 50 percent, on an equal priority with theatre needs. Only once were theatre priorities ever revised, however - in June 1942 when an "A" priority was given to the "BCLERO" build-up of U.S. supplies in the United Kingdom for a Cross-Channel attack. Moreover, considerable latitude was left for the interpretation of this directive in Washington: the "approach to allocation was pragmatic rather than doctrinaire, and the assignment of critical items each month often brought forth the same conflict of views that was evident in the shaping of the original directive" (155).

111. The periodically revised Consolidated Statement of British, American and Canadian Production (see para 83) came to provide an increasingly accurate guide as to the quantities of munitions that would be forthcoming but it was to be almost a year (Casablanca Conference) before the Combined Chiefs of Staff were able to begin providing the Munitions Assignments Board in Washington with strategic, long-term forecasts of when and where the Armed Forces of the United Nations would be employed (156).

112. As regards the production of finished military stores by American industry, the United States Army established an Army Supply Program to cover requirements for each calendar year and, for planning purposes, the following year. This Army Supply Program, which was subject to revision every six months, was prepared under the direction of General Clay (157). Total British Empire requirements were consolidated by the War Office and the British Army Staff in Washington then endeavoured to secure agreement that the portion which could not be met from British and Imperial production should be included in toto in this United States Army Supply Program (158).

113. The provisions of the Combined Chiefs of Staff directive of 23 Mar 42 on munitions assignment were never, however, related in more than a general sense to the allocation of aircraft (159). Although the successive Russian protocols constituted a first charge on American aircraft production during most of the war, the British remained the chief foreign recipient of American aircraft and master allocation agreements were made at intervals (generally semi-annually after 1942) between General H.H. Arnold and Rear Admirals J.H. Towers or J.S. McCain on the one hand and Air Chief Marshal Sir Charles Portal and his principal subordinates on the other (160). When it was realized that the Arnold-Portal Agreement of 13 Jan 42 (preceding the creation of the Combined Munitions Assignments Board), specifying a month-by-month allocation of planes to the United Kingdom during 1942, would leave the United States with an increasing surplus of trained aircrew in excess of combat aircraft, President Roosevelt was persuaded to issue a statement on 20 May that "American built combat planes in all the various theaters of the world would in general be manned and operated by American personnel the chief exception would be Russia, where because of geographical, logistic, and racial problems the American planes will in general be flown and maintained by Russians" (161). Although the subsequent Arnold-Portal-Towers Agreement of 21 Jun 42 was essentially a compromise between the British and American positions, the allocation to the former was scaled down substantially from almost 7000 to little more than 3000 aircraft for the balance of 1942. Subsequent master allocations, made necessary both by the rapid acceleration of American aircraft production and the ever-changing strategical situation, were the Arnold-Evill-McCain-Patterson Agreement of December 1942, the Arnold-McCain-Courtenay-Portal Agreement of July 1943, the Arnold-Courtenay Agreement of February 1944, and further reviews in July and November 1944 (162). Following approval by the Combined Chiefs of Staff these master allocations were used by the Munitions Assignments Committee (Air) of the Washington Munitions Assignments Board as a guide in making monthly assignments during the period covered.

114. Naval production was handled differently. Battleships, cruisers, aircraft carriers other than auxiliary carriers, destroyers and submarines were not subject to assignment, since these were built to national designs and were not readily interchangeable between navies. Minor war vessels, such as escort vessels, minesweepers and smaller craft, and stores did come before the committees. Generally a tentative assignment was made six months before and a firm assignment one month before completion(163).

(ii) Canada's Failure to Achieve
Membership on the Munitions
Assignments Board in Washington

115. The first information to reach Ottawa of the decisions of the "ARCADIA" Conference was unofficial, emanating from the Canadian Legation in Washington and from a conversation Prime Minister King had with Field-Marshal Sir John Dill. Although Mr King conceded, during the latter's visit to Ottawa on 21 Jan 42, that representation on the Combined Boards had to be limited, he was emphatic that Canada's interests should not be ignored. After all, she had been a belligerent since 1939.

116. Only on 27 Jan 42 did the British Government despatch telegrams to advise the several Dominions officially of the decision to form Combined Boards(164). A telegram the following day suggested that the Dominions might appoint liaison officers to keep in touch with the Chiefs of Staff Committee and other purely British bodies in London(165). The proposal that Dominion Liaison Officers "should be taken into consultation by" the London Munitions Assignment Board was, however, far short of Canadian aspirations (166).

117. On 4 Feb the Cabinet War Committee commented unfavourably upon the announcement that Munitions Assignments Boards in Washington and London would be composed only of British and American representatives. Mr Howe told the members at their next meeting, on 12 Feb, that he had been asked to join neither the Munitions Assignments Board nor the Combined Raw Materials Board. But, he added, since Canada had more to sell others of the United Nations than she needed to buy, he was not worried. The Minister of National Defence argued that since Canada had not been consulted in the formation of the combined bodies in Washington there was no need for her to be included in their plans for the allocation of munitions and raw materials.

118. During these days the views of the Canadian Chiefs of Staff appear to have undergone considerable elaboration. In a draft memorandum of 3 Feb they had recommended that Canada should be represented on the Washington Munitions Assignments Board, which would become responsible for satisfying her needs from North American production. In their opinion, and based on suggestions made earlier by representatives of the British Chiefs of Staff, Canada should also have full representation on the London Munitions Assignment Board ("and we already have in fact an Army representative") (167). Furthermore:

We consider that our representatives on both Washington and London Munitions Assignment Boards should work with and in the same offices as the British and other Commonwealth representatives, through the representatives of the Canadian Chiefs of Staff they would have the right of appeal to the Canadian Government in the event they consider that at any time Canada's needs are not being adequately met.

But the letter they actually submitted to the Ministers of National Defence on 14 Feb substituted the following:

9. In our opinion the principles involved in respect to pooling are as under:-
 - (i) Completed equipments should be distributed in accord with strategic need.
 - (ii) The Canadian Government cannot, in spite of (i), divest itself of responsibility regarding the equipping of our own forces at home and abroad.
10. The principles defined above are in conflict, and can only be reconciled in application by Canada insisting upon equal representation with the U.K. and U.S. on the Joint Munitions Assignment Boards in Washington and London. If equal representation is agreed to by the U.S. and the U.K., then we consider that Canada should join the U.S.-U.K. pool in respect to:-

All completed armament and war equipment manufactured in Canada whether to Canadian, British, United States or other order.

11. If equal representation on the Joint Munitions Assignment Boards is not agreed to by the U.S. and the U.K., then the only alternative is for Canada to retain the right of allocation in respect to all completed armament and war equipment manufactured in Canada whether to Canadian British, United States or other order (168).

119. A telegram of 18 Feb, from the Secretary of State for Dominion Affairs, suggested that Canada should associate herself with the British Group of Nations and pool her production in London. Canadian requirements would be decided in London by direct consultation between British and Canadian representatives; the latter would help compile the bulk demands to be submitted by the British to the Munitions Assignments Board in Washington, where Canadian representatives could reinforce these demands. Under this plan the United States would bid in London for its requirements from Canadian production (169). There was no question, however, of extending actual membership to Canada on the London Munitions Assignment Board.

120. In the belief that Canadian concurrence would be forthcoming, the practice initiated by War Office Committees during 1941 of including Canadian production in their monthly allocations was continued (see paras 57, 158 and 178). A telegram of 21 Feb from the Secretary of State for the Dominions requested that an R.C.A.F. officer attend meetings of a new Air Assignment Sub-Committee (170). Since the Air Ministry already was responsible for providing training aircraft and equipment for the British Commonwealth Air Training Plan and had agreed to provide operational aircraft for R.C.A.F. home defence squadrons from its bulk allotment from American production (see para 41), the Chief of the Air Staff was willing to go along until such time as the Canadian Government should have reached a decision on pooling (171). A telegram of 3 Mar furnished R.C.A.F. Overseas Headquarters in London with Canadian production figures for its representative to take to the first meeting of the Air Assignment Sub-Committee: "after explaining Canadian position [you] may make known Canada's requirements without prejudice to any further action the Canadian Government may decide to take" (172). Following this meeting of 7 Mar, at which assignments were made firm for March, and provisionally for April and May, Ottawa was advised that this Sub-Committee was operating on the principle that Canadian production was to be thrown into the pool together with British and American production and that the Canadian requirements for home operational squadrons, B.C.A.T.F. Schools and R.A.F. Transferred Schools would be registered against the common pool created by the production of all the countries represented (173).

121. During January Colonel W. Mavor, Director of Ordnance Services (Technical Stores) at National Defence Headquarters in Ottawa, had been sent to Washington to survey the changed situation as regards the fulfilment of existing contracts from American production. As a major and lieutenant-colonel he had earlier served in Washington as Technical Adviser to both the Canadian Military Attache and the Department of Munitions and Supply's U.S. Director of Technical Procurement. Colonel Mavor now began to work closely with the Assignments and Requirements Branch of the British Army Staff, having acquired an office in the same building. As a matter of courtesy Brigadier D. Campion took Colonel Mavor to meetings with Colonel Aurand when Canadian matters were being discussed (174). Thus, when Colonel Mavor received an allocation request from the Department of Munitions and Supply for finished military stores, with a supporting Canadian General Staff brief, he was able to have it included in the British bulk bid presented to the Munitions Assignments Committee (Ground) (175). Early in February Air Commodore S.G. Tachaberry, Air Member for Supply at Air Force Headquarters, arrived in Washington on a similar errand. Although his instructions had been to follow the course being pursued by Colonel Mavor he found that the R.A.F. Delegation was not anxious to provide him with similar facilities, contending that the existing arrangement whereby its officers handled the requirements of the R.C.A.F. was satisfactory (176).

122. With Canada now being asked to approach Committees of the Munitions Assignments Board for its requirements in finished military stores from American production through the British representatives, the Director-General of the Department of Munitions and Supply office in

Washington, Mr J.B. Carswell, recommended to Mr Howe in a letter of 19 Feb that a small group of Canadian officers should be sent to become "in reality" part of the Army Requirements branch of the British Army Staff (177). Mr Carswell considered that aircraft procurement procedures should not be changed since, for the past 18 months, there had been a strict system of allocation by joint Anglo-American committees on which the Department of Munitions and Supply was represented (see para 73). However, the Canadian Air Attaché, Air Commodore G.V. Walsh, argued in a letter of 24 Feb to the Chief of the Air Staff in Ottawa:

...it is logical that R.C.A.F. requirements should also be based upon strategical considerations. It is apparent that the Royal Canadian Air Force should be represented on the Royal Air Force Staff in Washington in a manner similar to that proposed for the Army, in respect to the British Army staff in the United States, since strategical requirements can be interpreted and presented satisfactorily only by Service personnel (178).

At the moment Air Commodore Tackaberry was able to attend meetings of the Munitions Assignments Committee (Air) with Air Commodore E.B.C. Betts of the R.A.F. Delegation (179). In a later memorandum of 27 Mar the manner in which aircraft were assigned to Canada was outlined by Air Commodore Walsh as follows:

The requirements of the British Empire are considered first in London, and those which cannot be made from Imperial production, are notified to the R.A.F. Delegation in Washington, so that the necessary allocations may be sought from production in the U.S.A. Insofar as these requirements can be met from allocations of production in U.S.A. which have already been made to the British, and insofar as the prospect of production will meet the requirements, the R.A.F. Delegation have been instructed to regard the advice from London as the equivalent of executive instructions for the current month. Where however allocations are not available, or where the requirements as notified by London exceed the probable production, reference is made to London for fresh instructions (180).

123. During late February and early March Mr Howe and Mr L.B. Pearson (Department of External Affairs) were in Washington investigating how Canada might become more closely associated with the Combined Munitions Assignments Board (181). Major-General M.A. Pope arrived in Washington on 6 Mar to serve as representative of the Cabinet War Committee with the Combined Chiefs of Staff and the United States Joint Chiefs of Staff. When the Cabinet War Committee approved his appointment on 11 Mar it was in the knowledge that full and formal Canadian membership on the Combined Chiefs of Staff was not possible. It was felt, however, that the right of representation was necessary when any question affecting Canada was under discussion. Although only one service representative was acceptable to the Americans, it was considered that a Royal Canadian Naval

or Air Force officer might replace General Pope whenever naval or air matters were being discussed. (Early in July the American Government did agree to the establishment of a Canadian Joint Staff in Washington, headed by General Pope.)

124. However, it remained for Colonel Mavor to uncover what seemed to provide a satisfactory solution as regards munitions assignment. On 10 Mar he had important discussions with Brigadier Campion and Brigadier-General Aurand. According to the report despatched to Ottawa on 13 Mar by Hon. Leighton G. McCarthy, Canadian Minister to the United States, Brigadier Campion recognized that there were many points in favour of tabling Canadian production in Washington; personally he felt that such a course would present no more difficulties than pooling in London. General Aurand's personal opinion was that Canada should pool her production in Washington. He pointed out that, arising from the Hyde Park Declaration, the recommendations of the Joint War Production Committees (approved by the United States and Canadian Governments in December 1941) had included agreement that:

The production and resources of both countries should be effectively integrated and directed towards a common program of requirements for the total war effort. Each country should produce those articles in an integrated program of requirements which will result in maximum joint output of war goods in the minimum time (182).

General Aurand considered that the production of military stores in the two countries was so inter-dependent that it was not practicable to allocate Canadian production in London and American production in Washington. Moreover, the shipping of military stores was a problem that could not be handled separately from assignment and would be easier to arrange direct from North America. Unofficially, of course, he believed that the United States Government would agree to Canada having equal representation on the Munitions Assignments Board and that the Canadian representative on the Munitions Assignments Committee (Ground) could act as joint chairman with himself. In order that orders from others of the United Nations might be channelled through one organization and allotted to the most desirable production source, he further suggested that Canada should be represented on the (American) Defense Aid Supply Committee, which consolidated all requirements for the International Division of the Services of Supply. General Macready, who was again visiting Washington, later joined in the discussion and told Colonel Mavor that he did not feel that it mattered where Canadian production was tabled. Mr McCarthy's telegram supported Colonel Mavor's recommendation that the United States Government be approached along the lines suggested by General Aurand: in short, Canada would do better in Washington than in London, where there would be greater pressure to treat all Dominions equally (183).

125. On 16 Mar the opinion of the High Commissioner in London was sought as to the validity of these arguments (184). Two days later the High Commissioner replied, supporting General Aurand's suggestion that it would be much more satisfactory on practical grounds to pool Canadian production in Washington (185). Thereupon, the Canadian Government seems to have reached a decision.

126. On 20 Mar a telegram was despatched to advise the British Government that Canada wanted to pool her production in Washington, as an equal member of the Combined Munitions Assignments Board. The reasons advanced included the close relationship between Canada and the United States in war production and related fields, the common problem of overseas shipping and the ease and speed of communication with Washington. On the other hand, if Canadian production were pooled in London, it would be necessary for Canada to have her requirements included in an Empire bid there, then support this bid in Washington for items from American production and present claims in London for re-allocation from the Empire bulk allocation. It might also be difficult, through London, to control the assignment of items manufactured in Canada for delivery to the United States (186).

127. The British reply raised some interesting arguments in favour of pooling Canadian production in London. A great deal of Canadian war production had been planned and developed as part of the Commonwealth war effort and the largest proportion of current deliveries were being made to the United Kingdom. Summing up, this telegram continued:

Taking the whole range of navy, army and air force equipment of British type manufactured in Canada the administrative disadvantages of assignment in Washington are clearly very great....

If your production were pooled in London you would bid direct in London for all your needs from British and Canadian production. As to your needs from United States production, it is true that they would be placed together with ours and with those of the other members of our Group and presented together in Washington. But we think this would be greatly to your advantage as we should all be speaking with one voice and all supporting the claims of our Group with full knowledge of our combined case. If, on the other hand, you pool your production in Washington and bid there direct you will be competing not only against the United States but also against the rest of the British Empire who, for lack of knowledge, will be unable to support your claim....

While recognizing the close relationship between Canada and the United States, both on production and on defence matters generally, we think that there are also extremely close ties between Canada and the United Kingdom alongside whose forces the greater part of the Canadian forces are operating (187).

128. On 24 Mar General Macready had, however, told General Pope that he was agreeable to the idea of Canadian production being pooled in Washington, provided that Canada did not want to bid separately for the requirements of the Canadian Army Overseas (188). On 31 Mar Colonel Mavor discussed the British counter proposals with General Macready, who said that he had not seen them before. The latter made the following suggestions, which were transmitted to Ottawa:

It is impractical to table Canadian production in London. General Macready is leaving shortly for England and he will doubtless express this opinion to the authorities in London in the light of his experience in Washington and Ottawa of the working of the procedure of munitions assignments.

There is a very strong case for assigning in Washington finished military stores from North American production to be used for the Home Forces in Canada.

It is recognized that some difficulties may be experienced in separately assigning in Washington the requirements of the Canadian Army in England. These difficulties, however, would be removed if the final agreement covering the tabling of Canadian production in Washington includes the following provision: a bulk bid would be made by the British Commonwealth for all their requirements, including the Canadian Army in England, except the requirements of Canadian Home Forces, and a bulk assignment would be made in Washington; inside this bulk assignment the requirements of the Canadian Forces in England would be specified, and an allocation of this specific quantity would only be changed by the London Munitions Assignment Board after approval by Canadian Military Headquarters, London, having in mind the military situation and the advantage in certain cases of supply from United Kingdom rather than North American production (189).

Although General Macready had emphasized that he was speaking only from an Army viewpoint and that his views could not be regarded as covering all three Services, Mr Hume Wrong of the Canadian Legation suggested in a telegram to Ottawa that this opinion should carry great weight in London (190).

129. A proposal was worked out along these lines in Ottawa and approved by the Cabinet War Committee on 8 Apr 42. On the following day it was transmitted to London, the telegram pointing out that:

We would not anticipate that the Washington Board would be likely to take a position in respect of either Canadian or United Kingdom requirements to be met from Canadian production different from that which would be taken by the London Board (191).

It then proposed that all Canadian production should be tabled in Washington, along with American production. Canada would bid in Washington for its own requirements in finished military stores for the North American Area from this total production. The bulk bid made on Washington by the London Munitions Assignment Board would cover all Commonwealth requirements, except those of Canadian forces in the North American Area. Within the bulk allocation made

in Washington the Combined Munitions Assignments Board would state the specific allocation for the Canadian Army Overseas. No change would be made in this specified allocation by the London Munitions Assignment Board except with the concurrence of the appropriate Canadian authorities. "Naturally", the telegram continued, "in considering whether concurrence should or should not be given the Canadian authorities would keep in mind the general military situation, and the advantage in certain cases of supplying Canadian forces overseas from United Kingdom rather than North American production." Canada wanted equal representation with the United States and the United Kingdom on the Washington Board and to be represented before the London body as were the other Dominions (192).

130. During the course of Prime Minister King's visit to Washington, to attend a meeting of the Pacific War Council on 15 Apr, he obtained President Roosevelt's verbal acquiescence to full Canadian membership on the Combined Munitions Assignments Board.

131. The British reply was delayed, however, until General Macready was available in London for consultation. Only on 22 Apr was the Canadian High Commissioner able to advise Ottawa that the British Government had agreed to support the Canadian request for full membership on the Munitions Assignments Board in Washington. Canadian requirements in the North American Area from British production would, however, have to be tabled in London as part of the bulk bid from Washington. Canada would bid in Washington for all aircraft and equipment for use in Canada but the requirements of the R.C.A.F. overseas, which was operationally an integral part of the R.A.F., would be handled by the Air Ministry. As far as the British Government was concerned the new procedure might take effect in May, when meetings would be held to distribute June production (193).

132. For the time being, however, the ad hoc committee in Ottawa continued allocating Canada's production of military controlled stores until full membership should be obtained on the Munitions Assignments Board in Washington (see paras 157-158). Instead of continuing with the plan to "infiltrate" individual Canadian officers into several sections of the Assignments and Requirements Branch of the British Army Staff in Washington (194), General Pope and Colonel Mavor now began to plan the establishment of a similar Assignments and Requirements Branch for the Canadian Army Staff. In this last, Colonel Mavor received the "cordial assistance and advice" of General Aurand (195). On 21 Apr the Minister of National Defence for Air approved the formation of a corresponding R.C.A.F. Requirements Branch (subsequently renamed The Canadian Assignments and Requirements Branch (R.C.A.F.)) under Air Commodore Tackaberry (196). Pending direct representation on the Munitions Assignments Committee (Air) the new R.C.A.F. Branch was to deal directly with the corresponding branch of the R.A.F. Delegation (197). Following the example set by the British missions in Washington it was agreed that the Navy and Air Force should submit their requisitions for stores common to the three Services to Colonel Mavor who would arrange through the British Army Staff for a bulk assignment to be obtained from the Munitions Assignments Committee (Ground) (198). But, on the incorrect

assumption that Canada fell within the strategic responsibility of the United States, the Air Ministry came to consider that it no longer had any responsibility for meeting Canada's home defence needs from its own allocation of American-built operational aircraft. The Arnold-Portal-Towers Agreement of 21 Jun 42 merely emphasized its view that R.C.A.F. home defence requirements would have to be satisfied by the United States (199).

133. The Canadian Minister in Washington and his advisers thought that, "in the light of the character of the United Kingdom representation", it would be sufficient if General Pope became a member of the Combined Munitions Assignments Board, perhaps with provision for supplementary representation from the other Services, since most of the actual work of assignment was conducted by the three Munitions Assignments Committees (200). A telegram of 23 Apr emphasized that:

Canada must, however, be well represented on the Ground and Air Committees. We have here little information on Canadian naval requirements; up to the present they seem to have secured their finished military stores from the United States through the Department of Munitions and Supply. Now that assignment has become a military function, it would seem necessary that our naval requirements should be presented to the Munitions Assignments Committee (Navy) (201).

Colonel Mavor was available to represent Canada on the Munitions Assignments Committee (Ground) while Air Commodore Tackaberry would perform a similar function on the Munitions Assignments Committee (Air). Subsequently it was decided that, for the time being at least, Canada might be represented at the Munitions Assignments Committee (Navy) by its Assistant Naval Attaché (202).

134. Certain financial considerations had to be faced, however: "if Canadian production to United States order is diverted without some assurance being received for payment in dollars as originally contemplated, our financial position vis-a-vis United States will be greatly compromised" (203). The Minister of Finance and his Deputy journeyed to Washington during the first week in May and managed to reach a modus vivendi with their opposite numbers (204). On 13 May Mr McCarthy raised the question of Canadian membership with President Roosevelt, who promised to take it up with Harry Hopkins at once. On the same day the Canadian proposals were formally handed to Under Secretary of State Sumner Welles (205). Mr McCarthy's letter sketched the problem historically, stressing the interdependence of Canadian and American production and emphasizing that in December 1941 both Governments had approved a resolution of the Joint United States-Canada War Production Committee that "the production and resources of both countries should be effectively integrated and directed towards a common programme of requirements for the total war effort" (206).

135. Whether or not the Canadian request would be granted, seems to have depended purely on the attitude of Harry Hopkins.* The Canadian Minister soon discovered that Mr Hopkins was opposed to the idea of Canadian membership: the Munitions Assignments Board was working smoothly and he did not want to run the risk of upsetting it in any way (208). Mr Hopkins told Mr McCarthy on 8 Jun that Canada was asking too much and that he would re-write parts of the letter in a manner that would be acceptable (209). On 26 Jun the Canadian Minister transmitted such a letter to Ottawa. After suggesting that Canadian representatives need merely be given "full opportunity" to present their needs and views to the Board and its committees, Mr Hopkins had written as follows:

It seems to me that actual membership on either the Sub-Committees or the Munitions Assignments Board itself, whether by one member or several, can lead only to many difficulties. This is due to the fact that other nations do produce munitions, though

*It now appears that Canadian representatives in Washington had been wrong in assuming that the views expressed by Brigadier-General Aurand on 10 Mar were those of more senior American officials. General Somervell had been associated with Mr Harry Hopkins in the days of W.P.A. and, as Commanding General of the Services of Supply, his star was now definitely in the ascendant. Although General Somervell did not become a member of the Munitions Assignments Board until August 1942 his dominating personality was making itself felt much earlier. According to the authors of Global Logistics and Strategy 1940-1943:

General Aurand left the International Division in July to become part of the executive staff of the newly formed Combined Production and Resources Board, and with his departure the initiative in lend-lease affairs passed to Generals Somervell and Clay. Aurand had been the ablest defender of the lend-lease principle within the War Department and was a far more convinced advocate of the common pool theory than either Somervell or Clay. They recognized the importance of lend-lease as an instrument of coalition warfare as well as Aurand, but their experience and orientation was towards supplying the U.S. Army first and they tended to subordinate lend-lease to this end. They preferred direct action within the confines of the SOS staff to the involved deliberation of combined committees. In sum, the new management adopted a more national outlook, aimed at preventing foreign raids on the U.S. supply pool. Possession of the administrative machinery for War Department lend-lease operations enabled the SOS staff to make that outlook felt in decisions rendered at a high level on the distribution of American-made munitions (207)

not in the quantity of Canada, and, indeed, in modest ways some of these munitions are exported.

My own feeling is that it is far more important that Canada be related properly with the Combined Production and Resources Board which has just been organized and I am attaching a letter which I wrote to Mr. Nelson about this (210).

Mr McCarthy requested direction as to what he should reply to Mr Hopkins about the suggestion that Canada should seek membership on the Combined Production and Resources Board, headed by Mr Donald Nelson and Rt. Hon. Oliver Lyttelton. He further urged that action should be taken to secure membership on the Combined Food Board that also had been recently established (211).

136. Only on 2 Jul was a reply despatched from Ottawa. Mr McCarthy was directed to see Harry Hopkins personally and, if the latter was not sufficiently impressed with the national importance of the problem, take up the matter with President Roosevelt, Secretary of State Cordell Hull or Sumner Welles. The Canadian public was aware that a request had been made for membership on the Munitions Assignments Board and the Government was afraid that a growing number of citizens would become annoyed by the fact that Canada was not being fairly represented in the councils of the great. The question of membership on the Combined Food Board was postponed until later. However:

With regard to Mr Hopkins' suggestion that Canada should be "related properly with the Combined Production and Resources Board" our feeling is that we have developed reasonably satisfactory methods for co-ordinating our production programme with the programmes of the United Kingdom and the United States and for the present we are not inclined to seek membership on this Board. We regard this Board as being primarily a means of co-ordinating production in the United Kingdom and in the United States and thus filling a gap in the arrangements between the three countries. We wish, however, to reserve our position with respect to membership in the Board so that we shall be free to advance a request for membership if developments show this to be desirable....

In general we feel that the trend of Hopkins' argument reduces Canada to a position of undue subordination in a vital aspect of the organization of the war effort. Does he realize that in effect he is asking Canada to make available for assignment in Washington her entire production of Munitions